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NetDragon Websoft Inc.

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF INTERNATIONAL PLACING

Number of Placing Shares:	95,600,000 new Shares and 12,400,000 Sale Shares (subject to the Over-allotment Option)
Placing Price	: Not more than HK\$13.18 per Share (payable in full upon application, plus brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange levy of 0.005%) and not less than HK\$11.18 per Share
Nominal Value	: US\$0.01 each
Stock code	: 8288

Global Coordinator and Bookrunner

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Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 23 October 2007 (the “Prospectus”) issued by NetDragon Websoft Inc. (the “Company”).

Copies of the Prospectus required by the GEM Listing Rules and the Companies Ordinance are available, for information purposes only, at the offices of Bear Stearns Asia Limited at 26/F, Citibank Tower, 3 Garden Road, Central, Hong Kong and First Shanghai Securities Limited at 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong after 9:00 a.m. on 23 October 2007 and thereafter during normal office hours from 9:00 a.m. to 5:00 p.m. up to and including 6 November 2007.

Pursuant to the Underwriting Agreement which was entered into on or before the Price Determination Date, the Company is offering 95,600,000 new Shares for subscription and the Selling Shareholders are offering 12,400,000 Sale Shares for sale by way of International Placing, on and subject to the terms and conditions set out in the Prospectus.

Application has been made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares issued and to be issued as described in the Prospectus, including any Shares which may fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme. Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on 2 November 2007.

Application for the Placing Shares will only be considered on the basis of the terms and conditions as stated in the Prospectus. The International Placing is conditional upon the fulfillment of the conditions set forth under the paragraph headed “Conditions of the International Placing” in the section headed “Structure and conditions of the International Placing” in the Prospectus. Prospective investors of the Placing Shares should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreement by notice in writing to the Company given by Bear Stearns (for itself and on behalf of the Underwriters), upon the occurrence of any of the events set forth under the paragraph headed “Grounds for termination” in the section headed “Underwriting” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. In the event that the conditions of the International Placing as mentioned therein are not fulfilled or waived by Bear Stearns (for itself and on behalf of the Underwriters) on or before the day which is the 30th day after the date of the Prospectus, the International Placing will lapse and all monies received will be refunded to applicants of the International Placing without interest and the Stock Exchange will be notified immediately. Notice of the lapse of the International Placing will be published by the Company on the GEM website on the next business day following the date of such lapse.

Subject to the granting by the GEM Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares on GEM, as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from the date of commencement of dealings in the Shares on GEM or on any other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

The Placing Price shall be fixed by an agreement expected to be entered into between the Company and Bear Stearns (for itself and on behalf of the Underwriters) on or before the Price Determination Date which is currently scheduled on or before 26 October 2007, or such date as may be agreed between the Company and Bear Stearns (for itself and on behalf of the Underwriters) but in any event no later than 29 October 2007. If, for any reason, the Company and Bear Stearns (for itself and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date or the Underwriting Agreement is not signed, then the International Placing will not proceed.

The Placing Price will not be higher than HK\$13.18 per Share, and is currently expected to be not lower than HK\$11.18 per Share. Prospective investors of the Placing Shares should be aware that the Placing Price to be determined at or before the Price Determination Date may be, but is currently not expected to be, lower than the indicative range of the Placing Price stated in the Prospectus.

If, based on the level of interest expressed by prospective professional, institutional and private investors during the book-building process, Bear Stearns (for itself and on behalf of the Underwriters), and with the consent of the Company, considers it appropriate (for instance, if the level of interest is below the indicative Placing Price range), the indicative Placing Price range may be reduced below that as stated in the Prospectus at any time prior to the Price Determination Date. In such case, the Company shall, as soon as practicable following the decision to make such reduction, and in any event not later than 29 October 2007, cause the notice of the reduction of the indicative Placing Price range to be published on the GEM website.

The announcement of the Placing Price, the level of indications of interests in the International Placing and the basis of allocations of the Placing Shares will be published on the GEM website at www.hkgem.com and the Company's website at www.nd.com.cn on or before 1 November 2007.

By order of the Board
NetDragon Websoft Inc.
Liu Dejian
Executive Director

Executive Directors:

Liu Dejian
Liu Luyuan
Zheng Hui
Chen Hongzhan

Non-executive Director:

Lin Dongliang
Zhu Xinkun

Independent non-executive Directors:

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

Hong Kong, 23 October 2007

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 and a copy of the Prospectus will remain on the GEM website at <http://www.hkgem.com> and in the case of the announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.nd.com.cn.