

Gamania Reports 2004 Third Quarter Financial Results

TAIPEI, Taiwan, October 27, 2004 – Gamania Digital Entertainment Company today announced its third quarter audited financial results ended September 30, 2004.

Third quarter net sales revenue was NT\$506.8 million while operating income was NT\$120.2 million, and net income before tax rose 100.4% QoQ to NT\$28.5 million. For first three quarters in 2004, accumulated net sales revenue increased 6.1% YoY to NT\$1,501.8 million; accumulated operating income over the same period increased 161.7% YoY to NT\$ 198.2 million, mainly due to the lowered operating costs and expenses. In addition, for first three quarters in 2004, accumulated net income before tax was NT\$83.0 million, a significant turnaround compare to net lose of NT\$182.6 million over the same period in 2003; accumulated EPS before tax and after tax was NT\$0.54 and NT\$0.66, respectively.

In comparing accumulated financial results for first three quarters in 2004 to our full-year financial forecast; accumulated net sales revenue, operating revenue and net income before tax have achieved 74.6%, 153.4% and 126.7% of our annual targets. The out performance can be mainly attributable to the successful commercial launch of new online games and well controlled operating costs and expenses. Looking forward, we believe we are well positioned to achieve our 2004 full-year financial forecast.

On year-over-year comparisons, net sales revenue in 3Q04 increased 6.3%YoY to NT\$506.6 million. Gross profit in 3Q04 increased 22.3% YoY to NT\$286.3 million, mainly attributable to the 9.1% YoY decrease in operating costs. Operating income also rose 77.1% YoY to NT\$120.2 million and net income before tax was NT\$28.5 million, compare to net loss of NT\$14.5 million in 3Q03.

On sequential basis, net sales revenue in 3Q04 enjoyed an 8.4% QoQ increase, owing to the successful commercial launch of new online games operated by our subsidiaries and strong demand for online-game related publications during summer peak season; while gross profit in 3Q04 increased 29.3% QoQ to NT\$286.3 million. In addition, operating margin reached 23.7% in 3Q04, the highest level since 1Q03.

2004 1Q~3Q Audited Financial Results:

| Item | 1~3Q(2004) | | 1~3Q(2003) | | Financial Forecast(2004) | |
|-----------------------|------------|--------|------------|--------|--------------------------|-----------------|
| | Amount | % | Amount | % | Amount | Achievement (%) |
| Operating revenue | 1,501,773 | 100.0% | 1,415,859 | 100.0% | 2,013,353 | 74.6% |
| Gross Profit | 777,943 | 51.8% | 667,998 | 47.2% | 1,014,455 | 76.7% |
| Operating Income | 320,831 | 21.4% | 122,620 | 8.0% | 209,088 | 153.4% |
| Net Income before tax | 82,991 | 5.5% | -182,593 | -12.9% | 65,522 | 126.7% |
| Net Income after tax | 100,824 | 6.7% | -160,765 | -11.4% | 74,287 | 135.7% |
| EPS (NT\$, after tax) | 0.66* | | -1.05** | | 0.47*** | |

*Based on 153,154 thousands weighted average outstanding shares.

** Based on 153,831 thousands weighted average outstanding shares.

*** Based on 158,799 thousands weighted average outstanding shares.