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NetDragon Websoft Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock code on GEM: 8288)

(Stock code on Main Board: 777)

NOTICE OF VOLUNTARY WITHDRAWAL OF LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED,

PROPOSED LISTING OF THE ENTIRE ISSUED SHARES OF THE COMPANY ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF INTRODUCTION AND

RESULTS OF THE EXTRAORDINARY GENERAL MEETING

Sponsor



FIRST SHANGHAI CAPITAL LIMITED

The Board is pleased to announce that resolutions approving, among other things, the Proposed Withdrawal were passed by the Shareholders by show of hands at the EGM held on 12 June 2008. Notice is hereby given that the last day of dealings in the Shares on GEM will be Monday, 23 June 2008 and the listing of the Shares on GEM will be withdrawn with effect from 9:30 a.m. on Tuesday, 24 June 2008. It is expected that dealings in the Shares on the Main Board (stock code: 777) will commence at 9:30 a.m. on Tuesday, 24 June 2008.

The Proposed Withdrawal and the Proposed Introduction will have no effect on the existing share certificates in respect of the Shares, which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. No change will be made to the board lot size, trading currency of the Shares and the share registrars of the Shares in connection with the Proposed Withdrawal and the Proposed Introduction. **Shares will be traded under the new stock code 777 in board lots of 500 Shares each following the Proposed Introduction. If and when the Shares are listed on the Main Board, Shareholders may be required to sign a new client agreement with their stockbrokers.**

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Withdrawal and the Proposed Introduction are subject to the conditions set out below being fulfilled, and thus the Proposed Withdrawal and the Proposed Introduction may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the circular issued by the Company dated 27 May 2008.

The Board is pleased to announce that the following resolutions were duly passed by the Shareholders by show of hands at the EGM held on 12 June 2008:

- (i) the Proposed Withdrawal and the proposed reduction in the notice period for the Proposed Withdrawal to not less than five clear Business Days;
- (ii) the proposed adoption of the Proposed Share Option Scheme and the proposed termination of the GEM Share Option Scheme;
- (iii) the revocation of the Existing General Mandates and granting of the new issue general mandate and the Buyback Mandate to the Directors; and
- (iv) the addition to the amount of Shares to be allotted and issued under the new issue general mandate by the amount representing the aggregate nominal amount of the share capital of the Company to be repurchased, under the Buyback Mandate.

Notice is hereby given that subject to the Proposed Withdrawal and the Proposed Introduction becoming unconditional, the last day of dealings in the Shares on GEM will be Monday, 23 June 2008 and the listing of the Shares on GEM will be withdrawn with effect from 9:30 a.m. on Tuesday, 24 June 2008. It is expected that dealings in the Shares on the Main Board (stock code: 777) will commence at 9:30 a.m. on Tuesday, 24 June 2008.

The Proposed Withdrawal and the Proposed Introduction will have no effect on the existing share certificates in respect of the Shares, which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. No change will be made to the board lot size, trading currency of the Shares and the share registrars of the Shares in connection with the Proposed Withdrawal and the Proposed Introduction. **Shares will be traded under the new stock code 777 in board lots of 500 Shares each following the Proposed Introduction. If and when the Shares are listed on the Main Board, Shareholders may be required to sign a new client agreement with their stockbrokers.**

The implementation of the Proposed Withdrawal and the Proposed Introduction is still conditional upon the Listing Committee granting approval for the listing of, and permission to deal on the Main Board in, the Shares in issue and any Shares which may be allotted and issued by the Company as described in the Listing Document.

The adoption of the Proposed Share Option Scheme is still conditional upon, (i) the Listing Committee granting the approval for the listing of, and permission to deal in, on the Main Board the Shares which may be issued pursuant to the exercise of any options which may be granted pursuant to the Proposed Share Option Scheme; and (ii) the commencement of dealings in the Shares on the Main Board.

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Withdrawal and the Proposed Introduction are subject to the conditions set out above being fulfilled, and thus the Proposed Withdrawal and the Proposed Introduction may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

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

Hong Kong, 12 June 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 Director:

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 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 Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.nd.com.cn.