

GIANT

SIG Beijing Management Summit
Eric He, Chief Financial Officer
November 29, 2007

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Agenda



- **Company Overview**
- **Product & Operational Overview**
- **New Game Pipeline**
- **Key Financial Highlights**
- **Growth Strategy**



Giant Interactive Group

A Leading Online Game Developer & Operator

Giant: NYSE Listed



NYSE IPO on November 1, 2007

Ticker: GA

Market Cap: US\$3.8B

Post IPO Shares/ADRs Outstanding: 258.67M

About Giant:

Headquarters: Shanghai, China

**Employees: Approximately 3500, including
2,500 liaison personnel**

Investor Information at: www.giantig.com

**GA
LISTED
NYSE.**

A Leading Developer and Operator of MMORPGs in China



A leading online game developer and operator in China – 164.2% net revenues increase year-over-year; 71.6% net income margin ⁽¹⁾

Uncompromising focus on game play

Strong product development and technology capabilities

Deep understanding of the Chinese mass market and extensive marketing and distribution network

Strong combination of experienced game development talent and consumer market expertise

Experienced Management Team



(1) For the quarter ended September 30, 2007

Experienced Management Team



Key Senior Management Team



Mr. Yuzhu Shi
Founder, Chairman and CEO

- ▶ Renowned entrepreneur
- ▶ Extensive IT and consumer product experience



Ms. Wei Liu
Director, President

- ▶ 15 years of general management experience
- ▶ Extensive experience in sales and marketing



Mr. Lu Zhang
Director, COO

- ▶ 23 years of software industry and consumer product experience



Mr. Eric He
CFO

- ▶ 24 years of financial, accounting and investment experience



Mr. Shiliang Song
CTO

- ▶ 7 years of software industry experience



Mr. Hui Yuan
Vice President of R&D

- ▶ 13 years of software industry experience



Mr. Yonghua Lu
Vice President of Sales & Marketing

- ▶ 9 years of sales and marketing experience

Certain core members working together for ~14 years

Proven track record in executing innovative business strategies

Elite and passionate game development talent

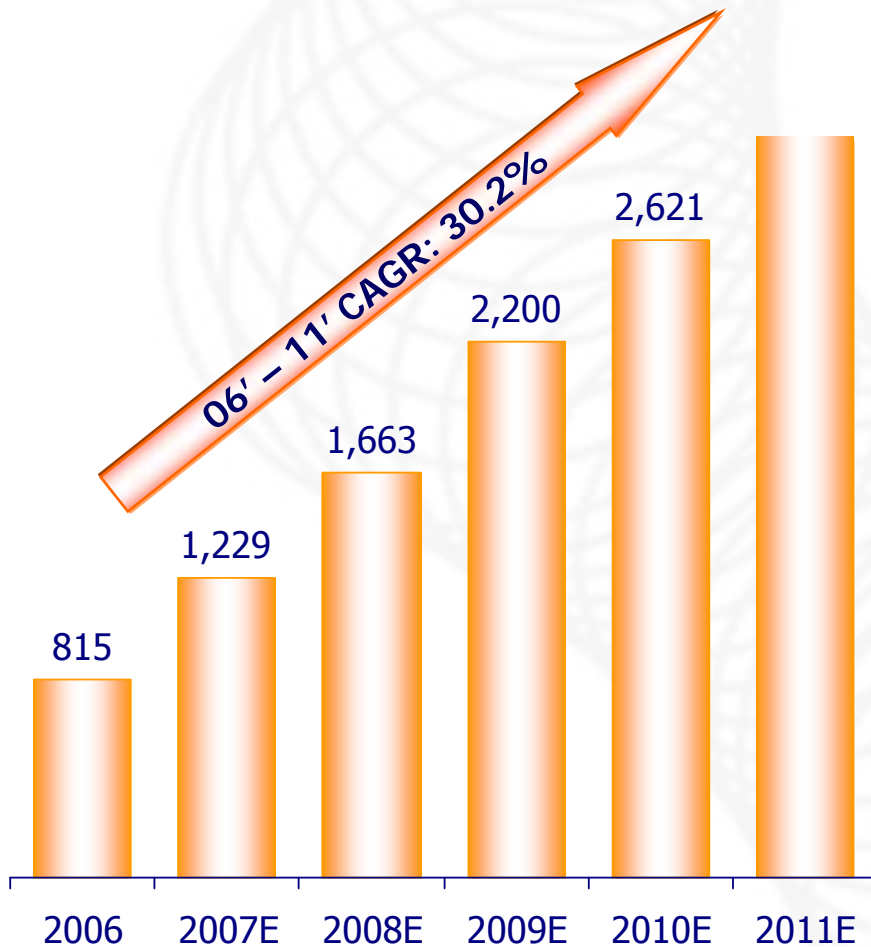
Intimate knowledge of the Chinese consumer market

Accelerating Growth in China Market



Robust Growth of China's Online Game Market

(US\$ in millions)

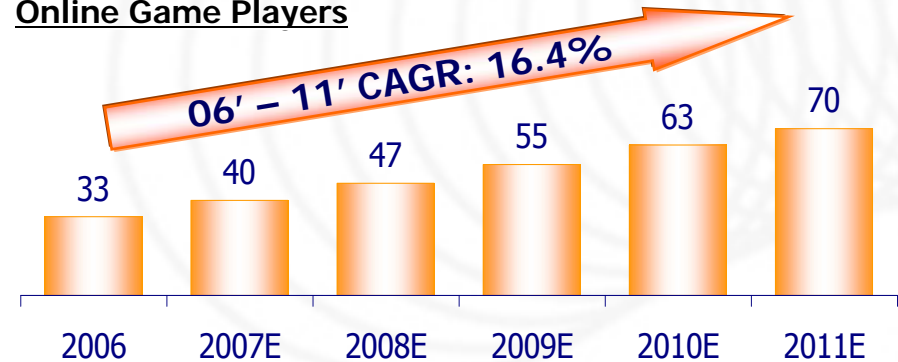


Source: IDC, 2007

Rapid Growth of Online Game Players with Increasing Paying Player Penetration

(In millions)

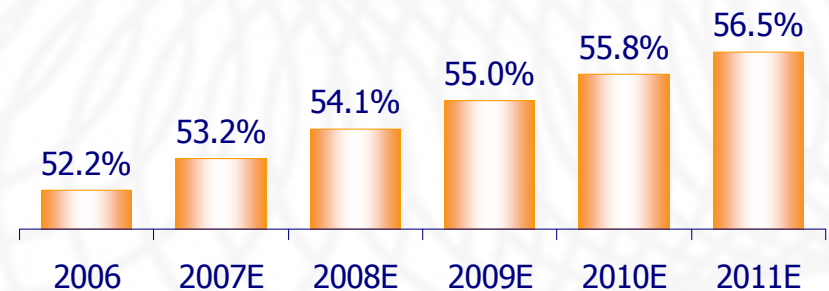
Online Game Players



Source: IDC, 2007

▶ Total Addressable Market 06 - 11 CAGR: 18.3%

Paying Player Penetration

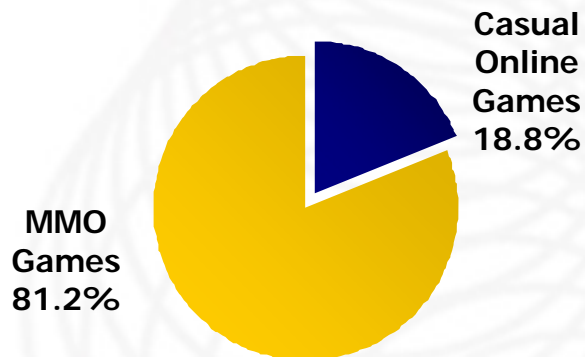


Source: IDC, 2007

Well Positioned to Capitalize on Market Opportunities

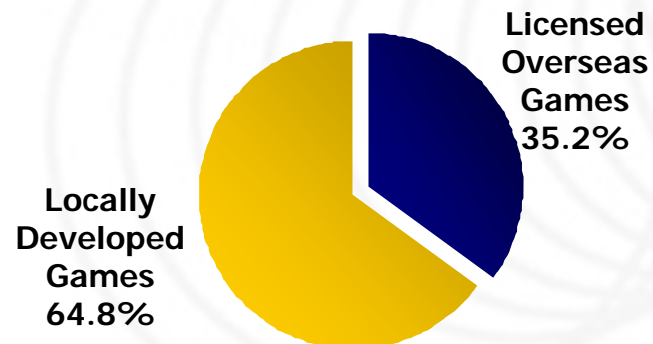


MMO Games Have Dominant Market Share



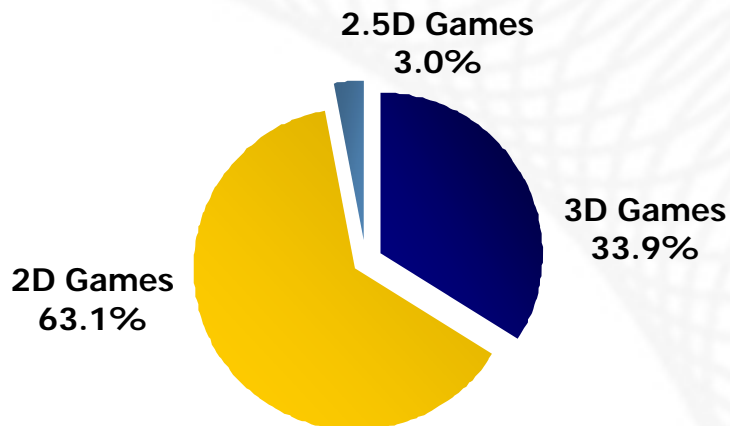
Source: IDC, 2007, based on 2006 revenues

Locally-Developed Games Prevail the Market

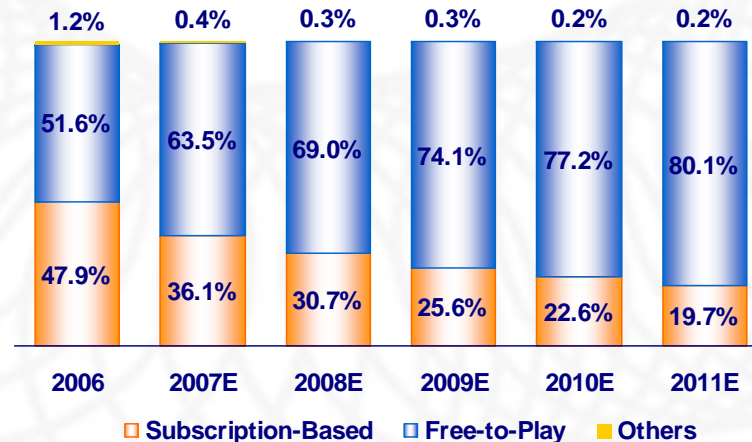


Source: IDC, 2007, based on 2006 revenues

2D Games Have Larger Market Share



Increasing Prevalence of Free-to-Play Games



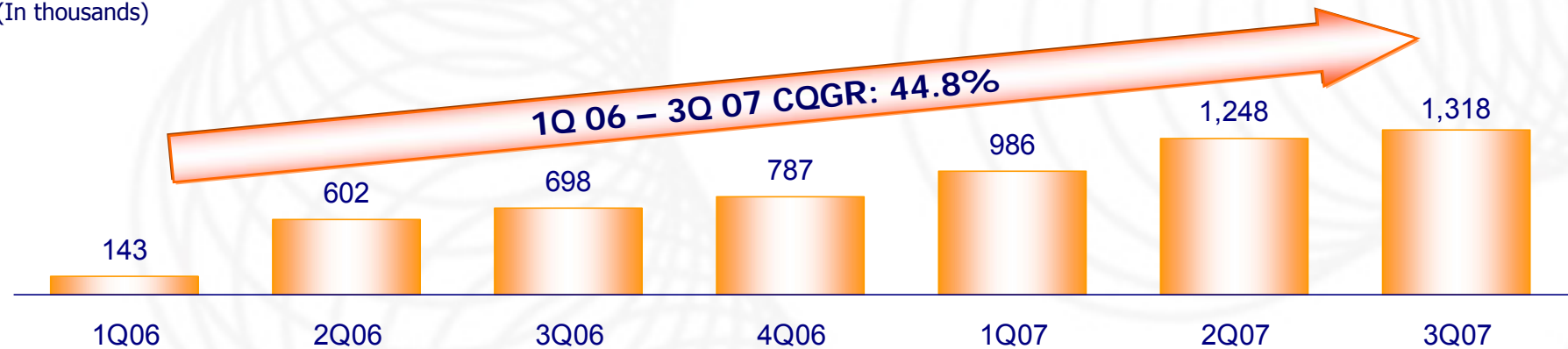
Building on a Solid Operational Foundation



We have become a leading Chinese online game developer and operator within 3 years of inception

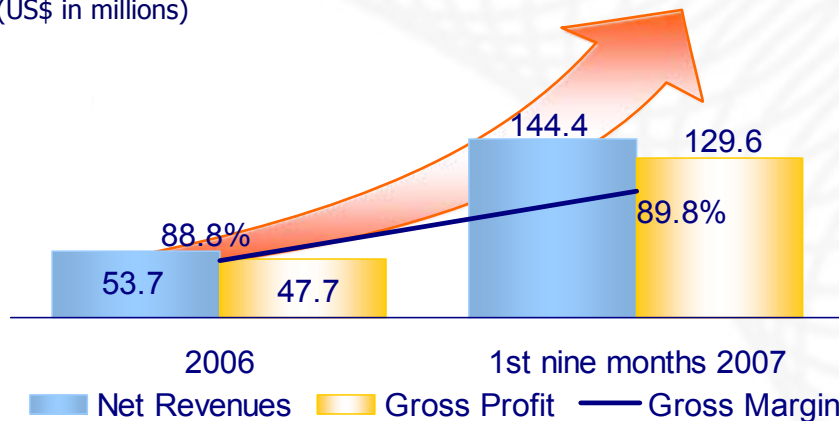
Quarterly Active Paying Players

(In thousands)



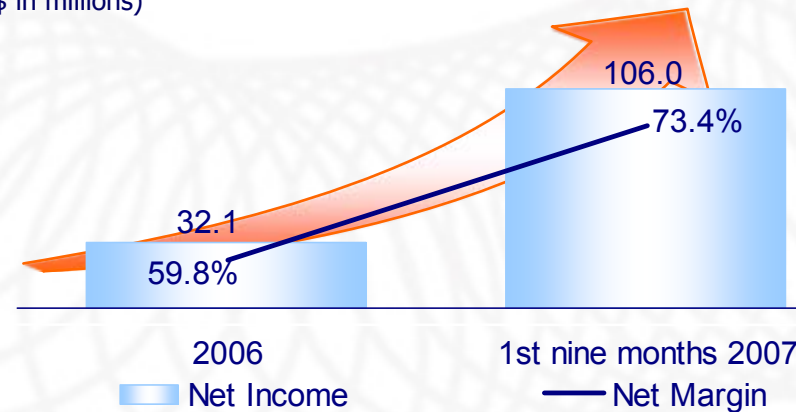
Net Revenues and Gross Profit

(US\$ in millions)



Net Income and Profitability

(US\$ in millions)



Note: Based on exchange rate of USD1.00 = RMB7.5120 as of June 30, 2007.



Product & Operational Overview



ZT Online is the first game that was wholly developed by our internal product development team

ZT Online achieved PCU of over 1 million in the second quarter of 2007

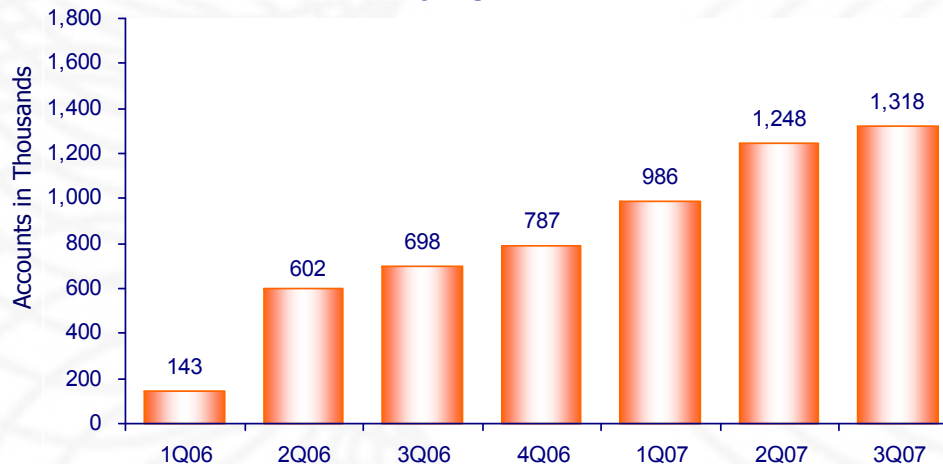
ZT Online

- Launched in January 2006, ZT Online, or “Zheng Tu” in Chinese, is a two-dimensional online role-playing game set in ancient China.
- ZT Online players assume one of five different roles in 10 different “kingdoms.” Players develop skills, use magical weapons and team up with other players to fight against monsters and players from other kingdoms.
- Players can only interact with other players in his or her respective shard at any given time, but our technology allows players to “travel” among the different shards.
- Our proprietary technology allows up to 40,000 players to play together in a single shard at any given time
- ZT Online is free of charge to play. Revenues are derived from in-game purchases of virtual items.
- In 2006 and the six months ended June 30, 2007, all of our net revenues come from ZT Online.

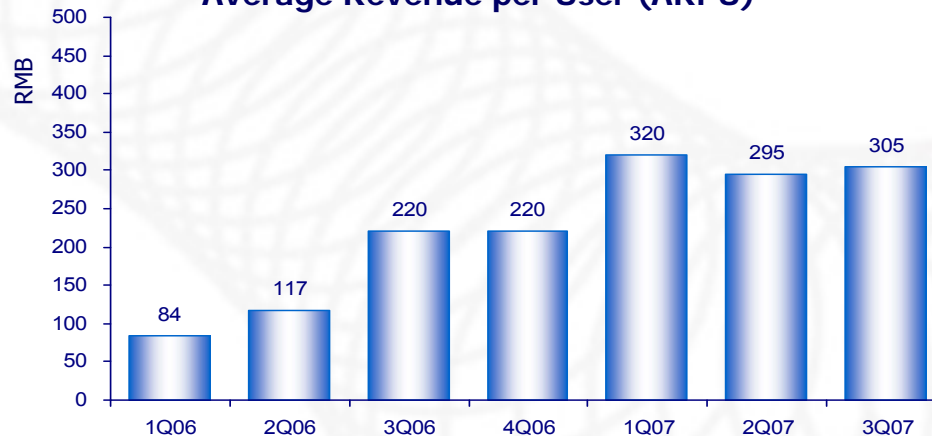
Continued Improvement in Key Operating Metrics



Active Paying Accounts (APA)



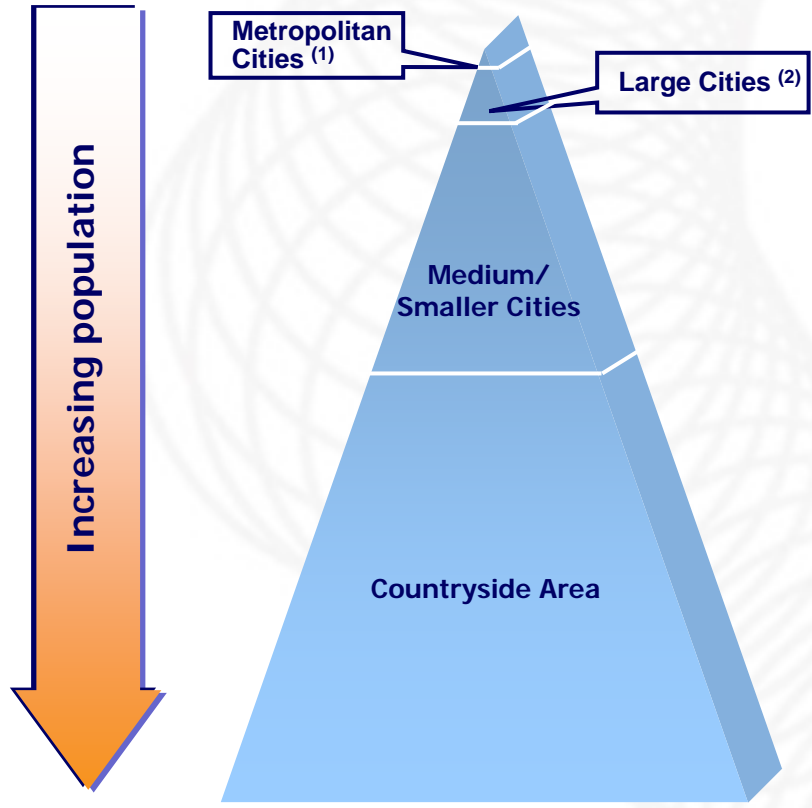
Average Revenue per User (ARPU)



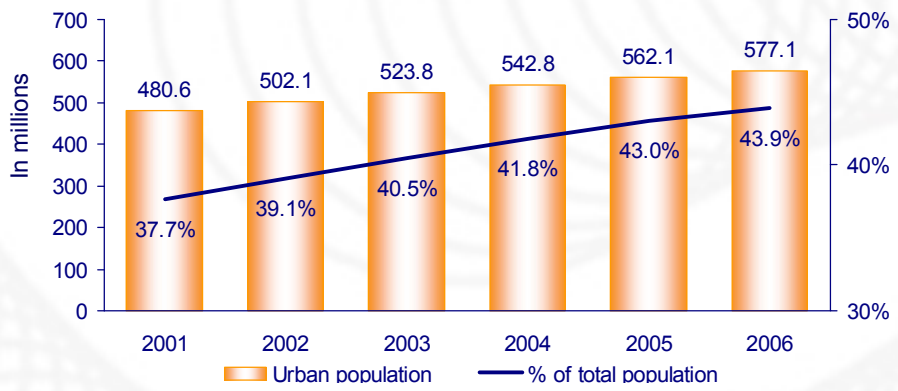
Deepen Penetration into Medium and Smaller Cities



Unique and Effective Grassroots Strategy Leads to Expansion of Distribution Points



Increasing Urbanization Rate



Robust Economic Growth in Medium / Small Cities and Countryside Area

- ▶ Medium / smaller cities and countryside area accounted for 59.2% of national GDP in 2006
- ▶ 2001 – 2006 CAGR of 12.0%

Source: China Statistics Yearbook 2007
 1 Include Beijing, Shanghai and Guangzhou
 2 Include Chongqing, Tianjin, Shenzhen, Qingdao, Xiamen, Ningbo, Dalian and capital cities of all provinces and autonomous regions

Expanding Marketing and Distribution Network



Q2 Market Penetration

- ▶ 250 liaison offices
- ▶ 1,300 dedicated liaison personnel
- ▶ Over 200 distributors
- ▶ 116,500 retail outlets
- ▶ Frequent online and on-site events and promotions in Internet cafes
- ▶ Advertising via newspapers, Internet portal and TV

Nationwide Marketing and Distribution Network



Q3 Expansion to Accelerate Market Penetration

- ▶ Over 470 liaison offices
- ▶ Over 2500 dedicated liaison personnel
- ▶ Over 200 distributors
- ▶ 116,500 retail outlets
- ▶ Penetration of all large cities and almost all provinces in China
- ▶ Focus on penetrating medium / small cities with continued internet and on-site promotional events
- ▶ Expanded advertising initiatives

Maximize Player Awareness and Game Recognition to Improve Penetration

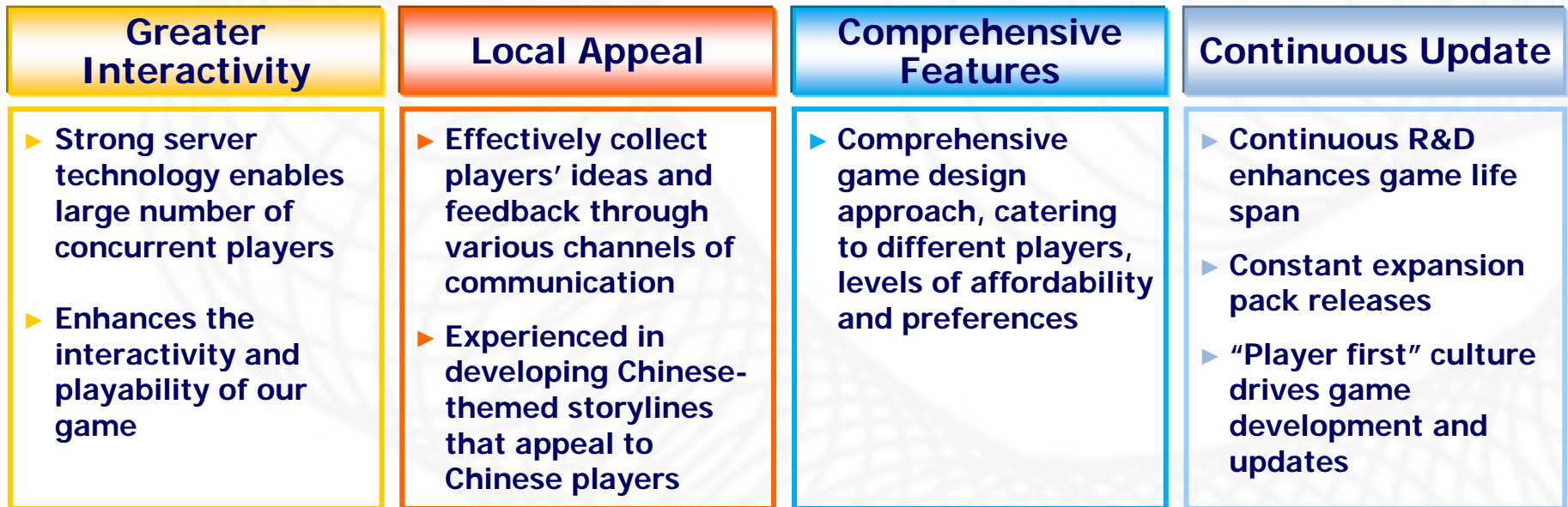


New Game Pipeline

Strong Product and Technology Capabilities



Formula for Great Games



Consistent formula differentiates and drives the success of our games

State of Art Server Technology



**Strong and Reliable
Server Technology and
Operational Infrastructure**



ZT Online

- ▶ Up to 40,000 players can simultaneously interact in the same game shard
- ▶ We believe ZT Online's concurrent user capacity to be larger than most other MMO games currently operating in China



Giant Online

- ▶ Advanced sever technology intended to enable up to 1 million concurrent players in a single shard
- ▶ We expect Giant Online to have the largest concurrent user capacity in a single shard among all MMO games in China



Enhanced Playability

More Intense Interaction

Complex Social Network

Focused Product Pipeline



ZT Expansion Pack

4Q 2007

- ▶ Free-to-play 2D martial arts MMORPG set in ancient China
- ▶ Sell in-game virtual products and services
- ▶ Further enhanced geographical and dimensional interactivity

ZT Online PTP

4Q 2007

- ▶ Players purchase playing time and virtual services
- ▶ No virtual products sold in the game
- ▶ Target to capture niche market to deepen penetration

Giant Online

4Q 2007

- ▶ Free-to-play 2.5D MMORPG with modern-era military theme
- ▶ Target to position as the most affordable free-to-play game in China
- ▶ Advanced server technology intended to enable up to 1 million concurrent players in a single shard

King of Kings III

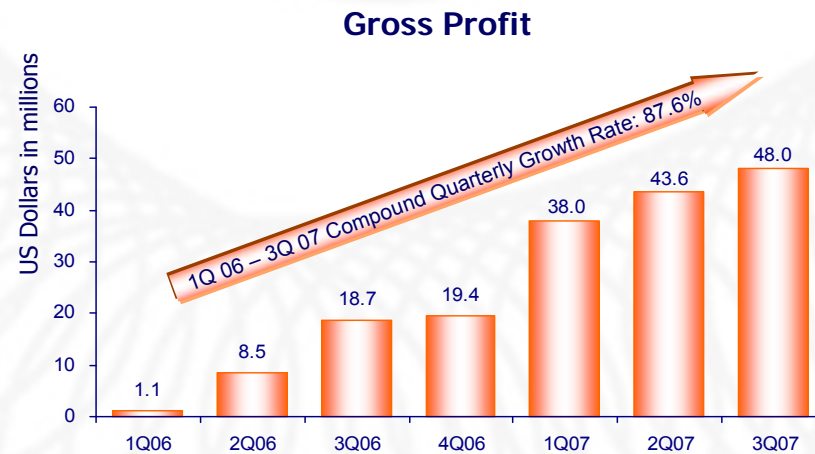
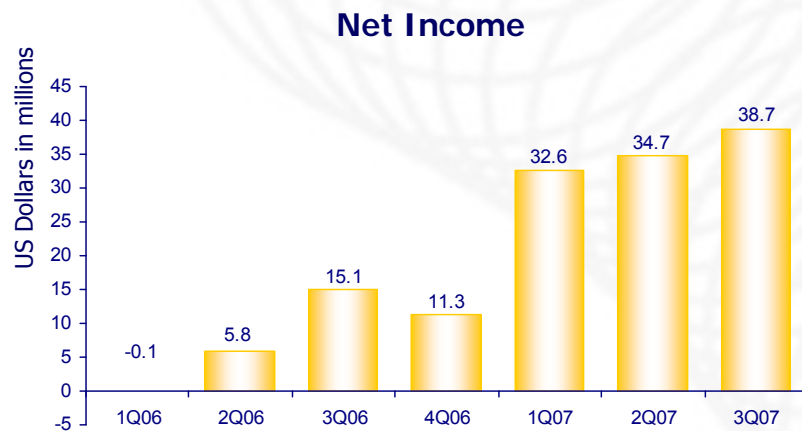
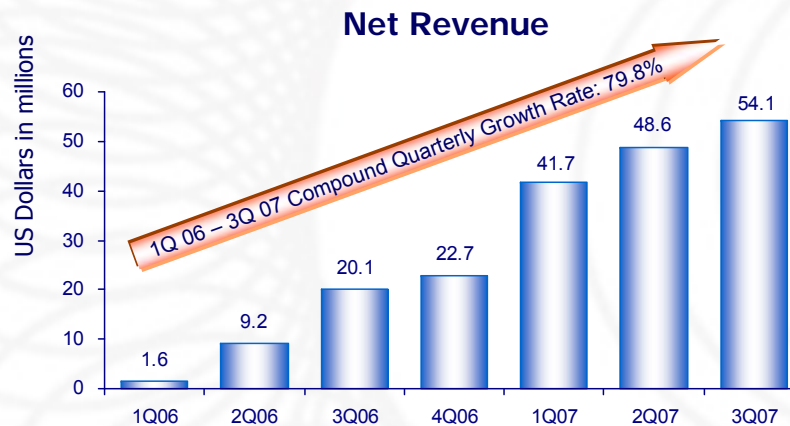
2008

- ▶ Free-to-play 3D MMORPG with medieval fantasy theme



Key Financial Highlights

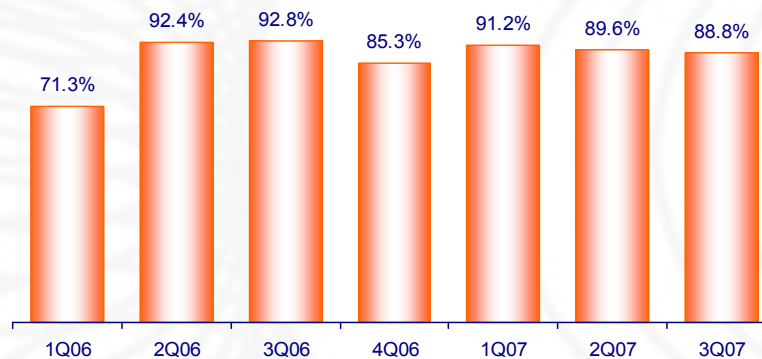
Profitable Growth



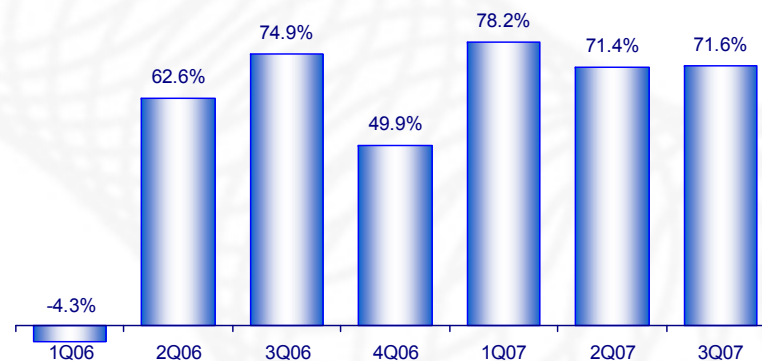
Continued High Margins



Gross Profit Margin



Net Income Margin



3Q 2007 Key Financial Highlights



	Q3 2007	Q3 2007	Q3 2006	Y-o-Y%	Q2 2007	Q-o-Q %
	US\$	RMB	RMB		RMB	
<i>(In millions, except EPS data)</i>						
Total Net Revenue	54.1	405.2	153.4	164.2%	370.2	9.5%
Cost of Services	6.1	45.4	11.1	311.2%	38.6	17.7%
Gross Profit	48.0	359.8	142.3	152.8%	331.6	8.5%
Operating Expenses	9.4	70.2	27.8	152.6%	67.9	3.3%
Income from Operations	38.7	289.6	114.5	152.9%	263.7	9.8%
Net Income	38.7	290.2	114.9	152.6%	264.2	9.8%
Diluted EPS	0.18	1.38	0.57	142.1%	1.32	4.5%

Solid Balance Sheet



<i>(In millions)</i>	Q3 2007	Q3 2007	Q3 2006	Q2 2007
	US\$	RMB	RMB	RMB
Cash	156.1	1,170.0	319.8	98.9
Current Assets	164.2	1,230.6	329.2	1,048.7
Total Assets	194.6	1,457.9	353.9	1,151.8
Current Liabilities	63.3	474.0	160.5	349.1
Total Liabilities	63.3	474.0	172.7	369.6
Shareholders' Equity	131.3	983.9	181.2	782.2
Total Liability and Shareholders' Equity	194.6	1,457.9	353.9	1,151.8

Growth Strategy



To Become the Largest Online Game Developer and Operator in Asia

1

Expand and Enhance Our Product Offerings

2

Enhance Interactive Community Features to Attract New Players and Increase Player Loyalty

3

Expand Our Player Base in China and Internationally

4

Strengthen Our Technology and Operational Platforms

5

Continue to Attract and Retain Quality Development Talent

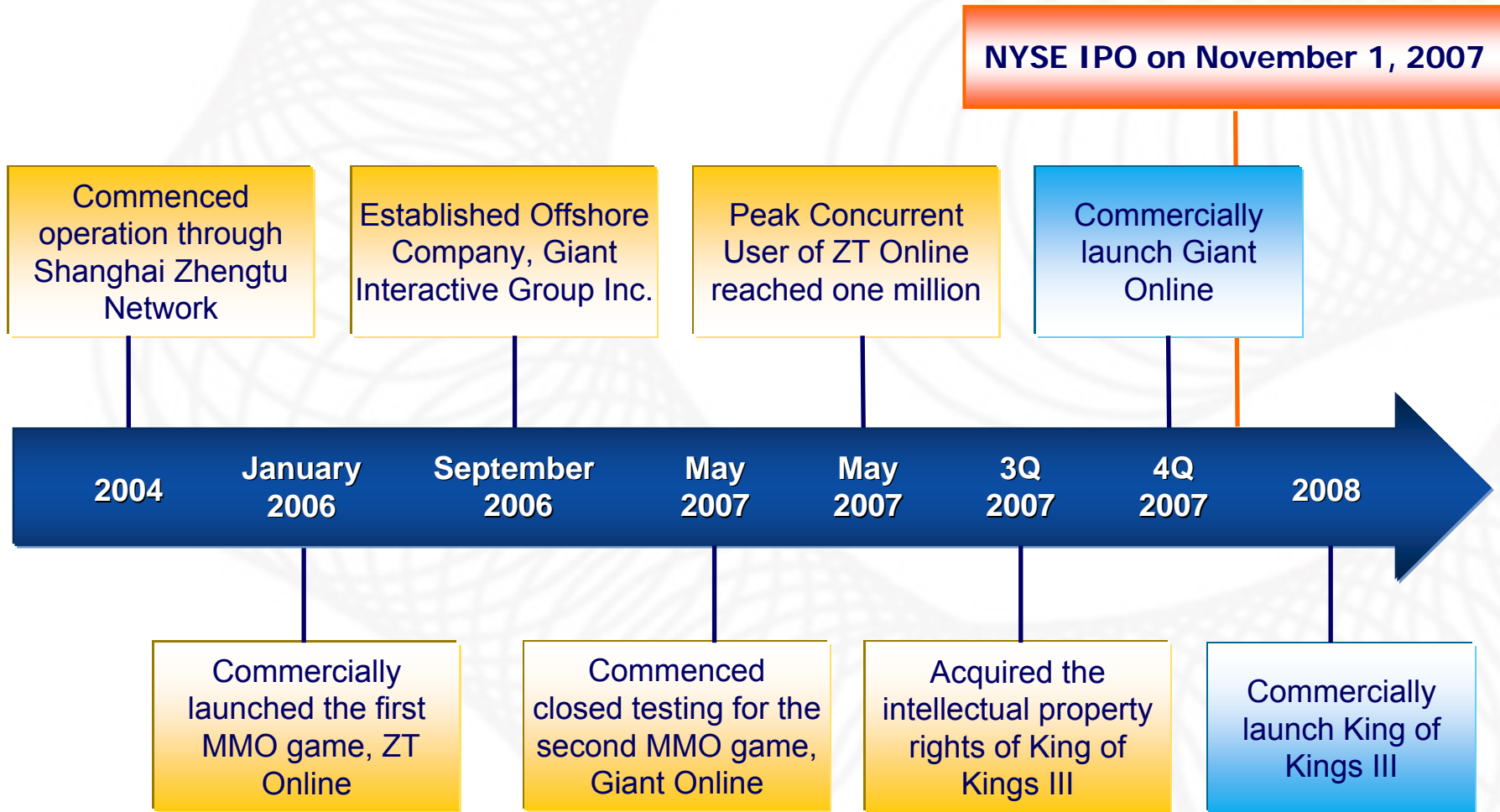
6

Pursue Opportunities for Acquisitions, Strategic Joint Ventures and Opportunistic Investments



Appendices

History and Key Milestones





- ZT Online PTP is the first pay-to-play MMO game and is based on the ZT Online free-to-play game.
- ZT Online PTP shares the same graphics and system requirements as ZT Online. We commenced our closed testing of ZT Online PTP in August 2007, and plan to commercially launch the game in the fourth quarter of 2007.
- As in ZT Online, players assume one of five different roles in 10 different kingdoms. ZT Online PTP also requires players to log into one of multiple shards while enabling players to travel between different shards.
- Unlike ZT Online, however, ZT Online PTP requires players to pay to play the game by purchasing physical or virtual prepaid game cards on our official game website or from Internet cafés and other distribution points. Virtual products and services are not sold in the game, and therefore players must focus on building up their characters' experience to advance in the game.





- Giant Online is one of the first modern-era military-themed MMO games developed in China.
- Giant Online is a free-to-play game, which enables players, and groups of players, to purchase a wide range of virtual products and services.
- Giant Online is a “2.5 dimensional” game, meaning that the background and items in the game are depicted three dimensionally, while the characters are depicted two dimensionally.
- Giant Online players may assume one of 14 different roles, such as detectives and spies. Players can equip their characters with a range of modern weaponry. Apart from waging war, characters can also engage in various forms of in-game social interaction, such as friendship and even romance.
- Giant Online is divided into numerous regions. Each player must guide his or her character to develop skills and cooperate with other players to fight against players from other regions.
- Giant Online will feature multiple shards, and will also enable players to travel between different shards. It will enable up to 1,000,000 players to concurrently play in the same shard.
- We commenced our closed testing for Giant Online in June 2007, and expect to commercially launch Giant Online in the fourth quarter of 2007.





- K III is a three-dimensional online role-playing experience set in a European-style magical world.
 - Players assume the roles of K III heroes as they explore across a virtual world of forests and medieval cities and castles.
 - K III is the third installment of the King of Kings series of MMO games, which was launched in Taiwan in 1999, and which we believe was the first MMO game series to be operated in greater China.
 - We acquired the intellectual property rights to K III from Lager Network in the third quarter of 2007.
-
- Our product development team is presently in the process of working with Lager Network to further develop the game and tailor it to the Chinese market.
 - We currently expect to commercially launch the game in 2008.

