

SOFT-WORLD INTERNATIONAL CORPORATION

INCOME STATEMENTS

YEARS ENDED DECEMBER 31, 2002 AND 2001

(In Thousands of New Taiwan Dollars except Earnings per Share)

	2002		2001	
	Amount	%	Amount	%
NET SALES	\$ 2,240,453	100.00	\$ 1,344,655	100.00
COST OF SALES	(1,738,564)	(77.60)	(875,227)	(65.09)
GROSS PROFIT	501,889	22.40	469,428	34.91
Unrealized profit of affiliates	(29,786)	(1.33)	-	-
Total gross profit	472,103	21.07	469,428	34.91
OPERATING EXPENSES				
Marketing expenses	(245,984)	(10.98)	(216,397)	(16.09)
General and administrative expenses	(54,598)	(2.44)	(53,134)	(3.95)
Research and development expenses	(91,450)	(4.08)	(109,525)	(8.15)
Total operating expenses	(392,032)	(17.50)	(379,056)	(28.19)
OPERATING INCOME	80,071	3.57	90,372	6.72
NON-OPERATING INCOME AND GAINS				
Interest income	1,569	0.07	1,469	0.11
Equity in net earnings of affiliates	271,600	12.12	87,542	6.51
Gains on disposal of investments	58,232	2.60	239	0.02
Gains on disposal of property, plant and equipment	-	-	30	-
Foreign exchange gains	-	-	12,571	0.93
Other income	14,023	0.63	6,712	0.50
Total non-operating income	345,424	15.42	108,563	8.07
NON-OPERATING EXPENSES AND LOSS:				
Interest expense	(8,275)	(0.37)	(8,208)	(0.61)
Net losses on disposal of property, plant and equipment	(56)	-	-	-
Losses on physical inventory	(904)	(0.04)	(1,355)	(0.10)
Foreign exchange losses	(1,405)	(0.06)	-	-
Other losses	(16,583)	(0.74)	(14,953)	(1.11)
Total non-operating expenses	(27,223)	(1.21)	(24,516)	(1.82)
INCOME BEFORE INCOME TAX	398,272	17.78	174,419	12.97
PROVISION FOR INCOME TAX	(1,240)	(0.06)	(2,038)	(0.15)
NET INCOME	\$ 397,032	17.72	\$ 172,381	12.82
EARNINGS PER SHARE	\$ 8.17		\$ 3.60	