

GLORIA MATERIAL TECHNOLOGY CO., LTD.
INCOME STATEMENTS
For the Nine Months Ended September 30, 2006 and 2005
(Amounts Expressed in Thousands of New Taiwan Dollars)

	2006		2005	
	Amounts	%	Amounts	%
SALES	\$ 5,236,971	100	\$ 4,937,324	100
Less: sales return	(6,635)	-	(4,349)	-
Less: sales allowance	(9,004)	-	(6,057)	-
NET SALES	5,221,332	100	4,926,918	100
COST OF SALES	(4,101,348)	(78)	(3,593,348)	(73)
GROSS PROFIT	1,119,984	22	1,333,570	27
Unrealized intercompany profit	(48,829)	(1)	(74,979)	(1)
Realized intercompany profit	97,275	2	18,001	-
REALIZED GROSS PROFIT	1,168,430	23	1,276,592	26
OPERATING EXPENSES				
Selling	(209,086)	(4)	(224,765)	(4)
General and administrative	(87,243)	(2)	(108,780)	(2)
Research and development	(57,676)	(1)	(77,856)	(2)
Total	(354,005)	(7)	(411,401)	(8)
OPERATING INCOME	814,425	16	865,191	18
NON-OPERATING INCOME				
Interest income	1,915	-	625	-
Investment income recognized under equity method	83,555	2	73,583	1
Dividends income	-	-	-	-
Gain on disposal of property	155	-	22	-
Gain on disposal of investments	876	-	299	-
Gain from price recovery of inventory	-	-	-	-
Gain for evaluation of financial assets	-	-	-	-
Gain for evaluation of financial liabilities	6	-	-	-
Exchange gain, net	10,442	-	12,953	-
Rental income	-	-	-	-
Gain on market price recovery of short- investments	-	-	-	-
Gain on market recovery of inventories	-	-	-	-
Other income	53,161	1	31,054	1
Total	150,110	3	118,536	2
NON-OPERATING EXPENSES				
Interest expense	(63,373)	(1)	(82,089)	(2)
Investment loss	-	-	-	-
Loss on disposal of assets	(585)	-	(82)	-
Loss on inventory valuation loss and obsolescence	(621)	-	(9,920)	-
Loss for evaluation of financial assets	(340)	-	-	-
Loss for evaluation of financial liabilities	-	-	(230)	-
Loss on physical inventory	(350)	-	(376)	-
Exchange loss, net	-	-	-	-
Loss on market decline of inventories	-	-	-	-
Other expenses	(19,715)	(1)	(10,070)	-
Total	(84,984)	(2)	(102,767)	(2)
INCOME (LOSS) BEFORE INCOME TAX	879,551	17	880,960	18
INCOME TAX BENEFIT (EXPENSE)	(207,853)	(4)	(225,792)	(5)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(5,521)	-	-	-
NET INCOME (LOSS)	\$ 666,177	13	\$ 655,168	13
EARNINGS PER SHARE				
Net income(loss) before income tax	\$ 3.08		\$ 3.47	