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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 27 October 2023, the Company granted 120,000 share awarded under the Share Award Scheme as defined below (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 31 August 2018 (the “**Share Award Scheme**”), subject to the acceptance by the Grantee.

Details of the grant are set out below:

Date of Grant:	27 October 2023
Grantee:	Dr. Leung Lim Kin Simon (“ Dr. Leung ”), the vice chairman and executive Director
Number of Awarded Shares granted:	120,000 Awarded Shares
Purchase price of Awarded Shares granted:	Nil
Market price of the shares of the Company on the Date of Grant	HK\$13.9 per share

Vesting period:

Date of Grant

The vesting period of the grant of Awarded Shares is shorter than 12 months as such grant serves as a recognition of the Grantee's past contribution to the Group and the expected significant contribution the Grantee will make to the Group. Also taking into account the length of service period of the Grantee in the Company, the remuneration committee of the Company (the "**Remuneration Committee**") is of the view that a vesting period shorter than 12 months is appropriate for recognising the contributions of the Grantee and to provide him with incentives for the continual operation and development of the Group, which is in line with the purposes of the Share Award Scheme.

Performance targets:

The Awarded Shares are granted to recognize the contributions by the Grantee and provide incentives for the Grantee to remain with the Company for the continual operation and development of the Company. The grant of Awarded Shares is not subject to additional performance targets.

Having considered that the Grantee is the executive Director who will contribute directly to the overall business performance and development of the Group and the vesting of Awarded Shares is a recognition for the past contributions of the Grantee to the Group, the Remuneration Committee is of the view that the grant of Awarded Shares without performance target is in line with the purposes of the Share Award Scheme.

Clawback mechanism:

Where the Grantee ceases to be an employee, the Grantee will cease to be an eligible participant under the Share Award Scheme and any unvested Awarded Shares granted shall automatically lapse.

As at the date of this announcement, the number of Shares available for future grant under the scheme mandate of the Share Award Scheme is 47,885,103.

The Awarded Shares were granted to Dr. Leung by way of allocation of shares purchased and currently held by the trustee pursuant to the Share Award Scheme and the terms of the trust deed. Upon acceptance by Dr. Leung, such Awarded Shares may be held by Dr. Leung in his own name or such nominee, including any trustee, as designated by him.

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 Share Award Scheme was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share scheme.

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

Hong Kong, 27 October 2023

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Liu Dejian, Dr. Leung Lim Kin, Simon, Mr. Liu Luyuan and Mr. Chen Hongzhan; 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.