

NetDragon Websoft Inc. (777.HK)

✦ We are a leading innovator and creative force in China's online gaming and mobile internet industries. Established in 1999, we are a vertically-integrated developer & operator of MMORPGs and a cutting-edge R&D powerhouse. We are a pioneer in MMORPGs with our renowned self-developed flagship games including Eudemons Online and Conquer Online. We are also China's pioneer in overseas expansion, directly operating titles in overseas markets since 2003 in over 10 languages internationally. We also have a proven track record in incubating mobile Internet projects over the years, including China's No. 1 online gaming portal, 17173.com, and China's most influential smartphone service platform - 91 Wireless. In recent years, we are also becoming a major player in the online and mobile education industry as it works to leverage its mobile internet technologies and operational know-how to make more fun and effective learning tools.

For NetDragon... the Future is Now

Competitive Strengths

- ✦ With the backbone of innovation and strong execution competencies, we have a series of successful track record including building 17173.com, online gaming and 91 Wireless.
- ✦ In November 2014, NetDragon officially became a member of CELTSC's Branch Council for Education Technology.
- ✦ After the disposal of 91 Wireless, our sizable cash balance allows us to capitalize on attractive cooperation and M&A opportunities, such as acquired the mobile solutions business of Cherrypicks in June 2014, aiming to integrate Cherrypicks' capability in mobile solution business with our self-developed apps, especially in online education.
- ✦ Strong development capabilities with 1,654 R&D staff (3,414 total staff count) *
- ✦ Product diversity: diversified games of various genres, mobile apps, online education platform, education hardware, SME software
- ✦ Proprietary customer information system to respond quickly to market changes and demands, such as catered toward gamers' preferences by producing diversified game genres, such as mobile games and web games.
- ✦ Geographically diversified player base with games available in multiple languages since 2003
- ✦ Experienced and seasoned management team, actively setting the rules of Online Games & Mobile Internet in China

Growth Strategies

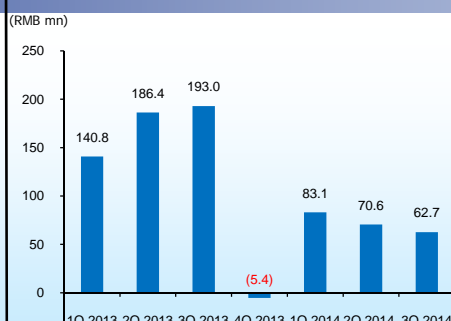
* As at 30 September 2014

- ✦ Portfolio Development
 - Leverage existing game assets to streamline game development,
 - Develop game content via IP licensing and acquisition, co-development projects and other forms of cooperation
 - Target mass market and niches with various game styles and genre
 - Recruit experienced game developers; Streamline integrated operations
 - Start the whole layout in education sector through simultaneous implementation both online and offline operations
 - Cooperate with various education institutions to develop the educational ecosystem
- ✦ Market Expansion
 - Continue to directly pursue game development and operations in existing markets
 - Cooperate with internationally renowned partners with global or regional presence
- ✦ Broaden R&D efforts into new high growth opportunities including: SME software and digital animation & comics.

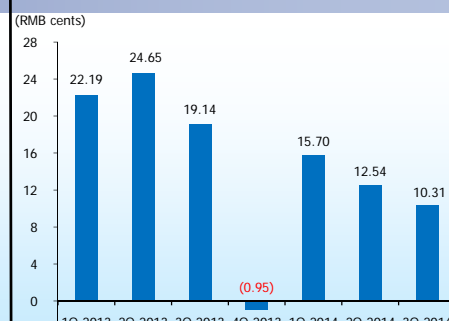
Revenue



Non-GAAP Net Profit (Loss)



Basic Earnings(loss) per Share



* There were 4 items that contribute to the loss from continuing operations in 4Q 2013— (1) domain names fee, (2) the translation loss on the USD proceeds from disposal of 91 Wireless, (3) the advertising expenses to promote Eudemons Online and (4) share-based expense.

* Basic earnings(loss) per share is from continuing operations since 4Q 2013.



Game Business

Game Portfolio

MMO Games

Monster & Me

- A 2D turn-based MMORPG, featuring in magical pets
- Launched in 2002



Conquer Online

- A 2.5D MMORPG, set in the ancient warring states era
- Launched in 2003



Eudemons Online

- A 2.5D MMORPG with background set in a western fantasy world
- Launched in 2006



Zero Online

- A 2.5D Sci-Fi MMORPG
- Featured in outer space and robots
- Launched in 2007



Tou Ming Zhuang Online

- A 2.5D MMORPG based on the movie "The Warlords"
- Launched in 2007



Disney Fantasy Online

- A 2.5D turn-based MMORPG based on Disney characters & themes
- Entered open beta testing in 2009



Way of the Five

- A 2.5D cartoon turn-based MMORPG, targeting a mass-market audience
- Launched in 2009



Tian Yuan

- A 2.5D MMORPG incorporating traditional Asian philosophy and mysticism
- Entered open beta testing in 2009



Mobile Games

Crazy Horde

- A 2.5D MMORPG mobile game
- The traditional Chinese version launched in October 2013
- Android versions launched in Nov. 2013
- Launched a new EP in June 2014



The Pirate

- A voyage turn-base RPG mobile game
- Arabic iOS version entered App Store in Dec. 2013
- Launched Arabic Android version in Jun. 2014



The Celestial Saga

- A 2.5D mobile MMORPG
- iOS and Android versions launched in 2Q 2013
- Released 4 EPs in 2H of 2013 and updated with a new EP in Apr. 2014



Eudemons Online Mobile Version

- A 2.5D MMORPG mobile game
- Launched Android version in Q3 2014
- Scheduled to launch the iOS version in Q1 2015



Blade & Sword*

- A 2.5D role playing mobile game
- iOS version entered the file-deleted testing in November 2014
- Android version expected to enter beta testing in Q1 2015



Martial Overlord*

- A 3D martial art ARPG mobile game
- In closed beta testing and expected for official launch in 1H 2015



Micro-client Game

Calibur of Spirit

- A 3D MOBA webpage
- Enter Tencent's Game Platform since July 2013
- In non-file-deleted testing, and scheduled for official launch in Q1 2015



Aggregate PCU, ACU and ARPU

* Working title

('000)	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
PCU	600	582	525	521	445	468	510	477	472	471	382
ACU	297	307	281	287	237	255	270	266	239	239	225
ARPU (RMB)	215	219	242	260	286	283	261	275	285	295	299

Note: ARPU = Revenue / no. of ACU



Strategy

“Cloud + Terminal” Strategy Roadmap

- The strategy outline is to create a comprehensive education ecosystem focusing on “cloud + terminal”.
- The capability on controlling “terminal” enables NetDragon to have a better grip on the integrations between content and product, the eventual appearance and the interactive experiences and etc., which are vital for the user's experience.
- Independently choose expected contents, without relying on the third-party's hardware terminals.

K12 Education

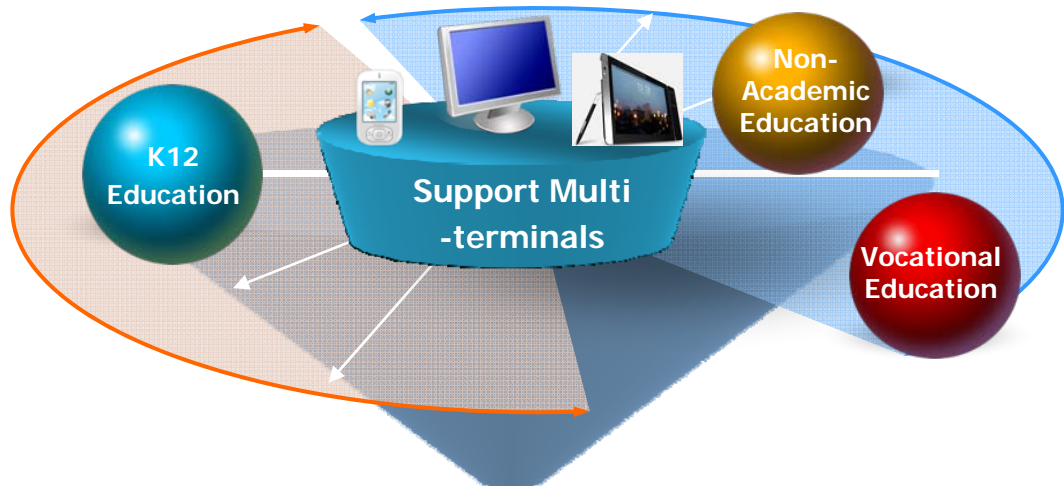
- Student Tablet: Use self-owned brand student tablet to control the “terminal” and take the rich education and teaching contents on the cloud platform as core competency to seize the student tablet market promptly
- Create “591up Academic Education Platform” in mobile Internet market, which currently includes high-school education platform, exam system, education E-journal and the like products and services.

Non-Academic Education

- Leveraging “non-academic public service education platform”, which integrates a board series of courses covering employee internet training, continuing education for civil servants and other non-academic education products, to offer online teaching and real-time testing services for users of all ages.

Vocational Education

- Partner with several domestic vocational education providers and leverage the technology of 3D simulation laboratory as core competency to develop China's first “National Remote Vocational Public Service System”, and plan to have the trail testing in Fujian province and expand it across China gradually.
- Fuzhou Software Technology Vocational College



Open Cloud Education Platform

Competitive Strengths

- ◆ **Capability and experience:** NetDragon have the core competency on executing large-scale online education exploitation. As years of development and execution on games, 17173.com and 91 Wireless, we have accumulated capabilities on the independent R&D and the building and operating of platforms.
- ◆ **Cash rich position:** The disposal of 91 Wireless provides sizable cash reserves for resource allocation and essential M&A for online education business.
- ◆ **Unique focus on education business:** Competitors execute multitudes of businesses. Education business may not be their focus. However, our management put a greater focus and more effort on education business.
- ◆ **Open-minded:** On the view of the cooperation in industrial chain, NetDragon has reached consensus and cooperated with the world's leading electronic product manufacturer in hardware production in producing the student tablet. Regarding the vocational education, we have set up partnerships with several domestic vocational education providers.
- ◆ **Clearly know users:** As a China's corporation executing in internet and mobile internet markets in a dozen years, NetDragon has a profound knowledge on users' behaviors.