

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.



ND

NetDragon Websoft Holdings Limited

網龍網絡控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 777)

UPDATE OF CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 31 December 2018 in relation to the Renewal Service Agreement entered into between NetDragon (Fujian) and Fuzhou Tianliang in relation to the provision of (i) computer system repair and maintenance service and (ii) after-sales service to NetDragon (Fujian) for a term of 3 years from 1 January 2019 to 31 December 2021.

EQUITY TRANSFER AGREEMENT

On 5 July 2019, Miss Lin and Mr. Chen Zhengwen have entered into an Equity Transfer Agreement and pursuant to the Equity Transfer Agreement, Miss Lin shall transfer 100% of the equity interest in Fuzhou Tianliang to Mr. Chen Zhengwen, who is not the connected person of the Company under the Listing Rules.

The Renewal Service Agreement between NetDragon (Fujian) and Fuzhou Tianliang shall continue to be effective within its original terms.

IMPLICATIONS UNDER THE LISTING RULES

Upon completion of the 100% of the equity interest in Fuzhou Tianliang transfer from Miss Lin to Mr. Chen Zhengwen, Fuzhou Tianliang will cease to be the connected person to the Company under the Listing Rules. Therefore, the transaction contemplated under the Renewal Service Agreement shall not constitute continuing connected transaction under Chapter 14A of the Listing Rules.

DEFINITIONS

“connected person” has the meaning ascribed to it under the Listing Rules

“Company”	NetDragon Websoft Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the issued shares of which are listed on the Stock Exchange
Equity Transfer Agreement	The equity transfer agreement entered into between Miss. Lin as vendor and Mr. Chen Zhengwen as purchaser in respect of the transfer of 100% equity interests in Fuzhou Tianliang on 5 July 2019
“Fuzhou Tianliang”	Fuzhou Tianliang Network Technology Company Limited (福州天亮網絡技術有限公司), a company established in the PRC with limited liability on 19 April 2006, which is currently wholly owned by Miss Lin
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Miss Lin”	林航 (Lin Hang), being the sole shareholder of Fuzhou Tianliang
“NetDragon (Fujian)”	Fujian NetDragon Websoft Co., Ltd. (福建網龍計算機網絡信息技術有限公司), a company established in the PRC with limited liability on 25 May 1999, and which is one of the Company’s subsidiaries pursuant to the structure contracts entered into between NetDragon (Fujian) and the Company’s subsidiaries and affiliates
“Renewal Service Agreement”	the new service agreement dated 31 December 2018 entered into between NetDragon (Fujian) and Fuzhou Tianliang in relation to the provision of Services to NetDragon (Fujian)
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau, Special Administrative Region of the PRC and Taiwan)
“Services”	provision of the computer system repair and maintenance service and after-sales service
“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions” the transactions contemplated under the Renewal Service Agreement

“%” per cent

By order of the Board
NetDragon Websoft Holdings Limited
Liu Dejian
Chairman

Hong Kong, 5 July 2019

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Liu Dejian, Dr. Leung Lim Kin Simon, 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.