



News Release

Immediate Release

NetDragon & Cherrypicks Strike Strategic Merger to Form a Global Mobile Innovation Powerhouse

(3 June 2014, Hong Kong) – NetDragon Websoft Inc. ("NetDragon", HKSE: 0777), a leading innovator and creative force in China's online gaming and mobile internet industries and Cherrypicks, a mobile technology and mobile marketing leader in Asia-Pacific specialized in applying innovations to digital media and mobile apps, are pleased to make a joint announcement today for reaching a sales and purchasing agreement ("Sales and Purchasing Agreement") by which NetDragon acquired the mobile solutions business of Cherrypicks for up to an aggregate consideration of US\$30.5 million. Pursuant to the Sales and Purchasing Agreement, the final amount of such consideration will be subject to the operating profitability performance in 2014 and will be paid out in a combination of up to US\$26 million of cash and US\$4.5 million worth of shares of NetDragon, subject further to vesting conditions. In addition, NetDragon will inject an additional US\$4 million for the expansion of Cherrypicks' existing technological development as well as extension into new markets. Cherrypicks will remain headquartered in Hong Kong upon completion of the deal and operate under the brands of Cherrypicks and Cherrypicks Alpha. Upon the completion of the strategic merger, Cherrypicks will continue to focus on the R&D and provision of world class, comprehensive innovative mobile solutions to customers in a wide array of industry domains, while Cherrypicks Alpha, which focuses on the R&D of Online-to-Offline (O2O) mobile marketing, shopping and commerce product platforms, is excluded in this transaction.

Liu Dejian, Chairman and Executive Director of NetDragon, commented, "Online and mobile solutions developed by Cherrypicks combine best-in-class creativity, design and mobile technology know-how, resulting in superb user experience, seamless front-end interface and robust back-end platform that have been validated by its long list of reputable multinational clients. Cherrypicks' corporate culture of innovation and pursuit of excellence is in perfect alignment with NetDragon's mission of striving to provide the best mobile solutions for our



customers, both in China and in the global markets. We believe this strategic acquisition will open up tremendous opportunities for both NetDragon and Cherrypicks in providing disruptive, world-class mobile products and solutions for our users globally in various segments including enterprise software, mobile community, mobile commerce and mobile education. We look forward to working very closely with the Cherrypicks' team to continuously strengthen Cherrypicks' existing client offerings and create endless value for mobile users in the corporate and consumer domains."

Jason Chiu, Chief Executive Officer of Cherrypicks, said, "We are honored to seal a strategic merger with NetDragon, a Chinese powerhouse of mobile solutions. We are devoted to fostering the best win-win reciprocity and synergy between Cherrypicks and NetDragon, complementing each other in extending our presence in China and global mobile markets. Undoubtedly reaffirming years of research and development achievements of Cherrypicks, the deal also brings in new capital for the Cherrypicks to enhance its research and development capabilities which will expand its business diversification. Moreover, with full support from NetDragon, Cherrypicks is benefited from gaining convenient entries into the mainland China market, facilitating to move further in business internationalization as well as gradual realization of the Cherrypicks's goal as the global leader in mobile marketing, shopping and commerce solutions."

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About NetDragon

NetDragon Websoft Inc. (HKSE: 0777) is a leading innovator and creative force in China's mobile internet industries. Established in 1999, we are a vertically integrated, cutting-edge R&D powerhouse with a series of successful track record including building the No. 1 Chinese online gaming portal - 17173.com, being a pioneer in MMORPGs with our renowned self-developed flagship games such as Eudemons Online and Conquer Online gaining huge popularity amongst players, and creating China's most influential and most popular smartphone app store platforms under the 91 Wireless business unit, before disposing the business to Baidu in 2013 in a landmark transaction which to date is the largest internet M&A transaction in China. In addition, we are China's pioneer in overseas expansion, directly operating game titles in a broad number of countries since 2003 and in over 10 languages internationally. In recent years, we



are also becoming a major player in the online and mobile education segment with the vision to leverage our mobile internet technologies and know-how to make learning more fun, motivational and effective compared to the traditional classroom learning model.

About Cherrypicks

Established in 2000, Cherrypicks is a Mobile Technology and Mobile Marketing leader in Asia-Pacific specialized in applying innovations such as Augmented Reality to digital media and mobile apps. The company focuses on developing Online-to-Offline (O2O) mobile marketing platforms such as iButterfly, keewee and Smart:D, and providing high quality mobile marketing solutions. In the past 3 years, Cherrypicks has won over 100 international and local awards of technology and digital marketing, including the IT 'Oscars' World Summit Award Mobile Global Champion 2013 (m-Business & Commerce) and APICTA 2012 Winner Award. The company is also a Harvard case study at the Harvard Business School. Today, Cherrypicks is a globally recognized guru in mobile solution innovations highly trusted by numerous long-term, multinational and local corporate clients in banking, insurance, gaming, restaurant, retailing, TV interaction, exhibition, travel, transportation and public sectors. Another operating brand, which is not included in this transaction, Cherrypicks Alpha will focus on the R&D of O2O mobile marketing, shopping and commerce product platforms.

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