

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



NetDragon Websoft Inc.

網龍網絡有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 777)

UPDATE ON ACQUISITION OF PROMETHEAN

Reference is made to the circular (the “**Circular**”) of NetDragon Websoft Inc. (the “**Company**”) dated 31 August 2015, the notice of extraordinary general meeting of the Company dated 31 August 2015, and the poll results announcement of the Company dated 17 September 2015 (the “**Announcement**”). Unless stated otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Status of Conditions to the Offer

As stated in the Announcement, the resolution approving the Offer was passed by the Shareholders at the EGM, meaning that the Condition relating to Shareholders’ approval has now been satisfied.

As stated in the Company’s announcement dated 7 September 2015, the Condition as to level of acceptances of the Offer had been fulfilled when, as at that date, valid acceptances in respect of Promethean Shares representing 94.76 per cent. of the existing issued ordinary share capital of Promethean had been received. By way of update, as at 3:00 p.m. (London time) on 16 September 2015, the Company and Digital Train have received valid acceptances of the Offer in respect of 194,850,329 Promethean Shares, representing 95.88 per cent. of the existing issued ordinary share capital of Promethean.

As there are no other Conditions to the Offer which remain outstanding, the Offer is now unconditional in all respects. Consequently, the Company will proceed with the Acquisition.

Notwithstanding that the Offer has become unconditional, the Offer will remain open until 1:00 p.m. (London time) on 1 October 2015 for holders of those Promethean Shares who have not yet tendered valid acceptances of the Offer, to do so.

Payments under the Offer

Under the terms of the Offer, settlement for those Promethean Shareholders who have validly accepted the Offer will be effected within 14 calendar days of the Offer becoming or being declared unconditional in all respects or, in relation to valid acceptances received after this date, within 14 calendar days of receipt of that acceptance.

Accordingly, based on the acceptances as at 3:00 p.m. (London time) on 16 September 2015 referred to above, the Company will make payment in respect of an aggregate amount of approximately £77.9 million (equivalent to approximately HK\$936.4 million) on or before 1 October 2015.

Other payments under the Acquisition

As disclosed in the Circular, the following payments will be paid by Promethean, on the next practicable payroll date after the date of this announcement, the cost of which are to be borne by the Company and/or Digital Train:

- (i) a cash sum payment of approximately £537,200 (equivalent to approximately HK\$6,457,000) in aggregate to Jim Marshall, Ian Baxter (both being directors of Promethean) and Wendy Baker (the company secretary of Promethean);
- (ii) cash sum payments of an amount not more than £117,444 (equivalent to approximately HK\$1,412,000) to the holders of the phantom awards granted pursuant to Schedule B to the relevant PSP; and
- (iii) a cash sum payment of approximately £69,167 (equivalent to approximately HK\$831,000) to Graham Howe, Jackie Yeane, Judy Verses and Lord Puttnam (being non-executive directors of Promethean).

The above payments are expected to be made by the Company and/or Digital Train to Promethean on the next practicable payroll date after the date of this announcement.

Delisting, cancellation of trading and re-registration of Promethean

As set out in the Offer Document, as the Offer has become unconditional in all respects and Digital Train has acquired Promethean Shares representing more than 75 per cent. of the voting rights of Promethean, Digital Train intends to procure the making of an application by Promethean for cancellation, respectively, of the trading in Promethean Shares on the London Stock Exchange's main market for listed securities (the "**Main Market**") and of the listing of the Promethean Shares on the official list of the Financial Conduct Authority (the "**Official List**").

The cancellation of listing of Promethean Shares on the Official List and admission to trading of Promethean Shares on the Main Market is expected to take effect on or around 16 October 2015. Such cancellation and admission to trading will significantly reduce the liquidity and marketability of any Promethean Shares and/or Promethean Shares held in uncertificated form not assented to the Offer. Once such cancellation and admission to trading occurs, Promethean will be re-registered as a private company under the relevant provisions of the Companies Act.

Compulsory acquisition for remaining Promethean Shares

As set out in the Offer Document, as Digital Train has received acceptances under the Offer in respect of 90 per cent. or more of the existing issued ordinary share capital of Promethean by nominal value and voting rights attached to such shares, Digital Train will now commence the procedures available to it under sections 974 to 991 (inclusive) of the Companies Act to acquire compulsorily any remaining Promethean Shares held by the Promethean Shareholders who have not accepted the Offer within the relevant time. Notice will be sent to non-accepting shareholders informing them of the compulsory acquisition of their Promethean Shares by Digital Train. Taking into account the legal requirements of the Companies Act, the Company expects such compulsory acquisition to complete following the expiry of a six-week period from the date of the commencement of the compulsory acquisition procedure.

Completion of the Acquisition

Completion of the Acquisition is expected to take place some time in October or November 2015, after the delisting of Promethean and completion of the compulsory acquisition of the remaining Promethean Shares held by the Promethean Shareholders who have not submitted valid acceptances under the Offer. Immediately after completion of the aforesaid compulsory acquisition, Promethean will come to be wholly-owned by Digital Train.

As disclosed in the Circular, the chairman and non-executive director of Promethean, Philip Rowley, and the non-executive directors of Promethean, Graham Howe, Lord Puttnam, Jackie Yeane and Judy Verses, have today all resigned as directors of Promethean with immediate effect.

Digital Train has re-assessed the need and desirability of appointing directors to the board of Promethean and, contrary to its previously stated intention in the Circular, may proceed with the appointment of one or more directors to Promethean after the cancellation of listing and of admission to trading of Promethean Shares as referred to above.

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

Hong Kong, 17 September 2015

For the purposes of this announcement, unless otherwise indicated, conversion of £ and HK\$ is calculated at the exchange rate of £1.00 to HK\$12.0201. This exchange rate is for illustrative purposes only and do not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate or at all.

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.