

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



NetDragon Websoft Inc.

網龍網絡有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 777)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that it is expected that the net profit of the Group for the three months ended 31 March 2011 may experience a significant increase as compared with the corresponding quarter in 2010 and the three months ended 31 December 2010.

The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any audited figures or information confirmed, reviewed or audited by the Company's auditor.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by NetDragon Websoft Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is expected that the net profit of the Group for the three months ended 31 March 2011 may experience a significant increase as compared with the corresponding quarter in 2010 and the three months ended 31 December 2010. Based on the information currently available, the Board considers that the expected increase in net profit is mainly due to (i) increase in the revenue contribution from the Group's business; and (ii) there has been no tax impacts for the three months ended 31 March 2011 whereas there had tax impacts for the three months ended 31 December 2010 as stated in the section headed “Taxation” under “Management Discussion and Analysis” of the latest annual report of the Group dated 25 March 2011.

The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any audited figures or information confirmed, reviewed or audited by the Company's auditor. Shareholders and potential investors are advised to carefully consider the Group's first quarterly results announcement for the three months ended 31 March 2011, which are expected to be released in June 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
NetDragon Websoft Inc.
Liu Dejian
Chairman

Hong Kong, 17 May 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Liu Dejian, Mr. Liu Luyuan, Mr. Zheng Hui and Mr. Chen Hongzhan; one non-executive director, namely Mr. Lin Dongliang; and three independent non-executive directors, namely Mr. Chao Guowei, Charles, Mr. Lee Kwan Hung and Mr. Liu Sai Keung, Thomas.