

NetDragon announces signing of Merger Agreement to Spinoff Overseas Education Business for listing on NYSE

[HONG KONG, 18 April 2023] - NetDragon Websoft Holdings Limited (“NetDragon” or the “Company”; Hong Kong Stock Code: 777), a global leader in building internet communities, today announced that it has signed a merger agreement with Gravitas Education Holdings Inc. (“GEHI”), an NYSE listed company, whereby NetDragon, through its subsidiary, will merge its core overseas education business (“NetDragon Education Business”) with GEHI at a valuation of US\$750 million for the NetDragon Education Business and US\$800 million for the merged entity. The merged entity will be renamed to MYND.AI at closing of the transaction to reflect the new brand and the direction of the company to pursue the transformation of education with Artificial Intelligence (AI).

Upon completion of the transaction (which is expected by end of Q3):

- NetDragon will hold 72.9% of the issued share capital of GEHI, which in turn will own 100% of the subsidiaries that operate the NetDragon Education Business.
- GEHI will have divested all of its existing businesses except for its Singapore education business, which is profitable and expected to continue to generate stable cashflow. GEHI will be valued at US\$50 million in the merger transaction.

Post-completion of the transaction, MYND.AI will benefit from its independent board and management team comprised of world-class leaders with track records of driving shareholders’ value. The spinoff of the NetDragon Education Business will provide a suitable platform to enable greater strategic and operational focus, while unlocking value as an NYSE listed company. In addition, the spinoff will provide MYND.AI with a public market vehicle to broaden financing alternatives, including the option of raising capital from strategic investors, and a plan to complete a registered follow-on offering that strengthens the capitalization of the company. The independent board governance of MYND.AI will also enable the company to grow its global education business sustainably, while ensuring compliance with all relevant regulations.

"The decision to spinoff our overseas education business advances our ability to create value for customers and shareholders," said Dr. Simon Leung, Vice Chairman of NetDragon and Chairman of MYND.AI upon completion of the transaction. "Our business is at an exciting market inflection point as the world moves toward accelerating the application of AI in virtually all industry verticals. We believe we are well ahead of the market in pushing forward the effective and practical use of AI in education, especially in the classroom, as we have a concrete roadmap to launch our AI-enabled panels in the near future. As we execute our plan to transform education with AI, this spinoff transaction will provide the right platform for the MYND.AI team to pursue our goal to become the category dominant leader in the AI-enabled classroom technology space. We are excited about our path ahead, and I want to thank our shareholders for their support as we continue to embark on this journey together."

Vin Riera, CEO of MYND.AI upon closing of the transaction, said “As the classroom evolves, we continue to look to the future to provide innovative education technology solutions that transform teaching and learning. In particular, we are excited about the opportunity to be at the forefront of integrating AI into our products that will add true education value, leveraging not just our investment in AI technology but also our deep understanding of the educational needs of our users gathered over 20 years of delivering classroom technology solutions. This spinoff is the next evolution of our goal to remain the market leader in the technology enabled classroom. This exciting new chapter will build on our mission to provide teachers and students with a superior interactive experience and the most effective learning outcome.”

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About NetDragon

NetDragon Websoft Holdings Limited (HKSE: 0777) is a global leader in building internet communities with a long track record of developing and scaling multiple internet and mobile platforms that impact hundreds of millions of users, including previous establishments of China's first online gaming portal, 17173.com, and China's most influential smartphone app store platform, 91 Wireless.

Established in 1999, NetDragon is one of the most reputable and well-known online game developers in China with a history of successful game titles including *Eudemons Online*, *Heroes Evolved*, *Conquer Online* and *Under Oath*. In recent years, NetDragon has also started to scale its online education business on the back of management's vision to create the largest global online learning community, and to bring best-in-class integrated blended learning solutions to every school around the world.

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