

[For Immediate Release]

NETDRAGON AND CHERRYPICKS STRENGTHEN AUGMENTED REALITY AND O2O TECHNOLOGIES WITH STRATEGIC ACQUISITION OF CHERRYPICKS ALPHA

[Hong Kong, April 25, 2016] NetDragon Websoft Inc. (“NetDragon” or “the Company”) (Hong Kong Stock Code: 777), a global leader in building Internet communities, and cherrypicks, a global mobile and O2O (online-to-offline) technology innovator and wholly-owned subsidiary of the Company, today announced the signing of a stock purchase agreement to acquire a 100% stake in cherrypicks alpha. The integration of cherrypicks alpha’s award-winning Augmented Reality (AR) technologies will boost the Company’s core Augmented Reality & Virtual Reality (VR/AR) technology portfolio for its online education and gaming businesses. Cherrypicks alpha’s smart location sensing platform (starbeacon) will also form the cornerstone for the rollout of SHOPPO, cherrypicks O2O Shopping Community Platform business, in the Asia-Pacific region. According to the terms of the agreement, NetDragon and cherrypicks have agreed to acquire cherrypicks alpha for a combination of US\$6.0 million in cash and NetDragon shares, and incentive shares representing up to 24.6% of cherrypicks. In addition, NetDragon also committed to inject additional capital of up to US\$12 million into cherrypicks to accelerate its business expansion.

Mr. Jason Chiu, CEO of cherrypicks, commented: “Cherrypicks alpha has been investing in the research and development of both its VR/AR and starbeacon technologies for over five years. Our computer vision as well as face recognition, tracking and emotion detection technologies already support many award-winning VR/AR applications such as iButterfly, HSBC’s 150 Year Commemorative Bank Note and English Galaxy. We are excited about the opportunities that our proven AR technologies will provide once integrated into NetDragon and the millions of users in China’s online education, O2O and gaming communities that they will benefit. Earlier this year, Goldman Sachs estimated that the global VR and AR market would grow to an estimated US\$80 billion by 2025. Starbeacon, our smart location sensors with Bluetooth and ultrasound for Proximity Detection and Indoor Positioning, is the core technology used to support SHOPPO, our regional shopping loyalty community. We are working diligently to leverage this technology to further develop large scale solutions for shopping malls, airports, retail shops and major venues.” Mr. Jason Chiu will retain his position as CEO of cherrypicks alpha’s AR unit following the acquisition.

Dr. Simon Leung, Vice Chairman and Executive Director of NetDragon, added, “We are extremely excited to bring in cherrypicks alpha’s VR/AR technology portfolio under the NetDragon Group so that it can directly support all our business units. In addition, cherrypicks alpha’s starbeacon technology ideally positions us to unleash the full potential of cherrypicks’ O2O business. NetDragon’s recent acquisition of Promethean, a provider of interactive learning technologies with a user base of 1.3 million classrooms globally, also has the potential to deliver cherrypicks alpha AR technology to an enormous audience in the K12 (Kindergarten-to-Grade 12) space.”

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About NetDragon Websoft Inc.

NetDragon Websoft Inc. (HKSE: 0777) is a global leader in building Internet communities. Established in 1999, NetDragon is a vertically integrated, cutting-edge R&D powerhouse with a highly successful track record which includes the development of flagship MMORPGs such as Eudemons Online and Conquer Online, China's number one online gaming portal, 17173.com, and China's most influential smartphone app store platform, 91 Wireless, which was sold to Baidu in 2013 in what was at the time the largest Internet M&A transaction in China. Being China's pioneer in overseas expansion, NetDragon also directly operates a number of game titles in over 10 languages internationally since 2003. In recent years, NetDragon has emerged as a major player in the global online and mobile learning space as it works to leverage its mobile Internet technologies and operational know-how to develop a game-changing learning ecosystem. For more information, please visit www.netdragon.com.

About cherrypicks

Established in 2000, cherrypicks is a home-grown technology startup headquartered in Hong Kong and is a wholly owned subsidiary of NetDragon. It is a regional Mobile Technology and Mobile eCommerce leader specializing in building shopping loyalty communities, SHOPPO, and applying leading-edge technologies in Augmented Reality and Proximity Detection and Indoor Positioning. The company has developed popular Online-to-Offline (O2O) mobile platforms such as SHOPPO and iButterfly. cherrypicks has won over 100 international and local awards of technology and digital marketing, including the IT 'Oscars' World Summit Award Mobile Global Champion and APICTA Winner Awards. The company is also a Harvard case study. Today, cherrypicks is a globally recognized guru in mobile solution innovations highly trusted by numerous long-term, multinational and local corporate clients in banking, insurance, gaming, restaurant, retailing, TV interaction, travel, and transportation. For more information, please visit www.cherrypicks.com.

About cherrypicks alpha

Cherrypicks alpha is a world-class technology and R&D leader in Augmented Reality (AR) and Proximity Detection and Indoor Positioning (starbeacon). The proven and high quality AR engine provides computer vision as well as face recognition, tracking, emotion detection and retargeting technologies. It has supported many AR applications such as iButterfly, HSBC's 150 Year Commemorative Bank Note and English Galaxy. The starbeacon infrastructure provides SDK and API to support Smart City deployment and solutions to shopping malls, retail shops, airports and large indoor venues for proximity detection, indoor positioning and navigation and big data collection. The starbeacon infrastructure is a differentiation for cherrypicks' regional shopping loyalty community, SHOPPO. Cherrypicks alpha possesses over ten patent applications and technology IPs. For more information, please visit www.cherrypicksalpha.com.

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