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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

DISCLOSEABLE TRANSACTION

**SUBSCRIPTION OF THE SERIES B PREFERRED SHARES IN 91 LIMITED
BY SINO COAST DEVELOPMENTS LIMITED**

Reference is made to the announcement of the Company dated 8 October 2012 (the “**Announcement**”) in relation to the subscription of the Series B Preferred Shares in 91 Limited by Sino Coast. 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 have been fulfilled. On 12 October 2012, 91 Limited has issued 1,602,500 Series B Preferred Shares to Sino Coast. 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 SINO COAST SUBSCRIPTION TRANSACTION” of the Announcement.

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

Hong Kong, 19 October 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.