

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

	2008		2007	
	Amounts	%	Amounts	%
GROSS	\$ 10,212,971	100	\$ 10,364,315	100
Less: sales return	(31,522)	-	(8,232)	-
Less: sales allowance	(28,668)	-	(19,963)	-
NET SALES	10,152,781	100	10,336,120	100
COST OF GOODS SOLD	(8,605,541)	(85)	(8,302,483)	(80)
GROSS PROFIT	1,547,240	15	2,033,637	20
Unrealited profit from intercompany transaction	(70,709)	(1)	(65,053)	(1)
Realited profit from intercompany transaction	65,053	1	45,882	-
REALIZED GROSS PROFIT	1,541,584	15	2,014,466	19
OPERATING EXPENSES				
Selling	(358,140)	(4)	(359,909)	(3)
General and administrative	(139,228)	(1)	(163,803)	(2)
Research and development	(115,634)	(1)	(86,522)	(1)
Total operating expenses	(613,002)	(6)	(610,234)	(6)
OPERATING INCOME	928,582	9	1,404,232	13
NON-OPERATING INCOME AND GAIN				
Interest income	1,882	-	2,695	-
Gain on valuation of financial asset-net	880	-	-	-
Investment income recognized under equity method-net	2,065	-	304,567	3
Exchange gain-net	-	-	17,368	-
Gain on disposal of assets	2,212	-	804	-
Gain on disposal of investments-net	472	-	6,143	-
Gain on physical inventory	414	-	4,214	-
Other income	46,212	1	38,076	1
Total non-operating income and gain	54,137	1	373,867	4
NON-OPERATING EXPENSES AND LOSSES				
Interest expense	(149,743)	(2)	(139,553)	(1)
Loss on evaluation of financial assets-net	(78,584)	(1)	(26,368)	-
Exchange loss-net	(8,587)	-	-	-
Loss on disposal of assets	(1,353)	-	(2,038)	-
Loss on physical inventory	(12,760)	-	(7,031)	-
Loss for market price decline and obsolete and slow-moving inventories	(211,469)	(2)	(4,139)	-
Other expenses	(105,143)	(1)	(49,752)	(1)
Total non-operating expenses and losses	(567,639)	(6)	(228,881)	(2)
INCOME BEFORE INCOME TAX	415,080	4	1,549,218	15
INCOME TAX EXPENSE	(110,700)	(1)	(264,342)	(3)
NET INCOME	\$ 304,380	3	\$ 1,284,876	12
	Income	Income	Income	Income
EARNINGS PER SHARE	before tax	after tax	before tax	after tax
Basic earnings per share	\$ 1.39	\$ 1.02	\$ 5.22	\$ 4.33
Diluted earnings per share	\$ 1.32	\$ 1.00	\$ 4.90	\$ 4.07

See accompanying notes to financial statements.