

GLORIA MATERIAL TECHNOLOGY CO., LTD.
STATEMENTS OF INCOME
For the Three Months Ended March 31, 2008 and 2007
(Amounts Expressed in Thousands of New Taiwan Dollars)

	2007		2006	
	Amounts	%	Amounts	%
SALES	\$ 2,677,592	100	\$ 2,126,699	100
Less: sales return	(5,551)	-	(3,507)	-
Less: sales allowance	(4,496)	-	(3,858)	-
NET SALES	2,667,545	100	2,119,334	100
COST OF SALES	(2,199,538)	(82)	(1,686,012)	(80)
GROSS PROFIT	468,007	18	433,322	20
Unrealized intercompany profit	(76,852)	(3)	(47,154)	(2)
Realized intercompany profit	65,053	2	45,882	2
REALIZED GROSS PROFIT	456,208	17	432,050	20
OPERATING EXPENSES				
Selling	(96,148)	(3)	(66,549)	(3)
General and administrative	(49,231)	(2)	(39,762)	(2)
Research and development	(25,486)	(1)	(20,989)	(1)
Total	(170,865)	(6)	(127,300)	(6)
OPERATING INCOME	285,343	11	304,750	14
NON-OPERATING INCOME				
Interest income	109	-	132	-
Gain for evaluation of financial assets	10,914	1	-	-
Investment income recognized under equity method	4,708	-	26,848	1
Dividends income	-	-	-	-
Gain on disposal of property	-	-	-	-
Gain on disposal of investments	-	-	3	-
Gain on disposal of assets	846	-	58	-
Gain from price recovery of inventory	-	-	-	-
Gain for evaluation of financial assets	-	-	-	-
Exchange gain, net	-	-	3,493	-
Rental income	-	-	-	-
Gain on market price recovery of short- investments	-	-	-	-
Gain on market recovery of inventories	-	-	-	-
Gain on physical inventory	-	-	-	-
Other income	8,729	-	10,522	1
Total	25,306	1	41,056	2
NON-OPERATING EXPENSES				
Interest expense	(33,832)	(2)	(26,352)	(1)
Investment loss	-	-	-	-
Loss on disposal of assets	(655)	-	(220)	-
Loss for evaluation of financial assets	-	-	(673)	-
Loss for evaluation of financial liabilities	-	-	-	-
Loss on physical inventory	-	-	-	-
Exchange loss, net	(3,947)	-	-	-
Loss on market decline of inventories	-	-	-	-
Other expenses	(3,560)	-	(11,728)	(1)
Total	(41,994)	(2)	(38,973)	(2)
INCOME (LOSS) BEFORE INCOME TAX	268,655	10	306,833	14
INCOME TAX BENEFIT (EXPENSE)	(67,163)	(2)	(64,373)	(3)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLELS	-	-	-	-
NET INCOME (LOSS)	\$ 201,492	8	\$ 242,460	11
EARNINGS PER SHARE	before tax	after tax	before tax	after tax
Net income(loss) before income tax	\$ 0.90	\$ 0.67	\$ 1.04	\$ 0.82