

GLORIA MATERIAL TECHNOLOGY CO., LTD.
INCOME STATEMENTS
For the Six Months Ended June 30, 2007 and 2006
(Amounts Expressed in Thousands of New Taiwan Dollars)

	2007		2006	
	Amounts	%	Amounts	%
SALES	\$ 4,667,319	100	\$ 3,370,421	100
Less: sales return	(4,320)	-	(6,187)	-
Less: sales allowance	(7,197)	-	(6,964)	-
NET SALES	4,655,802	100	3,357,270	100
COST OF SALES	(3,676,097)	(79)	(2,662,915)	(79)
GROSS PROFIT	979,705	21	694,355	21
Unrealized intercompany profit	(57,096)	(1)	(48,947)	(2)
Realized intercompany profit	45,882	1	97,275	3
REALIZED GROSS PROFIT	968,491	21	742,683	22
OPERATING EXPENSES				
Selling	(152,373)	(3)	(138,697)	(4)
General and administrative	(84,648)	(2)	(56,399)	(2)
Research and development	(38,860)	(1)	(29,359)	(1)
Total	(275,881)	(6)	(224,455)	(7)
OPERATING INCOME	692,610	15	518,228	15
NON-OPERATING INCOME				
Interest income	891	-	1,579	-
Investment income recognized under equity method	49,547	1	43,349	2
Gain on disposal of property	850	-	155	-
Gain on disposal of investments	6	-	876	-
Exchange gain, net	12,642	-	4,179	-
Gain from price recovery of inventory	-	-	1,677	-
Gain for evaluation of financial liabilities-net	35,646	1	-	-
Other income	18,526	1	38,710	1
Total	118,108	3	90,525	3
NON-OPERATING EXPENSES				
Interest expense	(63,967)	(1)	(38,938)	(1)
Loss on disposal of assets	(346)	-	(576)	-
Loss on physical inventory	(1,464)	-	(389)	-
Loss for evaluation of financial assets	-	-	(340)	-
Other expenses	(25,127)	(1)	(15,609)	(1)
Total	(90,904)	(2)	(55,852)	(2)
INCOME (LOSS) BEFORE INCOME TAX	719,814	16	552,901	16
INCOME TAX EXPENSE	(129,051)	(3)	(138,009)	(4)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	-	-	(5,521)	-
NET INCOME (LOSS)	\$ 590,763	13	\$ 409,371	12
EARNINGS PER SHARE				
Net income(loss) before income tax	\$ 2.43		\$ 1.95	

See accompanying notes to financial statements.