

2005.8.31 / Gamania Reports 2005 First-Half Year Financial Results

TAIPEI, Taiwan, August 31, 2005 – Gamania Digital Entertainment Co., Ltd. today announced its first-half year financial results ended June 30, 2005.

For first-half of 2005, Net Sales Revenue was NT\$853.1 million, while Operating Revenue was NT\$109.1 million, and Net Income Before Tax was NT\$65.3million and EPS after tax was 0.19. In addition, benefiting by a surge in sales at overseas and local subsidiaries (in total, up 99.4% YoY), investment losses from subsidiaries had narrowed from NT\$-155.6 million in 1H04 to NT\$-51.5 million in 1H05 (decreased 66.9% YoY), while EBIT in 1H05 was NT\$ 65.3 million (increased19.8% YoY).

Gamania Taiwan's standalone sales revenue for the first half was down14.3%YoY because most newly launched online games are not commercially launched until the second half of the year. Nevertheless, our gross margin was up from 49.4% to 51.2% YoY due to well controlled costs. With respect to our non-operating operations, improvements in overseas subsidiaries led to the 66.9% YoY drop in investment losses from NT\$-155.6 million in 1H04 to NT\$-51.5 million in 1H05. Overall, our subsidiaries reported strong increase in first half sales revenue: Gamania Japan's 1H05 sales grew 456.7% YoY; while Gamania Hong Kong, NC Taiwan and Taiwan Index grew 91.8%, 140.2% and 78.1% YoY respectively.

Looking forward, the successful commercial launch of Maple Story, Mabinogi in July, and EQII later this year; as well as continued improvements in overseas subsidiaries are expected to benefit Gamania's overall operational and financial performance in 2005.

2005 First-Half Year Audited Financial

Results:

Item	2005/6/30		2004/6/30	
	Amount	%	Amount	%
Operating revenue	853,079	100%	994,891	100%
Gross Profit	436,409	51.16%	491,693	49.42%
Operating Income	109,133	12.79%	200,603	20.16%