

## Gamania Reports 2007 Third Quarter Financial Results

Taipei, Taiwan, R.O.C., Oct 29, 2007--Gamania Digital Entertainment Co., Ltd. today announced its third quarter financial results ended Sep 30, 2007 as follows.

Amount: NT\$ Thousand (Except per share data)	3Q 07	2Q 07	QoQ	3Q 06	YoY
<b>Net Revenues</b>	803,417	635,459	26.43%	722,789	11.16%
<b>Cost of Revenue</b>	(386,029)	(320,076)	20.61%	(370,671)	4.14%
<b>Gross Profit</b>	417,388	315,383	32.34%	352,118	18.54%
<b>Operating Expenses</b>	(229,867)	(211,046)	8.92%	(202,933)	13.27%
<b>Operating Income</b>	187,521	104,337	79.73%	149,185	25.70%
<b>Non-operating Income(Expenses)</b>	(7,681)	(29,698)	-74.14%	(14,071)	-45.41%
<b>Income before Income Tax Eexpenses</b>	179,840	74,639	140.95%	135,114	33.10%
<b>Income Tax Eexpenses</b>	(3,954)	(39,447)	-89.98%	(29,258)	-86.49%
<b>Net Income</b>	175,886	35,192	399.79%	105,856	66.16%
<b>EPS(NT\$)</b>	1.23	0.21	485.71%	0.74	66.22%

Source: 1. Reviewed financial statements for the nine months ended Sep 30, 2006 & 2007

2. Audited financial statements and reports for the second quarter ended Jun 30, 2007

Amount: NT\$ Thousand (Except per share data)	1Q~3Q 07	1Q~3Q 06	YoY
<b>Net Revenues</b>	2,160,115	2,084,348	3.64%
<b>Cost of Revenue</b>	(1,065,858)	(1,093,699)	-2.55%
<b>Gross Profit</b>	1,094,257	990,649	10.46%
<b>Operating Expenses</b>	(653,923)	(568,552)	15.02%
<b>Operating Income</b>	440,334	422,097	4.32%
<b>Non-operating Income(Expenses)</b>	(38,111)	(97,998)	-61.11%
<b>Income before Income Tax Eexpenses</b>	402,223	324,099	24.10%
<b>Income Tax Eexpenses</b>	(73,066)	(81,170)	-9.98%
<b>Net Income</b>	329,157	242,929	35.50%
<b>EPS(NT\$)</b>	2.30	1.66	38.55%

Source: Reviewed financial statements for the nine months ended Sep 30, 2006 & 2007

Benefited from peak period during summer vacation, the revenue for third quarter of year 2007 increased 26.43% QoQ (YoY+11.16%) to NT\$ 803,417 thousand. The revenue growth is driven by "Lineage 1"'s latest expansion accompanied with newfangled in-game activities and "Maple Story"'s continuous attraction for kids and young students. The gross margin rate increased to 51.95% due to the growth in the higher-margin products. With proper allocation of internal resources to restrain the excessive increase of operating expenses, the operating income for this quarter surged 79.73% YoY. Moreover, with the improvement of investees, the pretax income and net income both substantially surged on QoQ and YoY basis.

Despite the publishing business has been transferred to Gamania's subsidiary "FUNdation DIGITAL ENTERTAINMENT Co., Ltd." since the first quarter of 2007, 9-month revenues ended Sep 30 2007 revealed sustainable growth to NT\$ 2,160,115 thousand. The growth is attributed to the increase of on-line game business, YoY around 8.5%, with the rise of revenues from newly launched games and the continuous contribution by many long-lived games. The amount of non-operating expenses largely decreased due to the improved operation of many subsidiaries and realized gain on disposal of investments. The net Income for 9-month achieved NT\$ 329,157 thousand with EPS NT\$2.30.

"Bright Shadow" has been officially launched with revenue contribution since Oct 2007. Based on current business outlook, the management team's expectations for Gamania's future performance are positive while up-coming launch of self-developed products such as "SianMoDao", "Zodiac", and etc.