

Pan Asia Chemical Corporation

Income Statement

(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Accounting Title	2007/1/1~2007/12/31		2006/1/1~2006/12/31	
	Amount	%	Amount	%
Operating revenue				
Sales revenue	\$2,014,796	100	\$1,626,600	100
Less: Sales return and discount	(158)	0	(813)	0
Net operating revenue	2,014,638	100	1,625,787	100
Operating costs				
Cost of goods sold	(1,830,504)	(91)	(1,404,428)	(86)
Operating costs	(1,830,504)	(91)	(1,404,428)	(86)
Gross profit	184,134	9	221,359	14
Operating expenses				
Sales and marketing expenses	(40,685)	(2)	(38,390)	(3)
General and administrative expenses	(32,205)	(2)	(34,344)	(2)
Subtotal	(72,890)	(4)	(72,734)	(5)
Operating income	111,244	5	148,625	9
Non-operating revenue				
Interest revenue	18,579	1	11,822	1
Investment gain accounted for under the equity method	150,384	8	0	0
Dividend income	194	0	1,135	0
Gain on disposal of property, plant and equipment	291		0	0
Gain on disposal of investment	996	0	2,059	0
Foreign exchange gain - net	3,014	0	1,591	0
Gain on reversal of bad debts	111	0	300	0
Gain from price recovery of inventory	0		44	0
Gain on valuation of financial assets	0		21,455	2
Other revenue	2,391	0	2,139	0
Subtotal	175,960	9	40,545	3
Non-operating expenses				
Interest expense	(37,702)	(2)	(23,476)	(1)
Investment loss accounted for under the equity method	0	0	(276,227)	(17)
Loss on disposal of property, plant and equipment	(60)	0	(22)	0
Loss on disposal of investment	0	0	(15,879)	(1)
Loss on work stoppages	(7,294)	0	(8,597)	(1)
Loss for market price decline and obsolete and slow-moving inventories	(689)	0	0	0
Impairment loss	(10,240)	(1)	(109,062)	(7)
Loss on valuation of financial assets	(7,043)	0	0	0
Other losses	(61)	0	(252)	0
Subtotal	(63,089)	(3)	(433,515)	(27)
Income(Loss) from continuing operations before income tax	224,115	11	(244,345)	(15)

Income tax (expense) or benefit	<u>57,263</u>	<u>3</u>	<u>(30,747)</u>	<u>(2)</u>
Income from continuing operations	281,378	14	(275,092)	(17)
Cumulative effect of changes in accounting principle	<u>0</u>	<u>0</u>	<u>4,607</u>	<u>0</u>
Net income or (loss)	<u>\$ 281,378</u>	<u>14</u>	<u>(\$270,485)</u>	<u>(17)</u>
	<u>Pre-tax</u>	<u>Post-tax</u>	<u>Pre-tax</u>	<u>Post-tax</u>
Earnings(Loss) per share :	<u>\$ 1.19</u>	<u>\$ 1.50</u>	<u>(\$1.44)</u>	<u>(\$1.63)</u>