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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**

**(1) CONNECTED AND DISCLOSEABLE TRANSACTION  
SUBSCRIPTION OF THE SERIES B  
PREFERRED SHARES IN 91 LIMITED  
BY NETDRAGON(BVI)**

**(2) DETERMINATION OF THE NOTE CONVERSION PRICE**

Reference is made to the announcement of the Company dated 10 February 2012 (the “**Announcement**”) in relation to (i) the subscription of the Series B Preferred Shares in 91 Limited by NetDragon(BVI); and (ii) the determination of the Note Conversion Price. Unless defined otherwise, capitalized terms used herein shall have the same meanings ascribed to them in the Announcement.

The Board is pleased to announce that all the conditions relating to the completion of the Subscription under the Subscription Agreement have been fulfilled. On 17 February 2012, 91 Limited has issued 2,403,750 Series B Preferred Shares to NetDragon(BVI). In addition, the Note Conversion has taken place on 17 February 2012 and 91 Limited has issued, in aggregate, 4,006,250 Series B Preferred Shares to the IDG Investors. The shareholding structure of 91 Limited as at the date hereof can be referred to in the section headed “Shareholding Structure of 91 Limited upon Completion of the Subscription and the Note Conversion” of the Announcement.

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

Hong Kong, 20 February 2012

*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.*