

[For Immediate Release]

NetDragon Websoft Inc.

NetDragon Announces First Quarter 2009 Unaudited Results: Revenue Rises 27.4% Sequentially

[15 May 2009, Hong Kong] NetDragon Websoft Inc. (“NetDragon”, with its subsidiaries collectively the “Group”; Stock Code: 777), one of the leading game developers and operators in the PRC, today announced its unaudited results for the quarter ended 31 March 2009.

Financial Highlights

RMB Million	1Q2009 (Unaudited)	4Q2008 (Unaudited)	QoQ
Revenue	173.9	136.5	27.4%
Gross Profit	155.0	118.1	31.2%
Profit Attributable to Shareholders	48.9	73.2	-33.2%
HKFRSs Earnings Per Share	RMB9.31cents	RMB13.89 cents	-33.0%
Normalized profit ¹	48.9	43.8	11.6%
Normalized profit per share ¹	RMB9.31 cents	RMB8.31 cents	12.0%

¹ Non-HKFRSs presentation excluding government grants and income tax refund.

Metrics

	Three months ended				
	1Q2009	4Q 2008	3Q2008	2Q2008	1Q2008
PCU	695,000	591,000	544,000	697,000	669,000
ACU	333,000	317,000	311,000	355,000	313,000

Mr. Liu Dejian, Chairman and Executive Director of NetDragon, said, “2009 marks the 10th anniversary of NetDragon’s founding, and we are pleased with our strong operating results during the first quarter of this year. Sequentially, our revenue rose 27.4% and normalized profit per share rose 12.0%. With a solid and diversified pipeline for 2009 and beyond, we are well-positioned to capture the immense market opportunities both in the PRC and abroad.”

Mr. Liu concluded, “We believe that rapid and high-quality game development is critical to our success. We will continue to invest in, and significantly expand our game development capabilities through the recruitment of experienced, top-notch game developers and designers. Our professional game development team coupled with a modified and enhanced game development platform will enable the Group to quickly and frequently develop and introduce new online games and upgrades to its existing games. Finally, as we build our R&D ‘power plant’ for future growth, we

will continue to invest in emerging technologies and new media opportunities, thereby laying the foundations for sustainable long-term growth.”

For more details please visit <http://www.nd.com.cn> or <http://www.nd.com.cn/ir> for the Group’s formal results announcement as filed with the Stock Exchange of Hong Kong.

Non-HKFRSs Financial Measures

To supplement the financial measures prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), this press release includes non-HKFRSs financial measures of normalized profit and normalized profit per share, which excludes the impact of government grants and tax refunds. The Group believes these non-HKFRSs financial measures are important to help investors to understand the Group’s current financial performance and future prospects, compare business trends among different reporting periods on a consistent basis and access the Company’s core operating results. These non-HKFRSs financial measures should be considered in addition to financial measures prepared in accordance with HKFRSs, but should not be considered a substitute for, or superior to, financial measures prepared in accordance with HKFRSs.

About NetDragon

NetDragon Websoft Inc. is one of the leading online game developers and operators in the PRC. The Group’s game portfolio comprises of a range of MMORPGs (Massively Multiplayer Online Role-Playing Games) that cater to various types of players and gaming preferences. The Group has successfully developed and marketed many popular online titles of various styles. Its current offerings include the games *Way of the Five*, *Eudemons Online*, *Conquer Online*, *Zero Online*, *Tou Ming Zhuang Online* and *Heroes of Might and Magic Online*. Some of the games are also available in foreign languages, including English, French and Spanish. The Group also has several games currently in development, including *Tian Yuan*, *Disney Fantasy Online*, *Dungeon Keeper Online* and *CJ7 Online*, which are expected to be launched from 2009.

For further information please contact:

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Unaudited Condensed Consolidated Income Statement

RMB'000	Three months ended		
	31 Mar 2008	31 Dec 2008	31 Mar 2009
Revenue	175,556	136,466	173,898
Cost of revenue	(16,533)	(18,322)	(18,882)
Gross profit	159,023	118,144	155,016
Gross Profit margin	90.6%	86.6%	89.1%
Other revenue	5,375	44,974	5,934
Selling and marketing expenses	(15,436)	(32,913)	(27,716)
Administrative expenses	(25,907)	(218)	(35,563)
Development costs	(17,679)	(31,480)	(42,574)
Other operating expenses	(7,908)	(31,560)	(1,381)
Share of loss of an associate	0	(276)	(214)
Profit before tax	97,468	66,671	53,502
Income tax expenses	(27,534)	6,521	(4,703)
Profit for the period	69,934	73,192	48,799
Net profit margin	39.8%	53.6%	28.1%
Minority interests	(52)	0	(144)
Profit attributable to equity holders of the company	69,986	73,192	48,943