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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)

**CLOSING ANNOUNCEMENT
ISSUE OF PREFERRED SHARES BY A SUBSIDIARY**

References are made to the announcement of the Company dated 9 December 2011 and the further announcement of the Company dated 15 December 2011 (collectively, the “**Announcements**”) in relation to the issue of the Series B Preferred Shares under the Series B Agreement. Unless defined otherwise, capitalized terms used herein shall have the same meanings ascribed to them in the Announcements.

The Board is pleased to announce that all the conditions relating to the completion of the transaction with DT Capital under the Series B Agreement have been fulfilled. On 30 December 2011 (i.e. 29 December 2011 (Cayman Islands time)), 91 Limited has issued 4,006,250 Series B Preferred Shares to DT Capital. Accordingly, 91 Limited has issued in total 16,025,000 Series B Preferred Shares to the Series B Investors as contemplated by and in accordance with the Series B Agreement and has received the total consideration (i.e. US\$20,000,000) from the Series B Investors for the issue of such Series B Preferred Shares.

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

Hong Kong, 30 December 2011

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.