
IMPORTANT

If you are in any doubt about any contents of this prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or other independent professional adviser.

NetDragon Websoft Inc.

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF INTERNATIONAL PLACING

Number of Placing Shares : 95,600,000 new Shares and 12,400,000 Sale Shares
(subject to the Over-allotment Option)

Placing Price : Not more than HK\$13.18 per Share (payable in full upon application, plus brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange levy of 0.005%) and not less than HK\$11.18 per Share

Nominal value : US\$0.01 each

Stock code : 8288

Global Coordinator and Bookrunner

BEAR STEARNS

Bear Stearns Asia Limited

Joint Sponsors

Joint Lead Managers

**BEAR
STEARNS**

Bear Stearns Asia Limited



First Shanghai Capital Limited

**BEAR
STEARNS**

Bear Stearns Asia Limited



First Shanghai Securities Limited

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix VI to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies of Hong Kong take no responsibility as to the contents of this prospectus or any of the other documents referred to above.

The Placing Price (as defined in this prospectus) which is currently expected to be not less than HK\$11.18 per Share and will not be more than HK\$13.18 per Share is expected to be fixed by an agreement between Bear Stearns Asia Limited (for itself and on behalf of the Underwriters) and the Company at or before the Price Determination Date (as defined in this prospectus) which is currently expected to be on or before Friday, 26 October 2007 and, in any event, not later than Monday, 29 October 2007. If Bear Stearns Asia Limited (for itself and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Placing Price by the Price Determination Date, the International Placing will not become unconditional and will lapse. In such case, an announcement will be made immediately by the Company on the GEM website.

Prospective investors of the Placing Shares should be aware that the Placing Price to be determined at or before the Price Determination Date may be, but is currently not expected to be, lower than the indicative range of the Placing Price stated in this prospectus. The Placing Price, the level of indication of interests in the International Placing and the basis of allocations of the Placing Shares will be announced on the GEM website at or before 9:00 a.m. on Thursday, 1 November 2007.

Prospective investors of the Placing Shares should note that Bear Stearns Asia Limited (for itself and on behalf of the Underwriters) may terminate the obligations of the Underwriters, under the Underwriting Agreement (as defined in this prospectus) by notice in writing to the Company, upon the occurrence of any of the events set forth under "Grounds for termination" in the section headed "Underwriting" in this prospectus at any time prior to 8:00 a.m. on the Listing Date. Such events include, without limitation, any acts of government, strikes, lockouts, fire, explosion, flooding, civil commotions, act of war, terrorism, acts of God, riot, public disorder, epidemic or interruption in transportation.

23 October 2007