

SOFT WORLD INTERNATIONAL CORPORATION

STATEMENTS OF INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Nine Months Ended September 30			
	2003		2002	
	Amount	%	Amount	%
REVENUES	\$ 2,097,290	100	\$ 1,764,768	100
COST OF REVENUES	<u>1,630,139</u>	<u>78</u>	<u>1,373,437</u>	<u>78</u>
GROSS PROFIT	<u>467,151</u>	<u>22</u>	<u>391,331</u>	<u>22</u>
Unrealized profit of affiliates	<u>54,429</u>	<u>3</u>	<u>-</u>	<u>-</u>
Realized profit of affiliates	<u>29,786</u>	<u>2</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Selling	177,673	8	198,422	11
General and administrative	54,575	3	42,358	2
Research and development	<u>66,013</u>	<u>3</u>	<u>69,990</u>	<u>4</u>
Total operating expenses	<u>298,261</u>	<u>14</u>	<u>310,770</u>	<u>17</u>
OPERATING INCOME	<u>144,247</u>	<u>7</u>	<u>80,561</u>	<u>5</u>
NONOPERATING INCOME AND GAIN				
Interest	1,615	-	804	-
Investment income under equity method	434,404	21	221,871	12
Gain on disposal of investments	20,763	1	53,887	3
Other	<u>27,008</u>	<u>1</u>	<u>10,530</u>	<u>1</u>
Total non-operating income and gain	<u>483,790</u>	<u>23</u>	<u>287,092</u>	<u>16</u>
NONOPERATING EXPENSES AND LOSS				
Interest	4,590	-	6,304	-
Foreign exchange loss	2,958	-	-	-
Other	<u>32,393</u>	<u>2</u>	<u>9,026</u>	<u>1</u>
Total non-operating expenses and loss	<u>39,941</u>	<u>2</u>	<u>15,330</u>	<u>1</u>
INCOME BEFORE INCOME TAX	588,096	28	352,323	20
INCOME TAX	<u>29,702</u>	<u>1</u>	<u>10,428</u>	<u>1</u>
NET INCOME	<u>\$ 558,394</u>	<u>27</u>	<u>\$ 341,895</u>	<u>19</u>

(Continued)

**English Translation of Financial Statements Originally Issued in Chinese**

	<b>Nine Months Ended September 30</b>			
	<b>2003</b>		<b>2002</b>	
	<b><u>Amount</u></b>	<b><u>%</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>BASIC EARNINGS PER SHARE</b>				
Before tax	<u>\$7.69</u>		<u>\$6.13</u>	
After tax	<u>\$7.30</u>		<u>\$5.95</u>	
<b>DILUTED EARNINGS PER SHARE</b>				
Before tax	<u>\$7.50</u>		<u>\$5.94</u>	
After tax	<u>\$7.11</u>		<u>\$5.75</u>	