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## **NetDragon Websoft Inc.**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8288)**

### **CLARIFICATION OF A NEWSPAPER ARTICLE**

<p>The Directors wish to make a clarification in relation to a newspaper article published on Wen Wei Po on 17 May 2008 which reported that the Group has entered into an agreement in relation to an investment in an industrial park.</p>
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#### **Clarification of newspaper article**

It is noted that on 17 May 2008, an article in **Wen Wei Po** reported that a subsidiary of NetDragon Websoft Inc. (the “Company”, together with its subsidiaries, the “Group”) called 福建天棣動漫科技有限公司 (Fu Jian TianDi Animation Technologies Co. Ltd.) (“Fu Jian TianDi”), has entered into an agreement in relation to an investment in an industrial park on comic and animation industry in Changle city of the Fujian Province in the People’s Republic of China (the “Project”).

The directors of the Company (the “Directors”) would like to clarify that Fu Jian TianDi is not a subsidiary of the Group and none of the Group member has signed any agreement in relation to the Project. The Directors have been informed that Fu Jian TianDi is only a newly established company owned by DJM Holding Ltd., one of the controlling shareholders (as defined under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”)) of the Company, and the Project represents the personal and private investment of DJM Holding Ltd. without any relationship with the Group. The Directors further confirm that, as at the date of this announcement, the principal business of the Group is online game developing and operating whereas the Directors do not have any current plan to expand to the comic and animation industry. Should there be any change to such plan, the Company will make the appropriate announcement in accordance with the GEM Listing Rules.

Save as disclosed herein, Directors are not aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be price sensitive nature.

By order of the Board  
**NetDragon Websoft Inc.**  
**Liu Dejian**  
Chairman

Hong Kong, 20 May 2008

*As at the date of this announcement, the board of Directors comprises:*

*Executive Directors:*

Mr. Liu Dejian  
Mr. Liu Luyuan  
Mr. Zheng Hui  
Mr. Chen Hongzhan

*Non-executive Directors:*

Mr. Lin Dongliang

*Independent non-executive Directors:*

Mr. Chao Guowei, Charles  
Mr. Lee Kwan Hung  
Mr. Liu Sai Keung, Thomas

*This announcement for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its posting and on the website of the Company at [www.nd.com.cn](http://www.nd.com.cn).*