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Unless otherwise defined herein, terms used in this announcement shall have the same meanings defined in the prospectus dated 23 October 2007 (the "Prospectus") issued by NetDragon Websoft Inc. (the "Company").

NetDragon Websoft Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8288)

STABILISING ACTIONS AND END OF STABILISATION PERIOD

SUMMARY

- The Company announces that the stabilisation period in connection with the International Placing ended on 2 December 2007.
- The stabilising actions undertaken during the stabilisation period were: (i) over-allocations of 16,200,000 Shares in the International Placing; and (ii) the exercise in full by Bear Stearns (for itself and on behalf of the Underwriters) of the Over-allotment Option referred to in the Prospectus in respect of 16,200,000 additional Shares at the Placing Price of HK\$13.18 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%) on 9 November 2007, solely for covering the above over-allocations.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilising) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilisation period in connection with the International Placing ended on 2 December 2007. During the stabilisation period, the stabilising actions undertaken were (i) over-allocations of 16,200,000 Shares in the International Placing; and (ii) the exercise in full by Bear Stearns (for itself and on behalf of the Underwriters) on 9 November 2007 of the Over-allotment Option referred to in the Prospectus, solely to cover the above over-allocations. Pursuant to the exercise of the Over-allotment Option, the Company allotted and issued 16,200,000 additional Shares, representing 15% of the Placing Shares initially available for subscription under the International Placing, at the Placing Price of HK\$13.18 per Share

(excluding brokerage fee of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%). Details of the exercise of the Over-allotment Option are more particularly described in the Company's announcement dated 9 November 2007.

By Order of the Board of
NetDragon Websoft Inc.
Liu Dejian
Chairman

Executive Directors:

Mr. Liu Dejian
Mr. Liu Luyuan
Mr. Zheng Hui
Mr. Chen Hongzhan

Non-executive Directors:

Mr. Lin Dongliang
Mr. Zhu Xinkun

Independent non-executive Directors:

Mr. Chao Guowei, Charles
Mr. Lee Kwan Hung
Mr. Liu Sai Keung, Thomas

Hong Kong, 4 December 2007

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.nd.com.cn.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving the information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.