

GLORIA MATERIAL TECHNOLOGY CO., LTD.
INCOME STATEMENTS
For the Three Months Ended March 31, 2007 and 2006
(Amounts Expressed in Thousands of New Taiwan Dollars)

	2007		2006	
	Amounts	%	Amounts	%
SALES	\$ 2,126,699	100	\$ 1,661,058	100
Less: sales return	(3,507)	-	(2,756)	-
Less: sales allowance	(3,858)	-	(5,357)	-
NET SALES	2,119,334	100	1,652,945	100
COST OF SALES	(1,686,012)	(80)	(1,291,608)	(78)
GROSS PROFIT	433,322	20	361,337	22
Unrealized intercompany profit	(47,154)	(2)	(94,899)	(6)
Realized intercompany profit	45,882	2	97,275	6
REALIZED GROSS PROFIT	432,050	20	363,713	22
OPERATING EXPENSES				
Selling	(66,549)	(3)	(66,791)	(4)
General and administrative	(39,762)	(2)	(28,386)	(1)
Research and development	(20,989)	(1)	(16,018)	(1)
Total	(127,300)	(6)	(111,195)	(6)
OPERATING INCOME	304,750	14	252,518	16
NON-OPERATING INCOME				
Interest income	132	-	18	-
Investment income recognized under equity method	26,848	2	17,960	1
Dividends income	-	-	-	-
Gain on disposal of property	58	-	155	-
Gain on disposal of investments	3	-	31	-
Gain from price recovery of inventory	-	-	-	-
Gain for evaluation of financial assets	-	-	-	-
Gain for evaluation of financial liabilities	-	-	-	-
Exchange gain, net	3,493	-	-	-
Rental income	-	-	-	-
Gain on market price recovery of short- investments	-	-	-	-
Gain on market recovery of inventories	-	-	866	-
Other income	10,522	1	32,097	2
Total	41,056	2	51,127	3
NON-OPERATING EXPENSES				
Interest expense	(26,352)	(1)	(18,376)	(1)
Investment loss	-	-	-	-
Loss on disposal of assets	(220)	-	(393)	(1)
Loss on inventory valuation loss and obsolescence	-	-	-	-
Loss for evaluation of financial assets	-	-	(340)	-
Loss for evaluation of financial liabilities	(673)	-	(358)	-
Loss on physical inventory	-	-	-	-
Exchange loss, net	-	-	(1,237)	-
Loss on market decline of inventories	-	-	-	-
Other expenses	(11,728)	(1)	(8,151)	-
Total	(38,973)	(2)	(28,855)	(2)
INCOME (LOSS) BEFORE INCOME TAX	306,833	14	274,790	17
INCOME TAX EXPENSE	(64,373)	(3)	(64,202)	(4)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	-	-	(5,521)	(1)
NET INCOME (LOSS)	\$ 242,460	11	\$ 205,067	12
EARNINGS PER SHARE				
Net income(loss) before income tax	\$ 1.04		\$ 0.97	