

Gamania Reports Financial Results of first half 2007

Taipei, Taiwan, R.O.C., August 29, 2007-- Gamania Digital Entertainment Co., Ltd. today announced its total revenues of NT\$1,356.7 million, gross margin of NT\$676.9 million with gross margin rate approximately 49.89%, operating income of NT\$252.8 million, net income of NT\$153.3 million, and earnings per share (EPS) NT\$1.07 for the first half of 2007 based on audited financial report.

Despite the publishing business has been transferred to subsidiary in the first quarter of 2007, total revenues for the first half of 2007 maintained stable compared to that for the same period in 2006 due to the contribution from newly-launched title "Kart Rider". Specifically, the overall on-line game revenue was up 3.68% YoY. The gross margin rate increased to 49.89% from 46.90% benefited from the change of product mix, along with the decrease of depreciation since some servers already used over their useful life and shall no longer be accrued depreciation. Meanwhile, operating expenses rate increased due to higher marketing expense, expenditure occurred in sponsorship, and payroll. The amount of non-operating expenses largely decreased due to the improved operation of many subsidiaries and realized gain on disposal of investments.

To sum up, both net income and EPS increased more than 10% YoY, benefited by higher margin and improvement in investments. Based on current outlook, the management team expects to further improve overall performance during the second half due to future launch of self-developed products such as "Bright Shadow" and "SianMoDao".

In NT\$million, except EPS	1H 2007	2H 2006	Change
Operating Revenues	1,356.7	1,361.5	(0.36%)
Operating Costs	(679.8)	(723.0)	(5.97%)
Gross Margin	676.9	638.5	6.00%
Operating Expenses	(424.1)	(365.6)	15.98%
Operating Profit	252.8	272.9	(7.36%)
Non-operating Expenses	(30.4)	(83.9)	(63.74%)
Profit before Income Tax	222.4	189.0	17.67%
Income Tax Expenses	(69.1)	(51.9)	33.13%
Net Income	153.3	137.1	11.82%
Basic Earnings Per Share(NT\$)	1.07	0.92	16.30%

Source: Audited financial report of first half 2007 & 2006