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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in NetDragon Websoft Inc. (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**ND**

**NetDragon Websoft Inc.**

**網龍網絡有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 777)**

- (1) PROPOSALS FOR GENERAL MANDATES  
TO ISSUE AND BUY BACK SHARES,  
(2) RE-ELECTION OF RETIRING DIRECTORS,  
(3) FINAL DIVIDEND,  
(4) PROPOSED CHANGE OF COMPANY NAME  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Plaza Meeting Room, Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 19 May 2016 at 3:00 p.m. is set out on pages 19 to 23 of this circular. A form of proxy for use at the annual general meeting is enclosed herewith. Whether or not you intend to attend and vote at the annual general meeting in person, you are requested to complete and return the accompanying proxy form to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for holding the annual general meeting (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person in the annual general meeting (or any adjournment thereof) if you so wish.

14 April 2016

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings, unless the context otherwise requires:*

“AGM”	the annual general meeting of the Company to be held at Plaza Meeting Room, Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 19 May 2016 at 3:00 p.m. or any adjournment thereof (as the case may be), notice of which is set out on pages 19 to 23 of this circular;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Buy-back Mandate”	the proposed general and unconditional mandate to be granted to the Directors at the AGM to buy-back up to 10% of the issued share capital of the Company as at the date of the passing of such resolution;
“BVI”	the British Virgin Islands;
“Chairman”	chairman of the Board;
“Change of Company Name”	the proposed change of the English name of the Company from “NetDragon Websoft Inc.” to “NetDragon Websoft Holdings Limited” and the Chinese name of the Company from “網龍網絡有限公司” to “網龍網絡控股有限公司”;
“Company”	NetDragon Websoft Inc., an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Final Dividend”	the proposed final dividend of HKD0.10 per Share for the year ended 31 December 2015 to shareholder whose names appear on the register of members of the Company on the Record Date;
“Group”	the Company and its subsidiaries;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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## DEFINITIONS

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“IDG Group”	IDG Technology Venture Investments, L.P., IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P. and IDG-Accel China Investors L.P.;
“Issue Mandate”	the proposed general and unconditional mandate to be granted to the Directors at the AGM to allot, issue and otherwise deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of such resolution plus the amount representing the aggregate nominal amount of the share capital of the Company bought back by the Company under the Buy-back Mandate;
“Latest Practicable Date”	11 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Record Date”	25 May 2016, being the record date for determining entitlements of the Shareholders to the Final Dividend;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of USD0.01 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs;
“USD”	US dollars, the lawful currency of the United State of America;
“%”	per cent.

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LETTER FROM THE BOARD

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ND

**NetDragon Websoft Inc.**

**網龍網絡有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 777)**

*Executive Directors:*

Liu Dejian (*Chairman*)

Liu Luyuan

Zheng Hui

Chen Hongzhan

Leung Lim Kin, Simon

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Non-executive Director:*

Lin Dongliang

*Head office and principal place of  
business in Hong Kong:*

Units 2001-05 & 11,

20th Floor, Harbour Centre,

25 Harbour Road,

Wan Chai,

Hong Kong

*Independent non-executive Directors:*

Chao Guowei, Charles

Lee Kwan Hung

Liu Sai Keung, Thomas

14 April 2016

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSALS FOR GENERAL MANDATES  
TO ISSUE AND BUY BACK SHARES,  
(2) RE-ELECTION OF RETIRING DIRECTORS,  
(3) FINAL DIVIDEND,  
(4) PROPOSED CHANGE OF COMPANY NAME  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to (i) the granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the Shares in the issued share capital of the Company as at the date of passing of such resolution; (ii) the granting to the Directors a general mandate to buy

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## LETTER FROM THE BOARD

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back the Shares not exceeding 10% of the Shares in the issued share capital of the Company as at the date of the passing of such resolution; (iii) the re-election of retiring Directors; (iv) the distribution of Final Dividend; and (v) the Change of Company Name. This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions.

A notice convening the AGM is set out on page 19 to page 23 to this circular.

### GENERAL MANDATES

At the AGM, separate ordinary resolutions will be proposed to grant to the Directors general and unconditional mandates to authorize the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution; (ii) to exercise all powers of the Company to buy back issued and fully paid Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the resolution; and (iii) to extend the general mandate granted to the Directors to allot, issue and deal with additional Shares as mentioned in paragraph (i) above by the amount representing the aggregate nominal amount of the share capital of the Company bought back by the Company under the Buy-back Mandate.

As at the Latest Practicable Date, there were in issue an aggregate of 492,971,195 Shares. Subject to the passing of the proposed resolutions for the grant of the Issue Mandate and the Buy-back Mandate, and on the basis that no further Shares will be issued or bought back prior to the date of the AGM, exercise in full of the Buy-back Mandate will result in up to 49,297,119 Shares being bought back by the Company, and the Directors will be authorised to allot and issue under the Issue Mandate up to 98,594,239 Shares, and to the extent the Buy-back Mandate is exercised, plus the amount of Shares representing the aggregate nominal amount of the share capital of the Company bought back by the Company under the Buy-back Mandate.

The Issue Mandate and the Buy-back Mandate shall continue in force during the period ending on the earliest of (a) the date of the next annual general meeting; or (b) the date by which the next annual general meeting of the Company is required to be held by law or by its articles of association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Buy-back Mandate is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the relevant proposed resolution to grant to the Directors the Buy-back Mandate.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors are Liu Dejian (Chairman), Liu Luyuan, Zheng Hui, Chen Hongzhan and Leung Lim Kin, Simon; the non-executive Director is Lin Dongliang; and the independent non-executive Directors are Chao Guowei, Charles, Lee Kwan Hung and Liu Sai Keung, Thomas.

Pursuant to the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third), shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to the articles of association of the Company, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Company after his appointment and be shall then be eligible for re-election and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Leung Lim Kin, Simon (“**Dr. Leung**”), being executive director of the Company newly appointed on 30 October 2015 will retire from the Board at the AGM in accordance with the articles of association of the Company and, being eligible, offer himself for re-election.

Accordingly, Liu Dejian (“**Mr. Liu**”), Zheng Hui (“**Mr. Zheng**”), Dr. Leung and Chao Guowei, Charles (“**Mr. Chao**”) will retire as Directors in accordance with the articles of association of the Company. Mr. Liu, Mr. Zheng, Dr. Leung and Mr. Chao, being eligible, offer themselves for re-election at the AGM.

Liu Dejian, aged 44, is the Chairman of the Board and Executive Director. Mr. Liu led us to become one of the PRC’s leading online game and mobile Internet operations companies. He is mainly responsible for the overall business strategic development of the Group and is the chief game designer of our game development team. Mr. Liu leads the game development team on the design of the online game products. He formulates the development policy and contributes to the growth of the Company as a competitive online game operator and developer. Currently, Mr. Liu is committed to lead the company’s transformation to an international design-oriented enterprises, and actively promote Internet education, leading the Group to become China’s leading online education industry force. Apart from his management and leadership, Mr. Liu constantly holds training seminars to further enhance the development of our human resources. The Group was honoured as the “Top 30 Cultural Enterprises in the PRC at the Sixth Presentation Ceremony” (第六屆全國文化企業三十強) and “Top 2000 Forbes Global business” (福布斯全球企業兩千強) in May 2014. In 2015, the Group was honoured as the “Top 30 Cultural Enterprises in the PRC at the Seventh Presentation Ceremony” (第七屆全國文化企業三十強), “Second Award of Top 100 Forbes Potential Enterprises in PRC” (福布斯中國潛力企業百強榜第三名), “Top 100 Internet Enterprises in PRC” (中國互聯網企業百強) and “Top 100 National Software Comprehensive Competitiveness Enterprises” (全國軟體綜合競爭力百強). Prior to starting Fujian NetDragon Websoft Co., Ltd. (福建網龍計算機網絡信息技術有限公司) (“NetDragon (Fujian)”), Mr. Liu graduated with a Bachelor’s degree of Science in Chemistry from University of Kansas in the USA in 1995. He had been the vice-president of Beso Biological Research

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## LETTER FROM THE BOARD

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Centre, Inc (“Beso”) from 1995 to 2005. He was also the vice-president of Fuzhou Yangzhenhua 851 Bio-Engineering Research Inc. (“Fuzhou 851”) from 1995 to 2000 and then promoted to be the president since 2001. Mr. Liu was first introduced to the technology of Internet during his study in the USA when he established a website for marketing of softwares. Anticipating that Internet would have a good development opportunity in the PRC, he founded NetDragon (Fujian) in 1999 when he came back to the PRC. He was awarded as the “Most Influential Person within the Online Game Industry in China in the Chinese Game Industry Annual Conference 2009” in January 2010 (「2009 年度中國遊戲產業最具影響力人物」). He was also awarded as “Excellent Entrepreneur of China Game Industry”\* (「中國遊戲行業優秀企業家」) in the China Game Industry Annual Conference in December 2009. He was appointed as vice-chairman of Fujian Province Association of Youth Entrepreneur\* (「福建省青年企業家協會」) in April 2006. He also obtained Fujian Youth Entrepreneur Achievement Award\* (「福建青年創業成就獎」) in April 2005, Go Tone Fujian IT Industry Top 10 Outstanding Youth\* (「全球通福建IT行業十大傑出青年」) in May 2005, Certificate of Fujian Entrepreneurial Tutor of the Chinese Youth Business International Programme\* (「中國青年創業國際計劃福建創業導師證書」) in June 2005, Fujian Youth Technology Award\* (「福建省青年科技獎」) in March 2010, Software Outstanding Talent in Fujian Province\* (「福建省軟件傑出人才」) in September 2010 and Entrepreneurial Excellence Award in Haixi\* (「海西創業英才獎」) in April 2012, and he was appointed as a member of the Second Council of The Association for Redound Reposal, Fujian (福建省誠信促進會第二屆理事會) in July 2012. Mr. Liu received the Management Talent Award\* (「領軍人物獎」) in June 2011, Fujian business Building Haixi Outstanding Contribution Award\* (「福建閩商建設海西突出貢獻獎」) and Fujian Donations of Non-public Ownership Economy Welfare Outstanding Contribution Award\* (「福建非公有制經濟人士捐贈公益事業突出貢獻獎」) in June 2013. Mr. Liu was awarded as the Entrepreneur of the Year in Entrepreneur Conference of CYZONE\* (「創業邦年會年度創業人物」) in November 2013. As the developer of “91 assistant” software first person, Mr. Liu received the Progress Prize Second Award in Fujian Province Science and Technology\* (「福建省科學技術進步二等獎」) in January 2014. Mr. Liu was awarded the Special Allowance Expert in State Council\* (「國務院特殊津貼專家」) in January 2015 and the Publishing Award for Outstanding People in Fujian Province\* (「福建省優秀出版人物獎」) in September 2015. Mr. Liu is also a director of NetDragon Websoft (Hong Kong) Limited (“NetDragon (Hong Kong)”) and NetDragon Websoft Inc. (“NetDragon (BVI)”). Mr. Liu is a brother of Liu Luyuan and a cousin of Zheng Hui.

Mr. Liu entered into a service contract with the Company for an initial term of three years commenced from 24 June 2008 subject to termination in certain circumstances as stipulated therein. Pursuant to the service contract, Mr. Liu is entitled to an annual remuneration of approximately RMB611,000 per year. He is also entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company’s performance and its remuneration policy.

As at the Latest Practicable Date, Mr. Liu was interested in approximately 95.40% of the issued share capital of DJM Holding Ltd., which in turn was interested in approximately 38.76% of the issued share capital of the Company. Mr. Liu was also deemed to be interested in approximately 99.96% of the registered capital of NetDragon (Fujian). Liu Dejian is a brother of Liu Luyuan and a cousin of Zheng Hui who have agreed to act in concert to acquire interests in the registered capital of NetDragon

\* For identification purpose only



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## LETTER FROM THE BOARD

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(Fujian). All of Liu Dejian, Liu Luyuan and Zheng Hui were deemed to be interested in 51.52% of the issued share capital of the Company through their direct and deemed shareholding in all of the DJM Holding Ltd., a trust in favour of Mr. Liu Luyuan, a trust in favour of Liu Dejian and Liu Luyuan, Fitter Property Inc. and Eagle World International Inc.. In addition, as at the Latest Practicable Date, Mr. Liu had a personal interest in 1,798,800 shares, a family interest in 61,091,157 shares, a corporate interest in 191,078,100 shares and 85,200 share options of the Company.

Zheng Hui, aged 47, is an executive director of the Company and responsible for the overall management and administration of the Group. Mr. Zheng manages our administrative department and provides supporting resources to our operation. Mr. Zheng also coordinates, supervises and manages the duties of our various departments. Mr. Zheng has more than 20 years of management and administration experience. He is one of the founding shareholders and has been appointed as the senior executive manager in NetDragon (Fujian) since 1999. Mr. Zheng is the legal representative, director and manager of Fuzhou Tiannuo Network Technology Limited\* (福州天諾網絡科技有限公司) and Fuzhou Changyu Network Technology Limited\* (福州暢裕網絡科技有限公司), the legal representative and director of Fujian Tianquan Education Technology Limited\* (福建天泉教育科技有限公司) since 2012, the legal representative and director of Fujian Huayu Future Education Technology Limited\* (福建華漁未來教育科技有限公司) and the legal representative, executive director and manager of Fujian NetDragon Art Communication Limited\* (福建網龍藝術傳播有限公司). He is also a member of the first Fujian Cultural Enterprises Association\* (福建省文化企業協會) and Secretary General of Fuzhou Association for Service and Trade Development Promotion\* (福州市服務貿易發展促進協會). Before founding NetDragon (Fujian) in 1999, Mr. Zheng worked in Beso and Fuzhou 851 from 1992 to 1999. He obtained a graduation certificate from the Continuing Education Institute of Beijing Normal University in 2000. Zheng Hui is the cousin of Liu Dejian and Liu Luyuan.

Mr. Zheng entered into a service contract with the Company for a term of three years commenced from 24 June 2008 subject to termination in certain circumstances as stipulated therein. Pursuant to the service contract, Mr. Zheng is entitled to an annual remuneration of RMB267,000 per year. He is entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

As at the Latest Practicable Date, Mr. Zheng was interested in approximately 4.64% and 100% of the issued share capital of DJM Holding Ltd. and Fitter Property Inc., respectively, which in turn is interested in approximately 38.76% and 3.86% respectively, of the issued share capital of the Company. Mr. Zheng owns the voting rights in respect of all the issued shares of Flowson Company Limited. Flowson Company Limited is interested in 100% of the issued share capital of Eagle World International Inc., which in turn is interested in approximately 2.82% of the issued share capital of the Company. Mr. Zheng is a cousin of both Liu Dejian and Liu Luyuan who have agreed to act in concert to acquire interests in the Shares. All of Liu Dejian, Liu Luyuan and Zheng Hui were deemed to be interested in 51.52% of the issued share capital of the Company through their direct and deemed

\* For identification purpose only

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## LETTER FROM THE BOARD

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shareholding in all of the DJM Holding Ltd., a trust in favour of Mr. Liu Luyuan, a trust in favour of Liu Dejian and Liu Luyuan, Fitter Property Inc. and Eagle World International Inc.. As at the Latest Practicable Date, Mr. Zheng had a personal interest in 1,411,800 shares, a family interest in 219,615,738 shares, a corporate interest in 32,940,519 shares and 85,200 shares options of the Company.

Leung Lim Kin, Simon, aged 61, is an executive director. Dr. Leung joined the Company in March 2015. He is responsible for the planning, consolidation and operation of the education business of the Company in the People's Republic of China and the development of the online education business overseas. Dr. Leung had over 30 years of experience in both information technology and telecommunications industries. In 2005, he was appointed as the president of Motorola Asia-Pacific, a company principally engaged in the production of data communication and telecommunication equipment, where he was primarily responsible for the overall strategic planning and implementation in the Asia-Pacific region. Since 2008, Dr. Leung was the chief executive officer of Microsoft Greater China region, a company principally engaged in developing, manufacturing, licensing and sales of software products, where he was primarily responsible for overseeing overall business operations and for developing and implementing a regional strategy. Prior to joining the Company, Dr. Leung also held management roles at various educational institutions or corporations engaging in education business. From 2009 to 2010, he was the governor of the Upper Canada College, an educational institution, where he was primarily responsible for establishing and directing policy for the college and overseeing its financial affairs. In 2012, Dr. Leung was the chief executive officer of Harrow International Management Services Limited, a company principally engaged in the management of Harrow International Schools, where he was responsible for the development of new Harrow International Schools and education services in Asia. Dr. Leung received his bachelor of arts degree and an honorary doctorate in laws from the University of Western Ontario, Canada in 1978 and 2005 respectively and a doctorate in business administration from Hong Kong Polytechnic University in 2007. Dr. Leung currently serves as a member of the Ivey Asia Advisory Board of the Richard Ivey School of Business of the University of Western Ontario, an educational institution, where he is primarily responsible for advising the school on its mission strategy in Asia. He is also a governor of Tung Wah College, an educational institution, where he is primarily responsible for determining key governance issues. He has been appointed as a member of the Steering Committee on Innovation and Technology of HKSAR. Since 2010, Dr. Leung has been a member of the International Advisory Committee of the Hong Kong Polytechnic University. Mr. Leung is also an independent non-executive director of Purapharm Corporation Limited (Stock Code: 1498) which is listed on the Main Board of the Stock Exchange of Hong Kong Limited.

Dr. Leung entered into a service contract with the Company for a term of three years commenced from 30 October 2015 subject to termination in certain circumstances as stipulated therein. Pursuant to the service contract, Dr. Leung is entitled to an annual remuneration of RMB1,995,000 per year. He is entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

Chao Guowei, Charles, aged 50, is an independent non-executive director. Mr. Chao was appointed as an independent non-executive Director on 15 October 2007. Mr. Chao is also the

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## LETTER FROM THE BOARD

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chairman of the audit committee, a member of the remuneration committee and nomination committee. Mr. Chao is the Chairman of the Board and Chief Executive Officer of SINA Corporation, a publicly listed company in Nasdaq. Mr. Chao joined SINA Corporation as a Vice President of Finance in 1999 and served as its Co-Chief Operating Officer, President and Chief Financial Officer before his current position as the Chairman of the Board and Chief Executive Officer. Prior to joining SINA, Mr. Chao served as an experienced audit manager in PricewaterhouseCoopers LLP to provide audit and business consulting services for companies in Silicon Valley, California. Mr. Chao is also currently the Chairman of the board of directors of a leading social media company, “Weibo”, which is a publicly listed company in Nasdaq, the Co-Chairman of the board of directors of a real estate services company “E-House”, which is a publicly listed company in New York Stock Exchange, and a director of a leading real estate O2O integrated services platform “Leju Holdings”, which is a publicly listed company in New York Stock Exchange. Mr. Chao was a certified public accountant and the member of AICPA. Mr. Chao graduated with a Master’s degree in professional Accounting from the University of Texas at Austin in 1993, a Master’s degree in Journalism from the University of Oklahoma in 1991 and a Bachelor’s degree in Journalism from the Fudan University in 1988.

Mr. Chao entered into an appointment letter with the Company for an initial term of three years commencing from 24 June 2008 subject to termination in certain circumstances as stipulated therein. Pursuant to the appointment letter, Mr. Chao is entitled to an annual remuneration of RMB436,000. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company’s performance and its remuneration policy.

As at the Latest Practicable Date, Mr. Chao had a personal interest in 579,500 Shares and 238,500 shares options of the Company.

Save as disclosed hereof, as at the Latest Practicable Date, and to the best knowledge and belief of the Board, the Directors confirmed that:

- (a) each of Mr. Liu, Mr. Zheng, Dr. Leung and Mr. Chao is not connected with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company;
- (b) each of Mr. Liu, Mr. Zheng, Dr. Leung and Mr. Chao has no other interests in the Shares which are required to be disclosed under Part XV of the SFO;
- (c) each of Mr. Liu, Mr. Zheng, Dr. Leung and Mr. Chao does not hold any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years;
- (d) there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules; and
- (e) the Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Directors.

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## LETTER FROM THE BOARD

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### FINAL DIVIDEND

As stated in the announcement issued by the Company dated 30 March 2016 relating to the annual results of the Group for the year ended 31 December 2015, the Board recommends the payment of the Final Dividend of HKD0.10 per Share for the year ended 31 December 2015 to Shareholders whose names appear on the register of members of the Company on the Record Date. The Final Dividend is subject to approval by the Shareholders at the AGM and a resolution will be proposed to the Shareholders for voting at the AGM.

### Closure of Register

The Register will be closed from Wednesday, 25 May 2016 to Friday, 27 May 2016 (both dates inclusive) in order to determine the Shareholders' entitlements to the Final Dividend, during which no transfer of Shares will be registered.

To qualify for the Final Dividend, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 24 May 2016.

Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. Wednesday, 25 May 2016 will be entitled to the Final Dividend.

The expected timetable for the Final Dividend is as follows:

<b>Events</b>	<b>Date</b>
AGM	Thursday, 19 May 2016
Final dividend ex-entitlement date	Monday, 23 May 2016
Record Date for Final Dividend	Wednesday, 25 May 2016
Latest time for the Shareholders to lodge transfer documents to the Company's branch share registrar in order to qualify for receiving the Final Dividend	4:30 p.m. on Tuesday, 24 May 2016 (All transfer of shares accompanied by the relevant share certificates and transfer form must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration)
Closure of the register of members (to qualify for receiving the Final Dividend)	Wednesday, 25 May 2016 to Friday, 27 May 2016
Upon the Shareholders' approval of the payment of the Final Dividend at the AGM, the expected payment date of the Final Dividend	Wednesday, 15 June 2016

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## LETTER FROM THE BOARD

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### PROPOSED CHANGE OF COMPANY NAME

The Board proposed to change the English name of the Company from “NetDragon Websoft Inc.” to “NetDragon Websoft Holdings Limited” and the Chinese name of the Company from “網龍網絡有限公司” to “網龍網絡控股有限公司”, subject to the conditions as set out in the paragraph headed “Conditions” below.

#### Conditions

The Change of Company Name is subject to the following conditions:

- (1) the passing of a special resolution by the shareholders of the Company to approve the Change of Company Name at the AGM of the Company; and
- (2) the Registrar of Companies in the Cayman Islands granting approval for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect upon the date on which the Registrar of Companies in the Cayman Islands issues a Certificate of Incorporation on Change of Name confirming that the new English name and the new Chinese name of the Company have been registered. The Company will then carry out all necessary registration and/or filing procedures with the Companies Registry in Hong Kong.

Further announcement will be made by the Company in relation to the effective date of the Change of Company Name.

#### Reasons for the Change of Company Name

The Board considers that the Change of Company Name will better reflect the current status of the Group’s business development and its direction of future development. The Board believes that the new name can provide the Company with a more appropriate corporate image and identity which will benefit the Company’s future business development and is in the best interests of the Company and Shareholders as a whole.

#### Effect of the Change of Company Name

The Change of Company Name will not affect the rights of any Shareholder or the Company’s daily business operation and its financial position. All existing share certificates of the Company in issue bearing the existing name of the Company will, upon the Change of Company Name becoming effective, continue to be valid evidence of legal title to the shares of the Company and will continue to be valid for trading, settlement, registration and delivery purposes.

Accordingly, there will not be any arrangement for the free exchange of the existing share certificates for new certificates bearing the new name of the Company. Should the Change of Company Name become effective, any issue of share certificates thereafter will bear the new name of the Company and the securities of the Company will be traded on the Stock Exchange under the new name.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

The notice convening the AGM is set out on pages 19 to 23 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying proxy form to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM (or any adjournment thereof). The return of the proxy form will not preclude you from attending and voting in person in the AGM (or any adjournment thereof) if you so wish.

For determining the entitlement to attend and vote at the AGM, the Company's register of members will be closed from Tuesday, 17 May 2016 to Thursday, 19 May 2016, both days inclusive, during which time no transfer of shares will be registered. In order to ensure that the shareholders are entitled to attend and vote at the AGM, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 16 May 2016 for registration of the relevant transfer.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

### VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the AGM will therefore demand a poll for every resolution put to the vote of the AGM pursuant to article 66 of the articles of association of the Company.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the proposals for general mandates to issue and buy back Shares, re-election of retiring Directors, proposed declaration of Final Dividend and the proposed Change of Company Name are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM in respect thereof.

Yours faithfully,  
For and on behalf of the Board  
**NetDragon Websoft Inc.**  
**Liu Dejian**  
*Chairman*

*This is an explanatory statement given to all Shareholders, as required by the Listing Rules, to provide requisite information of the Buy-back Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued and fully-paid share capital of the Company was 492,971,195 Shares of USD0.01 each.

Subject to the passing of the ordinary resolution granting the Buy-back Mandate and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 49,297,119 Shares, being 10% of the entire issued capital of the Company.

## **2. REASONS FOR BUY BACK**

The Directors have no present intention to buy back any Shares but consider that the Buy-back Mandate will provide the Company with the flexibility to make such buy-back as and when appropriate and is beneficial to the Company. Such buy-backs may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share. The Directors will not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **3. FUNDING OF BUY-BACK**

Buy-back of the Shares will be funded out of funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

The Company is empowered by its memorandum and articles of association to buy back its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share buy-back may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Cayman Islands law, the Shares so bought back will remain part of the authorised but unissued share capital.

## **4. UNDERTAKING BY DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-back pursuant to the Buy-back Mandate and in accordance with the Listing Rules, the memorandum and articles of association of the Company and any applicable laws of the Cayman Islands.



None of the Directors, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, nor any of the close associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the proposed Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor he/she has undertaken not to sell any of the Shares held by him/her to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

#### 5. EFFECT OF THE CODES ON TAKEOVERS AND MERGERS AND SHARE BUY-BACK AND MINIMUM PUBLIC FLOAT

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Codes. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Codes), depending on the level of increase in the Shareholders' interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Codes.

As at the Latest Practicable Date, the register of the Shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholder	Number of Shares and underlying shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Buy-back Mandate is exercised in full
Liu Dejian ( <i>Note 1</i> )	254,053,257	51.54%	57.26%
Liu Luyuan ( <i>Note 1</i> )	255,652,057	51.86%	57.62%
Zheng Hui ( <i>Note 1</i> )	254,053,257	51.54%	57.26%
DJM Holding Ltd.	191,078,100	38.76%	43.07%
IDG Group ( <i>Note 2</i> )	78,333,320	15.89%	17.66%
Ho Chi Sing	78,333,320	15.89%	17.66%
Zhou Quan	73,490,095	14.91%	16.56%
First Elite Group Limited ( <i>Note 3</i> )	26,502,415	5.38%	5.97%
Jardine PTC Limited ( <i>Note 3</i> )	26,502,415	5.38%	5.97%

*Notes:*

1. Liu Dejian is interested in approximately 95.36% of the issued share capital of DJM Holding Ltd., which in turn is interested in approximately 38.76% of the issued share capital of the Company.

Liu Luyuan is interested in approximately 5.34% of the issued share capital of the Company which is represented by interest held as a beneficiary of a trust of 26,344,800 Shares.

197,019 Shares were held by each of Liu Dejian and Liu Luyuan as beneficiary interest of a trust.

Zheng Hui is interested in approximately 4.64% and 100.00%, respectively, of the issued share capital of DJM Holding Ltd. and Fitter Property Inc., which in turn is interested in 38.76% and 3.86%, respectively, of the issued share capital of the Company. Zheng Hui owns the voting rights in respect of all the issued shares of Flowson Company Limited. Flowson Company Limited is interested in 100.00% of the issued share capital of Eagle World International Inc., which in turn is interested in approximately 2.82% of the issued share capital of the Company.

Liu Dejian is a brother of Liu Luyuan and a cousin of Zheng Hui who have agreed to act in concert to acquire interests in the Shares in the Company. All of Liu Dejian, Liu Luyuan and Zheng Hui are deemed to be interested in 51.52% of the issued share capital of the Company through their direct and deemed shareholding in all of DJM Holding Ltd., a trust in favour of Liu Luyuan, a trust in favour of Liu Dejian and Liu Luyuan, Fitter Property Inc. and Eagle World International Inc..

2. The IDG Group is comprised of four limited partnerships, namely IDG Technology Venture Investments, L.P., IDG-Accel China Growth Fund L.P., IDG-Accel China Growth Fund-A L.P. and IDG-Accel China Investors L.P., being interested in approximately 2.21%, 10.55%, 2.15% and 0.98% respectively, in the Company who are deemed to be acting in concert to acquire interests in the Company, and their respective controlling entities. The controlling structure of each of the above partnerships is as follows:
  - a) IDG Technology Venture Investments, L.P. is controlled by its sole general partner, IDG Technology Venture Investments, LLC, which in turn is controlled by its managing members, Zhou Quan and Ho Chi Sing.
  - b) IDG-Accel China Growth Fund L.P. and IDG-Accel China Growth Fund-A L.P. are controlled by their sole general partner, IDG-Accel China Growth Fund Associates L.P., which in turn is controlled by its sole general partner, IDG-Accel China Growth Fund GP Associates Ltd.. IDG-Accel China Growth Fund GP Associates Ltd. is held as to 35.00% by each of Zhou Quan and Ho Chi Sing.
  - c) IDG-Accel China Investors L.P. is controlled by its sole general partner, IDG-Accel China Investor Associates Ltd., which in turn is held as to 100.00% by Ho Chi Sing.
3. First Elite Group Limited is controlled by Jardine PTC Limited, which held on trust for Richmedia Holdings Limited.

In the event that the Directors shall exercise in full the Buy-back Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above. As at the Latest Practicable Date, Liu Dejian, Liu Luyuan and Zheng Hui, as parties acting in concert (the “**Concert Parties**”), are beneficially interested in 253,968,057 Shares, representing approximately 51.52% of the issued share capital of the Company. As DJM Holding Ltd.

is a corporation controlled by Liu Dejian, one of the Concert Parties, the interest in the Company held by DJM Holding Ltd. is accordingly regarded as part of the interest in the Company held by the Concert Parties and the increase of shareholding in the Company by DJM Holding Ltd. is examined with reference to the total increase of shareholding in the Company by the Concert Parties. In the event that the Directors should exercise in full the Buy-back Mandate, the aggregate shareholding of the Concert Parties will be increased to approximately 57.24% of the issued share capital of the Company. Accordingly, a mandatory offer under Rule 26 of the Takeovers Code will not arise as a result of the exercise in full of the Buy-back Mandate.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of a share buy-back, an exercise of the Buy-back Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Buy-back Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage.

#### 6. SHARE BUY-BACK MADE BY THE COMPANY

During the twelve months preceding the Latest Practicable Date, the Company bought back 4,840,000 Shares on the Stock Exchange at an aggregate consideration of HKD93,386,630 before expenses. The Shares bought back were effected by the Directors for the enhancement of shareholder value in the long term. Details of the Share so bought back are as follows:

<b>Month of shares bought back</b>	<b>Number of ordinary Shares bought back</b>	<b>Highest price paid per Share <i>HK\$</i></b>	<b>Lowest price paid per Share <i>HK</i></b>	<b>Aggregate consideration paid <i>\$HK\$</i></b>
January 2016	4,840,000	21.25	17.40	93,386,630.00

The Shares so bought back were cancelled on delivery of the share certificates during the year. The nominal value of the cancelled Shares was transferred to the capital redemption reserve and the relevant aggregate consideration was paid out from the Company's retained profits.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares during the previous twelve months immediately preceding the Latest Practicable Date.

**7. SHARE PRICES**

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous 12 months immediately preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Price per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HKD</i>	<i>HKD</i>
<b>2015</b>		
March	17.82	13.00
April	30.00	17.10
May	42.05	21.40
June	38.90	27.10
July	30.45	12.80
August	22.60	14.90
September	21.60	16.32
October	22.35	19.54
November	28.70	20.90
December	27.45	21.05
<b>2016</b>		
January	21.55	17.40
February	21.00	18.36
March	23.00	19.40
April (up to the Latest Practicable Date)	25.60	20.80

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## NOTICE OF AGM

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**ND**

**NetDragon Websoft Inc.**

**網龍網絡有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 777)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of NetDragon Websoft Inc. (the “**Company**”) will be held at Plaza Meeting Room, Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 19 May 2016 at 3:00 p.m. for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015 and the reports of the directors of the Company (the “**Directors**”) and independent auditor’s of the Company for the year ended 31 December 2015.
2. To approve the recommended final dividend for the year ended 31 December 2015.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company and to authorise the board of Directors (the “**Board**”) to fix their remuneration.
4.
  - A. To re-elect Liu Dejian as executive Director;
  - B. To re-elect Zheng Hui as executive Director;
  - C. To re-elect Leung Lim Kin Simon as executive Director;
  - D. To re-elect Chao Guowei, Charles as independent non-executive Director;
  - E. To authorise the Board to fix the remuneration of the Directors for the year ending 31 December 2016.

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## NOTICE OF AGM

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### SPECIAL BUSINESS

As special business, to consider and if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:

5. A. **“THAT**

- (a) subject to paragraph (c) of this Resolution, pursuant to the Rules (the **“Listing Rules”**) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) the exercise by the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with the new shares in the capital of the Company, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Right Issue (as hereinafter defined); or (ii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and its subsidiaries and/or other eligible persons of shares or rights to acquire shares of the Company; (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares, shall not (aa) exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company bought back by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of Resolution no. 5B) and the said approval shall be limited accordingly;

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## NOTICE OF AGM

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(d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Right Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

B. “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to buy back its own shares on the Stock Exchange, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, and all applicable law in this regard to be held be and is hereby generally and unconditionally approved and authorised;
- (b) the aggregate nominal amount of the shares of the Company to be bought back by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF AGM

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. **“THAT**

conditional upon Resolutions 5A and 5B being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are bought back by the Company under the authority granted to the Directors as mentioned in Resolution 5B shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 5A above.”

and, as special business to consider and, if thought fit, pass with or without modification, the following resolution as a special resolution:

### SPECIAL RESOLUTION

6. **“THAT** subject to and conditional upon the approval of the Companies Registrar in the Cayman Islands being obtained, the English name of the Company be and is hereby changed from “NetDragon Websoft Inc.” to “NetDragon Websoft Holdings Limited” and the Chinese name of the Company be changed from “網龍網絡有限公司” to “網龍網絡控股有限公司”, and that any one director or the company secretary of the Company be and is hereby authorised to do all such acts and things and execute and deliver all documents as he considers necessary, desirable or expedient in his sole and absolute discretion for the implementation of and giving effect to the aforesaid change of the name of the Company and to attend to any registration and/or filing for and on behalf of the Company.”

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

*Hong Kong, 14 April 2016*

*As at the date of this notice, the executive Directors of the Company are Liu Dejian, Liu Luyuan, Zheng Hui, Chen Hongzhan and Leung Lim Kin, Simon; the non-executive Director of the Company is Lin Dongliang; and the independent non-executive Directors of the Company are Chao Guowei, Charles, Lee Kwan Hung and Liu Sai Keung, Thomas.*

*Notes:*

- (1) A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company but must attend the annual general meeting to represent the member.



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## NOTICE OF AGM

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- (2) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof.
- (3) In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the annual general meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
- (5) Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
- (6) For determining the entitlement to attend and vote at the AGM, the Company's register of members will be closed from Tuesday, 17 May 2016 to Thursday, 19 May 2016, both days inclusive, during which time no transfer of shares will be registered. In order to ensure that the shareholders are entitled to attend and vote at the AGM, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 16 May 2016 for registration of the relevant transfer.
- (7) The Board has recommended the payment of a final dividend of HKD0.10 per share for the year ended 31 December 2015 to shareholders whose names appear on the register of members of the Company on Wednesday, 25 May 2016 subject to the approval of the shareholders of the Company at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 25 May 2016 to Friday, 27 May 2016, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 May 2016.
- (8) An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution no. 5B as set out in this notice is enclosed.
- (9) Any voting of the annual general meeting shall be taken by poll.