

China's Baidu buys mobile app firm for USD1.9bn

BEIJING, CHINA: China's leading Internet search engine is to buy a smartphone app distribution firm for US\$1.9bn, it said yesterday, in what is said to be the largest takeover deal in the country's internet industry.

The move will consolidate Baidu's position as a leading access portal to China's mobile Internet, according to a report by Chinese industry research firm CCID.

Baidu held 80.6% of the country's search engine market in the first quarter of this year, independent research firm iResearch said in a recent report.

The firm said in a statement it has signed a preliminary agreement to acquire a 57.41% stake in 91 Wireless Websoft currently held by NetDragon, a company based in southeast China's Fujian province.

It will buy the rest of 91 Wireless' shares owned by other parties on similar terms, giving the deal a total value of US\$1.9bn.

That makes it by far the largest acquisition in China's Internet sector, CCID said on its website.

Started six years ago, 91 Wireless operates two leading smartphone app distribution platforms in China, with more than 10 billion apps downloaded to date, according to the Baidu statement.

The company is the top third-party app distribution platform in China by both active users and accumulated downloads, Baidu said, citing a 2011-2012 report by iResearch.

Source: AFP, via I-Net Bridge