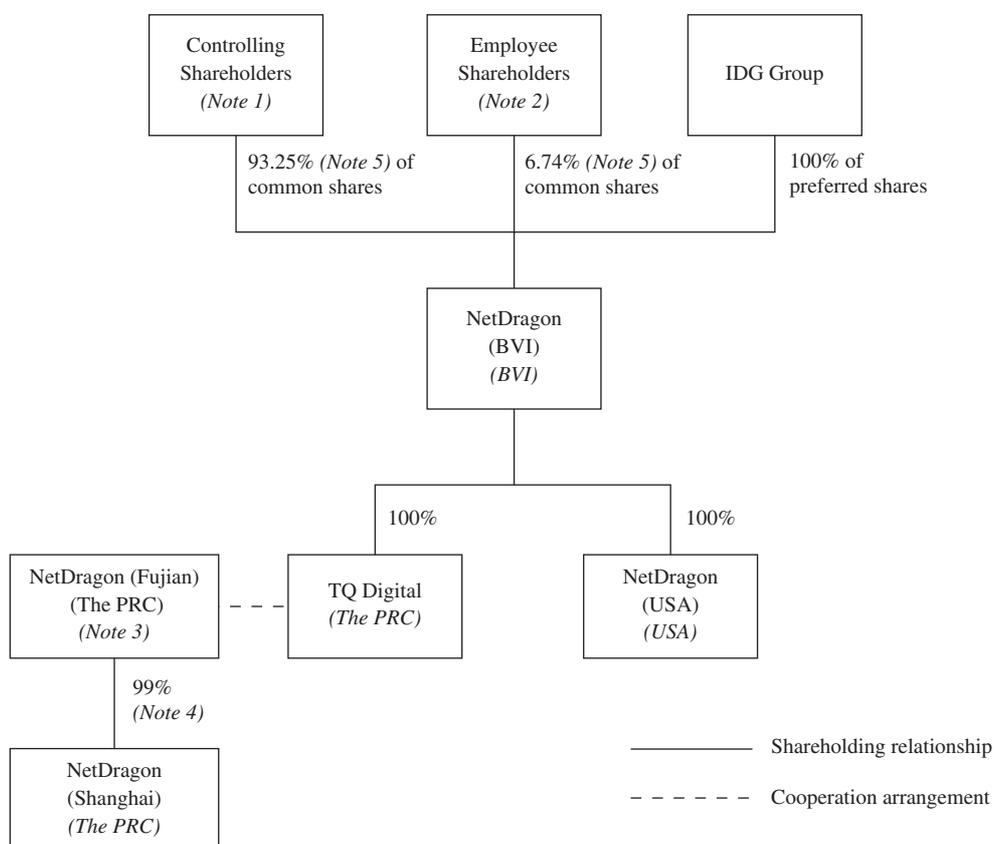


SHAREHOLDING AND CORPORATE STRUCTURE

The following chart shows our shareholding corporate structure prior to 1 January 2007, the effective date of the Structure Contracts:



Notes:

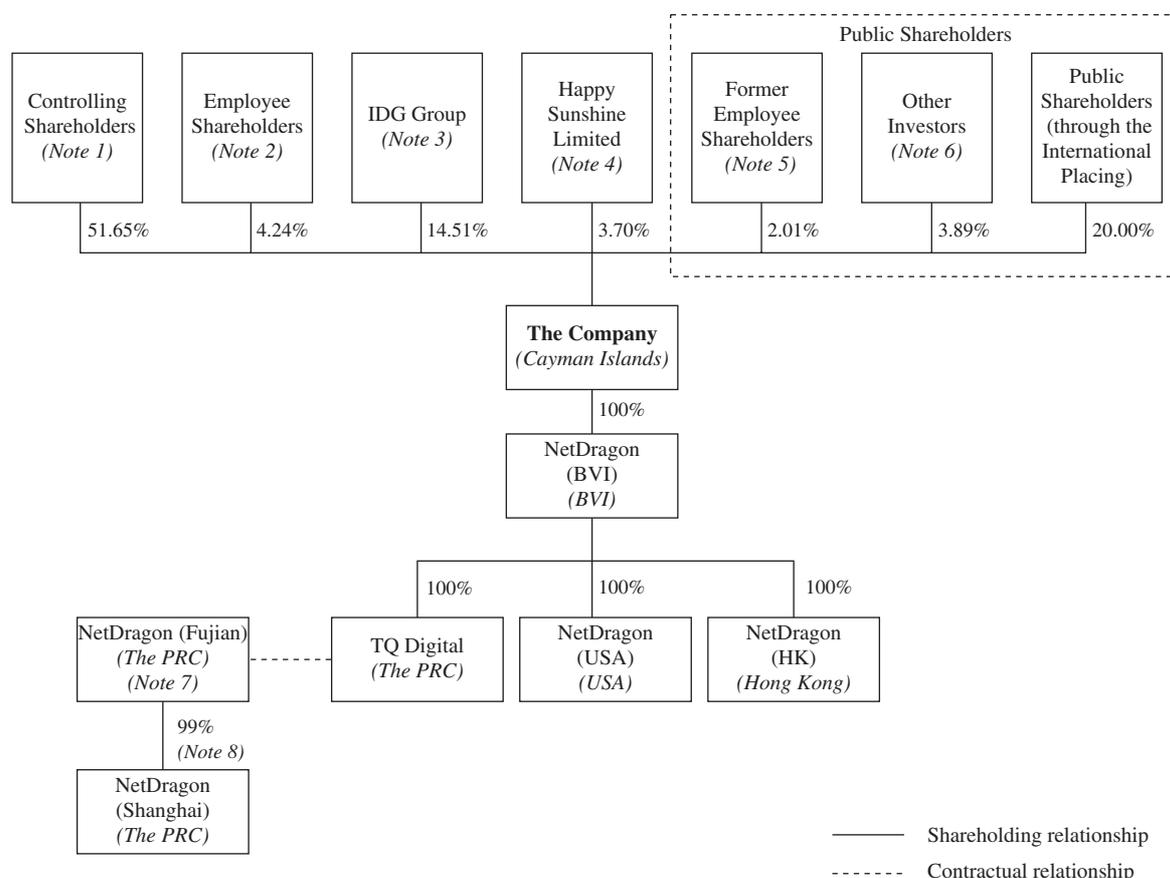
1. The approximately 93.25% interest in the common shares of NetDragon (BVI) was owned as to:
 - (a) approximately 60.91% by DJM Holding Ltd., an investment holding company incorporated on 30 October 2003 in the BVI with limited liability and then owned as to approximately 51% by Zheng Hui and 49% by Liu Dejian, both being executive Directors;
 - (b) approximately 24.61% by Zheng Hui, an executive Director;
 - (c) approximately 7.73% by Liu Luyuan, an executive Director.

2. The approximately 6.74% interest in the common shares of NetDragon (BVI) was owned as to:
 - (a) approximately 4.03% by Cristionna Holdings Limited, an investment holding company incorporated on 30 October 2003 in the BVI with limited liability and owned as to approximately 99% by Chen Hongzhan, an executive Director, and approximately 1% by Liu Ming, a director of NetDragon (USA);
 - (b) approximately 2.02% by Chen Feng, one of our employees who subsequently resigned on 30 June 2007;
 - (c) approximately 0.69% by Wu Chak Man, a member of our senior management.

SHAREHOLDING AND CORPORATE STRUCTURE

3. NetDragon (Fujian) was owned as to approximately 96.05%, 2.11% and 0.7% by Liu Dejian, Liu Luyuan and Zheng Hui, respectively, all executive Directors, approximately 0.64% by Chen Minlin, an employee of Fuzhou 851, and approximately 0.5% by Lin Yun, an employee of our Group.
4. The remaining 1% equity interests in NetDragon (Shanghai) were owned by Zheng Hui, an executive Director.
5. Numbers do not add up to 100% due to rounding.

The following chart shows our shareholding corporate structure immediately after completion of the International Placing and the Capitalisation Issue, without taking into account of any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and assuming that the Over-allotment Option is not exercised:



Notes:

1. The approximately 51.65% interest in the Company will be owned as to:
 - (a) approximately 33.96% by DJM Holding Ltd., an investment holding company incorporated on 30 October 2003 in the BVI with limited liability and owned as to approximately 95.4% and 4.6%, respectively, by each of Liu Dejian and Zheng Hui, both being executive Directors. All of DJM Holding Ltd., Liu Dejian and Zheng Hui are regarded as Initial Management Shareholders under the GEM Listing Rules;
 - (b) approximately 6.57% by Fitter Property Inc, an investment holding company incorporated on 13 April 2006 in the BVI with limited liability and owned as to 100% by Zheng Hui, an executive Director. Both Fitter Property Inc. and Zheng Hui are regarded as Initial Management Shareholders under the GEM Listing Rules;

SHAREHOLDING AND CORPORATE STRUCTURE

- (c) approximately 4.88% by Richmedia Holdings Limited, an investment holding company incorporated on 10 May 2004 in the BVI with limited liability and owned as to 100% by Liu Luyuan, an executive Director. Both Richmedia Holdings Limited and Liu Luyuan are regarded as Initial Management Shareholders under the GEM Listing Rules; and
 - (d) approximately 6.24% by Eagle World International Inc., an investment holding company incorporated on 7 May 2007 in the BVI with limited liability and owned as to 100% by Flowson Company Limited, an investment holding company incorporated on 8 May 2007 in the BVI with limited liability and owned as to 100% by Zheng Hui. Zheng Hui owns the voting rights in respect of the shares in Flowson Company Limited. Flowson Company Limited holds its indirect interest in the Shares as trustee for the benefit of the employees of the Group under a discretionary trust. Under the terms of the trust, Zheng Hui has power to direct the exercise of the voting rights in respect of the trust's shares in Eagle World International Inc. As Eagle World International Inc. is interested in approximately 6.24% of the Company, Zheng Hui has power to direct the exercise of the voting powers in respect of the Shares held by Eagle World International Inc. Both Eagle World International Inc. and Flowson Company Limited are regarded as Initial Management Shareholders under the GEM Listing Rules.
2. The approximately 4.24% interest in the Company will be owned as to:
- (a) approximately 2.41% by Cristionna Holdings Limited, an investment holding company incorporated on 30 October 2003 in the BVI with limited liability and owned as to approximately 99% by Chen Hongzhan, an executive Director, and approximately 1% by Liu Ming a director of NetDragon (USA). All of Cristionna Holdings Limited, Chen Hongzhan and Liu Ming are regarded as Initial Management Shareholders under the GEM Listing Rules;
 - (b) approximately 0.58% by Lilywhites Venture Limited, an investment holding company incorporated on 10 May 2007 in the BVI with limited liability and owned as to 100% by Lin Yun, a public relations manager of our Group. As Lin Yun is not a senior management of the Group, both Lilywhites Venture Limited and Lin Yun are not regarded as Initial Management Shareholders under the GEM Listing Rules;
 - (c) approximately 0.35% by Main Shine Company Limited, an investment holding company incorporated on 10 May 2007 in the BVI with limited liability and owned as to 100% by Wang Wei, a game designer of our Group. As Wang Wei is not a senior management of the Group, both Main Shine Company Limited and Wang Wei are not regarded as Initial Management Shareholders under the GEM Listing Rules;
 - (d) approximately 0.35% by Wu Chak Man, a member of our senior management and an Initial Management Shareholder under the GEM Listing Rules;
 - (e) approximately 0.27% by Growing Up Capital Inc., an investment holding company incorporated on 8 May 2007 in the BVI with limited liability and owned as to 100% by Wu Jialiang, a member of our senior management. Both Growing Up Capital Inc. and Wu Jialiang are regarded as Initial Management Shareholders under the GEM Listing Rules;
 - (f) approximately 0.15% by Kellyton International Limited, an investment holding company incorporated on 10 May 2007 in the BVI with limited liability and owned as to 100% by Wang Song, a game designer of our Group. As Wang Song is not a senior management of the Group, both Kellyton International Limited and Wang Song are not regarded as Initial Management Shareholders under the GEM Listing Rules; and
 - (g) approximately 0.13% by Peony Glory Holding Ltd., an investment holding company incorporated on 21 March 2007 in the BVI with limited liability and owned as to 100% by Zhou Ying, an administrative manager of our Group. As Zhou Ying is not a senior management of the Group, both Peony Glory Holding Ltd. and Zhou Ying are not regarded as Initial Management Shareholders under the GEM Listing Rules.

All of the above employee Shareholders will not be regarded as public Shareholders.

SHAREHOLDING AND CORPORATE STRUCTURE

3. The IDG Group has nominated Lin Dongliang, a non-executive Director, to the Board and is regarded as an Initial Management Shareholder under the GEM Listing Rules. Please see the section headed “Information on the investors” for details of the IDG Group. The IDG Group will not be regarded as a public Shareholder.
4. Happy Sunshine Limited has nominated Zhu Xinkun, a non-executive Director, to the Board and is regarded as an Initial Management Shareholder under the GEM Listing Rules. Please see the section headed “Information on the investors” for details of Happy Sunshine Limited. Happy Sunshine Limited will not be regarded as a public Shareholder.
5. The aggregate of approximately 2.01% interest in the Company will be owned as to approximately 1.37% by Chen Feng, our former employee, and approximately 0.64% by Maincorp Worldwide Ltd., an investment holding company incorporated on 21 March 2007 in the BVI with limited liability which is wholly owned by Lin Ye, our former employee. Chen Feng, Lin Ye and Maincorp Worldwide Ltd. will be regarded as public Shareholders.
6. The aggregate of approximately 3.89% are owned as to approximately 2.04% by SEQUEDGE The First Chinese Equities Fund on Prospective for Listing, approximately 0.93% by Giant East Investments Ltd., approximately 0.74% by China Venture Capital Company Limited, approximately 0.09% by Aura Investment Holdings Limited and approximately 0.09% by SACE Investments Limited. Details of the Other Investors are set out in the section headed “Information on the investors”. The Other Investors will be regarded as public Shareholders.
7. NetDragon (Fujian) is owned as to approximately 96.05% by Liu Dejian, an executive Director, approximately 2.11% by Liu Luyuan, an executive Director, approximately 0.70% by Zheng Hui, an executive Director, approximately 0.64% by Chen Minlin, an employee of Fuzhou 851, and approximately 0.50% by Lin Yun, an employee of our Group.
8. The remaining 1% equity interests in NetDragon (Shanghai) are owned by Zheng Hui, an executive Director.

INFORMATION ON THE INVESTORS

Considering that our online game business is fast growing with potential investment value, we have attracted a number of investors to invest in us since 2004.

On 30 January 2004, NetDragon (BVI) allotted and issued 2,666,666 preferred shares of US\$0.01 each to IDG Technology Venture Investments, L.P., being our investor, for a consideration of US\$2,000,000. The above consideration was determined with reference to the projected net profit of NetDragon (BVI) for the year ended 31 December 2003.

On 10 January 2007, an aggregate of 2,200,000 shares of US\$0.01 each in NetDragon (BVI) were allotted and issued at a consideration of US\$4.14 per share to the IDG Group and the Other Investors (other than China Venture Capital Company Limited). On the same day, DJM Holding Ltd. transferred 1,000,000 and 200,000 common shares of US\$0.01 each, respectively, in NetDragon (BVI) to Happy Sunshine Limited and China Venture Capital Company Limited at a consideration of US\$4,140,000 (equivalent to approximately HK\$32,292,000) and US\$828,000 (equivalent to approximately HK\$6,458,400), respectively. The consideration for the above allotments and transfers of shares to the IDG Group, Happy Sunshine Limited and Other Investors was determined with reference to the projected net profit of NetDragon (BVI) for the year ended 31 December 2006.

SHAREHOLDING AND CORPORATE STRUCTURE

The following table summarises the details of the investments made by the IDG Group, Happy Sunshine Limited and each of the Other Investors:

Name	Date of first investment in the Group	Approximate percentage of shareholding immediately after completion of the International Placing and the Capitalisation Issue (%)	Approximate total cost of investment HK\$	Approximate cost of investment per 1,000,000 Shares HK\$	Discount to the lowest Placing Price (%)	Discount to the highest Placing Price (%)
IDG Group	30 January 2004	14.51	56,270,500	718,347	93.57	94.55
Happy Sunshine Limited	10 January 2007	3.70	32,370,000	1,618,500	85.52	87.72
SEQUEDGE The First Chinese Equities Fund on Prospective for Listing	10 January 2007	2.04	17,803,500	1,618,500	85.52	87.72
Giant East Investments Limited	10 January 2007	0.93	8,092,500	1,618,500	85.52	87.72
China Venture Capital Company Limited	10 January 2007	0.74	6,474,000	1,618,500	85.52	87.72
SACE Investments Limited	10 January 2007	0.09	809,250	1,618,500	85.52	87.72
Aura Investment Holdings Limited	10 January 2007	0.09	809,250	1,618,500	85.52	87.72

The considerations for each of the allotments and/or transfers of shares in the Group to the IDG Group, Happy Sunshine Limited and the Other Investors as mentioned above were arrived at after arm's length negotiations between the relevant parties on normal commercial terms and all such considerations had been fully settled on or before 31 March 2007.

In order to govern the rights and obligations of the IDG Technology Venture Investments, L.P. as a holder in the preferred shares of NetDragon (BVI) upon its investment, on 16 November 2003, NetDragon (BVI) and IDG Technology Venture Investments, L.P. entered into an investor's rights agreement, which had completed on 30 January 2004, while NetDragon (BVI), IDG Technology Venture Investments, L.P., Liu Dejian, Liu Luyuan, Chen Feng, Liu Ming and Zheng Hui entered into a right of first refusal and co-sale agreement. In addition, the then memorandum and articles of association of both the Company and NetDragon (BVI) contained provisions governing the rights of

SHAREHOLDING AND CORPORATE STRUCTURE

IDG Technology Venture Investments, L.P. as holder of preferred shares in each of the Company and NetDragon (BVI). The material rights and obligations of IDG Technology Venture Investments, L.P. under the abovementioned arrangements of the preferred shares are briefly summarised as follows:

Voting rights	Right to vote together with holders of common shares as one class and to be entitled to such number of votes as equals the number of common shares into which the preferred shares being held by it are convertible at the relevant time
Right to dividends	Right to have first priority in the distribution of profits
Rights upon liquidation	Right to have first priority in the distribution of surplus assets upon liquidation, winding up or dissolution
Pre-emptive rights	Right to purchase up to a pro-rata share of any new shares proposed to be issued by the Company or NetDragon (BVI) and right of first refusal to elect to purchase a pro-rata share of any shares proposed to be sold by any shareholder of the Company or NetDragon (BVI)
Right of co-sale	In the event that the right of first refusal has not been exercised in a proposed sale of shares by a shareholder of the Company or NetDragon (BVI), right to participate in such proposed sale of shares up to a number equal to a fraction of the number of sale shares under such proposed sale
Information rights	Right to receive consolidated financial statements, budget and business plan of NetDragon (BVI) on a regular basis
Inspection rights and management meetings	Upon reasonable request, right to visit and inspect the properties and examine the books and accounts of the Group (other than information which the Group considers to be confidential) and to discuss about the affairs, finances and accounts of the Group with its directors, officers and professional advisers

In addition, each of IDG Technology Venture Investments, L.P. and Happy Sunshine Limited is entitled to nominate one Director to the Board.

Save as mentioned above or as otherwise disclosed in this prospectus, none of the other members of the IDG Group, Happy Sunshine Limited, or any of the Other Investors had entered into any agreement or understanding with any member of the Group governing its rights as shareholder of NetDragon (BVI) or the Company. All shareholder's rights which the IDG Group is currently entitled to, including but not limited to those mentioned in the preceding paragraphs, was terminated upon conversion of the preferred Shares and the adoption of the Articles on 15 October 2007. The Articles were adopted in compliance with the GEM Listing Rules in place of the existing memorandum and articles of association of the Company which contain provisions governing the rights of holders of preferred Shares. As the securities of NetDragon (BVI) are not listed on the Stock Exchange and

SHAREHOLDING AND CORPORATE STRUCTURE

NetDragon (BVI) is wholly owned by the Company, the provisions granting special rights to preferred shareholders under the existing memorandum and articles of association of NetDragon (BVI) were not removed due to their inapplicability. The Other Investors did not have any special rights for being shareholders in the Group.

According to the then memorandum and articles of association of the Company, the preferred Shares held by the IDG Group could be converted into common Shares at any time at the option of the IDG Group, or otherwise automatically converted upon completion of the International Placing. In preparation for the International Placing, all preferred Shares held by the IDG Group were fully converted into common Shares at the ratio of 1:1, which rank pari passu in all respects with the Shares held by the other Shareholders, details of which are set out in Appendix V to this prospectus. Immediately before completion of the International Placing and the Capitalisation Issue, the IDG Group, Happy Sunshine Limited and the Other Investors will be interested in an aggregate of 27.31% of the equity interests in the Company. Upon the Listing, the rights of IDG Group, Happy Sunshine Limited and the Other Investors in the Company will rank pari passu in all respects with other Shareholders of the Company.

The IDG Group, Happy Sunshine Limited and the Other Investors are financial investors and, save for their respective interests in the Shares as set out in this section, all of them are Independent Third Parties.

The IDG Group

The IDG Group is comprised of five limited partnerships, the details of which are set out as follows:

- (i) IDG Technology Venture Investments, L.P. is a limited partnership formed on 27 June 2000 under the laws of the State of Delaware, USA. Its sole general partner is IDG Technology Venture Investments, LLC, a limited liability company formed on 26 June 2000 under the laws of the State of Delaware, USA.
- (ii) IDG-Accel China Growth Fund L.P. is an exempted limited partnership registered on 19 August 2005 in the Cayman Islands. The sole general partner of IDG-Accel China Growth Fund L.P. is IDG-Accel China Growth Fund Associates L.P., an exempted limited partnership registered on 19 August 2005 in the Cayman Islands, which is in turn controlled by its sole general partner, IDG-Accel China Growth Fund G.P. Associates Ltd., an exempted company incorporated on 11 August 2005 in the Cayman Islands.
- (iii) IDG Technology Venture Investments III, L.P. is a limited partnership formed on 2 March 2005 under the laws of the State of Delaware, USA. Its sole general partner is IDG Technology Venture Investments III, LLC, a limited liability company formed on 2 March 2005 under the laws of the State of Delaware, USA.

SHAREHOLDING AND CORPORATE STRUCTURE

- (iv) IDG-Accel China Growth Fund-A L.P. is an exempted limited partnership registered on 5 October 2005 in the Cayman Islands. The sole general partner of IDG-Accel China Growth Fund-A L.P. is IDG-Accel China Growth Fund Associates L.P., an exempted limited partnership registered on 19 August 2005 in the Cayman Islands, which in turn is controlled by its sole general partner, IDG-Accel China Growth Fund G.P. Associates Ltd., an exempted company incorporated on 11 August 2005 in the Cayman Islands.

- (v) IDG-Accel China Investors L.P. is an exempted limited partnership registered on 23 December 2005 in the Cayman Islands. Its sole general partner is IDG-Accel China Investors Associates Ltd., an exempted limited company incorporated on 21 December 2005 in the Cayman Islands.

Each member of the IDG Group is managed by its general partner, who has the full and exclusive power and authority to manage and control the fund and its business. Each member of the IDG Group also consists of limited partner or limited partners who merely play the passive function of injecting capital into the fund and have no voting or management rights.

The members of the IDG Group are venture capital funds making investments in start-up to growth stage companies with PRC-related businesses on behalf of their respective limited partners.

Happy Sunshine Limited

Happy Sunshine Limited is an investment holding company incorporated on 15 April 2005 in the BVI with limited liability and is owned as to 100% by Chee Swee Fu. Zhu Xinkun, being one of our non-executive Directors, has been appointed by Happy Sunshine Limited to our board of Directors. Happy Sunshine Limited is primarily engaged in investment holding in PRC-related private equity.

SEQUEDGE The First Chinese Equities Fund on Prospective for Listing

SEQUEDGE The First Chinese Equities Fund on Prospective for Listing is a partnership organised on 17 August 2006 under the Civil Code of Japan. Its sole general partner is Silver Arrow Capital Inc., a limited liability company formed on 26 November 2002 under the Commercial Code of Japan. SEQUEDGE The First Chinese Equities Fund on Prospective for Listing is a venture capital fund and has been setting up for the main purpose of getting capital gains, through initial public offers, stock sales and stock swaps, by making investments in non-listed companies that carry on business namely care welfare, temporary employees' agency, consumer finance and information technology related business in the PRC, Hong Kong and Macau, or in those companies that are making investments to the aforesaid non-listed companies. The beneficial owners of SEQUEDGE The First Chinese Equities Fund on Prospective for Listing are Independent Third Parties.

SEQUEDGE The First Chinese Equities Fund on Prospective for Listing is managed by its general partner, who has the full and exclusive power and authority to manage and control the fund and its business. It also consists of one limited partner who merely plays the passive function of injecting capital into the fund and has no voting or management rights.

SHAREHOLDING AND CORPORATE STRUCTURE

Giant East Investments Limited

Giant East Investments Limited is an investment holding company incorporated on 16 November 2006 in the BVI with limited liability. It is owned as to 100% by Greateast Group Limited, an investment holding company incorporated on 25 May 2005 in the BVI with limited liability which is owned as to 100% by Wong Chi Yu, an Independent Third Party. Giant East Investments Limited is primarily engaged in property and private equity investment.

SACE Investments Limited

SACE Investments Limited is an investment holding company incorporated on 26 July 2005 in the BVI with limited liability and is owned as to 100% by Tsang Mo Ching. SACE Investments Limited is primarily engaged in private equity investment.

Aura Investment Holdings Limited

Aura Investment Holdings Limited is an investment holding company incorporated on 3 February 2004 in the BVI with limited liability and is owned as to 100% by Wang Jingbo. Aura Investment Holdings Limited is primarily engaged in professional investment business with a focus on companies carrying on internet, software and information technology business in the PRC.

China Venture Capital Company Limited

China Venture Capital Company Limited is an investment holding company incorporated on 7 October 2002 in the BVI with limited liability and is owned as to 100% by Chau Shek Cheong. China Venture Capital Company Limited is an independent venture capital consultancy firm focused on high growth technology and industries based businesses with a market presence in Southern China, Eastern China and Hong Kong.

The Shares held by the IDG Group and Happy Sunshine Limited will not be counted as listed securities held by the public upon the Listing. The Shares held by SEQUEDGE The First Chinese Equities Fund on Prospective for Listing, Giant East Investments Limited, SACE Investments Limited, Aura Investment Holdings Limited and China Venture Capital Company Limited will be counted as listed securities held by the public upon the Listing.