

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this document received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 29 February 2008 of the property interests of the Group.



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27 May 2008

The Board of Directors
NetDragon Websoft Inc.
Unit No. 306
3rd Floor
Beautiful Group Tower
77 Connaught Road Central
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which NetDragon Websoft Inc. (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in the People’s Republic of China (the “PRC”), Hong Kong and the United States of America (the “USA”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 29 February 2008 (the “date of valuation”).

Our valuations of the property interests represent the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

We have valued the property interests in Group I by the direct comparison approach assuming sale of the property interests in their existing state with the benefit of the immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

We have attributed no commercial value to the property interests in Groups II to V which are leased or to be leased by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Our valuations have been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been, in some instances, provided by the Group with copies of State-owned Land Use Rights Certificates, Building Ownership Certificates or tenancy agreements relating to the properties in the PRC, Hong Kong and the USA. Where possible, we have searched the original documents to verify the existing titles to the property interests in the PRC and any material encumbrances that might be attached to the properties or any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the Company's PRC legal adviser — Jingtian and Gongcheng, concerning the validity of the Group's titles to the property interests.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary sums stated in this report are in Renminbi (RMB).

Our valuations are summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 25 years' experience in the valuation of properties in the PRC and 28 years of property valuation experience in Hong Kong, the United Kingdom, the USA and the Asia-Pacific region.

SUMMARY OF VALUES

GROUP I — PROPERTY INTERESTS OWNED AND OCCUPIED BY THE GROUP IN THE PRC

No. Property	Capital value in existing state as at 29 February 2008 RMB
1. Units 1406, 1803, 2005, 2303 and 3003 Jinan Building Zone B of Jinyuan Garden located at the west of Liuyibei Road Gulou District Fuzhou City Fujian Province The PRC	3,680,000
2. Units 1707, 2104, 2107, 2203, 2208 and 2706 Yuansheng Building Zone A of Jinyuan Garden located at the west of Liuyibei Road Gulou District Fuzhou City Fujian Province The PRC	4,670,000
Sub-total:	8,350,000

GROUP II — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

No. Property	Capital value in existing state as at 29 February 2008 RMB
3. Portions of level 1, level 2 and level 3 851 Building No. 58 Hot Spring Branch Road Gulou District Fuzhou City Fujian Province The PRC	No commercial value

APPENDIX III**PROPERTY VALUATION**

No. Property	Capital value in existing state as at 29 February 2008 RMB
4. Hua Quan Building Hot Spring Guesthouse No. 39 Hot Spring Branch Road Gulou District Fuzhou City Fujian Province The PRC	No commercial value
5. Units Nos. 208 and 301 Productivity Promotion Centre No. 8 Xingfa Road Mawei District Fuzhou City Fujian Province The PRC	No commercial value
6. Unit No. 3501 Zhaofeng Plaza No. 1027 Changning Road Changning District Shanghai The PRC	No commercial value
	<hr/>
	Sub-total: <hr/> Nil

**GROUP III — PROPERTY INTEREST RENTED AND OCCUPIED BY THE GROUP IN
HONG KONG**

No. Property	Capital value in existing state as at 29 February 2008 RMB
7. Unit No. 306 3rd Floor Beautiful Group Tower No. 77 Connaught Road Central Hong Kong	No commercial value
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	Sub-total: <hr/> Nil

APPENDIX III**PROPERTY VALUATION**

GROUP IV — PROPERTY INTEREST RENTED AND OCCUPIED BY THE GROUP IN THE USA

No. Property	Capital value in existing state as at 29 February 2008 RMB
8. Suite 180 21660 East Copley Dr. Diamond Bar CA 91765 The USA	No commercial value
Sub-total:	<u>Nil</u>

GROUP V — PROPERTY INTEREST INTENDED TO BE RENTED BY THE GROUP IN THE PRC

No. Property	Capital value in existing state as at 29 February 2008 RMB
9. Portions of New 851 Building No. 58 Hot Spring Branch Road Gulou District Fuzhou City Fujian Province The PRC	No commercial value
Sub-total:	<u>Nil</u>
Grand-total:	<u><u>8,350,000</u></u>

VALUATION CERTIFICATE

GROUP I — PROPERTY INTERESTS OWNED AND OCCUPIED BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
1. Units 1406, 1803, 2005, 2303 and 3003 Jinan Building Zone B of Jinyuan Garden located at the west of Liuyibei Road Gulou District Fuzhou City Fujian Province The PRC	<p>The property comprises 5 residential units on levels 14, 18, 20, 23 and 30 of a 31-storey composite building completed in 1990s.</p> <p>The property has a total gross floor area of approximately 561.2 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 28 September 2062 for residential use.</p>	The property is currently occupied by the Group for residential purpose.	3,680,000

Notes:

1. Pursuant to 5 State-owned Land Use Rights Certificates — Rong Gu Guo Yong (2007) Di No. 00282720271 and Rong Gu Guo Yong (2008) Di Nos. 00282700201, 00282701092, 00282702989 and 00282703168, the land use rights of the property with a total apportioned site area of approximately 45.1 sq.m. have been granted to Fujian TQ Digital Inc for a term expiring on 28 September 2062 for residential use.
2. Pursuant to 5 Building Ownership Certificates — Rong Fang Quan Zheng R Zi Di Nos. 0759175, 0764597, 0764469, 0803692 and 0810960, the building ownership rights of the property with a total gross floor area of approximately 561.2 sq.m. are held by Fujian TQ Digital Inc.
3. Fujian TQ Digital Inc is an indirect wholly-owned subsidiary of the Company.
4. Pursuant to 5 Real Estate Sale and Purchase Contracts, the property with a total gross floor area of approximately 561.2 sq.m. was purchased at a total consideration of RMB2,361,000.
5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contain, *inter alia*, the following:
 - (i) The Company has legally obtained both the state-owned land use rights and building ownership rights of the property, and has the rights to use and occupy the property in accordance with the valid term and usages stipulated by the title certificates;
 - (ii) The Company has the rights to transfer, lease, mortgage or otherwise dispose of the property; and
 - (iii) The property is not subject to mortgage and any other encumbrances.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
2. Units 1707, 2104, 2107, 2203, 2208 and 2706 Yuansheng Building Zone A of Jinyuan Garden located at the west of Liuyibei Road Gulou District Fuzhou City Fujian Province The PRC	<p>The property comprises 6 residential units on levels 17, 21, 22 and 27 of a 31-storey composite building completed in 1990s.</p> <p>The property has a total gross floor area of approximately 716.74 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 28 September 2062 for residential use.</p>	The property is currently occupied by the Group for residential purpose.	4,670,000

Notes:

1. Pursuant to 6 State-owned Land Use Rights Certificates — Rong Gu Guo Yong (2007) Di Nos. 00282700199, 00282702212, 00282712003, 00282716350, 00282720041 and 00282711723, the land use rights of the property with a total apportioned site area of approximately 57.5 sq.m. have been granted to Fujian TQ Digital Inc for a term expiring on 28 September 2062 for residential use.
2. Pursuant to 6 Building Ownership Certificates — Rong Fang Quan Zheng R Zi Di Nos. 0730925, 0745782, 0759328, 0729024, 0763156 and 0807839, the building ownership rights of the property with a total gross floor area of approximately 716.74 sq.m. are held by Fujian TQ Digital Inc.
3. Fujian TQ Digital Inc is an indirect wholly-owned subsidiary of the Company.
4. Pursuant to 6 Real Estate Sale and Purchase Contracts, the property with a total gross floor area of approximately 716.74 sq.m. was purchased at a total consideration of RMB2,875,000.
5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contain, *inter alia*, the following:
 - (i) The Company has legally obtained both the state-owned land use rights and building ownership rights of the property, and has the rights to use and occupy the property in accordance with the valid term and usages stipulated by the title certificates;
 - (ii) The Company has the rights to transfer, lease, mortgage or otherwise dispose of the property; and
 - (iii) The property is not subject to mortgage and any other encumbrances.

VALUATION CERTIFICATE

GROUP II — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
3. Portions of level 1, level 2 and level 3 851 Building No. 58 Hot Spring Branch Road Gulou District Fuzhou City Fujian Province The PRC	<p>The property comprises portions of level 1, level 2 and level 3 of a 3-storey office building completed in about 1991.</p> <p>The property has a total lettable area of approximately 803 sq.m.</p> <p>The property is leased to the Group for a term of 3 years commencing from 1 July 2007 and expiring on 30 June 2010 at a total annual rental of RMB270,000 exclusive of water, electricity and telephone charges.</p>	The property is currently occupied by the Group for office and research purposes.	No commercial value

Notes:

1. Pursuant to a tenancy agreement (“Tenancy Agreement A”) entered into between Fuzhou Yangzhenhua 851 Bio-Engineering Research Inc. (the “Lessor”), a connected party of the Company, and Fujian TQ Digital Inc (“Lessee A”) dated 30 May 2007, portions of level 1, level 2 and level 3 of an office building with a total lettable area of approximately 714 sq.m. are leased to Lessee A for a term of 3 years commencing from 1 July 2007 and expiring on 30 June 2010 at an annual rental of RMB240,000 exclusive of water, electricity and telephone charges.
2. Pursuant to a tenancy agreement (together with the Tenancy Agreement A collectively named as “Tenancy Agreements”) entered into between Fuzhou Yangzhenhua 851 Bio-Engineering Research Inc. (the “Lessor”) and Fujian NetDragon Websoft Co., Ltd. (“Lessee B”) dated 30 May 2007, portion of level 1 of an office building with a lettable area of approximately 89 sq.m. is leased to Lessee B for a term of 3 years commencing from 1 July 2007 and expiring on 30 June 2010 at an annual rental of RMB30,000 exclusive of water, electricity and telephone charges.
3. Fujian TQ Digital Inc is an indirect wholly-owned subsidiary of the Company.
4. Fujian NetDragon Websoft Co., Ltd. is, through certain contracts entered into with Fujian TQ Digital Inc, a member of the Group.

5. We have been provided with a legal opinion on the legality of the tenancy agreements to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- (i) The Lessor has legally obtained both the State-owned Land Use Rights Certificate and Building Ownership Certificate of the property, and has the rights to lease the property;
 - (ii) The Company has the rights to use the property and the actual uses of the property are in compliance with the permitted uses stated in relevant title certificates;
 - (iii) The Tenancy Agreements are legal and valid; and
 - (iv) The Tenancy Agreements have been registered.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
4. Hua Quan Building Hot Spring Guesthouse No. 39 Hot Spring Branch Road Gulou District Fuzhou City Fujian Province The PRC	<p>The property comprises a 2-storey office building completed in about 1999.</p> <p>The property has a lettable area of approximately 2,000 sq.m.</p> <p>As at the date of valuation, the property was leased to the Group for a term commencing from 21 March 2005 and expiring on 21 March 2008 at a monthly rental of RMB83,300 exclusive of water and electricity charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a tenancy agreement (“Tenancy Agreement A”) entered into between 福建省溫泉賓館 (“Hot Spring Hotel of Fujian Province”) (the “Lessor”), an independent third party, and Fujian TQ Digital Inc (the “Lessee”) dated 18 March 2005, the property is leased to the Lessee for a term commencing from 21 March 2005 and expiring on 21 March 2008 at a monthly rental of RMB83,300 exclusive of water and electricity charges.
2. Pursuant to a tenancy agreement (together with the Tenancy Agreement A collectively named as “Tenancy Agreements”) entered into between 福建省溫泉賓館 (“Hot Spring Hotel of Fujian Province”) (the “Lessor”), an independent third party, and Fujian TQ Digital Inc (the “Lessee”) dated 10 March 2008, the property is leased to the Lessee for a term commencing from 21 March 2008 and expiring on 21 March 2011 at a monthly rental of RMB85,000 exclusive of water and electricity charges.
3. Fujian TQ Digital Inc is an indirect wholly-owned subsidiary of the Company.
4. We have been provided with a legal opinion on the legality of the tenancy agreements to the property issued by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
 - (i) The Lessor has legally obtained both the State-owned Land Use Rights Certificate and Building Ownership Certificate of the property, and has the rights to lease the property;
 - (ii) The Company has the rights to use the property and the actual uses of the property are in compliance with the permitted uses stated in relevant title certificates;
 - (iii) The Tenancy Agreements are legal and valid; and
 - (iv) The Tenancy Agreements have not been registered.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
5. Units Nos. 208 and 301 Productivity Promotion Centre No. 8 Xingfa Road Mawei District Fuzhou City Fujian Province The PRC	<p>The property comprises 2 office units of a 9-storey office building completed in about 2002.</p> <p>The property has a total lettable area of approximately 200 sq.m.</p> <p>The property is leased to the Group for a term commencing from 1 January 2008 and expiring on 31 December 2008 at a total monthly rental of RMB2,000 exclusive of water and electricity charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a tenancy agreement (“Tenancy Agreement A”) entered into between 福州開發區火炬高新技術創業園有限公司 (“Huoju High Technology Growth Enterprise Zone Company Limited of Fuzhou Development Zone”) (the “Lessor”), an independent third party, and Fujian TQ Digital Inc (“Lessee A”) dated 30 December 2007, unit no. 208 with a lettable area of approximately 100 sq.m. is leased to Lessee A for a term of 1 year commencing from 1 January 2008 and expiring on 31 December 2008 at a monthly rental of RMB1,000 exclusive of water and electricity charges.
2. Pursuant to a tenancy agreement (together with the Tenancy Agreement A collectively named as “Tenancy Agreements”) entered into between 福州開發區火炬高新技術創業園有限公司 (“Huoju High Technology Growth Enterprise Zone Company Limited of Fuzhou Development Zone”) (the “Lessor”) and Fujian NetDragon Websoft Co., Ltd. (“Lessee B”) dated 30 December 2007, unit no. 301 with a lettable area of approximately 100 sq.m. is leased to Lessee B for a term of 1 year commencing from 1 January 2008 and expiring on 31 December 2008 at a monthly rental of RMB1,000 exclusive of water and electricity charges.
3. Fujian TQ Digital Inc is an indirect wholly-owned subsidiary of the Company.
4. Fujian NetDragon Websoft Co., Ltd. is, through certain contracts entered into with Fujian TQ Digital Inc, a member of the Group.

5. We have been provided with a legal opinion on the legality of the tenancy agreements to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- (i) The Lessor has legally obtained both the State-owned Land Use Rights Certificate and Building Ownership Certificate of the property, and has the rights to lease the property;
 - (ii) The Company has the rights to use the property and the actual uses of the property are in compliance with the permitted uses stated in relevant title certificates;
 - (iii) The Tenancy Agreements are legal and valid; and
 - (iv) The Tenancy Agreements have been registered.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
6. Unit No. 3501 Zhaofeng Plaza No. 1027 Changning Road Changning District Shanghai The PRC	<p>The property comprises an office unit on level 35 of a 42-storey building completed in about 2002.</p> <p>The property has a gross floor area of approximately 257.3 sq.m.</p> <p>The property is leased to the Group for a term of 2 years commencing from 1 August 2006 and expiring on 31 July 2008 at a monthly rental of RMB28,174.4 exclusive of electricity charge.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a tenancy agreement (“Tenancy Agreement”) entered into between 上海多媒體產業園發展有限公司 (“Shanghai Multimedia Park Development Co., Ltd.”) (the “Lessor”), an independent third party, and Shanghai Tiankun Digital Technology Ltd. (the “Lessee”) dated 21 July 2006, the property is leased to the Lessee for a term of 2 years commencing from 1 August 2006 and expiring on 31 July 2008 at an monthly rental of RMB28,174.4 exclusive of electricity charge.
2. Shanghai Tiankun Digital Technology Ltd. is, through certain contracts entered into with Fujian TQ Digital Inc and Fujian NetDragon Websoft Co., Ltd., a member of the Group.
3. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - (i) The Lessor has legally obtained the Real Estate Title Certificate for both the land use rights and building ownership rights of the property and has the rights to lease the property;
 - (ii) The Company has the rights to use the property and the actual uses of the property are in compliance with the permitted uses stated in relevant title certificates;
 - (iii) The Tenancy Agreement is legal and valid; and
 - (iv) The Tenancy Agreement has been registered.

VALUATION CERTIFICATE

GROUP III — PROPERTY INTEREST RENTED AND OCCUPIED BY THE GROUP IN HONG KONG

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 <i>RMB</i>
7. Unit No. 306 3rd Floor Beautiful Group Tower No. 77 Connaught Road Central Hong Kong	<p>The property comprises an office unit on the 3rd floor of a 26-storey commercial building completed in about 1971.</p> <p>The property has a gross floor area of approximately 926 sq.ft.</p> <p>The property is leased to the Group for a term of 2 years commencing from 10 January 2008 and expiring on 9 January 2010 with a rent free period from 10 January 2008 to 23 January 2008, at a monthly rental of HK\$27,780, exclusive of management fee and air conditioning charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Note:

1. Pursuant to a tenancy agreement, the property is leased to the Group from Radiant Global Limited for a term of 2 years commencing from 10 January 2008 and expiring on 9 January 2010 with a rent free period from 10 January 2008 to 23 January 2008, at a monthly rental of HK\$27,780, exclusive of management fee and air conditioning charges.
2. According to the recent land search at the Hong Kong Land Registries, the registered owner of the property is Radiant Global Limited, an independent third party.

VALUATION CERTIFICATE

GROUP IV — PROPERTY INTEREST RENTED AND OCCUPIED BY THE GROUP IN THE USA

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 <i>RMB</i>
8. Suite 180 21660 East Copley Dr. Diamond Bar CA 91765 The USA	<p>The property comprises an office unit of a 3-storey office building completed in about 1988.</p> <p>The property has a rentable area of approximately 223.52 sq.m. (2,406 sq.ft.)</p> <p>The property is leased to the Group for a term commencing from 1 August 2007 and expiring on 30 September 2012 at an annual rental of US\$69,292.8 from 1 August 2007 to 31 July 2008, US\$72,180 from 1 August 2008 to 31 July 2009, US\$75,067.2 from 1 August 2009 to 31 July 2010, US\$77,954.4 from 1 August 2010 to 31 July 2011 and US\$81,130.32 from 1 August 2011 to 30 September 2012.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a lease agreement ("Lease Agreement") entered into between Muller-Rock 2 Gateway, LLC and Muller-Ing-Gateway, LLC (the "Lessor"), an independent third party, and NetDragon Websoft Inc., a company incorporated in the State of California, USA ("NetDragon (USA)") (the "Lessee") dated 22 May 2007, the property is leased to the Lessee commencing from 1 August 2007 and expiring on 30 September 2012 at an annual rental of US\$69,292.8 from 1 August 2007 to 31 July 2008, US\$72,180 from 1 August 2008 to 31 July 2009, US\$75,067.2 from 1 August 2009 to 31 July 2010, US\$77,954.4 from 1 August 2010 to 31 July 2011 and US\$81,130.32 from 1 August 2011 to 30 September 2012.
2. NetDragon (USA) is a wholly-owned subsidiary of NetDragon Websoft Inc., a company established in BVI.
3. According to the title search, the registered owner of the property is Muller-Rock 2 Gateway, LLC and Muller-Ing-Gateway, LLC.

VALUATION CERTIFICATE

GROUP V — PROPERTY INTEREST INTENDED TO BE RENTED BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2008 RMB
9. Portions of New 851 Building No. 58 Hot Spring Branch Road Gulou District Fuzhou City Fujian Province The PRC	<p>The property comprises portions of a 3-storey office building to be rented by the Group.</p> <p>The property has a floor area of approximately 4,200 sq.m.</p> <p>The property is to be leased to the Group for a term of 3 years at a monthly rental of RMB36 per sq.m., exclusive of water, electricity and telephone charges.</p>	The property is currently vacant.	No commercial value

Notes:

1. Pursuant to a Letter of Intent entered into between Fuzhou Yangzhenhua 851 Bio-Engineering Research Inc. (the “Lessor”), a connected party of the Company, and Fujian NetDragon Websoft Co., Ltd. (the “Lessee”), the Lessor and Lessee are agreed to lease the property with a floor area of approximately 4,200 sq.m. to the Lessee for a term of 3 years after the property has obtained the Fire Service Acceptance Certificate at a monthly rental of RMB36 per sq.m., exclusive of water, electricity and telephone charges.
2. Fujian NetDragon Websoft Co., Ltd. is, through certain contracts entered into with Fujian TQ Digital Inc, a member of the Group.
3. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company’s PRC legal advisor, which contains, inter alia, the following:
 - (i) The Lessor has the rights to lease the property after the property has obtained the Fire Service Acceptance Certificate and title certificates; and
 - (ii) The Letter of Intent is legal and valid.