

[For Immediate Release]

## **NETDRAGON AND ARHT MEDIA JOINTLY ANNOUNCE COMPLETION OF A CDN\$4.82M STRATEGIC INVESTMENT AND JV PARTNERSHIP**

### **NETDRAGON AND ARHT MEDIA ENTER INTO A FIVE YEAR JV PARTNERSHIP TO CREATE A VIRTUAL REALITY (VR) AND AUGMENTED REALITY (AR) POWERHOUSE FOR EDUCATION AND ENTERTAINMENT MARKETS ACROSS THE ASIA PACIFIC REGION**

[Hong Kong, April 12, 2016] NetDragon Websoft Inc. (“NetDragon” or “the Company”) (Hong Kong Stock Code: 777), a global leader in building Internet communities, and ARHT Media Inc. (“ARHT”) (TSX.V: ART) are pleased to jointly announce that ARHT has closed the CDN\$4,819,526 (equivalent to approximately HK\$29.0 million) non-brokered private placement financing (the “Offering”) with NetDragon previously announced on February 26, 2016. NetDragon indirectly purchased 19,278,104 common shares in the capital of ARHT (“Common Shares”) at a price of CDN\$0.25 per Common Share.

After closing of the Offering, NetDragon now indirectly owns 19.99% of ARHT’s issued and outstanding Common Shares on a non-diluted basis through its wholly owned subsidiary, NetDragon Websoft Inc. (“NetDragon Websoft Inc. (BVI)”). NetDragon will have the right to nominate one individual to the ARHT board of directors and will also have the right to maintain its pro rata interest in ARHT, in the event of future distributions.

The securities issued in connection with the Offering are subject to statutory resale restrictions until August 13, 2016. The TSX Venture Exchange has provided final approval for closing of the Offering. The proceeds from the Offering are expected to be used for general working capital purposes.

#### ***Joint Venture Aims to Create an Augmented Reality & Virtual Reality Powerhouse***

NetDragon and ARHT have signed an agreement to establish a joint venture in select Asia Pacific markets that will include a multi-year exclusive license of ARHT’s technology as well as a license of NetDragon’s mobile-focused community, instant messaging and app store technologies. NetDragon, one of China’s largest gaming and online education companies, will unlock a network of opportunities for the use of ARHT’s digital human holograms, HumaGrams, and its supporting technologies to millions of people in China, India and certain other countries in the Asia Pacific region.

NetDragon is a technology leader, and a top innovator and creative force in China’s online gaming, online education and mobile internet industries, where they will be able to utilize ARHT’s technology to bring world-class subject matter experts into various regions in China, India, North America and Europe.

ARHT’s technology will continue to leverage its patented holo-porting solution, which was introduced to China on Feb 27, 2016, at a NetDragon event, where Dashan, often referred to as “the most famous foreigner in China”, was beamed as a digital HumaGram live from Los Angeles, able to interact and engage with NetDragon’s Vice Chairman and Executive Director, Dr. Simon Leung, in front of an audience of over 200 people. Through this joint venture, NetDragon will enable ARHT to bring HumaGrams to many territories previously unreachable.

NetDragon’s recent acquisition of Promethean, a provider of interactive learning technologies with a user base of 1.3 million classrooms globally, has the potential to deliver ARHT’s technology to an enormous audience in the K12 (Kindergarten-to-Grad 12) space. The potential from the Promethean network is in addition to the overall size of the

Chinese education market, which is \$200+ billion per year.

Dr. Simon Leung, Vice Chairman and Executive Director of NetDragon, commented, “We are extremely excited about our partnership with ARHT Media, and we look forward to the various ways in which their patented holographic technology can be utilized for education, gaming, and many other areas of our business.”

Paul Duffy, CEO of ARHT, commented, “We welcome NetDragon as a strategic shareholder and partner. We are very excited to collaborate with a leader in the mobile internet space. This is a tremendous opportunity for us to make our technology available to billions of people across various platforms in the Asia-Pacific region. Earlier this year, the Goldman Sachs Group put forth some assumptions about the AR and VR market, believing it to become an \$80 billion market by 2025. We are very excited about the timing and scope of the partnership with NetDragon, which we believe will set us on a path to penetrate this important market.”

Paul Anka, renowned singer, songwriter and ARHT Advisory Board Chairman, commented, "ARHT Media has strategically partnered with one of the leading internet technology companies in China, which represents tremendous go-to-market opportunities, particularly given NetDragon's focus on building online and offline education communities. We are proud of the partnership that will open up much of the world to ARHT's one of a kind technology."

The combined NetDragon and ARHT technologies will offer a mobile, Augmented Reality (“AR”) and Virtual Reality (“VR”) powerhouse in the Asia Pacific market.

#### **About NetDragon Websoft Inc**

NetDragon Websoft Inc. (HKSE: 0777) is a global leader in building Internet communities. Established in 1999, NetDragon is a vertically integrated, cutting-edge R&D powerhouse with a highly successful track record which includes the development of flagship MMORPGs such as Eudemons Online and Conquer Online, China’s number one online gaming portal, 17173.com, and China's most influential smartphone app store platform, 91 Wireless, which was sold to Baidu in 2013 in what was at the time the largest Internet M&A transaction in China. Being China's pioneer in overseas expansion, NetDragon also directly operates a number of game titles in over 10 languages internationally since 2003. In recent years, NetDragon has emerged as a major player in the global online and mobile learning space as it works to leverage its mobile Internet technologies and operational know-how to develop a game-changing learning ecosystem. For more information, please visit [www.netdragon.com](http://www.netdragon.com).

#### **About ARHT Media**

ARHT Media Inc. creates HumaGrams™, the most believable and interactive human holograms. HumaGrams™ are generated using patent-pending Augmented Reality Holographic Technology (ARHT™), which is a scalable, repeatable and transportable form of 3D without the use of special glasses. This unique platform makes it possible for people to engage with HumaGrams™, opening up a wide range of applications from interactive retail displays, tradeshow booths, presentations, live shows and concerts. The various applications can be integrated into multiple forms of proximity and mobile marketing tactics to connect with an audience, drive sales efforts and create memorable experiences.

ARHT Media Inc. was co-founded in 2012, by Rene Bharti (Chairman), and entertainer Paul Anka (Chairman, Board of Advisors). ARHT is supported by a diverse and seasoned management team spearheaded by its CEO Paul Duffy, a global entrepreneur and creator of the Digital Human Experience in online, mobile and holographic communications. The ARHT team brings decades of experience from fields including entertainment, technology, marketing and finance. The Board of Advisors of ARHT include the likes of Larry King, Jason Bateman, Richard “Skip” Bronson,

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Michael Bubl , Carlos Slim, Irving Azoff, Dr. Simon Leung and Kevin O’Leary. ARHT Media trades under the symbol ART on the Toronto Venture Stock Exchange. For more information, please visit [www.arhtmedia.com](http://www.arhtmedia.com) or contact the investor relations group at [info@arhtmedia.com](mailto:info@arhtmedia.com).

**For investor enquiries, please contact:**

**Ms. Maggie Zhou,**

Senior Director of Investor Relations, NetDragon

Tel : +852 2850 7266 / +86 591 8754 3120

Email : [maggie@nd.com.cn](mailto:maggie@nd.com.cn); [ndir@nd.com.cn](mailto:ndir@nd.com.cn)

**For media enquiries, please contact:**

**Mr. Alvin Chan**

Senior Advisor, NetDragon

Tel : +852 2590 5337

Email : [alvinchan@nd.com.hk](mailto:alvinchan@nd.com.hk)

**Christian Arnell; Vivian Wang**

Christensen

Tel : +852 2117 0861

Email : [carnell@christensenir.com](mailto:carnell@christensenir.com), [vwang@christensenir.com](mailto:vwang@christensenir.com)