

NetDragon Websoft Holdings Limited (777.HK)

Investor Newsletter Feb 2026

Stock Information (As of 30 Jan 2026)

| | |
|---------------------------|-------------------|
| Stock Code | 777.HK |
| Stock Price | HK\$ 10.05 |
| 52-Week Stock Price Range | HK\$ 8.28-16.8 |
| Market Cap | HK\$ 5.29 billion |
| Issued Share Capital | 526 million |

About NetDragon

NetDragon Websoft Holdings Limited (HKSE: 777) is a global leader in building internet communities, with a long track record of developing and scaling multiple internet and mobile platforms that impact hundreds of millions of users. Over the desktop and mobile internet eras, NetDragon previously established China's first online gaming portal, 17173.com, and China's most influential smartphone app store platform, 91 Wireless.

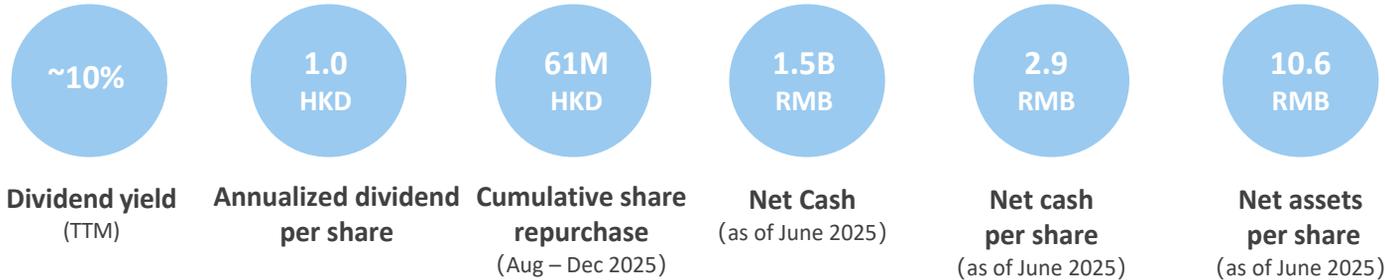
Established in 1999, NetDragon is one of the most reputable and well-known online game developers in China with a history of successful game titles including *Eudemons Online*, *Conquer Online*, *Heroes Evolved* and *Under Oath*. In the past 10 years, NetDragon has also achieved success with its EdTech business both domestically and globally. Fully embracing the new AI era, NetDragon is driving its vision of "Infinite Growth" through a dual-focus strategy of "AI+Gaming" and "AI+Education". With its AI Content Factory empowering operations and working with partners to develop a global learning metaverse, NetDragon is committed to once again building a massive user community in the new AI era.

NetDragon's overseas edtech business entity, currently a U.S.-listed subsidiary named Mynd.ai, is a global leader in interactive technology and its award-winning interactive displays and software can be found in more than 2 million learning and training spaces across 126 countries. For more information, please visit ir.netdragon.com.



Shareholder Returns

A rare case on the HKSE: 18 years long continuous dividend payout



Note: Based on NetDragon's 2025 Interim Report

Disclaimer

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Analyst Reports

| Firm | Rating | Target | Analyst Views |
|---------------------------|----------------------|-----------|--|
| Zheshang Securities | Buy (Initial) | HK\$25.25 | Dual-engine Growth Driven by Gaming and Education, with Strategic Investments in Group Livestreaming Gaining Momentum -Gaming: Over 20 years of accumulated expertise, with three flagship IPs providing stable and recurring cash flow; -Education: Hardware has been rolled out across classrooms in multiple countries, building a strong and scalable market presence, while software offerings are accelerating the transition to a SaaS model and making the overall product mix more compelling; -Strategic investments: Spanning multiple sectors, including entertainment, AI, and metaverse. |
| CITIC Securities | Buy | HK\$21.00 | Core Businesses Passed the Trough, with Investments Advancing on Multiple Fronts -Core businesses: Gaming profits are expected to see solid growth in 2026, while Mynd.ai remains focused on narrowing losses and continues to advance its AI-driven education strategy; -Investments: Forward-looking investments in emerging areas such as group livestreaming and AR smart glasses are expected to generate incremental upside; -Shareholder returns: Announced HK\$600 million in shareholder return, implying a dividend yield of ~9%, offering strong investment appeal. |
| First Shanghai Group | Buy | HK\$20.24 | Open-Q Advances Education Equity Ecosystem, While Gaming Business Delivers Steady Growth The global education-equity ecosystem, Open-Q, is positioned to become a benchmark massive user community in the AI era, creating significant value within the digital economy. NetDragon plans to join the Open-Q ecosystem as an AI computing-power partner, supporting the platform's long-term development. |
| Soochow Securities | Buy (Initial) | HK\$17.59 | AI-powered Gaming and Education, with Diversified Investments Driving Earnings Growth -Gaming: Evergreen IPs form a solid foundation, with AI applications driving cost efficiencies and productivity improvements; -Education: A leading provider of interactive education display solutions, with AI + SaaS opening a new phase of transformation; -Strategic investments: Targeted investment in AI, AR, and the broader digital entertainment sector, building a sustainable ecosystem for long-term growth. |
| Guotai Haitong Securities | Overweight (Initial) | HK\$16.70 | Gaming Remains a Stable Core, with Broad Investments Providing Multiple Growth Levers The gaming business continues to deliver steady growth, supported by the AI Content Factory's contribution to cost optimization and efficiency gains. The education segment is showing early signs of recovery, while investments are gaining traction across multiple areas, including ShuaiKu's strategic positioning in the group livestreaming segment. |
| Phillip Capital | Accumulate (Initial) | HK\$13.60 | Deepening the "AI + Gaming" Strategy -Gaming: Deepening the "AI + Gaming" strategy and building evergreen IPs; -Education: Mynd.ai leads the industry in global expansion, with a hardware + SaaS product portfolio enhancing the overall attractiveness. |

AI Strategy

Gaming Business

1. The AI Content Factory is fully integrated across the gaming business, driving a meaningful reduction in R&D expenses;
2. AIGC applications are being progressively deployed across the two core genres—MMORPG and MOBA;
3. AI-native game development is making solid progress, which is expected to deliver large-scale growth over the medium to long term.

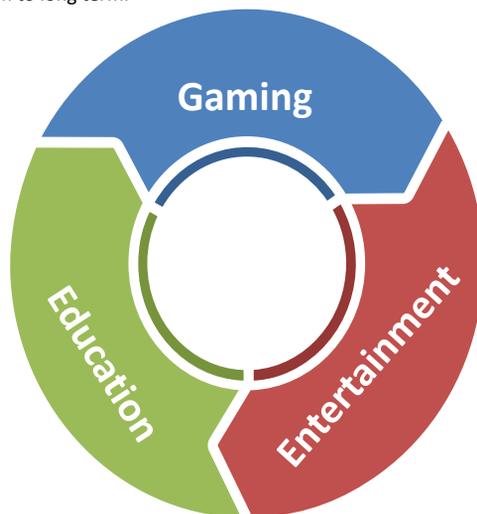
Education Business

The AI Content Factory has been fully established. Leveraging the computing power partnership with Volcengine, AIGC content output has achieved higher quality, greater efficiency, and lower costs:

Domestic: Deep integration with the National Smart Education Platform; revenue generation through industry-education collaboration and related models.

Overseas: Participation in national-level projects, including the Thailand MHESI AI vocational training platform, combined with content IP licensing arrangements with the Open-Q ecosystem, offers substantial growth potential.

MYND: A recovery in North American IFPD demand is expected between 2026 and 2029, with rising AI + SaaS penetration continuing to drive growth.



Entertainment Business (and Others)

Leveraging a computing power partnership with Volcengine, NetDragon achieves comprehensive empowerment across computing resources and investments, continuously expanding its AIGC capabilities across the broader digital entertainment ecosystem, including animation and comics:

Group livestreaming: A strategic investment in leading MCN company ShuaiKu, securing early exposure to a fast-growing emerging segment.

AI: Investments in multiple AI-focused portfolio companies such as **ROKID**, **CherryPicks (invested by Zhongke WengAI)**, **CHIVOX**, etc., are well positioned to generate attractive investment returns.



Gaming Business



Eudemons IP: Execution on Track with Long-term Growth Strategy, Empowered by the "Gaming+" Model for Cultural Heritage

Gaming + Cultural Tourism



July 2025
Eudemons Online Pocket Version x Wudang Mountain
Launched new class "Taoist"



September 2025
Eudemons Online Pocket Version x Luoyang Cultural Tourism
Released two historical-themed Autumn Eudemons



October 2025
Eudemons Online x Wuyi Mountain
Major collaboration launched the Autumn Eudemon "Tea Warden Wangyou"

Gaming + Intangible Cultural Heritage



August 2025
Eudemons Online x Filigree Inlay
Special tribute event "Lotus of Alluring Beauty" themed Miss EO

Gaming + IP



October 2025
Eudemons Online x Jiang Xiaoyu
Halloween fairytale night crossover event

Major Events



January 2026
Year Eudemon "Sacred Steed of Jiuzhou"
Dual collaboration with the Akhal-Teke Horse Base and Zhangye, Gansu.



Conquer IP:
Diversified IP Value Extension



In November 2025, **Conquer Online** introduced a new class, "Dune Wanderer", and collaborated with the **Dunhuang Gucheng Scenic Area** to digitally recreate the civilization of the Silk Road.



In January 2026, **Conquer Online** partnered with **Fuzhou Cultural Tourism** and the **Three Lanes and Seven Alleys Scenic Area** for the global launch of the large-scale event "Fu in Fuzhou".



Heroes Evolved IP:
Building on Our Success in eSports Strategy



In October 2025, **Heroes Evolved** launched the Elite Winter League and the Develop Winter League, further refining its competitive tournament ecosystem.



In January 2026, the **Heroes Evolved Elite League Finals** were held offline in Suzhou, further enhancing the league's commercialization capabilities.



Education Business



MINESEC and NetDragon Partner to Advance Digital Education in Cameroon

(August 2025) NetDragon signed a landmark agreement with the Ministry of Secondary Education of Cameroon (MINESEC) to enhance digital education in Cameroon. This initiative was implemented as part of the World Bank-supported PADESCE (Cameroon Secondary Education and Skills Development Project). The project will begin by focusing on the digital transformation of 250 schools across Cameroon, leveraging cutting-edge educational technologies to create a more inclusive and modern learning environment.



NetDragon Showcases AI-powered Education Solutions at UNESCO Digital Learning Week 2025

(September 2025) NetDragon was invited to participate in UNESCO's Digital Learning Week held in Paris. As the only corporate invitee, NetDragon joined over 30 education ministers and senior officials from the UK, India, Thailand, Malaysia, Türkiye, the UAE and other nations at the Ministerial Roundtable. During the event, NetDragon showcased a range of its AI education capabilities and products and witnessed the launch of Open-Q. Among the featured innovations were the interactive AI digital human, the Promethean ActivPanel 10 interactive panel, the ROKID AR immersive learning experience, and the "E-Library for Teachers." The demonstrations drew global attention and garnered acclaim from international attendees.



NetDragon and Open University Malaysia Sign Strategic MOU to Jointly Explore New Models of AI-powered Open Education

(October 2025) NetDragon signed a strategic Memorandum of Understanding (MOU) with Open University Malaysia (OUM). This collaboration marks a major step forward in integrating the strengths of both parties in open education and digital technology to explore how artificial intelligence (AI) and other emerging technologies can be applied more deeply in education, setting a new benchmark for the development of open and distance learning worldwide.



NetDragon Wins Tenders to Upgrade the "National Smart Education Platform" in Sept and Dec 2025

NetDragon's subsidiary, Huayu, successfully won tenders in Sept and Dec 2025 for three key projects: the "General Capability Development and Upgrade Project of the National Smart Education Platform," the "Intelligent Teaching Application Development and Services Project of the National Smart Education Platform," and the "Smart Education Platform Infrastructure and Application System Development Project." These projects aim to enhance the platform's functions, including resource management, interactive teaching, AI teaching applications, intelligent learning analytics, and smart subject-specific tools.



NetDragon's Promethean Signs an Agreement with MAXHUB to Launch Teams-certified Workplace Solution

(December 2025) NetDragon's Promethean signed a strategic agreement with MAXHUB. This collaboration introduces a solution that is certified for Microsoft Teams® and combines Promethean's interactive display technology with MAXHUB's conferencing capabilities, delivering a powerful, scalable experience for hybrid meetings. The solution will launch in the U.S. this month, with availability in Canada and other markets to follow.



NetDragon's Promethean Advances AI Strategy with Launch of Augment Me Integration in Explain Everything®

(December 2025) NetDragon's Promethean forged a strategic relationship with Augment Me Inc., a trailblazer in AI solutions. The upcoming launch of a new AI-powered integration with Augment Me within the Explain Everything® platform marks a major milestone in Promethean's AI go-to-market strategy. Educators will gain near real-time analysis into student attention, engagement and cognitive readiness without the need for additional logins or setup.



NetDragon Leads Government-backed AI Push to Build Thailand's Future Workforce

(February 2026) NetDragon, together with its subsidiary, EDA (Thailand), has joined forces to drive a government-backed AI initiative. With policy support from Thailand's Ministry of Higher Education, Science, Research and Innovation (MHESI), NetDragon and EDA (Thailand) will jointly develop AI-enabled learning platforms, competency measurement frameworks, and career linkage mechanisms designed to prepare Thai talent for real-world workforce demand.



Company and ESG News



Leading the Future with AI & Mobility: NetDragon's Cherrypicks & Zhongke WengAI's Strategic Alliance

(August 2025) NetDragon and its subsidiary Cherrypicks, together with Zhongke WengAI, formed a strategic alliance, marking a milestone in bringing China's core AI technologies to global markets under the lead of a Hong Kong enterprise. Cherrypicks and Zhongke WengAI will engage in an exclusive collaboration outside Mainland China to promote AI services. Wenge is investing in Cherrypicks and will contribute AI technology resources to jointly develop and deploy products and solutions for overseas markets across public services, finance, healthcare, and commercial sectors.



NetDragon's Chairman Dr. Liu Dejian Attends UNESCO IITE Governing Board

(September 2025) The 25th session of UNESCO IITE Governing Board was recently held in Paris. Dr. Liu Dejian, Chairman of NetDragon, as the board member, attended and delivered his speech via a digital avatar. Dr. Liu highlighted NetDragon's achievements in applying AI to education and provided constructive recommendations on how to enhance UNESCO IITE's global influence in the AI era.



John Dramani Mahama, President of the Republic of Ghana Leads a Delegation to Visit NetDragon

(October 2025) John Dramani Mahama, President of the Republic of Ghana, led a delegation to visit NetDragon. President Mahama and his delegation were briefed on NetDragon's national-level education collaboration and gained an in-depth understanding of the Company's AI technology capabilities, including its AI courseware and AI Content Factory. NetDragon sees the visit as an opportunity to align its latest innovations in digital education with Ghana's development priorities and looks forward to working with Ghana to explore new models of digital education collaboration.



NetDragon Wins the "Best ESG Practice Case Award" at the 2025 Hong Kong International ESG Annual Awards

(October 2025) NetDragon won the "Best ESG Practice Case Award" at the "2025 Hong Kong International ESG Annual Awards," hosted by Ta Kung Wen Wei Media Group and co-organized by the China Certification & Inspection Group, HKU Institute for China Business, and the HSBC Financial Research Institute at Peking University. The award highlights NetDragon's outstanding achievements and innovative practices in sustainable development and corporate social responsibility, reaffirming its leading role within the industry in promoting ESG excellence.



NetDragon Donates HK\$5 Million and Collaborates with IT Sector to Provide Technical Support for Hong Kong's Fire Relief

(November 2025) A level-five fire broke out at Wang Fuk Court in Tai Po, Hong Kong, drawing widespread concern across the country. NetDragon has donated HK\$5 million to support emergency relief for affected residents — including medical assistance, temporary housing, essential supplies, and reconstruction efforts. In addition to the financial donation, NetDragon's subsidiary Cherrypicks, took immediate action to lead the coordination efforts within the Hong Kong IT sector to provide technical support for the establishment of the Hong Kong SAR Government's official supplies donation platform.



NetDragon Selected "China's Top 100 Internet Enterprises" for the 13th Consecutive Year

(December 2025) NetDragon was once again included in the "China's Top 100 Internet Enterprises" ranking released by the Internet Society of China, marking its 13th consecutive year on the list. Ranked alongside industry leaders such as Tencent, Alibaba, and Baidu, the recognition underscores NetDragon's consistent business performance and growing industry influence. It also highlights the Company's successful dual strategy in gaming and education, which continues to gain strong recognition from the broader industry.

Flagship Product Videos

Eudemons Online



Future Lab



AP10 Interactive Panel



ActivSuite Software



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