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NetDragon Websoft Holdings Limited

網龍網絡控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 777)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2) (a) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2019 and information currently available to the Board, the Group expects to record a substantial increase in profit attributable to owners of the Company for the six months ended 30 June 2019 as compared with that of the corresponding period in 2018, mainly due to the significant improvement in the Group's overall business performance.

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

This announcement is made by NetDragon Websoft Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) under Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) (the "SFO") and Rule 13.09(2) (a) of the Listing Rules.

The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2019 and information currently available to the Board, the Group expects to record a substantial increase in profit attributable to owners of the Company for the six months ended 30 June 2019 as compared with that of the corresponding period in 2018, mainly due to the significant improvement in the Group's overall business performance. The extent of the profit has yet to be ascertained as at the date of this announcement.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and information currently available whereas such information has not been audited, confirmed and/or reviewed by the auditor of the Company. It is, therefore, subject to finalization and necessary adjustments. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2019 which is expected to be announced on 28 August 2019.

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

By order of the Board NetDragon Websoft Holdings Limited Liu Dejian Chairman

Hong Kong, 12 August 2019

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Liu Dejian, Dr. Leung Lim Kin Simon, 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.