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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 Holdings Limited (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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**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)**

**(1) PROPOSALS FOR GENERAL MANDATES  
TO ISSUE AND BUY BACK SHARES,  
(2) RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS  
APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR  
WHO HAS SERVED FOR MORE THAN NINE YEARS,  
(3) FINAL DIVIDEND  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Boardroom 6, M/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 2 June 2022 at 3:00 p.m. is set out on pages 20 to 24 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 54, 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.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

In view of the ongoing novel coronavirus disease (COVID-19), the Company will implement the following precautionary measures at the AGM to protect attending shareholders, staff and stakeholders from the risk of infection including, without limitation:

- compulsory temperature checks;
- submission of health declarations form;
- compulsory use of surgical face masks;
- no distribution of corporate gift or refreshment/no provision of refreshments or drinks; and
- maintain appropriate distancing and spacing between seats.

Any person who does not comply with the precautionary measures or is subject to any HKSAR Government prescribed quarantine may be denied entry into the meeting venue. **The Company reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.** Please see page 1 of this circular for further details.

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## PRECAUTIONARY MEASURES FOR THE AGM

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In view of the ongoing novel coronavirus disease (COVID-19) and the heightened requirements for the prevention and control of its spreading, the Company will implement the following precautionary measures at the AGM to protect attending shareholders, staff and stakeholders from the risk of infection including, without limitation:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the AGM venue and be requested to leave the AGM venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a health declaration form confirming their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had physical contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong at any time in the preceding 14 days. Any person who does not comply with this requirement will be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) Every attendee will be required to wear a surgical face mask throughout the AGM, and to maintain a safe distance between seats.
- (iv) No corporate gift will be distributed and no refreshments or drinks will be provided to attendees at the AGM.

To the extent permitted under law, the Company reserves the right to deny entry of any person into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. **As an alternative, by using form of proxy with voting instructions inserted, Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.**

The form of proxy is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the form of proxy can be downloaded from the Company's website at [www.nd.com.cn](http://www.nd.com.cn). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If necessary, more severe precautionary measures and/or other arrangement may be adopted at the AGM to comply with any new, amended and then existing law provision of Hong Kong in effect that time. The Company may change the AGM arrangement at short notice and issue further announcement(s) as appropriate. Shareholders should check the Company website ([www.nd.com.cn](http://www.nd.com.cn)) or the Hong Kong Exchanges and Clearing Limited's website ([www.hkexnews.hk](http://www.hkexnews.hk)) for future announcements and updates on AGM arrangements.

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## PRECAUTIONARY MEASURES FOR THE AGM

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If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company's IR department as follows:

Units 2001-05 & 11, 20th Floor, Harbour Centre,  
25 Harbour Road, Wan Chai, Hong Kong  
Fax: (852) 2850 7066

If Shareholders have any questions relating to the AGM, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

Tricor Investor Services Limited  
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong  
E-mail: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
Tel: (852) 2980 1333

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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 Boardroom 6, M/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 2 June 2022 at 3:00 p.m. or any adjournment thereof (as the case may be), notice of which is set out on pages 20 to 24 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 Shares as at the date of the passing of such resolution;
“BVI”	the British Virgin Islands;
“Chairman”	chairman of the Board;
“Company”	NetDragon Websoft Holdings Limited, 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 HKD0.40 per Share for the year ended 31 December 2021 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;
“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.;

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## DEFINITIONS

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“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 Shares as at the date of the passing of such resolution plus the amount representing the aggregate number of Shares bought back by the Company under the Buy-back Mandate;
“Latest Practicable Date”	20 April 2022, 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”	9 June 2022, 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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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)**

*Executive Directors:*

Liu Dejian (*Chairman*)  
Leung Lim Kin, Simon (*Vice Chairman*)  
Liu Luyuan  
Zheng Hui  
Chen Hongzhan

*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, Eddie  
Liu Sai Keung, Thomas

26 April 2022

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSALS FOR GENERAL MANDATES  
TO ISSUE AND BUY BACK SHARES,  
(2) RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS  
APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR  
WHO HAS SERVED FOR MORE THAN NINE YEARS,  
(3) FINAL DIVIDEND  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 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 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 and continuous appointment of an independent non-executive Director who has served for more than nine years; and (iv) the distribution of Final Dividend. 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 20 to page 24 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 number of issued Shares at the date of passing of the resolution; (ii) to exercise all powers of the Company to buy back issued and fully paid Shares on the Stock Exchange up to a maximum of 10% of the number of issued Shares 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 number of Shares bought back by the Company under the Buy-back Mandate.

As at the Latest Practicable Date, there were in issue an aggregate of 540,740,933 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 54,074,093 Shares being bought back by the Company, and the Directors will be authorised to allot and issue under the Issue Mandate up to 108,148,186 Shares, and to the extent the Buy-back Mandate is exercised, plus the additional number of Shares representing the aggregate number of Shares 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 AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS

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

Pursuant to article 87(1) of 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 article of 86(3) of 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 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.

Accordingly, Liu Dejian (“**Mr. Liu**”), Leung Lim Kin, Simon (“**Dr. Leung**”) and Chao Guowei, Charles (“**Mr. Chao**”) will retire as Directors in accordance with the articles of association of the Company. Mr. Liu, Dr. Leung and Mr. Chao, being eligible, offer themselves for re-election at the AGM. Brief biographical and other details of Mr. Liu, Dr. Leung and Mr. Chao, who are proposed to be re-elected at the AGM, are set out as follows:

**Liu Dejian**, aged 50, is the Chairman of the Board and Executive Director of the Company. Mr. Liu led the Group to become one of the leading online game and mobile Internet operations companies in PRC. 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 enterprise, and actively promoting 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. Under his leadership, the Group was honoured as the “Top 30 Cultural Enterprises in the PRC” (全國文化企業三十強) for three consecutive years and as “Top 100 Internet Enterprises in PRC” (中國互聯網企業百強) for eight consecutive years. The Group was also honoured as “Top 2000 Forbes Global business” (福布斯全球企業兩千強) in May 2014, “Third Award of Top 100 Forbes Potential Enterprises in PRC” (福布斯中國潛力企業百強榜第三名), and “Top 100 National Software Comprehensive Competitiveness Enterprises” (全國軟體企業綜合競爭力百強) in 2015.

Mr. Liu graduated with a Bachelor’s degree of Science in Chemistry from University of Kansas in the USA in 1995 and received a doctorate degree in education from Beijing Normal University in 2021. 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 had been the vice-president of Beso Biological Research Centre, Inc

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## LETTER FROM THE BOARD

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(“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.

Mr. Liu 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, the Publishing Award for Outstanding People in Fujian Province\* (福建省優秀出版人物獎) in September 2015, Excellent Leader in the Non-public Economy of Fujian Province\* (福建省非公有制經濟優秀建設者) in May 2016 and the Economic Award of Chinese Businessman of 2016 (2016年度華人經濟人物) in December of the same year. Mr. Liu was honoured as Senior Engineer\* (享受教授、研究員待遇高級工程師) with his outstanding technical achievements in May 2017. As the developer of “VR/AR Core Engine Technology Platform” first person, Mr. Liu received the Progress Prize Third Award in Fujian Province Science and Technology\* (福建省科學技術進步三等獎) in December 2021. 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 commencing from 24 June 2008 and being renewed automatically for successive terms of one year each commencing from the day next after the expiry of the current term, subject to termination in certain circumstances as stipulated therein. Pursuant to the service contract, Mr. Liu is entitled to an annual remuneration of approximately RMB1,012,000. 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.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Mr. Liu is interested in 100.00% of the issued share capital of DJM Holding Ltd., which in turn is interested in 191,078,100 Shares, representing 35.34% of the Shares. Mr. Liu is also interested in 0.38% of the Shares which is represented by beneficial interest of 1,884,000 Shares and a beneficiary of a trust of 197,019 Shares. 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 of the Company. All of Liu Dejian, Liu Luyuan and Zheng Hui were deemed to be interested in 250,822,457 Shares, representing 46.38% of the Shares, 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, Fitter Property Inc. and Eagle World International Inc. and their respective shares held as beneficial owner in each of their personal capacities.

**Leung Lim Kin, Simon**, aged 67, is the Vice Chairman of the Board, Executive Director, Chairman and Chief Executive Officer of Fujian Province Huayu Education Technology Co. Ltd., a subsidiary of the Company. 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. From 2010 to 2015, Dr. Leung was a member of the International Advisory Committee of the Hong Kong Polytechnic University. From 2015 to 2017, he was appointed as a member of the Steering Committee on Innovation and Technology of HKSAR. Dr. Leung is currently an independent non-executive director of PuraPharm Corporation Limited (Stock Code: 1498), a company listed on the Main Board of the Stock Exchange). He is also a director of ARHT MEDIA INC. (Stock Code: ART), a company listed on TSX Venture Exchange (TSXV).

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## LETTER FROM THE BOARD

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Dr. Leung entered into a service contract with the Company for an initial term of three years commencing 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 approximately RMB7,961,000. 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, Dr. Leung is interested in 1.01% of the Shares which is represented by beneficial interest of 1,446,310 Shares and the underlying shares of interest of 4,000,000 share options granted by the Company.

**Chao Guowei, Charles**, aged 56, is the Independent non-executive Director of the Company since 15 October 2007. Mr. Chao is also the chairman of the audit committee, a member of the remuneration committee and nomination committee. Mr. Chao is currently the Chairman of the board of directors and Chief Executive Officer of SINA Corporation, a company listed on 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 of directors and Chief Executive Officer. Mr. Chao is also the Chairman of the board of directors of Weibo Corporation, a leading social media company listed on Nasdaq and the Main Board of the Stock Exchange and a director of Leju Holdings Limited, a leading real estate O2O integrated services platform, which is listed on New York Stock Exchange, and a director of TuSimple Holdings Inc., a Nasdaq-listed autonomous technology company. 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 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 a service contract 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 service contract, Mr. Chao is entitled to an annual remuneration of approximately RMB773,000. 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.

Mr. Chao, being the independent non-executive Director eligible for re-election at the AGM, has confirmed his independence pursuant to Rule 3.13 of the Listing Rules.

As at the Latest Practicable Date, Mr. Chao is interested in 0.08% of the Shares which is the underlying shares of interest of 438,500 shares options granted by the Company.

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## LETTER FROM THE BOARD

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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, 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, 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, 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.

In considering the re-elections of Mr. Liu and Dr. Leung as executive Directors, and Mr. Chao as independent non-executive Director, the Board, with the assistance and recommendation from the Nomination Committee, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, geographical background, length of service, and the professional experience, skills and expertise that a Director can provide. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Director who are due to retire and has served the Board for more than nine years at the AGM.

### **Continuous appointment of independent non-executive Director who has served more than nine years**

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders.

The Board is of the view that Mr. Chao meets the independence guidelines set out in Rule 3.13 of the Listing Rules and maintains his independent in accordance with the terms of the guidelines despite that he has served the Board for more than nine years. During his tenure as independent non-executive Director, he has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his background coupled with his general understanding of business of the Group. He also contributes to the diversity of the Board in age and geographical background. Mr. Chao has not engaged in any executive management of the Group. In view of Mr. Chao's extensive experience in the commercial field, the Board believes that he is capable to provide constructive contributions and objective view to the Board. After careful consideration, the Board is of that view that Mr. Chao continued to

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## LETTER FROM THE BOARD

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demonstrate strong independence in judgement and his position outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company. Therefore, the Board considers Mr. Chao is still independent and should be re-elected. The re-appointment of Mr. Chao at the AGM will be in accordance with the relevant provision as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules, which requires, *inter alia*, the approval of a separate resolution by Shareholders.

### **Length of tenure of independent non-executive Director**

According to code provision B.2.4(a) of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the Company should disclose the length of tenure of each existing independent non-executive Director on a named basis if all of them have served more than nine years on the Board.

Each of Mr. Chao Guowei, Charles, Mr. Lee Kwan Hung, Eddie and Mr. Liu Sai Keung, Thomas was appointed as independent non-executive Director since 15 October 2007 and has been serving the Company for more than 14 years.

### **FINAL DIVIDEND**

As stated in the announcement issued by the Company dated 29 March 2022 relating to the annual results of the Group for the year ended 31 December 2021, the Board recommended the payment of the Final Dividend of HKD0.40 per Share for the year ended 31 December 2021 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 Thursday, 9 June 2022 to Friday, 10 June 2022 (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 8 June 2022.

Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. Thursday, 9 June 2022 will be entitled to the Final Dividend.

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## LETTER FROM THE BOARD

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The expected timetable for the Final Dividend is as follows:

<b>Events</b>	<b>Date</b>
AGM	Thursday, 2 June 2022
Final dividend ex-entitlement date	Tuesday, 7 June 2022
Record Date for Final Dividend	Thursday, 9 June 2022
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 Wednesday, 8 June 2022 (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration)
Closure of the register of members (to qualify for receiving the Final Dividend)	Thursday, 9 June 2022 to Friday, 10 June 2022
Upon the Shareholders' approval of the payment of the Final Dividend at the AGM, the expected payment date of the Final Dividend	Friday, 8 July 2022

### GENERAL INFORMATION

The notice convening the AGM is set out on pages 20 to 24 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 54, 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 Monday, 30 May 2022 to Thursday, 2 June 2022, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 27 May 2022 for registration of the relevant transfer.

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## LETTER FROM THE BOARD

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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 AGM

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.

### RECOMMENDATION

The Directors consider that the proposals for general mandates to issue and buy back Shares, re-election of retiring Directors and continuous appointment of an independent non-executive Director who has served for more than nine years, and proposed declaration of Final Dividend 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 Holdings Limited**  
**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 540,740,933 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 54,074,093 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 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 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> )	250,822,457	46.38%	51.54%
Liu Luyuan ( <i>Note 1</i> )	250,822,457	46.38%	51.54%
Zheng Hui ( <i>Note 1</i> )	250,822,457	46.38%	51.54%
DJM Holding Ltd.	191,078,100	35.34%	39.26%
IDG Group ( <i>Note 2</i> )	53,533,320	9.90%	11.00%
Ho Chi Sing	53,533,320	9.90%	11.00%
Zhou Quan	50,470,735	9.33%	10.37%

*Notes:*

1. Liu Dejian is interested in 100.00% of the issued voting shares of DJM Holding Ltd., which in turn is interested in 35.34% of the Shares. Liu Dejian is also interested in 0.38% of the Shares which is represented by beneficial interest of 1,884,000 Shares and a beneficiary of a trust of 197,019 Shares.

Liu Luyuan is interested in 4.30% of the Shares which is represented by interest held as a beneficiary of certain trust holding in aggregate 21,541,819 Shares, and the rest being underlying shares of interest of 1,684,000 share options granted by the Company.

Zheng Hui is interested in 100.00% of the issued share capital of Fitter Property Inc., which in turn is interested in 3.52% of the Shares. Zheng Hui is interested in 100.00% of the issued share capital of Eagle World International Inc., which in turn is interested in 2.57% of the Shares. Zheng Hui is also interested in 0.28% of the Shares which is represented by beneficial interest of 1,497,000 Shares.

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 46.38% of the Shares 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, Fitter Property Inc., Eagle World International Inc. and their respective shares held as beneficial owner in each of their personal capacities.

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 2.01%, 6.08%, 1.24%, 0.57% 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.

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 250,822,457 Shares, representing approximately 46.38% 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 51.54% 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 the prescribed minimum percentage.

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

During the twelve months preceding the Latest Practicable Date, the Company bought back a total of 16,189,000 Shares on the Stock Exchange at an aggregate consideration of HKD298,241,240.45 before expenses. The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company.

Details of the share buy-backs are as follows:

Month of purchase	Number of ordinary shares bought back	Price per share		Aggregate consideration paid  <i>HKD</i>
		Highest	Lowest	
		<i>HKD</i>	<i>HKD</i>	
August 2021	332,500	17.14	16.56	5,628,360.50
September 2021	6,734,000	19.36	17.32	124,236,922.50
October 2021	850,000	18.56	17.28	15,233,030.00
November 2021	1,200,000	17.96	16.76	20,906,060.00
December 2021	3,851,000	20.45	17.56	72,751,045.00
January 2022	3,221,500	19.96	17.72	59,485,822.45

The Shares so bought back were cancelled on delivery of the share certificates. 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:

Month	Price per Share	
	Highest <i>HKD</i>	Lowest <i>HKD</i>
<b>2021</b>		
April	22.20	19.62
May	23.25	20.15
June	23.40	20.05
July	21.00	15.00
August	18.48	14.16
September	19.40	17.30
October	18.82	17.06
November	18.00	16.24
December	20.60	17.52
<b>2022</b>		
January	19.96	17.68
February	21.00	17.02
March	18.06	13.62
April	16.88	15.32

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## NOTICE OF AGM

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of NetDragon Websoft Holdings Limited (the “**Company**”) will be held at Boardroom 6, M/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 2 June 2022 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 2021 and the reports of the directors of the Company (the “**Directors**”) and independent auditor’s of the Company for the year ended 31 December 2021.
2. To approve the recommended final dividend for the year ended 31 December 2021.
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. To re-elect each of the retiring Directors of the Company as follows by way of a separate resolution:
  - A. To re-elect Liu Dejian as executive Director;
  - B. To re-elect Leung Lim Kin, Simon as executive Director;
  - C. To re-elect Chao Guowei, Charles, who has served more than nine years since October 2007 as independent non-executive Director;
  - D. To authorise the Board to fix the remuneration of the Directors for the year ending 31 December 2022.

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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 number of shares of the Company 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 number of shares 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 number of shares 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 number of shares 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 number of 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 number of shares 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 number of shares 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 number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 5A above.”

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

Hong Kong, 26 April 2022

*As at the date of this notice, the executive Directors of the Company are Liu Dejian, Leung Lim Kin Simon, Liu Luyuan, Zheng Hui and Chen Hongzhan; 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, Eddie 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.
- (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 54, 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.

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## NOTICE OF AGM

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- (6) For determining the entitlement to attend and vote at the AGM, the Company's register of members will be closed from Monday, 30 May 2022 to Thursday, 2 June 2022, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 27 May 2022 for registration of the relevant transfer.
- (7) The Board has recommended the payment of a final dividend of HKD0.40 per share for the year ended 31 December 2021 to shareholders whose names appear on the register of members of the Company on Thursday, 9 June 2022 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 Thursday, 9 June 2022 to Friday, 10 June 2022, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 8 June 2022.
- (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.