

**NETDRAGON WEBSOFT INCORPORATED:
STAND BY FOR THE CRUNCH!**

This Company Could Report A Loss For 2009

Since the day that NetDragon Websoft Incorporated () (Code: 777, Main Board, The Stock Exchange of Hongkong Ltd) came to The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd on November 2, 2007, **TARGET** () has been questioning whether or not this computer games company could make the grade.

When it transferred its listing to the Main Board of The Stock Exchange of Hongkong Ltd in June of 2008, this medium, again, pondered as to what was the corporate game plan of the company.

At the time of the company's **I**nitial **P**ublic **O**ffering (**IPO**) on The GEM, it was able to garner about \$HK1.47 billion, net of expenses.

The IPO Offer price per share was \$HK13.18.

Today, the share price is about \$HK4.02.

Those foolhardy investors, who picked up Offer Shares in November 2007, today, are looking a loss on their investments of nearly 70 percent, assuming that they are still hanging onto the shares of this loser.

Today, one is told to stand by for some horrible corporate news.

On Wednesday, January 20, 2010, NetDragon Websoft Incorporated put out a '**PROFIT WARNING**', which stated, inter alia:

'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 and the year ended 31 December 2009 may experience a very substantial decline as compared with the corresponding quarter in 2008, the three months ended 30 September 2009 and the year ended 31 December 2008 although revenue of the Group for the year ended 31 December 2009 is expected to increase as compared with the year ended 31 December 2008. Based on the information currently available, the Board considers that the expected decline in net profit is mainly due to the rise in development cost of new product and expansion of new businesses.'

'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 reviewed by the Company's auditors. Shareholders and potential investors are advised to carefully consider the Group's final results announcement and annual report for the year ended 31 December 2009, which are expected to be released in April 2010...'

For **TARGET** Subscribers, the above announcement was of no great shakes because the last time that this medium wrote about this company, it was strongly suggested that the worst information about the affairs of NetDragon Websoft Incorporated had yet to be made known.

Please Refer To:

TARGET Intelligence Report, dated September 11, 2009, Headlined:

**‘NETDRAGON WEBSOFT INCORPORATED:
IT’S NOT ALL BEER AND SKITTLES FOR THIS GAMES COMPANY’**

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