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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)

GRANT OF AWARDED SHARES BY THE COMPANY PURSUANT TO THE SHARE AWARD SCHEME

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Director(s)**”) of NetDragon Websoft Holdings Limited (the “**Company**”) announces that on 2 April 2025, the Company granted 360,000 awarded share (the “**Awarded Shares**”) to Dr. Leung Lim Kin Simon, the vice chairman and executive Director (“**Dr. Leung**” or the “**Grantee**”) under the share award scheme adopted by the Company whose current terms be valid and effective for a term of 10 years since 6 June 2024 (the “**2024 Share Award Scheme**”), subject to the acceptance by the Grantee.

Details of the grant are set out below:

Date of Grant:	2 April 2025
Grantee:	Dr. Leung Lim Kin Simon, the vice chairman and executive Director
Number of Awarded Shares granted:	360,000 Awarded Shares
Purchase price of Awarded Shares granted:	Nil
Market price of the Shares on the Date of Grant:	HK\$10.52 per share

Vesting period:	<p>The Awarded Shares shall vest in equal portions on the date of grant and each of the first and second anniversary of the date of grant, respectively.</p> <p>The vesting period for part of the Awarded Shares to be granted to Dr. Leung is shorter than 12 months because the Awarded Shares granted have a mixed vesting schedule, such that the Awarded Shares vest evenly in three portions over a period of two years starting from the date of the grant and ending on two years from the date of grant, which is permitted under the 2024 Share Award Scheme.</p> <p>In particular, the remuneration committee and the Board of the Company are of the view that the grant of certain Awarded Shares with a shorter vesting period of less than 12 months is (i) specifically permitted under the 2024 Share Award Scheme; (ii) serves as a recognition of past contribution and the satisfactory performance of the Grantee to the Group's business and can motivate and incentivise the Grantee to continuously contribute to the operation, development and long-term growth of the Group; and (iii) is in line with the overall purpose of rewarding talents who have contributed to the Group and encouraging longer term commitment of the Grantee to the Group.</p>
Performance targets:	<p>The first portion of 120,000 Awarded Shares is granted to recognize the contributions by the Grantee and the vesting of the second and third portion of the Awarded Shares is to provide incentives for the Grantee to remain with the Company for the continual operation and development of the Company based on satisfactory results in annual appraisal of previous financial year.</p> <p>Having considered that (i) the Grantee is the executive Director who will contribute directly to the overall business performance and development of the Group and (ii) the Awarded Shares will vest over a certain time period which motivates the Grantee to remain with, and to strive for the future development and expansion of the Group and this aligns with the purpose of the 2024 Share Award Scheme.</p> <p>The vesting of the second and third portion of the Awarded Shares is subject to the Grantee's continuance of employment and satisfactory performance to be determined at annual appraisal, which include assessment of the business and financial performance targets of the Group to be achieved in each financial year. In the event of unsatisfactory results in annual appraisal, the relevant batch of Share Awards may lapse.</p>
Clawback mechanism:	<p>Where (i) the Grantee ceases to be an employee of any member of the Group, (ii) the subsidiary by which the Grantee is employed ceases to be a subsidiary of the Company, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, the Grantee will cease to be an eligible participant under the Share Award Scheme and any unvested Awarded Shares granted shall automatically lapse.</p>

The grant of Awarded Shares to Dr. Leung will be satisfied by way of allocation of shares purchased and held by the trustee pursuant to the 2024 Share Award Scheme and the terms of the trust deed. No new shares of the Company are required to be issued by the Company as a result of the grant of the Awarded Shares. Upon acceptance by Dr. Leung, such Awarded Shares will be held by Dr. Leung in his own name.

The grant of Awarded Shares to Dr. Leung has been approved by the Board, including the independent non-executive Directors pursuant to Rule 17.04(1) of the Listing Rules. Dr. Leung has abstained from voting on the board resolution approving the grant of Awarded Shares. The Grantee is not a participant with options and awards granted and to be granted exceeding the 1% individual limit and is not a related entity participant or service provider with options and awarded granted and to be granted in any 12-month period exceeding 0.1% limit.

Following the grant and as at the date of this announcement, the number of Shares available for future grant under the scheme mandate limit is 52,766,253, and, within the scheme mandate limit, the service provider sublimit is 5,312,625.

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

Hong Kong, 2 April 2025

As at the date of this announcement, the Board comprises five executive Directors, namely Dr. Liu Dejian, Dr. Leung Lim Kin, Simon, Mr. Liu Luyuan, Mr. Chen Hongzhan and Ms. Lin Yun; one non-executive Director, namely Mr. Lin Dongliang; and three independent non-executive Directors, namely Mr. Li Sing Chung Matthias, Mr. Lee Kwan Hung, Eddie and Mr. Liu Sai Keung, Thomas.