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**NetDragon**

**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)**

## **SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the annual report for the year ended 31 December 2020 (the “**2020 Annual Report**”) of NetDragon Websoft Holdings Limited (the “**Company**”, and its subsidiaries, the “**Group**”) published on 29 April 2021. Unless otherwise defined or the context otherwise requires, capitalised terms used herein shall bear the same meanings as those defined in the 2020 Annual Report.

### **USE OF PROCEEDS**

In accordance with the requirement of paragraph 11(8) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Board would like to provide further information on the 2020 Annual Report regarding the utilisation of unused proceeds from the top-up placing of existing shares and subscription of new shares of the Company which was completed on 17 February 2020 (the “**Top-up Placing and Subscription**”).

As disclosed in the 2020 Annual Report, the aggregate net proceeds from the Top-up Placing and Subscription are approximately HKD773.44 million after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses in relation to the Top-up Placing and Subscription, and approximately HKD280.62 million of the net proceeds from the Top-up Placing and Subscription have been utilised as at 31 December 2020. In addition to the information disclosed under the paragraph headed “REPORT OF THE DIRECTORS – TOP-UP PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE” in the 2020 Annual Report, the Board would like to provide further information regarding the utilisation of the proceeds from the Placing as at 31 December 2020 and as at the date of this announcement, details of which are set out as follows:

Net proceeds raised from the Top-up Placing and Subscription	Intended use of the proceeds	Actual use of proceeds	Utilised proceeds as at 31 December 2020	Unutilised proceeds as at 31 December 2020	Utilised proceeds as at the date of this announcement	Unutilised proceeds as at the date of this announcement
HKD773.44 million	General corporate purpose and to fund the expansion of education business	Funding the expansion of education business	HKD280.62 million	HKD492.82 million	HKD567.06 million	HKD206.38 million

As at the date of this announcement, approximately HKD567.06 million, representing approximately 73.3% of the net proceeds from the Top-up Placing and Subscription, was utilised as intended for funding the expansion of education business.

Subject to development of the COVID-19 pandemic and the global economic conditions, the Group will continue to apply the unutilised net proceeds as intended to fund the expansion of education business and for general corporate purpose as previously disclosed in the announcement of the Company dated 13 February 2020 and the Company is expected to utilise the residual amount of such net proceeds by 31 December 2021.

The above additional information does not affect any other information contained in the 2020 Annual Report. Save as disclosed in this announcement, all other information of the 2020 Annual Report remains unchanged.

On behalf of the Board  
**NetDragon Websoft Holdings Limited**  
**Liu Dejian**  
*Chairman*

Hong Kong, 24 September 2021

*As at the date of this announcement, the Board of the Company 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.*