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NetDragon Websoft Inc.

網龍網絡有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 777)

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS
AND
RESUMPTION OF TRADING**

The Board has noted the increase in the price and trading volume of the shares of the Company before suspension on 30 November 2010 and wishes to state that save as mentioned below in this announcement, the Board is not aware of any reasons for such increases.

The Board wishes to state that the Company is in preliminary negotiation with IDG and other possible investors in relation to the establishment of fund. However, the Company has not entered into any legally binding written agreement in respect of the establishment of fund as at the date of this announcement.

The Board confirms that save as disclosed in this announcement, there is no other negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

At the request of the Company, trading in shares has been suspended as from 3:07 p.m. on 30 November 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares as from 9:30 a.m. on 1 December 2010.

Unusual price and trading volume movements

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of NetDragon Websoft Inc. (the “**Company**”) has noted the increase in the price and trading volume of the shares of the Company before suspension on 30 November 2010 and wishes to state that save as mentioned below in this announcement, the Board is not aware of any reasons for such increases.

The Board has noted that certain articles which appeared in various websites including NETEAST, Tencent, ChinaByte, sina and XINHUANET on 30 November 2010 reported that the Company and IDG Capital Partners (“**IDG**”) had announced to establish mobile internet investment fund. The Board wishes to state that the Company is in preliminary negotiation with IDG and other possible investors in relation to the establishment of fund. However, the Company has not entered into any legally binding written agreement in respect of the establishment of fund as at the date of this announcement.

The Board confirms that save as disclosed above, there is no other negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Resumption of trading

At the request of the Company, trading in shares has been suspended as from 3:07 p.m. on 30 November 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares as from 9:30 a.m. on 1 December 2010.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

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

Hong Kong, 30 November 2010

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Liu Dejian, Mr. Liu Luyuan, Mr. Zheng Hui and Mr. Chen Hongzhan; one non-executive director, namely Mr. Lin Dongliang; and three independent non-executive directors, namely Mr. Chao Guowei, Charles, Mr. Lee Kwan Hung and Mr. Liu Sai Keung, Thomas.