
THIS CIRCULAR AND THE ENCLOSED FORM OF ELECTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular or the accompanying Form of Election, 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 Circular or the accompanying Form of Election.

If you are in any doubt as to any aspect of this Circular or the accompanying Form of Election or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all of your shares in **NetDragon Websoft Holdings Limited**, you should at once hand this Circular and the accompanying Form of Election to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A Form of Election is enclosed with this Circular for use by Qualifying Shareholders (other than ADS Non-Qualifying Shareholders) holding 1,000 Shares or more, in connection with their claiming of their entitlements under the Distribution in Specie and electing to receive Distribution ADSs.

The Form of Election will not be sent to Qualifying Shareholders holding less than 1,000 Shares or to ADS Non-Qualifying Shareholders. Qualifying Shareholders holding less than 1,000 Shares and ADS Non-Qualifying Shareholders will receive this Circular for information purpose only.

Nothing in this Circular constitutes an offer of securities for sale in the U.S. or any other jurisdictions where it is unlawful to do so. The Distribution ADSs (and the underlying MYND Ordinary Shares) have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdictions. The holder of the Distribution ADSs (or the underlying MYND Ordinary Shares), by its acceptance hereof, agrees on its own behalf and on behalf of any investor account for which it has purchased securities, to offer, sell, or otherwise transfer such security, prior to the expiration of the Distribution Compliance Period, which is a period of 40 days commencing on the Closing Date, only (a) to the Company or one of its subsidiaries, (b) pursuant to offers and sales to non-U.S. Persons that occur outside the United States within the meaning of Regulation S under the Securities Act, (c) to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, so long as the Distribution ADSs are eligible for resale pursuant to Rule 144A, (d) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (e) pursuant to an exemption from registration under the Securities Act (if available), or (f) pursuant to an effective registration statement under the Securities Act, and in each of such cases, in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. By its acquisition hereof, the holder hereof represents that it is not a U.S. Person nor is it purchasing for the account of a U.S. Person and is acquiring this security in an offshore transaction in accordance with Regulation S under the Securities Act. This Circular may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever and, in particular, may not be forwarded to any U.S. Person or U.S. address. Any forwarding, distribution or reproduction of this Circular in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.



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)

DISTRIBUTION IN SPECIE

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
– Introduction	6
– Distribution ADSs	7
– Particulars of the Distribution in Specie	8
– Form of Election	10
– Action to be taken by Beneficial Owners	13
– Action to be taken by CCASS Investor Participants	13
– Transfer of Distribution ADSs and Despatch of Cheques	13
– Expected Timetable	14
– Overseas Shareholders and Stock Connect Investors	15
– General	16

DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions shall have the following meanings:

Term	Definition
“ADS Non-Qualifying Shareholders”	as defined in the section headed “ <i>Particulars of the Distribution in Specie – Basis of Entitlement</i> ” in the letter from the Board in this Circular;
“ADS(s)”	American depositary shares issued pursuant to a deposit agreement dated as of 26 September 2017 by and among MYND, the Depositary and the holders and beneficial owners of ADSs issued thereunder (as amended from time to time), each representing ten ordinary shares in MYND, which are listed on NYSE American;
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered on the register of members of the Company in the name of a nominee, trustee, depository or any other authorised custodian or third party (including but not limited to HKSCC Nominees Limited in respect of Shares deposited in CCASS);
“Best Assistant”	Best Assistant Education Online Limited, an exempted company incorporated in the Cayman Islands with limited liability, indirectly wholly-owned by the Company as at the Latest Practicable Date;
“Board”	the board of Directors;
“BVI”	British Virgin Islands;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including a CCASS Investor Participant;

DEFINITIONS

“Circular”	this circular despatched to the Shareholders in respect of the Distribution in Specie, which is accompanied by a Form of Election (if applicable);
“Closing”	consummation of the Merger and the other transactions contemplated thereunder in accordance with the terms of the Merger Agreement;
“Closing Date”	the date on which the Merger became effective, being 13 December 2023;
“Company”	NetDragon Websoft Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00777);
“control(s)”	the power to direct the management and policies of the person in question, whether through the ownership of voting securities, by contract, or otherwise and “controlled” shall be construed accordingly;
“Depository”	Citibank, N.A., in its capacity as depository bank for the ADSs;
“Director(s)”	director(s) of the Company;
“Distribution ADS(s)”	the ADS(s) to be distributed to Qualifying Shareholders (other than ADS Non-Qualifying Shareholders) pursuant to the Distribution in Specie as set out in the section headed “ <i>Particulars of the Distribution in Specie</i> ” in the letter from the Board in this Circular;
“Distribution Shares”	as defined in the section headed “ <i>Distribution ADSs</i> ” in the letter from the Board in this Circular;
“Distribution Compliance Period”	a period of 40 days commencing on the Closing Date;
“Distribution in Specie”	the special dividend of the Company, to be satisfied by the distribution of the Distribution ADSs and/or the payment of cash on and subject to the terms and conditions as set out in this Circular;

DEFINITIONS

“DTC”	the Depository Trust Company, the clearing system for the ADSs in the U.S.;
“eLMTree”	an exempted company incorporated in the Cayman Islands, as a wholly-owned subsidiary of MYND and an indirect non wholly-owned subsidiary of the Company;
“eLMTree Holder”	the shareholder of eLMTree immediately prior to the Closing;
“Form(s) of Election”	the form(s) of election to be completed by Qualifying Shareholders (other than ADS Non-Qualifying Shareholders) who hold at least a Qualifying Lot pursuant to which such Qualifying Shareholders may elect to receive the Distribution ADSs or a cash payment in lieu of all the Distribution ADSs to which they are entitled;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant;
“Internal Distribution”	as defined in the section headed “ <i>Distribution ADS</i> ” in the letter from the Board in this Circular;
“Latest Practicable Date”	2 January 2024, being the latest practicable date for the purpose of ascertaining certain information referred to in this Circular prior to its printing;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Merger Agreement”	the agreement and plan of merger dated 18 April 2023, entered into by and among Best Assistant, Gravitas Education Holdings, Inc., Bright Sunlight Limited and the Company. eLMTree has become a party to the Merger Agreement by executing a joinder after its incorporation on 18 August 2023;

DEFINITIONS

“MYND”	Mynd.ai, Inc., an exempted company incorporated in the Cayman Islands with limited liability listed on NYSE American (NYSE American: MYND), previously known as Gravitass Education Holdings, Inc.;
“MYND Affiliate(s)”	(i) any person(s) that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, MYND; or (ii) an executive officer, a director, or a large shareholder that is in a relationship of control with MYND;
“MYND Ordinary Shares”	ordinary shares of MYND at par value of US\$0.001 per share, with the rights and privileges as set forth in the amended and restated memorandum and articles of association of MYND effective on 13 December 2023;
“ND (BVI)”	NetDragon Websoft Inc., a BVI business company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of the Company;
“PN15”	Practice Note 15 of the Listing Rules;
“PRC”	the People’s Republic of China, which for the purpose of this Circular, excluding Taiwan, Hong Kong, and Macau Special Administrative Region;
“Qualifying Lot”	1,000 Shares;
“Qualifying Shareholder(s)”	Registered Shareholder(s) on the Record Date, other than the Shareholders who are, or who are acting for the account or benefit of, ADS Non-Qualifying Shareholder;
“Record Date”	29 December 2023, the date by reference to which entitlements to the Distribution in Specie are determined;
“Registered Shareholder(s)”	Shareholder(s) whose name(s) appears on the register of members of the Company from time to time;
“Regulation S”	Regulation S under the Securities Act;
“Rule 144A”	Rule 144A under the Securities Act;
“Securities Act”	the United States Securities Act of 1933, as amended;

DEFINITIONS

“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company;
“Share Registrar”	the Hong Kong branch share registrar and transfer office of the Company, namely Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Connect”	Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
“Stock Connect Investors”	the PRC southbound trading investors holding the Company’s securities through the Stock Connect;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.”	the United States of America (including its territories and dependencies, any state of the United States of America and the District of Columbia);
“US\$”	United States dollars, the lawful currency of the U.S.; and
“U.S. Person(s)”	as defined in Rule 902 under the Securities Act.

For illustrative purpose of this Circular, US\$1 = HK\$7.81.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Dejian (*Chairman*)
Dr. Leung Lim Kin, Simon (*Vice Chairman*)
Mr. Liu Luyuan (*Chief Executive Officer*)
Mr. Chen Hongzhan

Non-Executive Director:

Mr. Lin Dongliang

Independent Non-Executive Directors:

Mr. Li Sing Chung Matthias
Mr. Lee Kwan Hung, Eddie
Mr. Liu Sai Keung, Thomas

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Headquarter and Principal Place of
Business in Hong Kong:*

Units 2001-05 & 11
20/F Harbour Centre
25 Harbour Road
Wan Chai
Hong Kong

To the Shareholders

Dear Sir or Madam

DISTRIBUTION IN SPECIE

INTRODUCTION

On 13 December 2023, the Company announced that (i) the Closing took place on 13 December 2023 and (ii) on 13 December 2023, in giving due regard to the interests of the Shareholders as required under PN15, the Board passed a resolution to declare a special dividend to the Shareholders by way of a distribution in specie of 676,681 ADSs represented by MYND Ordinary Shares held by the Company (indirectly through ND (BVI)) (or cash alternative), in proportion to their respective shareholdings in the Company.

This Circular sets out the procedures and conditions for obtaining the Distribution in Specie. The information in this Circular supersedes all prior announcements concerning the Distribution in Specie. Unless the context otherwise requires, capitalised terms and expressions used in this Circular have the meanings given to them in the section headed “*Definition*” in the letter from the Board in this Circular.

LETTER FROM THE BOARD

DISTRIBUTION ADSS

Pursuant to the Merger Agreement, ND (BVI), a direct wholly-owned subsidiary of the Company, has received certain MYND Ordinary Shares upon the Closing. ND (BVI) will distribute to the Company a number of MYND Ordinary Shares (the “**Distribution Shares**”) corresponding to the aggregate number of Distribution ADSs (the “**Internal Distribution**”). The Company will then implement the Distribution in Specie for Qualifying Shareholders who have effectively elected to receive Distribution ADSs by exchanging Distribution Shares for Distribution ADSs for the benefit of such Qualifying Shareholders and distributing the Distribution ADSs to such Qualifying Shareholders.

In accordance with the requirements of U.S. securities laws, ND (BVI) will not be permitted to offer, sell, pledge or otherwise transfer the Distribution Shares within the U.S. or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S), during the Distribution Compliance Period.

Although ND (BVI) can distribute the Distribution Shares to non-U.S. Persons during the Distribution Compliance Period, such non-U.S. persons would not be able to directly receive ADSs, and have to comply with the Distribution Compliance Period before such Distribution Shares can be exchanged for ADSs and become freely tradeable on NYSE American. It is also important to note that to the extent Distribution Shares (instead of ADSs) are distributed to such non-U.S. persons, such non-U.S. persons would have to coordinate with MYND’s ADS Depository in the U.S. themselves in order to have their Distribution Shares exchanged into ADSs (which, under U.S. securities law, they would only be permitted to do after the expiration of the Distribution Compliance Period).

Thus, from a logistical standpoint, the Company believes it is optimal for ND (BVI) to hold the Distribution Shares during the Distribution Compliance Period so that, in this case, the Company would coordinate with MYND’s ADS Depository in the U.S. in connection with the ADSs exchange, and the Qualifying Shareholders can receive ADSs in the Distribution in Specie directly.

Accordingly, to fully comply with the requirements of U.S. securities laws and considering the logistical standpoint above, the Internal Distribution and the subsequent Distribution in Specie will occur after the expiration of the Distribution Compliance Period, commencing on 13 December 2023 and ending on 22 January 2024 (Hong Kong time), (both dates inclusive). The expected date for the transfer of the Distribution ADSs under the Distribution in Specie is 15 February 2024, after which the Distribution ADSs are freely tradable on NYSE American.

The Distribution Shares have not been and will not be registered under the Securities Act and, therefore, the Distribution ADSs representing the Distribution Shares will be distributed only to Qualifying Shareholders who are non U.S. Persons in an offshore transaction in reliance on Regulation S. The CUSIP number for the Distribution ADSs is “628988 107” and the ISIN number is “US6289881079”.

LETTER FROM THE BOARD

PARTICULARS OF THE DISTRIBUTION IN SPECIE

Basis of Entitlement

The Distribution in Specie will be offered to Shareholders on the following basis:

- (a) a Qualifying Shareholder holding a whole multiple of a Qualifying Lot will be entitled to one Distribution ADS for every whole multiple of a Qualifying Lot held. Such Qualifying Shareholder may elect to receive the Distribution ADSs to which he/she/it is entitled, or, in lieu of such Distribution ADSs, a cash payment of approximately HK\$137.38 for every whole multiple of a Qualifying Lot, which is equivalent to US\$17.59 at the exchange rate of US\$1.00 to HK\$7.81;
- (b) a Qualifying Shareholder who holds Shares in excess of a whole multiple of a Qualifying Lot will be treated in accordance with paragraph (a) above, except that such Shareholder will only receive a cash payment of approximately HK\$0.13738 per Share for such number of Shares held by him/her/it that is over and above a whole multiple of a Qualifying Lot;
- (c) a Qualifying Shareholder holding less than a Qualifying Lot will only be entitled to a cash payment of approximately HK\$0.13738 per Share based on the number of Shares held by him/her/it. Such Shareholder will not be able to choose to receive Distribution ADSs;
- (d) the ADS Non-Qualifying Shareholders will not be entitled to elect to receive Distribution ADSs, but will instead receive a cash payment of approximately HK\$0.13738 per Share based on the number of the respective Shares held by them;
- (e) all ownership interests of Shareholders will be determined at the close of business on the Record Date;
- (f) all cash payments will be rounded up to the nearest Hong Kong cents; and
- (g) the cash payment of approximately HK\$0.13738 per Share is calculated as follows:

$$\frac{\text{US\$17.59 per Distribution ADS}}{1,000 \text{ Shares (the Qualifying Lot)}} \times 7.81 \text{ (the exchange rate of US\$ to HK\$)}$$

Any Shareholder wanting to receive Distribution ADSs would need to establish an appropriate securities account into which the Shareholder could receive and from which the Shareholder can trade those securities. The Qualifying Shareholders are allowed to choose a combination of the Distribution ADSs and the cash payment (i.e., the Qualifying Shareholders can choose to receive the Distribution in Specie partly in cash and partly in scrip).

LETTER FROM THE BOARD

Restrictions on Sales of Distribution ADSs after Delivery

Once the Distribution ADSs are distributed to the Qualifying Shareholders of the Company after the Distribution Compliance Period, such ADSs will not be subject to any sale restriction period.

ADS Non-Qualifying Shareholders

ADS Non-Qualifying Shareholders are:

- (a) Shareholders (including Beneficial Owners) on the Record Date who are resident or located in places outside Hong Kong in respect of which the Board considers the exclusion from receiving the Distribution ADSs to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place;
- (b) without limitation to the generality of the foregoing, Shareholders (including Beneficial Owners) who are located in the U.S. or who are U.S. Persons;
- (c) Shareholders (including Beneficial Owners) who are otherwise unable to make the certifications required in the Form of Election in order to be entitled to receive the Distribution ADSs;
- (d) any MYND Affiliates (including ND (BVI)); or
- (e) eLMTree Holder (other than ND (BVI)). As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, among all the eLMTree Holders, DJM Holding Ltd. and IDG-Accel China Growth Fund L.P. are also the Shareholders of the Company.

ADS Non-Qualifying Shareholders will not be entitled to elect to receive Distribution ADSs.

Any ADS Non-Qualifying Shareholder who is a Registered Shareholder with a registered address located in the U.S. or who is an MYND Affiliate or who is an eLMTree Holder (other than ND (BVI)) will, for every Share held on the Record Date, receive a cash distribution of approximately HK\$0.13738.

An ADS Non-Qualifying Shareholder who is a Beneficial Owner would only be entitled to the cash distribution in lieu of the Distribution ADSs based upon the cash entitlement to be received by the Qualifying Shareholder who holds Shares on his/her/its behalf.

LETTER FROM THE BOARD

Qualifying Shareholders holding a Qualifying Lot or more who wish to receive a cash payment only

If Qualifying Shareholders holding a Qualifying Lot or more on the Record Date wish to receive a cash payment in lieu of all the Distribution ADSs to which they would otherwise be entitled, they do not need to take any action. A Qualifying Shareholder who holds at least a Qualifying Lot and does not complete his/her/its Form of Election will be deemed to have elected for a cash payment calculated in accordance with the manner described in the section headed “*Particulars of the Distribution in Specie – Basis of Entitlement*” in the letter from the Board in this Circular.

Qualifying Shareholders holding less than a Qualifying Lot

The Form of Election is being sent to, and needs only to be completed by, Qualifying Shareholders (other than ADS Non-Qualifying Shareholders) holding at least a Qualifying Lot. A Qualifying Shareholder holding less than a Qualifying Lot will not be able to elect to receive Distribution ADSs and is only entitled to receive a cash payment. Accordingly, Qualifying Shareholders holding less than a Qualifying Lot will not receive the Form of Election and do not need to take any action.

FORM OF ELECTION

A Form of Election is enclosed with this Circular for use by Qualifying Shareholders (other than ADS Non-Qualifying Shareholders) holding at least a Qualifying Lot, in connection with their claiming of their entitlements under the Distribution and electing to receive the Distribution ADSs.

Completing the Form of Election

The Form of Election has been individually prepared for each Qualifying Shareholder holding at least a Qualifying Lot and who, to the knowledge of the Company, is not resident or located in, or a citizen of the U.S. or any other territory where it would be unlawful to elect for the Distribution ADSs and/or to receive the Distribution ADSs at the time the instruction to elect was given. It sets out on the first page of the Form of Election the number of Distribution ADSs to which the relevant Qualifying Shareholder is entitled, calculated in the manner described in the section headed “*Particulars of the Distribution in Specie – Basis of Entitlement*” in the letter from the Board in this Circular.

LETTER FROM THE BOARD

Qualifying Shareholders holding at least a Qualifying Lot who wish to receive their entitlements in the form of Distribution ADSs

Step 1: Required certification

A Qualifying Shareholder who wishes to receive the Distribution ADSs, in addition to certain other certifications and agreements in Section 1 of the Form of Election, must certify in the Form of Election that, among others, he/she/it is not located in the U.S. nor is he/she/it a U.S. Person and he/she/it may lawfully be offered, take up, obtain and receive the Distribution ADSs in the jurisdiction which he/she/it resides or he/she/it is currently located or he/she/it is a citizen of. For a Qualifying Shareholder who is holding Shares as a nominee, trustee, depository or any other authorised custodian (other than HKSCC Nominees Limited in respect of Shares deposited in CCASS), such Qualifying Shareholder must also certify that he/she/it is not receiving the Distribution ADSs for the account or benefit of, any Beneficial Owner located in the U.S. or who is a U.S. Person, nor any person who is resident or located in, or a citizen of any territory where it would be unlawful to elect for the Distribution ADSs and/or receive the Distribution ADSs.

With respect to Beneficial Owners whose Shares are registered on the register of members of the Company in the name of HKSCC Nominees Limited in respect of Shares deposited in CCASS, HKSCC Nominees Limited will require such Qualifying Shareholdere(s) to make the requisite certification in Section 1 of the Form of Election in his/her/its own capacity. HKSCC Nominees Limited as a Qualifying Shareholder who is holding Shares in the capacity as a nominee for the account or benefit of such Beneficial Owner(s) will not make such certifications.

Any Qualifying Shareholder who does not provide the requisite certification in the form specified in the paragraph above will not be entitled to receive his/her/its entitlement under the Distribution in Specie in the form of Distribution ADSs but will instead receive a cash payment in lieu of all the Distribution ADSs he/she/it is entitled as if he/she/it has elected to receive a cash payment. HKSCC Nominees Limited shall be treated as a Qualifying Shareholder (and not an ADS Non-Qualifying Shareholder), provided that Distribution ADSs may only be elected on behalf of Beneficial Owners who are not ADS Non-Qualifying Shareholders.

The Distribution ADSs are to be held electronically in book entry form through the facilities of DTC directly in the name of the Qualifying Shareholder (only if the Qualifying Shareholder is a participant in DTC) or indirectly through the Qualifying Shareholder's account at a broker or dealer or other financial institution which is a direct or indirect participant in DTC.

A Qualifying Shareholder holding at least a Qualifying Lot is only able to receive Distribution ADSs if he/she/it specifies in Section 2b of the Form of Election information as to the details of (1) his/her/its DTC participant account or (2) his/her/its broker or dealer or other financial institution who is a direct or indirect DTC participant, including details of that broker's or dealer's or other financial institution's DTC participant name, account to which the

LETTER FROM THE BOARD

Distribution ADSs can be credited, contact person's name and contact telephone number. Furthermore, a Qualifying Shareholder is only able to receive Distribution ADSs if the broker or dealer or other financial institution specified by the relevant Qualifying Shareholder accepts such Distribution ADSs for crediting. Information required in the Form of Election in respect of a Qualifying Shareholder's DTC participant account or the account of his/her/its broker or dealer or other financial institution which is a direct or indirect DTC participant must be completed and be valid, failing which such Qualifying Shareholder will be deemed to have elected to receive a cash payment in lieu of the Distribution ADSs to which he/she/it is entitled. **Qualifying Shareholders who have elected to receive Distribution ADSs must instruct and coordinate with their respective brokers or dealers or other financial institutions on their elections and the settlement of their respective Distribution ADSs.**

Any Form of Election will be treated as invalid if:

- (a) it is incomplete; or
- (b) it contains illegible writing; or
- (c) the Shareholder is unable to provide the correct details of his/her/its DTC participant account or (as the case may be) his/her/its broker or dealer or other financial institution (including details of the DTC participant account to which the Distribution ADSs are to be credited and other information required by the Form of Election); or
- (d) the broker or dealer or other financial institution is not a direct or indirect DTC participant or refuses to accept the Distribution ADSs, such that the Distribution ADSs could not be credited to the account specified in Section 2b of the Form of Election.

If a Form of Election is treated as invalid, the relevant Qualifying Shareholder will be deemed to have elected to receive a cash payment in lieu of all the Qualifying Shareholder's entitlement to the Distribution ADSs.

Step 2: Return of the completed and signed Form of Election

The Form of Election must be completed and signed in accordance with the instructions printed thereon and in this Circular and lodged with the Share Registrar, namely, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 23 January 2024. No acknowledgement of receipt of the Form of Election will be issued.

If a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning is in force in Hong Kong:

- (a) at any local time before 12:00 noon and no longer in force after 12:00 noon on 23 January 2024, the deadline for the submission of the Form of Election will be 4:30 p.m. on the same day; or

LETTER FROM THE BOARD

- (b) at any local time between 12:00 noon and 4:30 p.m. on 23 January 2024, the deadline for the submission of the Form of Election will be rescheduled to 4:30 p.m. on the next Hong Kong business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

No elections may, after the relevant Forms of Election are signed and lodged with the Share Registrar, be in any way withdrawn, revoked, superseded or altered without the agreement of the Company. **If any Qualifying Shareholder does not complete and return the Form of Election before the time stated above, he/she/it will receive a cash payment in lieu of the Distribution ADSs to which he/she/it would otherwise have been entitled.**

Questions regarding completion of the Form of Election

Should you have any queries on the Form of Election, you should contact the Share Registrar at its hotline at (852) 2980 1333 during normal business hours between 9:00 a.m. and 5:00 p.m. from 5 January 2024 to 23 January 2024. You should note, however, that the Share Registrar cannot advise on the merits of the Distribution in Specie or on your election for Distribution ADSs.

ACTION TO BE TAKEN BY BENEFICIAL OWNERS

Any Beneficial Owner who wishes to receive Distribution ADSs should contact his/her/its respective Intermediary to make necessary arrangements. Such arrangements should be made in advance of the relevant dates stated in the section headed “*Expected Timetable*” in the letter from the Board in this Circular and otherwise in accordance with the requirements of the Intermediary, in order to allow the Intermediary sufficient time to ensure that such arrangements are given effect.

ACTION TO BE TAKEN BY CCASS INVESTOR PARTICIPANTS

Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in the Distribution in Specie should be dealt with.

TRANSFER OF DISTRIBUTION ADSS AND DESPATCH OF CHEQUES

The expected date for the transfer of the Distribution ADSs under the Distribution in Specie is 15 February 2024. The expected date for the despatch of cheques to Qualifying Shareholders receiving a cash payment and to ADS Non-Qualifying Shareholders is 15 February 2024.

LETTER FROM THE BOARD

On 15 February 2024, at the direction of MYND and the Company, it is expected that the number of Distribution ADSs a Qualifying Shareholder is entitled and has elected to receive will be delivered (by the distribution agent) to the account of (i) the Qualifying Shareholder (if the Qualifying Shareholder is a participant in DTC) or (ii) the broker or dealer or other financial institution which is a direct or indirect participant in DTC designated by the Qualifying Shareholder, in either case as specified in the completed Form of Election.

EXPECTED TIMETABLE

Closing Date	Wednesday, 13 December 2023
Latest day for dealing in the Shares of the Company on a cum-entitlement basis	Wednesday, 27 December 2023
First day for dealing in the Shares of the Company on an ex-entitlement basis	Thursday, 28 December 2023
Latest time for lodging transfers of Shares of the Company cum-entitlement to the Distribution in Specie	4:30 pm on Friday, 29 December 2023
Record Date	Friday, 29 December 2023
Despatch of the Form of Election to the Shareholders re share entitlement or cash payment	Friday, 5 January 2024
Latest time for lodging the Form of Election	4:30 pm on Tuesday, 23 January 2024
Distribution of Distribution ADSs or despatch of cheque for cash payment ⁽¹⁾	Thursday, 15 February 2024

Note:

1. Pursuant to U.S. securities law, the assured entitlement of the Distribution ADSs will be distributed to the Shareholders of the Company after the expiration of the Distribution Compliance Period (see definition of “Distribution Compliance Period” and the section headed “*Distribution ADSs*” in the letter from the Board in this Circular above).

All times above refer to Hong Kong local time.

If there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning in force at any time prior to 4:30 p.m. on 23 January 2024, the deadline for lodging of the Form of Election may be changed. Further information is set out in the section headed “*Form of Election*” in the letter from the Board in this Circular above.

LETTER FROM THE BOARD

The timetable is subject to change and any such change will be published in a further announcement.

OVERSEAS SHAREHOLDERS AND STOCK CONNECT INVESTORS

Under Rule 13.36(2) of the Listing Rules, where a listed issuer proposes to distribute securities to its shareholders, it may exclude relevant overseas shareholders in circumstances where the directors consider the exclusion to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place where such shareholder is located or the requirements of the regulatory body or stock exchange in such place.

After making the relevant enquiries, since registration or filing or other procedures or formalities, subject to certain exceptions, would be required to be carried out in relation to the distribution of the Distribution ADSs to comply with the relevant securities legislation or regulation in the U.S., the Board has formed the view that it would be expedient to exclude from the distribution of the Distribution ADSs the Shareholders with registered address in such jurisdiction.

Notwithstanding the above, the Board reserves the right to exclude any other registered Shareholder whose address as shown on the register of members of the Company on the Record Date is located in any other overseas jurisdiction from the Distribution in Specie, if the Board believes that such distribution may be administratively prohibitive or inexpedient or violate any applicable legal and/or regulatory requirements in the relevant jurisdiction. If and when necessary, the Company will separately notify any such Shareholder of the arrangement regarding the Distribution in Specie.

Based on the Share Registrar, as at the Latest Practicable Date, there are no Shareholders who are resident or located in places outside Hong Kong. Accordingly, there are no Shareholders classified as ADS Non-Qualifying Shareholders solely due to the fact that they are resident or located in places outside Hong Kong.

As at the Latest Practicable Date, pursuant to Article 24 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Programme («內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則»), if the Stock Connect Investors receive any securities not listed on the Stock Exchange, they will not be allowed to buy or sell such securities through the Stock Connect. Considering the practical difficulty of the Stock Connect Investors in realising the benefit of the Distribution ADSs and as there are no facilities for the Stock Connect Investors to open or arrange the opening on their behalf of DTC accounts (as required to receive Distribution ADSs), Stock Connect Investors will not be able to elect to receive Distribution ADSs and so will only receive the cash distribution calculated in accordance with the manner described in the section headed “*Particulars of the Distribution in Specie – Basis of Entitlement*” in the letter from the Board in this Circular above. This arrangement is in accordance with Question No. 4 of the Frequently Asked Questions Series 29 released by the Stock Exchange on 17 November 2014 and last updated on 13 July 2018.

LETTER FROM THE BOARD

A Shareholder with an address outside Hong Kong should consult his/her/its own professional advisers as to whether or not he/she/it is permitted to receive the Distribution ADSs pursuant to the Distribution in Specie or if any governmental or other consent is required or other formalities are required to be observed and whether there are any other restrictions in relation to the future sale of any Distribution ADSs or ADSs. An overseas Qualifying Shareholder residing in a jurisdiction where it would be illegal for him/her/it to elect for or to receive the Distribution ADSs under the Distribution in Specie will be deemed to have received the Form of Election for information purpose only.

GENERAL

Qualifying Shareholders and Beneficial Owners holding a Qualifying Lot or more are reminded that whether or not it is to their advantage to elect to receive the Distribution in Specie in cash payment in lieu of the Distribution ADSs depends on their own individual circumstances and preferences; and the decision in this regard and all effects resulting therefrom are the responsibility of each individual Qualifying Shareholder and Beneficial Owner. The effect on the tax position of any Shareholder will depend on that Shareholder's particular circumstances. Qualifying Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive a cash payment or Distribution ADSs is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

This Circular and the Form of Election are not, and do not form part of, an offer to sell or solicitation of an offer to purchase or subscribe for any securities of MYND in Hong Kong, the U.S. or any other jurisdictions, and this Circular and the Form of Election, or any part of them, shall not form the basis of, or be relied on in connection with, any investment decision relating to any securities of MYND.

If you are in any doubt as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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