

2004.8.27 / Gamania Reports 2004 First-Half Year Financial Results

TAIPEI, Taiwan, August 27, 2004 – Gamania Digital Entertainment Co., Ltd. today announced its first-half year financial results ended June 30, 2004.

For first-half of 2004, Net Sales Revenue was NT\$994.9 million, while Operating Revenue was NT\$200.6 million, and Net Income After Tax was NT\$84.5 million (compare to loss of 146.5million in 1H03) and EPS was 0.55 (compare to EPS NT\$-0.95 in 1H03). First-half Operating Profit and Net Income Before Tax achieved 95.94% and 83.17% of the 2004 full-year financial forecast. The turnaround in 1H04 results was mainly due to improved operating performance, lowered operating expenses and lowered losses from overseas equity investments. For 2H04, we expect the successful commercial launch of “Lineage II” and “Seal Online”, operated by our subsidiaries NC Taiwan and Taiwan Index respectively, will continue to provide sales growth momentum at consolidated level.

Net Sales Revenue in 1H04 increased 5.94% YoY to NT\$994.9 million. Gross Profit in 1H2004 increased 13.32% YoY to NT\$491.7 million. Operating Income also rose 266.4% YoY to NT\$200.6 million, mainly attributable to the 23.23% YoY decrease in Operating Expenses. Income After Tax was NT\$84.5 million, which improved significantly compared to net losses of NT\$146.5 million in 1H03 and NT\$99.1 million in 2H03. In 1H04, Gross Margin and Operating Margin were 49.42% and 20.16% respectively, both higher than 1H03 and 2H03 respective margins.

2004 First-Half Year Audited Financial

Results:

| Item | 2004/6/30 | | 2003/6/30 | | |
|-----------------------|-------------------|---------|-----------|----------|---------|
| | Unit:NT\$thousand | Amount | % | Amount | % |
| Operating revenue | | 994,891 | 100% | 939,117 | 100% |
| Gross Profit | | 491,693 | 49.42% | 433,911 | 46.20% |
| Operating Income | | 200,603 | 20.16% | 54,749 | 5.83% |
| Net Income before tax | | 54,492 | 5.48% | -168,143 | -17.90% |
| Net Income after tax | | 84,535 | 8.50% | -146,470 | -15.60% |
| EPS (after tax) | | 0.55 | - | -0.95 | - |