

GLORIA MATERIAL TECHNOLOGY CO., LTD.
INCOME STATEMENTS
For the Six Months Ended June 30, 2008 and 2007
(Amounts Expressed in Thousands of New Taiwan Dollars)

	2008		2007	
	Amounts	%	Amounts	%
SALES REVENUES	\$ 5,437,641	100	\$ 4,667,319	100
Less: sales return	(9,805)	-	(4,320)	-
Less: sales allowance	(12,486)	-	(7,197)	-
NET SALES REVENUES	5,415,350	100	4,655,802	100
COST OF GOODS SOLD	(4,476,831)	(83)	(3,676,097)	(79)
GROSS PROFIT	938,519	17	979,705	21
Unrealized intercompany profit	(88,715)	(1)	(57,096)	(1)
Realized intercompany profit	65,053	1	45,882	1
REALIZED GROSS PROFIT	914,857	17	968,491	21
OPERATING EXPENSES				
Selling	(189,569)	(3)	(152,373)	(4)
General and administrative	(82,572)	(2)	(84,648)	(2)
Research and development	(52,980)	(1)	(38,860)	(1)
Total	(325,121)	(6)	(275,881)	(6)
OPERATING INCOME	589,736	11	692,610	15
NON-OPERATING INCOME				
Interest income	847	-	891	-
Investment income recognized under equity method	17,883	-	49,547	1
Gain on disposal of property	2,154	-	850	-
Gain on disposal of investments	12	-	6	-
Exchange gain, net	1,631	-	12,642	-
Gain on valuation of financial liabilities-net	-	-	35,646	1
Other income	25,238	1	18,526	1
Total	47,765	1	118,108	3
NON-OPERATING EXPENSES				
Interest expense	(68,335)	(1)	(63,967)	(1)
Loss on disposal of assets	(1,304)	-	(346)	-
Loss on physical inventory, net	(2,609)	-	(1,464)	-
Loss on valuation of financial liability, net	(80,527)	(2)	-	-
Other expenses	(13,469)	-	(25,127)	(1)
Total	(166,244)	(3)	(90,904)	(2)
INCOME BEFORE INCOME TAX	471,257	9	719,814	16
INCOME TAX EXPENSE	(169,285)	(3)	(129,051)	(3)
NET INCOME	<u>\$ 301,972</u>	<u>6</u>	<u>\$ 590,763</u>	<u>13</u>
EARNINGS PER SHARE				
Basic earning per share	<u>\$ 1.57</u>		<u>\$ 2.43</u>	
Diluted earning per share	<u>\$ 1.45</u>		<u>\$ 2.39</u>	

See accompanying notes to financial statements.