



**NetDragon Websoft Inc.**  
**網龍網絡有限公司**

**NetDragon and Baidu Sign Memorandum of Understanding;  
Baidu Acquires NetDragon's Subsidiary 91 Wireless**

**HONG KONG, 16 July 2013** — NetDragon Websoft Inc. (“NetDragon” or “the Company”, HKEx: 777) announced today that it has signed a legally binding memorandum of understanding (“MOU”) with Baidu Holdings Limited Inc. (“Baidu”, a subsidiary of Baidu Inc. (BIDU:NASDAQ GS)) on the proposed disposal of all equity interests in 91 Wireless Websoft Limited (“91 Wireless”) by NetDragon to Baidu (“Proposed Disposal”).

Pursuant to the MOU, Baidu will purchase the entire issued share capital of 91 Wireless for a total of US\$1.90 billion (approximately HK\$14.74 billion). Given NetDragon holds an indirect equity interest of approximately 57.41% or 80,571,528 shares in 91 Wireless, NetDragon will receive US\$1.09 billion (approximately HK\$8.46 billion) from the Proposed Disposal. NetDragon and Baidu will further negotiate and agree on the relevant terms of the Proposed Disposal in the definitive agreements by 14 August 2013 (“the Long Stop Date”). As Baidu intends to acquire the entire equity share capital of 91 Wireless, it will purchase the remaining equity interest in 91 Wireless shares from other shareholders (“Other 91 Shareholders”) based on terms and conditions same as those offered to NetDragon, if the Other 91 Shareholders are willing to sell by the Long Stop Date.

Started in 2007, 91 Wireless mainly engages in the development and operation of two leading smartphone apps distribution platform in China, namely 91 Assistant and HiMarket (“91 Smartphone Apps Marketplaces”), community websites, 91 Launcher, 91 Panda Reader as well as other popular products for smartphone users. To date, over 10 billion apps have been downloaded through the 91 Smartphone Apps Marketplaces. And according to iResearch 2011-2012 report, 91 Wireless is the No.1 3rd party apps distribution platform in China by both active users and accumulated downloads.

NetDragon believes that there is huge potential for Baidu and 91 Wireless’s long-term cooperation, and can be well-positioned to achieve greater prominence in the mobile internet market through this acquisition. Taking into account the terms and considerations of the Proposed Disposal, NetDragon believes that the Proposed Disposal will enhance the earnings and broaden the capital base of the Company. It will also continue to step up investments in development and innovation for internet and mobile games businesses. Furthermore, NetDragon and Baidu will explore opportunities to further cooperate on other businesses.

If the Proposed Disposal is completed, the proposed spin-off and proposed listing of 91 Wireless on the Growth Enterprise Market of The Hong Kong Stock Exchange Limited, which were announced by NetDragon earlier this year, will not be effective. NetDragon will make further announcement(s) on the proposed spin-off, proposed listing and/or the Proposed Disposal at the appropriate juncture in accordance with the Listing Rules.

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## **About NetDragon Websoft Inc.**

NetDragon Websoft Inc. (HKSE: 0777) is a leading innovator and creative force in China's online gaming and mobile internet industries. Established in 1999, we are a vertically integrated developer & operator of MMORPGs and a cutting-edge R&D powerhouse. We launched our first self-made online game Monster & Me in 2002, followed by multiple titles including Eudemons Online, Conquer Online and Heroes of Might & Magic Online. We are also China's pioneer in overseas expansion, directly operating titles in overseas markets since 2003 in English, Spanish, Arabic and other languages. In the mobile Internet industry, we provide China's leading marketplace for smartphone users, offering applications and content for the most popular mobile operating systems. NetDragon offers many well-known mobile Internet products and services, including 91 Assistant, HiMarket, 91 Launcher, 91 Panda Reader, sj.91.com and www.hiapk.com.

## **About Baidu, Inc.**

Baidu, Inc. is the leading Chinese language Internet search provider. As a technology-based media company, Baidu aims to provide the best and most equitable way for people to find whatever they're looking for. In addition to serving individual Internet search users, Baidu provides an effective platform for businesses to reach potential customers. Baidu's ADSs trade on the NASDAQ Global Select Market under the symbol "BIDU". Currently, ten ADSs represent one Class A ordinary share.

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