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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)**

**INSIDE INFORMATION — POSSIBLE OFFER FOR PROMETHEAN  
WORLD PLC (“PROMETHEAN”) – CLARIFICATORY STATEMENT**

Further to the announcement issued today concerning the possible offer for Promethean (the “**Response Announcement**”), NetDragon Websoft Inc. (the “**Company**”) wishes to make a clarificatory statement following discussions with the UK Panel on Takeovers and Mergers (the “**Takeover Panel**”) in order to comply with the requirements of the Code.

The Company stated in the Response Announcement that “this was the approach described in the announcement made by it on the The Stock Exchange of Hong Kong Limited on 9 June 2015 stating that the Company is in preliminary negotiations with a third party which is an international player in the education market in connection with a potential acquisition (the “**Potential Acquisition**”) of up to approximately US\$130 million”. For the avoidance of doubt, the Company confirms that this statement was not intended to be a “no increase” statement under Rule 2.5(a)(ii) or Rule 32.2 of the Code (i.e., it is *not* a statement as to the finality of any price or terms of the Potential Acquisition). The Executive of the Takeover Panel has confirmed, with the agreement of Promethean, that it should not be treated as such a statement.

Discussions between the companies are continuing, and there is no certainty that any offer will be forthcoming, nor as to the terms on which any offer will be made.

*Shareholders and potential investors should note that the Potential Acquisition may or may not proceed and are reminded to exercise caution when dealing in the securities of the Company.*

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

Hong Kong, 17 June 2015

*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.*

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***Additional Information***

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

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Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### ***VSA Capital***

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