



**NQmobile**

Oct 26, 2013



This report and all of the information contained herein specifically address the allegations from the Muddy Water's report as released on Oct 24, 2013 and is being provided as an addendum to an investor call held on Oct 25<sup>th</sup>, 2013.

# Allegation: NQ China Revenue is Fraudulent

Claim: NQ CASH holdings are fabricated and falsified.

- NQ CASH HOLDINGS ARE REAL. CASH is the ultimate determinate of the health of a business and is the yardstick by which any business can be measured.
- NQ has made public all of its bank account holdings, bank names, account numbers, and balances.
- NQ will immediately take steps to obtain an independent validation of NQ CASH holdings.
- NQ has a very strong balance sheet and will show details of its cash position to anyone wishing to do additional diligence.

# Allegation: NQ China Revenue is Fraudulent

- NQ holds approximately US\$280M in term deposits including ~US166M from the recent CB offering proceeds. Other cash accounts exist at various operating entities.

	Bank Name	Company Name	Account NO.	Balance	Interest Rate	Term Deposit Type	Maturity Date
1	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX349	¥44,700,000.00	2.50%	One-year term deposit	10/29/2013
2	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX662	¥90,000,000.00	3.30%	One-year term deposit	11/9/2013
3	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX447	¥85,000,000.00	3.30%	One-year term deposit	1/24/2014
4	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX121	¥31,000,000.00	3.30%	One-year term deposit	3/8/2014
5	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX382	¥40,000,000.00	3.30%	One-year term deposit	4/17/2014
6	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX133	¥90,000,000.00	3.50%	One-year term deposit	4/18/2014
7	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX319	¥40,000,000.00	3.30%	One-year term deposit	5/6/2014
8	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX148	¥55,300,000.00	3.575%	One-year term deposit	6/28/2014
9	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX262	¥44,700,000.00	3.575%	One-year term deposit	6/28/2014
10	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX981	¥57,300,000.00	3.30%	One-year term deposit	7/19/2014
11	Industrial Bank Co. Ltd Beijing Dongdan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX347	¥100,000,000.00	3.30%	One-year term deposit	9/16/2014
12	Bank of Jiangsu Xisanhuan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX089	¥30,000,000.00	3.30%	One-year term deposit	6/21/2014
13	Bank of Jiangsu Xisanhuan Branch	Beijing NQ Technology Co.,Ltd(PRC)	XXXXXXXXXXXXXXXX949	¥50,000,000.00	3.30%	One-year term deposit	10/9/2014
14	Standard Chartered Bank Hong Kong Branch	NQ MOBILE INC	XXXXXXX997	\$166,462,493.00	0.36%	One-month term deposit	11/18/2013

# Allegation: NQ China Revenue is Fraudulent

- The following are actual scanned copies of NQ's actual bank deposit receipts and bank statement from the recent convertible bond offering proceeds.

**江苏银行** 单位定期存单

户名: 北京阿喀天下科技有限公司 存入日期: 2013/10/09 (0) 00060632

存款类型	起息日	到期日	基本利率	浮动利率	执行利率	存期	续存标志
对公整存整取	2013/10/09	2014/10/09	3.3000000	0.0000000	3.3000000	一年	本息续存

账号: [REDACTED] 49 通存账号: [REDACTED] 278

存入金额: 人民币伍仟万元整 RMB50,000,000.00

银行签章

本存单仅作为质押证明, 支取时仍须提交开户证实书。

**兴业银行** 兴业银行北京东单支行

本外币单位定期存款开户证实书

户名: 北京阿喀天下科技有限公司 存款利息

开户行: 兴业银行北京东单支行 账号: [REDACTED] 147

开户日期: 2013 年 09 月 16 日

币种: 人民币 壹亿元整 (大写) RMB100,000,000.00 (小写)

期限: 壹年 利率: 3.3000000%

备注: 本证实书仅对存款人开户证实, 不得作为质押的权利凭证。

## 现金管理

报告 > 现金报告 > 营业帐户统一报表

营业帐户统一报表

公司: NQ MOBILE INC

帐号: [REDACTED]

过帐日期自: 01/10/2013 过帐日期至: 24/10/2013

货币: 美元 借记/贷记: Both

交易金额自: 交易金额至:

报告标识: QLD50606R 生成日期: 25/10/2013

NQ MOBILE INC (公司)

[REDACTED] 997 (帐号)

帐户名称: NQ MOBILE INC

银行: SCBLHKHXXXX

货币: 美元 分行: 447

期初分类帐余额: 1,643,738.99 期末分类帐余额: 168,031,490.35

期初可用余额: 1,643,738.99 期末可用余额: 168,031,490.35

以下日期的期初余额: 02.Oct.2013 以下日期的期末余额: 24.Oct.2013

交易日期	起息日	交易参考	客户参考	处理分行	支票号码	借记/贷记	交易金额	交易详情	交易类型
17.Oct.2013	17.Oct.2013					C	166,462,493.00	MORGAN STANLEY/RFB/LCT32890010900	8833

1 上一页 | 下一页 1

# Allegation: NQ China Revenue is Fraudulent

Claim: Level 2 classification of NQ cash holdings is suspicious.

- Classification of cash and term deposits as Level 2 assets is consistent with US GAAP guidance of fair value measurement.
  - Level 1 – observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets
  - Level 2 – other inputs that are directly or indirectly observable in the marketplace.
  - Level 3 – unobservable inputs which are supported by little or no market activity.
- NQ, based on this guidance, reclassified its cash and cash equivalents and term deposits from level 1 to level 2 in 2012 consistent with US GAAP. This approach had been adopted in 2011 so 2012 was the first year these rules would have been applied so the reclassification was warranted. This was clearly explained in the 2011 20F and did not change anything related to liquidity or operational efficiency.
- For expert opinion on Level 2 cash classification and specifically China Accounting standards, please see the following post by Paul Gillis, an accounting professor at Peking University's Guanghua School of Management,  
<http://www.chinaaccountingblog.com/weblog/a-level-2-problem.html>

# Allegation: NQ China Revenue is Fraudulent

- Level 2 cash holdings do not impact operational capabilities for NQ. Level 2 cash held in term deposits are immediately liquid instruments and are available to be withdrawn and applied as necessary.
- Today, term deposits are used by NQ as riskless investments for cash holdings and allow for a meaningful interest rate to be earned. If cash is prematurely pulled by NQ from a term deposit prior to maturity, NQ would forego any interest accrued, but otherwise would have no other penalties or impact to the cash balances available.
- NQ's rotating cash balances that are held at the individual operating company level are used for working capital purposes and is separate from its term deposit balances.
- Moreover, NQ generates MORE THAN sufficient cash to fund working capital requirements for each of its individual businesses.

# Allegation: NQ China Revenue is Fraudulent

Claim: Yidatong (YDT) is NQ's largest customer and revenue generated, however, YDT is a shell company that is controlled by NQ to generate false revenue for NQ.

- YDT is a separate and distinct company from NQ. One of our major payment processor. They are not a customer.
- There is no ownership or any related relationship other than a contractual relationship to work with YDT as a service provider for billing purposes.
- YDT and NQ have payment terms between each other that are transparently disclosed. This contract has also been included in our 2012 20-F.

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## 20F Section on Yidatong disclosed on page 12 in the Risks Section of our Annual Filing:

Our relationships with mobile payment service providers and pre-paid card distributors are also critical for us to collect revenues. For example, net revenues generated through our top mobile payment service provider, Tianjin Yidatong Technology Development Co., Ltd., or Yidatong, as a percentage of our total net revenues, were 21.4%, 25.8% and 22.1% in 2010, 2011 and 2012, respectively. Yidatong charges us at a lower fee rate than other mobile payment service providers through which we cooperate with wireless carriers. Our agreements with mobile payment service providers are generally for terms of one to five years and we generally renew these agreements when they expire. Our agreement with Yidatong, for example, has a term of five years and will expire in June 2015.



# Allegation: NQ China Revenue is Fraudulent

Claim: Yidatong (YDT) has many listed offices, but no operations actually exist at any registered facility.

- As per requirements through YTD's annually renewed SP contracts with carriers, YDT must have a registered office address in each province in which settlement occurs. This is much the same treatment as say a Delaware or a Cayman registered company where registration office addresses vs principal business operations are different.
- Yidatong's main operating facility can be found at the following address:  
Tianjin Yidatong Technology Development Co.  
Beijing Fengtai District South 4<sup>th</sup> Ring, No 188 West Road  
Headquarter Center District  
16 Number 20 Building 3<sup>rd</sup> Floor
- Yidatong has a number of employees at their main operations center in Beijing to support all of their activities with the carriers.
- The following slide includes actual pictures of their office.



Pictures from Yidatong's Main Office in Beijing



# Allegation: NQ China Revenue is Fraudulent

Claim: Yidatong (YDT) revenue is falsely generated as demonstrated by YDT SAIC financial revenue accounting when compared to NQ disclosed revenue from YDT.

- YDT files Revenues to SAIC associated to the portion that would be earned for their services and NOT GROSS Revenue that is being passed from the carriers on behalf of developers (like NQ).
- NQ had approximately \$20M in revenues flow through YDT in 2012 as disclosed in NQ financials. YTD's portion, or their Net Revenue from NQ, would then stand to be in the mid-to-high single digits of that amount given our contracts with them.
  - SAIC financials confirm our revenues and YTD's position with NQ along with their other customers.

# Allegation: NQ China Revenue is Fraudulent

Claim: YDT contracts are a sham as proven by DSOs from YDT despite contractual 30 day settlement requirements.

- YDT and NQ make payments to each other that are transparently disclosed. This contract has also been included in our 2012 20-F. However, considerations for DSOs must also account for payment terms that exist between YDT and carriers.
- It is common industry standard that carrier payment terms can be anywhere from 60 days up to 90 days. And, when factoring in the length of payment settlement finally to NQ (which our contracts are an additional 30 days) from the service provider, this can result in DSOs around 90 days when looking at the full payment cycle from carrier to YDT to NQ.
- This is standard in the industry and not unique to NQ.

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# Allegation: NQ China Revenue is Fraudulent

Claim: Other online payment methods exist that are less costly to use than YDT. Furthermore, NQ has its own SP license from MIIT awarded in 2007 and has no need to work with YDT directly.

- Carrier billing still proves to be the simplest and MOST effective means for user conversion. Today, most in-app purchases for games, music, and books are settled using carrier billing. This is even more so in China and in other carrier markets where app developers don't have a direct relationship with the carrier and can take advantage of higher conversion through SP services.
  - Less friction for the user (fewer steps to complete a transaction).
  - A carrier bill option is a trusted option for consumers over a 3rd party option.
  - Easier to onboard billing capabilities across many carriers as SPs will do the heavy lifting and sign carrier agreements directly and offer carrier bill aggregation to the developer as a core value.
  - Carriers often prefer consolidating through SPs as it is easier for them to process under a single aggregate billing provider for many independent developers.
- NQ does have an SP license, but NQ has found that it is simply more cost and resource efficient to work with third party SPs over building its own billing services.

NQ does use its own SP license in certain and select channels, but focuses more on product development and customer management than to actually spend effort on enabling the transaction.

# Allegation: NQ China Revenue is Fraudulent

Claim: Billing options through YDT doesn't show as an option on 17 different prepaid SIM cards.

- NQ has an intelligent business and operations support system (BOSS) that's able to offer an effective billing channel for any particular subscriber based on carriers, carrier plan, etc.
- NQ has diversified channels covering China as well as International markets. A sample of 17 phone numbers is hardly convincing evidence. YDT is one of the channels that we collect payment from.
- YDT payment screen shots are included in the appendix of this report.

# Allegation: NQ China Revenue is Fraudulent

Claim: Prepaid card business in China is immaterial and doesn't generate meaningful revenue and that retail support is anemic.

- NQ has over 5,000 locations selling prepaid cards in China. Several of NQ's leading retailers are included in the list below. The following page also shows images of various retail stores selling NQ software in China.

Retail Store	Province	City
北京海淀区中关村大街鼎好大厦B1108	Beijing	Beijing
北京海淀区中关村大街鼎好大厦B2178	Beijing	Beijing
北京海淀区中关村大街鼎好大厦B1112	Beijing	Beijing
江西南昌冰冰手机店 南昌八一大道南滨2号	JiangXi	NanChang
江西南昌信息手机店 南昌市青云谱区迎宾大道675号	JiangXi	NanChang
江西南昌新天地手机城 南昌市青山湖区沈桥路1068号	JiangXi	NanChang
福建漳州南靖丰田王莉通讯	Fujian	Zhangzhou
福建漳州南靖龙山龙丰通讯	Fujian	ZhangZhou
福建漳州南靖山城达凯通讯	Fujian	ZhangZhou
广州越秀区大沙头四马路金海印广场首层C2-10档	GuangDong	GuangZhou
广州越秀区大沙头四马路金海印广场首层E6柜	GuangDong	GuangZhou
广州越秀区大沙头四马路金海印广场首层E6柜	GuangDong	GuangZhou
福建三明将乐中博通讯	Fujian	SanMing
福建三明将乐领先通讯	Fujian	SanMing
福建三明市区浩天通讯	Fujian	SanMing

- NQ works with 3 main distributors to cover the 5,000 stores, selling approximately 600,000 cards per month. Most of these prepaid cards are 3 month cards at an average ARPU of 11RMB net to NQ.
- Lastly, NQ does not depend on online sales for prepaid cards. Online sales for prepaid cards is not an effective channel.



# Allegation: NQ China Revenue is Fraudulent

- Images of various retail stores selling NQ software in China.





# Allegation: NQ China Revenue is Fraudulent

Claim: Market share reporting for NQ in China is overstated and is closer to 1.4% than to the 55% of smartphone share in China.

- NQ does not report its own market share numbers and has quoted third party market research from SinoMR as the source of its market share numbers in the past. Most other third party research sources primarily use # of app store downloads as the sampling base. Third party app store downloads in China is not a major channel for NQ, which is why the discrepancy is wide.
- SinoMR is a wholly owned subsidiary of GFK that specializes in China Market Research that includes mobile security market share in China that does covers all of the channels including preinstall.
- NQ does NOT have a related party relationship with SinoMR.
- The relevant section on mobile security from a recent SinoMR report (2013Q2) is included as an appendix to this document.

# Allegation: NQ China Revenue is Fraudulent

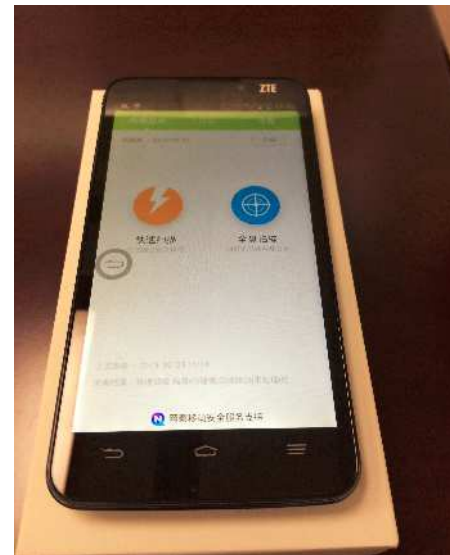
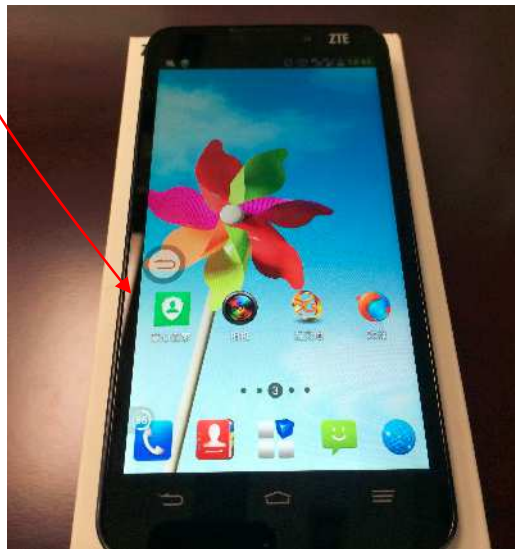
- In some instances (e.g., ZTE), NQ's products are pre-installed on OEM devices in China under a brand other than NQ, in which case, users may often not be aware of NQ's product on the device and will see the house brand instead.



ICON for ZTE Mobile Security



ICON for NQ Mobile Security



Powered by NQ

ZTE N5S

# Allegation: NQ China Revenue is Fraudulent

- Activated registered users through pre-installation channels:
  - Cumulative activated registered users through the end of 2Q 2013: approximately 58M
  - 2013 year to date: approximately 25.4M total
  - To be clear, the numbers included here are NOT the number of devices sold, but are the numbers of ACTIVATED REGISTERED USERS of NQ software by device.

Top 100 Devices for Activated Registered Users through Pre-Installation in China (1H 2013).

1	GT-I9300	21	5110	41	GT-S5300	61	GT-S5302	81	SCH-I535
2	ZTE U795	22	C8650	42	Micromax A110	62	GT-N8000	82	HUAWEI Y210-2010
3	GT-I9100	23	GT-I9001	43	Coolpad 7290	63	GT-S5660	83	SPH-D710
4	7230-B	24	HUAWEI C8812E	44	Nokia 5230	64	GT-P1000	84	GT-I8530
5	HUAWEI C8812	25	GT-S5830M	45	ZTE U817	65	9120	85	ZTE U985
6	GT-N7100	26	7266	46	GT-S5360L	66	E15i	86	5832
7	GT-S5830i	27	5870	47	HUAWEI C8650+	67	HS-E926	87	GT-S5830L
8	ZTE U807	28	Coolpad 7020	48	GT-I8160	68	HTC One X	88	LG-MS770
9	GT-S5360	29	YL-Coolpad 5216	49	ZTE N880E	69	HTC Wildfire S A510e	89	Nokia E71
10	5860S	30	GT-I8190	50	Coolpad 7019	70	ZTE U880F1	90	A1+
11	GT-N7000	31	Coolpad7295	51	ZTE-C N880S	71	Galaxy Nexus	91	Desire HD
12	HUAWEI C8825D	32	GT-S5570	52	Lenovo A288t	72	SPH-L710	92	ST26i
13	GT-S5830	33	GT-I9082	53	ZTE V788D	73	Coolpad 7011	93	SGH-T989
14	5910	34	7230	54	LT26i	74	LT22i	94	Coolpad 7235
15	GT-S7562	35	GT-S6802	55	5860A	75	SGH-T999	95	SAMSUNG-SGH-I747
16	GT-I9070	36	Lenovo A298t	56	GT-P3100	76	A8	96	Nokia 5800 XpressMusic
17	GT-S6102	37	ZTE-C N760	57	GT-I8150	77	V8000_USA_Cricket	97	7260
18	HS-E920	38	Coolpad 7019A	58	LT18i	78	GT-S5360B	98	GT-P6200
19	GT-I9000	39	GT-I9003	59	Nokia 5233	79	5880	99	LG-E612f
20	GT-I9100G	40	GT-S7500	60	ST25i	80	ADR3010	100	C610

# Allegation: NQ China Revenue is Fraudulent

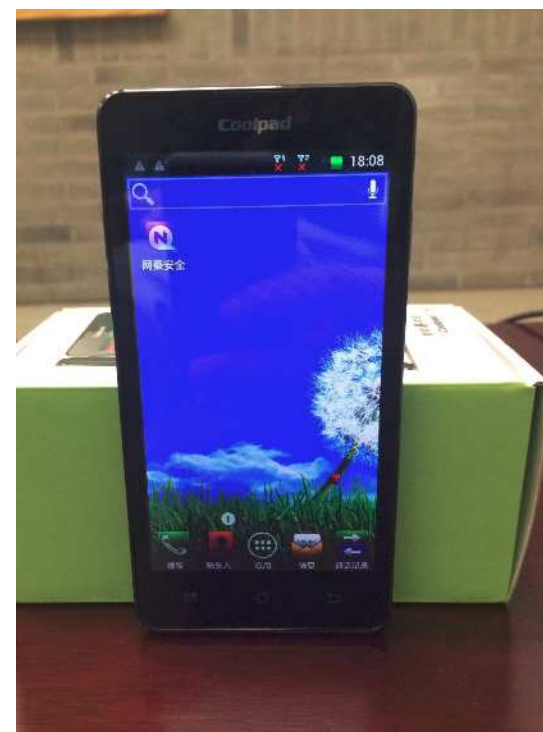
- Also, NQ has pre-installation agreements with an expansive range of respected and important handset makers and distributors in China including ZTE, Huawei, Gionee, Coolpad. Images of some devices with NQ software preinstalled included below.



Huwawei C8650



Coolpad 7235



Coolpad 7290

# Allegation: NQ China Revenue is Fraudulent

Claim: Revenue generated from third party payment channels and other Service Providers (SP) like Alipay and Yeepay are non-existent.

- While NQ does work with Alipay and Yeepay, they are not as effective in comparison to carrier billing for in app purchases. Additionally, NQ does have a merchant account with both Alipay and Yeepay.
  - Please see following slide for screenshots of NQ's Alipay and Yeepay accounts that show account activity recently and in prior months.

## Yeepay account

Yeepay account interface showing transaction history for October 2013. The page displays a list of transactions with columns for serial number, time, business type, merchant order number, income, expense, and balance. The transactions are filtered by the date range 2013-10-01 to 2013-10-29.

序号	时间	业务类型	商户订单号	收入	支出	余额
1	2013-10-28 08:53	收款	60489			
2	2013-10-28 08:47:43	收款	60485			
3	2013-10-17 10:23:34	收款	10374			
4	2013-10-12 10:27:35	收款	10363			
5	2013-10-12 10:16:28	收款	10360			
6	2013-10-12 10:00:59	收款	10375			
7	2013-10-12 14:53:33	收款	10374			

Oct 28, 2013

## Alipay account

Alipay account interface showing transaction history for October 2013. The page displays a list of transactions with columns for time, merchant order number, bill number, type, and amount. The transactions are filtered by the date range 2013-10-01 to 2013-10-29.

时间	商户订单号	流水号	类型	金额
2013-10-27 13:04	4502024	2013102704460082	收款	
2013-10-27 13:04	4502024	2013102704460082	收款	
2013-10-27 13:04	4502024	2013102704460082	收款	

Oct 27, 2013

Yeepay account interface showing transaction history for January 2012. The page displays a list of transactions with columns for serial number, transaction time, business type, and merchant. The transactions are filtered by the date range 2012-01-01 to 2012-01-31.

序号	交易时间	业务类型	商户
1	2012-01-01 20:50:32	收款	
2	2012-01-01 18:16:08	收款	
3	2011-12-31 18:03:18	收款	
4	2011-12-30 15:42:59	收款	
5	2011-12-30 16:13:19	收款	
6	2011-12-28 19:24:35	收款	

Jan 1, 2012

Alipay account interface showing transaction history for October 2008. The page displays a list of transactions with columns for time, merchant order number, bill number, type, and amount. The transactions are filtered by the date range 2008-10-01 to 2008-10-31.

时间	商户订单号	流水号	类型	金额
2008-10-08 21:06	T200P1104037236	20081008214620713	收款	
2008-10-08 18:06	T200P1110312289	200810081823742986	收款	
2008-10-07 18:39	T200P111097496	200810071823742986	收款	

Oct 8, 2008



# Allegation: NQ China Revenue is Fraudulent

Claim: NQ has only recently started carrier prepaid card billing, specifically "a few days old."

- NQ Mobile has an agreement with 19pay, one of the largest carrier prepaid cards-based payment processors in China since 2008. The claim that NQ has only recently started carrier prepaid card billing is false.

## 19Pay Account – Prepay card carrier payment processor



March 2013



April 2012

# Allegation: NQ China Revenue is Fraudulent

Claim: Revenue generated from third party payment channels and other Service Providers (SP) like Alipay and Yeepay are non-existent.

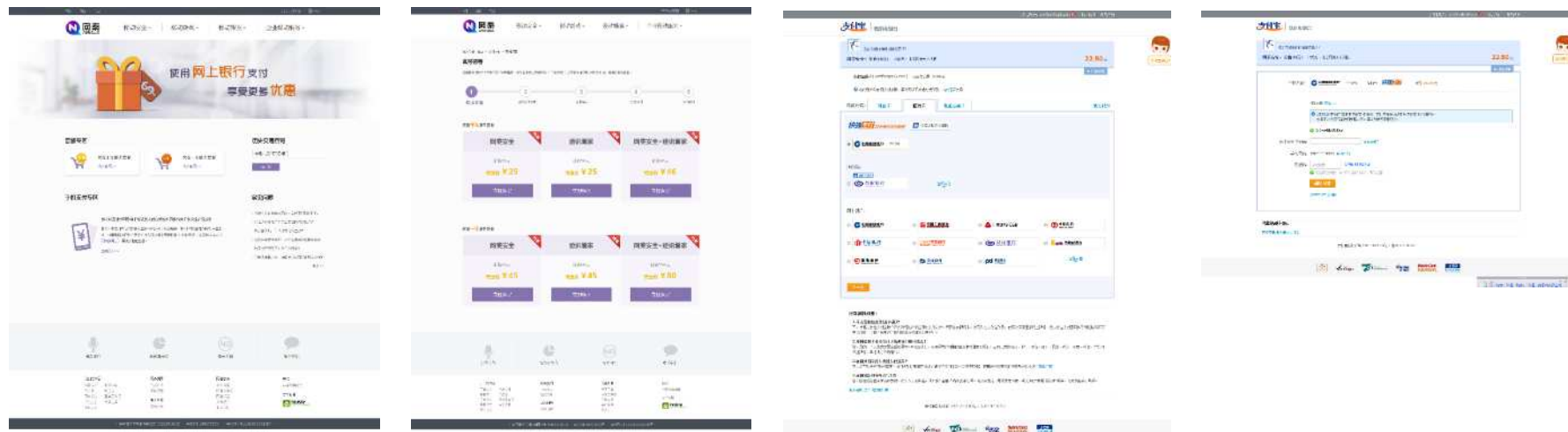
- Carrier billing still proves to be the MOST effective means for “micro” payment methods for amounts less than RMB 10 in app purchases such as apps, games, music and books.
  - This is even more so in China and in other carrier markets where app developers don’t have a direct relationship with the carrier and can take advantage of higher conversion through SP services.
  - Google Wallet uses carrier billing as a payment method on Google Play for in-app purchases.
- These are the main reasons why carrier billing is the most effective:
  - Less friction for the user (fewer steps to complete a transaction).
  - A carrier bill option is a trusted option for consumers over a 3rd party option.
  - Easier to onboard billing capabilities across many carriers as SPs will do the heavy lifting and sign carrier agreements directly and offer carrier bill aggregation to the developer as a core value.
  - Carriers often prefer consolidating through SPs as it is easier for them to process under a single aggregate billing provider for many independent developers.



# Allegation: NQ China Revenue is Fraudulent

Claim: NQ online portal doesn't work and is a cover to mask fraudulent reporting.

- The portal is working based on repeated testing conducted by NQ.
  - The online portal does not drive material revenue for NQ's security business.
- NQ's core business is healthy and growing and the online portal is simply an incremental opportunity to convert customers.



# Allegation: NQ China Revenue is Fraudulent

Claim: NQ SAIC financial statements are fraudulent and tax errors are made as a result

- NQ is a publically traded company on the NYSE and follows all related requirements as a US-listed company. We also follow all PRC and China tax and financial reporting rules and regulations.
- Price Waterhouse has validated our finances and signs off our financials, cash balances, and tax treatment quarterly.
- Also, to further provide comfort to our shareholders, NQ has appointed a special independent board to identify an independent audit firm to re-verify our financials and confirm all of our business operations which will be shared with all of our shareholders once the investigation has been completed.

# Allegation: NQ International Revenue is Fabricated

Claim: Distimo analytics shows that NQ world wide revenue is at less than \$800k.

- Distimo tracks app store revenue performance through two different methods.
  - Method #1: Developer embedding ApplQ developed by Distimo. As a result, Distimo is able to track behavior data. Another service is called App Analytics which provides account sync service with developer's account on Google play, iTunes developer account, etc. Then developers can see revenue data from across these accounts.
  - Method #2: Distimo scans app stores such as Google on regular basis to capture download ranking statistics for each app. Distimo then guesstimates apps that don't have a direct revenue account synchronized based on this relative ranking as well as revenue from the data that they capture in Method #1. For example, if they know Google Play gross and revenue data for a app that holds a #10 gross rank and one that has a #50 gross rank, they then can guesstimate revenue for those apps that fall between these two apps.
- However, this data may only be relevant for Google Wallet since that's how ranking is determined for Gross data on google play. Distimo is not able to track anything outside of the app store official data.

# Allegation: NQ International Revenue is Fabricated

- NQ does not use Distimo's App Analytics or ApplQ services for our apps (Method #1)
  - NQ has no plans to do so due to the capabilities of our BOSS system to track behavior and gross data.
  - Even if we had subscribed to an App Analytics services, the analytics service still would not be able to track gross data other than app store billing.
- The majority of our international revenue is from direct carrier billing, SP billing and prepaid cards. This data CANNOT be tracked or recorded by Distimo or ANY OTHER cloud analytics offering.
- Distimo methodology simply DOES NOT APPLY to NQ.
- The Report tries to confuse the reader without sharing underlying analysis methodology from Distimo. The report also tries to play down the importance of carrier billing and SPs in the billing process.
- NQ has developed carrier relationships outside of China since 2008.
  - Google Wallet is simply an opportunity to further expand our billing capabilities and we use it in some regions where required and where NQ has better conversions rates than other billing services.

<http://www.distimo.com/applq>  
<http://www.distimo.com/app-analytics>

# Allegation: NQ International Revenue is Fabricated

Claim: US retail revenue is non-existent and closer to 2-3% attach rate.

- Retail store checks conducted by NQ and other parties have validated that US retail continues to be healthy channel for NQ's retail business.
- Retail store checks were conducted by PiperJaffray and published in a company note on NQ Mobile on March 6, 2013.
- PiperJaffray conclusion
  - "We recently conducted 50 retail store checks with two of NQ Mobile's US retail partners Go Wireless and TheCellularConnection (TCC). The following key takeaways highlight the underappreciated efforts and future potential of NQ Mobile's US distribution strategy
    - 1) Retailers we spoke to categorize NQ's security product as a "pretty cool application" and as one of their "hottest moving items";
    - 2) In cases where we were able to determine the smartphone attach rate from the store rep, we were surprised to see attach rates in the 15-30% range, and a few even higher; and
    - 3) our resultant attempt at sizing NQ's retail strategy suggests a \$10.7M run-rate developing around year end in the US, with upside into 2014.
  - We expect solid Q4 results and believe that there is upside to guidance as the various US partnerships come online."

# Allegation: NQ International Revenue is Fabricated

Claim: NQ International Revenue is highly likely to be massively overstated.

- NQ stands behind our international revenue financials and financial reporting and transparency with our shareholders is critical and necessary in our business. Furthermore, Price Waterhouse has validated our financials and signs off quarterly.
- The Report claims that North America and Europe are the largest markets for consumer security products. We believe this shows the research's lack of industry understanding.
- The other claim in the Report is that SPs are not generally used in these markets.
  - NQ does find value and differentiation in these channels and is including a list of some of the higher performing SPs by region below. These have been important markets for us.

Region	Country	SP
Middle East	Saudi Arabia	Mopay, info2cell
	United Emirates	Mopay
	Qatar	info2cell
	Egypt	Mopay
	Jordan	info2cell
	Turkey	Ifree
South East Asia	Thailand	Centili
	Malaysia	MK, Centili
	Vietnam	Sacomtec, Vinamobi
	Singapore	Centili
	India	Centili, Gmobi
	Indonesia	Centili, Mopay
	Philippines	Centili

# Allegation: NQ International Revenue is Fabricated

- Several example images of international retail/OEM partners selling or preinstalling NQ products are included in the Appendix.
  - MITO OEM (Indonesia)
  - INTEX OEM (India)
  - VENERA OEM (Indonesia)
  - MOBIISTAR OEM (Vietnam)
  - Ninetology OEM (Malaysia)
  - MicroMax OEM (India)
  - Spice Cellular (India)
  - Vietnam Retailer
  - Axiom Retailer (Dubai)

# Allegation: NQ International Revenue is Fabricated

Claim: Cost for NQ.com domain at \$1.55M is outrageous.

- The cost incurred includes both SEO and NQ.com domain purchase.
- There is no related party relationship between NQ and Conexus Software.



# Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 encryption methods are not secure.

- NQ was one of the first software companies to focus on mobile security, specifically in the domain of malware and security on Smartphones. NQ has a long-standing history and expertise in this space and NQ vigorously and unequivocally reaffirms the approach that NQ takes to provide mobile security protection for our customers on Smartphones globally.
- NQ participates in regular benchmark testing through independent labs like West Coast Labs and AV Test. Both labs are premier software testing houses that have reviewed NQ's software performance and technology.
  - Earlier this year NQ Mobile's products were included in the AV-TEST public Certification Program.
  - As part of this program, NQ Mobile Security was subject to rigorous tests and quality measurements, including mobile malware detection, CPU/Battery performance, false/positive application detection, ease of use and the inclusion of additional value added features.
- "After multiple rounds of testing, in June 2013, NQ Mobile Security was recognized as a top performing product, achieving 99.5% malware detection and was awarded the coveted AV-TEST Certification quality seal."

- Maik Morgenstern, CEO AV-TEST, Oct 28, 2013

# Allegation: NQ Mobile Security 7.0 is malware

- As the security space is continually evolving, NQ is committed to ensuring its product capabilities are above benchmark and is constantly reviewing its platform and its capabilities and working with outside experts like Julian Evans, ID Theft Protect (<http://id-theftprotect.com/>), to ensure that NQ is making the appropriate investments in its core technologies.
  - NQ has also a long standing relationship with external mobile security consultancy, IDTP.
  - IDTP was brought on in mid-2012 as an external consultant by NQ because of IDTP expertise in the mobile security space.
- IDTP was tasked specifically to help review NQ's security architecture and to execute technology and architecture improvements with our products in order to maintain the security of our products and our customers.
- With IDTP's support, the following security improvements have been made since we initiated this relationship:
  - Multi-engine detection - NQ have deployed cloud-side multi-engine detection capability, which is currently supported by several Tier 1 and Tier 2 AV vendors, as well as NQ's proprietary native engine. This is an industry leading approach to detecting malware.
  - NQ user account salting - NQ provides database user account (cloud server) privacy and encryption. This prevents rainbow table attacks which are used for reversing cryptographic hash functions. This approach is used by hackers to crack password hashes.
  - NQ Gzips - AES encryption prevents data from being uploaded to servers as near plain text.
  - Data Encryption - AES encryption employed to protect SMS, contacts, call logs, IMEI, IMSI, ICCID and ESN.

# Allegation: NQ Mobile Security 7.0 is malware

- Master Key Exploit - refer to Android security bug 8219321. Android cryptographic verifier validates the first version of any duplicate file in an APK archive, but the installer extracts and installs the LAST version (duplicate). NQ protect users from this exploit.
  - Android Google services weblogin authentication - developed a delete/wipe Google master token for NQ Easy Finder product. A feature that allows Android users to authenticate themselves on Google websites without having to enter their account password can be abused by rogue apps to give attackers access to Google account
  - 401 Phishing – USSD exploit can brick a device by sending the user to a malicious web page. Prompts you if USSD exploit attempts to open the dialler app and or prompt you to open the browser. Vanilla (stock) Android is unaffected by this exploit.
  - SEND\_SMS Capability Leak – looks for SMS spam (including URLs) that uses the Send\_SMS permission without actually requesting the read & write SMS permissions. This leak is also used by developers to deliver SMS ads.
  - Adware detection - AdMob/Flurry - API leakage/permission analysis. NQMS classify "adware", if an app is using AdMob / Flurry, but only if an app uses the INTERNET & ACCESS\_NETWORK\_STATE permissions when there is no mention of Google mediation networks on the Play Store.
- 
- NQ Mobile are also collaborating with global anti-virus bodies on malware definitions as well as leading the anti-virus and mobile security industry on developing a Mobile Malware Sample Sharing Network (MMSSF) to improve real-time mobile malware analysis as well as sharing this data with AV industry partners.
  - NQ believes that there is always room for improvement and our efforts with partners like IDTP and AV Test are helping NQ ensure that our approach is the benchmark for security for our customers.

# Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 sends consumer identifiable and private data to China

- NQ unequivocally denies that customer identifiable and sensitive private data is transmitted and maintained in China.
- NQ Mobile Security 7.0 maintains strict caution on transportation of non-China consumer private data to China. NQ has always been very clear on this and has gone the extra step to have also sought Truste privacy certification, seeking their expert guidance in this particular area, as the protection of our consumer's private data is important to NQ and to NQ's business.
- NQ is and has always been transparent with customers about the data we collect as well as maintain strict controls about where we store that data. Our process is aligned with our privacy policy, and, most importantly, adheres to the standards that NQ expects from its own business and also that of experts in the industry.

## Allegation: NQ Mobile Security 7.0 is malware

- The Report alleges that NQ MS 7.0 specifically collects and uploads a copious amount of consumer private data that creates a risk to user's privacy because of the amount and type of data collected as well as the sensitivity of the specific data that the Report claims that NQ collects.
- The below table outlines what data NQ MS 7.0 uploads, where NQ store it, and what it is used for.

**Claims by Muddy Waters on collection and use of Customer Data**

Customer Data	CLAIM	NQ RESPONSE	Location of Data	Reason
SMS	YES	NO	--	
MMS	YES	NO	--	
Email	YES	NO	--	
Contacts	YES	YES	US (Amazon)	Used to provide contacts backup service in the US. Data does not leave the US borders and maintained on Amazon Cloud.
Call Logs	YES	NO	--	
Call Conversations	YES	NO	--	
Location Information	YES	NO	--	
Ph no/IMSI/IMEI/ICCID/ESN	YES	YES	China (NQ Data Center)	Used for billing and application authentication purposes only.
Phone Model	YES	YES	China (NQ Data Center)	Used to aid in application optimization on various device models.
Applications on phone	YES	YES	US (Amazon)	Used to provide cloud scanning service conducted in the US. Data does not leave the US borders and maintained on Amazon Cloud.
Analytics	YES	NO	--	
Favorites	YES	NO	--	
Network Connection	YES	NO	--	
Downloading	YES	NO	--	

# Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 sends consumer identifiable and private data to China

- NQ has always been very transparent in the methodology and the capabilities of NQ security core technology and approach that NQ takes in the architecture of its security platform.
  - NQ deploys its security engine and technology capabilities through a cloud and client configuration.
  - The use of NQ's Cloud in fact is considered one of the strengths in NQ's core technology and several patents have been filed in this area including some recent research that NQ had jointly developed and published working with NC State in 2012 that we call our RiskRank algorithm.
- NQ's cloud engine which is located in NQ's Data Center in China supports virus detection on a global scale.
  - The data that is used, specifically applications, is anonymized for use for cloud detection purposes only and disaggregated from any personally identifiable customer data altogether.
- Furthermore, data that is specific to a phone number or device (IMEI, IMSI, ICCID, ESN) which we do transport to China is used specifically and only for purposes of billing and are for premium paying customers only which is done in our NQ Data Center.
  - NQ's Data Center houses NQ's BOSS system (Business Operations Support System) which provides global billing and authorization services.

# Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 shares consumer identifiable and sensitive data with 3<sup>rd</sup> party companies in China.

- The report refers to the sharing of data with a company, Talking Data, as a malicious intent to share consumer private data.
- Talking Data is similar to a more widely known company in the US, Flurry.
- Talking Data is a co-partner of NQ. NQ has a contracted relationship with them and they provide industry level reporting much in the same way that Flurry does.
- Talking Data only receives phone specific info and no private data is shared.

<https://analytics.talkingdata.net/>

## Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 opens the ability for third parties to remotely control and upload malware onto users devices.

- NQ does not upload malware.
- NQ uses a process to update client-side software from our servers. In fact, this is a state of the art behavior for many application providers and NQ does NOT use this approach uniquely.
- The common practice followed and one strictly adhered to by NQ's own internal policies and NQ's customer first philosophy is that the end-user MUST acknowledge and accept a particular update.
- Without such acceptance and explicit permission from the user, the server cannot independently execute or remotely execute code on a user's device at NQ's own will.



# Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 uploads web browser history to China.

- Clarification of NQ's treatment of WEB Browser Data.
  - Browsing history is not uploaded.
  - The only time a specific browser session link is uploaded occurs when a user clicks on a URL and the site's link is sent to NQ cloud for security scanning purposes. This is a function of NQ's Safe Browsing protection offering where NQ determines for a particular session whether a site is safe or unsafe.
  - A specific URL check will be sent to the data center closest to them. For example, URL calls from US consumers are sent to a Data Center located in the US.
- Safe Browsing
  - Because of the size of NQ's Safe Browsing database (currently in the millions of records), it's challenging to manage the URL DB on the client for local scanning. Also, because the database is updated frequently, keeping this safe browsing list up to date would be taxing on the client and difficult to keep current.
  - When a user clicks a site, this link is sent to NQ's cloud and compared to the URL DB in the cloud to determine whether a browser link is safe or if it is a bad site (phishing, malicious code embedded, etc.).
  - This configuration is not a unique approach to providing safe browsing protection and NQ does offer this service to its consumers as a value-added option.
  - Users do have the option to opt out of this safe browsing feature as a user selectable setting is available in NQ MS 7.0.
  - NQ does encode this URL call and NQ has created a secure channel for this process.

# Allegation: NQ Mobile Security 7.0 is malware

Claim: NQ Mobile Security 7.0 Virus Broadcast alerts to viruses on users devices that are hard coded into the database and therefore trick users into believing that they have viruses already on their device.

- Muddy Waters simply does not understand what the function of Virus Broadcast is intended to do.
- Virus Broadcast is a free service for consumers to see what the latest viruses are that have been reported in our database globally. It is not specific to any particular user's device.
- To be clear, on installation, NQ mobile security 7.0 preinstalls an anti-virus database on the device. With the installation, NQ also prepackages the latest Virus Broadcast Feed as well.
- Prepackaging this with the installation file avoids a separate download after install.
  - After installation, Virus Broadcast WILL show the user the latest two viruses in the Virus Broadcast at the point of installation.
  - Once the database is updated, the virus broadcast will update as well with the latest information from the newly updated AV database.

# Allegation: NQ Mobile is a fraud

Claim: 3-15 CCTV is an early indication of fraud perpetuated by NQ Management.

- The CCTV false allegations were addressed in our F1 filing and also in our IPO process. Found on page 21 of our F1 (link below):

<http://ir.nq.com/phoenix.zhtml?c=243152&p=IROL-secToc&TOC=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9vdXRsaW5lLnhtbD9yZXBvPXRIbmsmaXBhZ2U9NzU4NTU0MSZzdWJzaWQ9NTc%3d&ListAll=1>

- The CCTV news was retracted the following day after the original air.
- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware.
- Images of testing and certification results are included in the appendix of this report.

# Allegation: NQ Mobile is a fraud

Claim: NQ for Men is an attempt to create new revenue and divert attention from core business.

- NQ for Men was originally created back in 2011 as a marketing test application that was based on an older version of an app that we now call “Call Blocker.” This was one of several apps that were test marketed and features were split to create the current Call Blocker as well as other apps like NQ Mobile Vault. The intent of Call Blocker is to white list and black list callers.
- NQ Mobile Vault, on the other hand, was marketed as a privacy tool to create a safe place for personal content.
  - Everyone has something that they consider personal on their phones. A study that NQ conducted in 2012 surprisingly showed that 87% of consumers have content of their own that they'd rather keep private on their Smartphone. This included family photos (52%), private contacts (52%), office documents (40%), text messages (35%) and media (31%).
  - NQ had found white space and a large opportunity for NQ Mobile.
  - It is no secret that NQ Vault has become an incredibly successful product for NQ globally.
- The Report does not seem to understand or appreciate the value of creative marketing or even how software companies can test a market before fully investing marketing and further development. NQ's interest in this effort is rather quite simple. NQ wants to grow traffic and users with little incremental cost to the business. And, spinning test applications like this is an easy way to de-risk further investment or to better tune applications as we bring them to market.

## Allegation: NQ Mobile is a fraud

Claim: NQ engages in Blackhat SEO to create fake traffic and is also subject to trademark infringement.

- NQ Mobile unequivocally refutes the allegations by the Report that NQ owns the domain addresses referenced in the report. A list of domains owned by NQ is on the following page.
- The natural question that may be asked then is what is the motivation for owners of these domain names to redirect traffic to NQ?
  - It is our hypothesis that individuals or companies are interested in selling these domain names to NQ after demonstrating that they are successfully delivering page views. While this is only a hypothesis, this kind of behavior is not unique in the mobile industry or the web for that matter. NQ cannot control the behavior or actions of other parties. This allegation is groundless and false.

# Allegation: NQ Mobile is a fraud

- List of Domains owned by NQ.

NQ Owned Domain Addresses			
1	<a href="#">accounts.nq.com</a>	44	<a href="#">familyprotector-ver.nq.com</a>
2	<a href="#">activate.nq.com</a>	45	<a href="#">family-ver.nq.com</a>
3	<a href="#">adpass.nq.com</a>	46	<a href="#">feiliu.contract.nq.com</a>
4	<a href="#">ads-boss.nq.com</a>	47	<a href="#">fileservers.nq.com</a>
5	<a href="#">adsdl1.nq.com</a>	48	<a href="#">find.nq.com</a>
6	<a href="#">adsdl2.nq.com</a>	49	<a href="#">fr.nq.com</a>
7	<a href="#">ads.nq.com</a>	50	<a href="#">geolocation.nq.com</a>
8	<a href="#">amx1.nq.com</a>	51	<a href="#">guanlia.nq.com</a>
9	<a href="#">amx2.nq.com</a>	52	<a href="#">hawkeye-cn.nq.com</a>
10	<a href="#">amxtelcel.nq.com</a>	53	<a href="#">hawkeye-en.nq.com</a>
11	<a href="#">anquan.nq.com</a>	54	<a href="#">hawkeye.nq.com</a>
12	<a href="#">apk-download.nq.com</a>	55	<a href="#">help.nq.com</a>
13	<a href="#">assurance.nq.com</a>	56	<a href="#">imei-app.nq.com</a>
14	<a href="#">bao.nq.com</a>	57	<a href="#">inmotion.nq.com</a>
15	<a href="#">bjyz-puppet.nq.com.nq.com</a>	58	<a href="#">ln.nq.com</a>
16	<a href="#">bkapp.nq.com</a>	59	<a href="#">i.nq.com</a>
17	<a href="#">bkapp-ver.nq.com</a>	60	<a href="#">in.shop.nq.com</a>
18	<a href="#">blog.nq.com</a>	61	<a href="#">ir.nq.com</a>
19	<a href="#">budget.nq.com</a>	62	<a href="#">it.nq.com</a>
20	<a href="#">cloudapp.nq.com</a>	63	<a href="#">kf-overseas.nq.com</a>
21	<a href="#">cloud-boss-cn.nq.com</a>	64	<a href="#">kr.nq.com</a>
22	<a href="#">cloud-boss-verify.nq.com</a>	65	<a href="#">maven.nq.com</a>
23	<a href="#">cloud.nq.com</a>	66	<a href="#">m.nq.com</a>
24	<a href="#">cloud-ver.nq.com</a>	67	<a href="#">mobiledatasecurity.nq.com</a>
25	<a href="#">cn.nq.com</a>	68	<a href="#">mpay.nq.com</a>
26	<a href="#">contract.nq.com</a>	69	<a href="#">mpay-rel.nq.com</a>
27	<a href="#">csjira.nq.com</a>	70	<a href="#">mpay-ver.nq.com</a>
28	<a href="#">customerservice.nq.com</a>	71	<a href="#">mt.nq.com</a>
29	<a href="#">datacenter.nq.com</a>	72	<a href="#">my.nq.com</a>
30	<a href="#">de.nq.com</a>	73	<a href="#">new.nq.com</a>
31	<a href="#">dev.nq.com</a>	74	<a href="#">ngdownload.nq.com</a>
32	<a href="#">d.nq.com</a>	75	<a href="#">ngses.nq.com</a>
33	<a href="#">docs.nq.com</a>	76	<a href="#">ngs.nq.com</a>
34	<a href="#">doll.nq.com</a>	77	<a href="#">ns.contract.nq.com</a>
35	<a href="#">easyfinder-china.nq.com</a>	78	<a href="#">oaglobal.nq.com</a>
36	<a href="#">easyfinder.nq.com</a>	79	<a href="#">ocs-a.nq.com</a>
37	<a href="#">easyfinder-opt.nq.com</a>	80	<a href="#">ocs-b.nq.com</a>
38	<a href="#">en.nq.com</a>	81	<a href="#">ocs-c.nq.com</a>
39	<a href="#">enterpriseenrollment.nq.com</a>	82	<a href="#">ojira.nq.com</a>
40	<a href="#">es.nq.com</a>	83	<a href="#">omd-jenkins.nq.com</a>
41	<a href="#">eva.nq.com</a>	84	<a href="#">omd-m.nq.com</a>
42	<a href="#">family.nq.com</a>	85	<a href="#">outsidedataex.nq.com</a>
43	<a href="#">familyprotector.nq.com</a>	86	<a href="#">partnerftp.nq.com</a>
		87	<a href="#">pass-ver.nq.com</a>
		88	<a href="#">pay-fg.nq.com</a>
		89	<a href="#">pay-fg-ver.nq.com</a>
		90	<a href="#">pay.nq.com</a>
		91	<a href="#">photo-release.nq.com</a>
		92	<a href="#">photo-verify.nq.com</a>
		93	<a href="#">pt.nq.com</a>
		94	<a href="#">research.nq.com</a>
		95	<a href="#">r.nq.com</a>
		96	<a href="#">ru.nq.com</a>
		97	<a href="#">sa.nq.com</a>
		98	<a href="#">scan.nq.com</a>
		99	<a href="#">seguridadmovil.nq.com</a>
		100	<a href="#">service.nq.com</a>
		101	<a href="#">shield.nq.com</a>
		102	<a href="#">shop.nq.com</a>
		103	<a href="#">site.nq.com</a>
		104	<a href="#">titans.nq.com</a>
		105	<a href="#">tongbu.nq.com</a>
		106	<a href="#">txl.nq.com</a>
		107	<a href="#">uc-ms.nq.com</a>
		108	<a href="#">uc-uscc.nq.com</a>
		109	<a href="#">uec.nq.com</a>
		110	<a href="#">uscc1.nq.com</a>
		111	<a href="#">uscc2.nq.com</a>
		112	<a href="#">uscc.nq.com</a>
		113	<a href="#">usepoint.nq.com</a>
		114	<a href="#">vaultmessenger1.nq.com</a>
		115	<a href="#">vaultmessenger.nq.com</a>
		116	<a href="#">ver-mms-fg.nq.com</a>
		117	<a href="#">virus.nq.com</a>
		118	<a href="#">vt1.nq.com</a>
		119	<a href="#">vt2.nq.com</a>
		120	<a href="#">vt.nq.com</a>
		121	<a href="#">wap.nq.com</a>
		122	<a href="#">weishi.nq.com</a>
		123	<a href="#">www.family.nq.com</a>
		124	<a href="#">www.nq.com</a>
		125	<a href="#">zhao.nq.com</a>
		126	<a href="#">zhishu.nq.com</a>
		127	<a href="#">zsapp.nq.com</a>
		128	<a href="#">nq.com</a>

# Allegation: NQ Mobile is a fraud

Claim: US Management team is only a front and Omar Khan is not part of the real management team and isn't even on the board.

- US Management team is an integral part of the structure of NQ Mobile management and the operations of the company. The US and China executive teams work collaboratively and the employees and functional teams are mapped across borders in the organization.
- Omar Khan is a co-CEO of the company and on the NQ Board. Omar Khan has responsibility for setting global corporate strategy and driving the performance of the entire company along with Dr. Henry Lin. Omar is also the appointed executive to oversee the broader strategy for internationalization of the entire NQ business.
- Gavin Kim is the Chief Product and Commercial Officer for the company and has responsibility for NQ's international business.
- Conrad Edwards is the Chief Experience Officer and has global responsibility for all user experiences and design for the company.
- Matt Mathison is the VP, Investor Relations and leads all outbound communications and investor relations for the company.

# Allegation: NQ Mobile is a fraud

Claim: NQ Acquisitions are all likely fraudulent

- Feiliu (FL Mobile) – Red Infinity was rated a top 30 independent game developer in China.
  - They had numerous hits in China as well as the International market on the iOS platform.
  - Mr. Zhong Liang is the founder and CEO of Red Infinity. He has an undergraduate degree in Computer Science. Prior to founding Red Infinity in 2010, he was a programmer at Inventec responsible for driver development.
  - Mr. Xe Yuteng is an early investor as well as an important member of the development team. Prior to joining Red Infinity, he was senior animator at an advertising firm called 5DS which develop TV programs for large stations. He is still with Red Infinity and responsible for animation and computer graphic special effects.
  - The Report calls these true entrepreneurs “villagers” which is a very offensive and racially discriminating. Again, it points to the kind of research and purpose that was behind this outrageous allegation.
  - Red Infinity’s registration capital has nothing to do with its success in the mobile game industry. The following are a list of selective games that they have published with the success track records, AppAnnie screenshots as well as Top grossing screen shots and media releases.
- Link to one of the most successful games in Asia at the time: Bear War Online  
<http://www.appannie.com/apps/ios/app/bear-war-online-happy-holiday/app-ranking/#daily=2013-01-03&type=best-grossing-ranks>



## Allegation: NQ Mobile is a fraud

- Hesine – Hesine is a joint venture between MediaTek and NQ Mobile, which NQ has discussed and provided updates on over the past year. In fact, NQ just recently provided an exciting update on the successful ramp of the iSMS platform for messaging and that the daily active users for this is nearing 2 million per day.
  - NQ is excited about the messaging platform going forward given the strong relationship and partnership with MediaTek. The number of smartphones that will deploy many of MediaTek's smartphone chipset solutions – including the iSMS platform on it – is something that will be potentially exciting for us going forward.
- NationSky – The combination of NationSky's strong sales and channel support team and treasured past as a key BES value added seller to Fortune 500 companies in China previously and NQ's strong IP and product solutions including the NQSky platform are very exciting and rewarding to have as part of our business.

# Summary

- The allegations and accusations raised in the Muddy Waters Report on NQ Mobile are false and inaccurate, contain numerous errors of facts, and misleading speculation.
- The Report misrepresents the Company, its management team, its products, and its operations.
- NQ stands by its commitments to its customers, its partners, and its shareholders.

# appendix

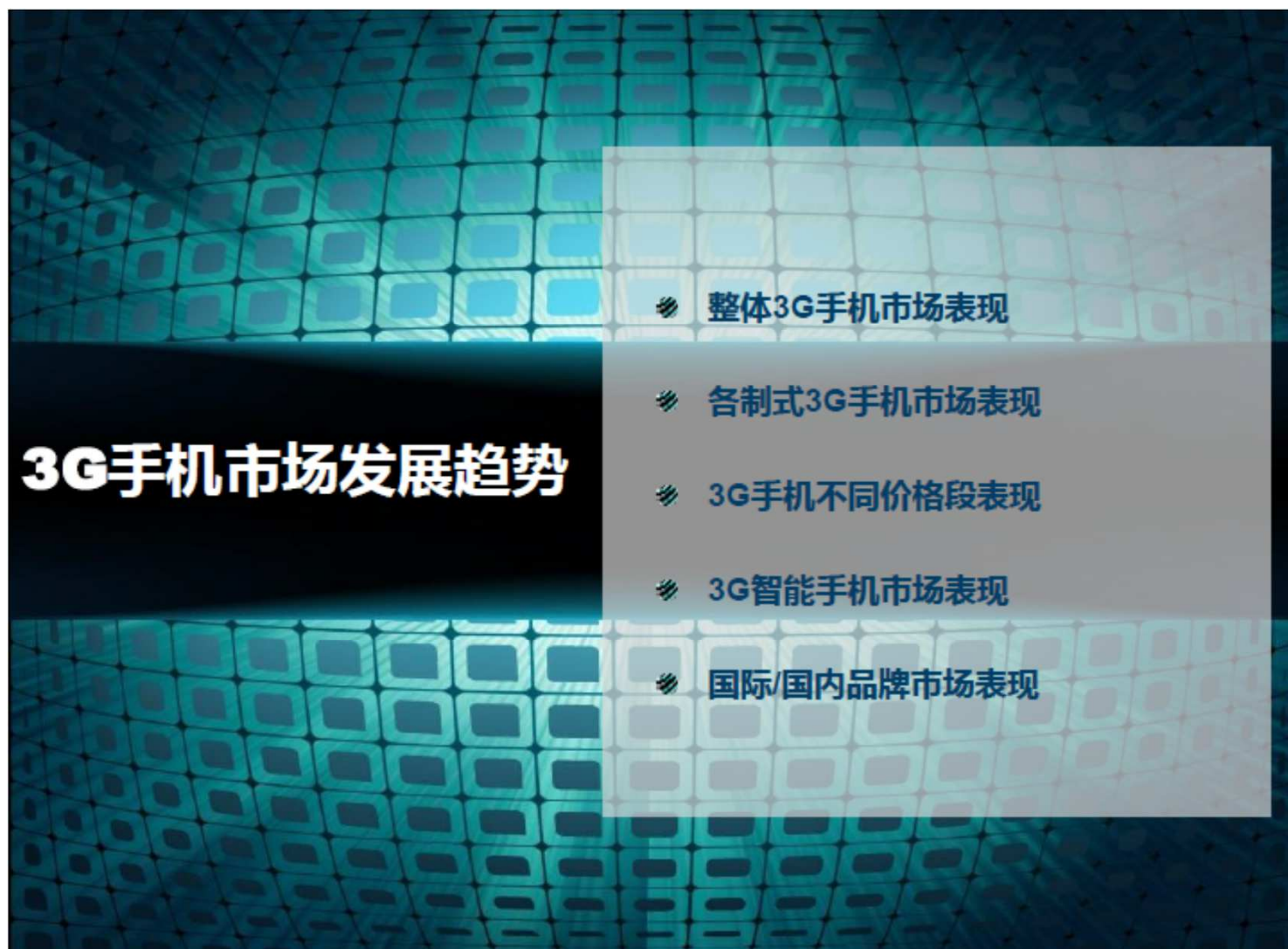
# Appendix

- SinoMR 2013Q2 Marketshare report
- Screenshots of Yidatong payment flows
- Images of certifications and testing results from government agencies for NQ and FL mobile applications
- Images from international retail/OEM partners selling or preinstalling NQ products.

## SinoMR (GFK) China Market Share report - 2013Q2



## SinoMR (GFK) China Market Share report - 2013Q2

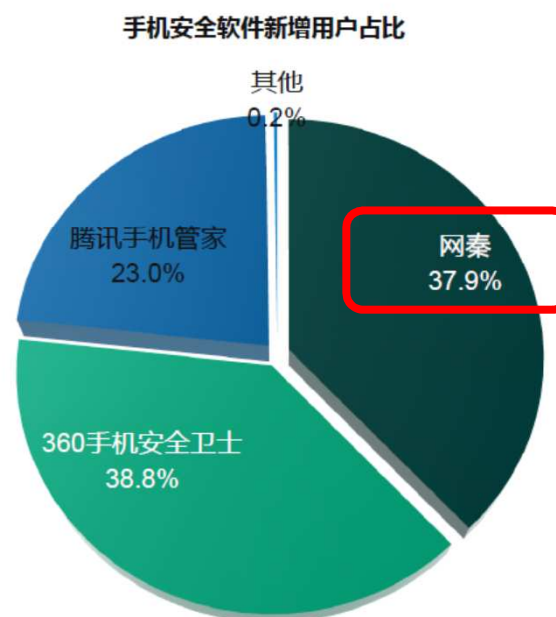


# SinoMR (GFK) China Market Share report - 2013Q2

- Page 17 of the report

## 手机安全软件新增用户发展情况

- 2013年Q2，新增的手机安全软件用户中，以360居多，占比达到38.8%，网秦位居第二，达到37.9%。



注：新增用户指当季度新增安装安全软件数  
数据来源：赛诺消费者调研

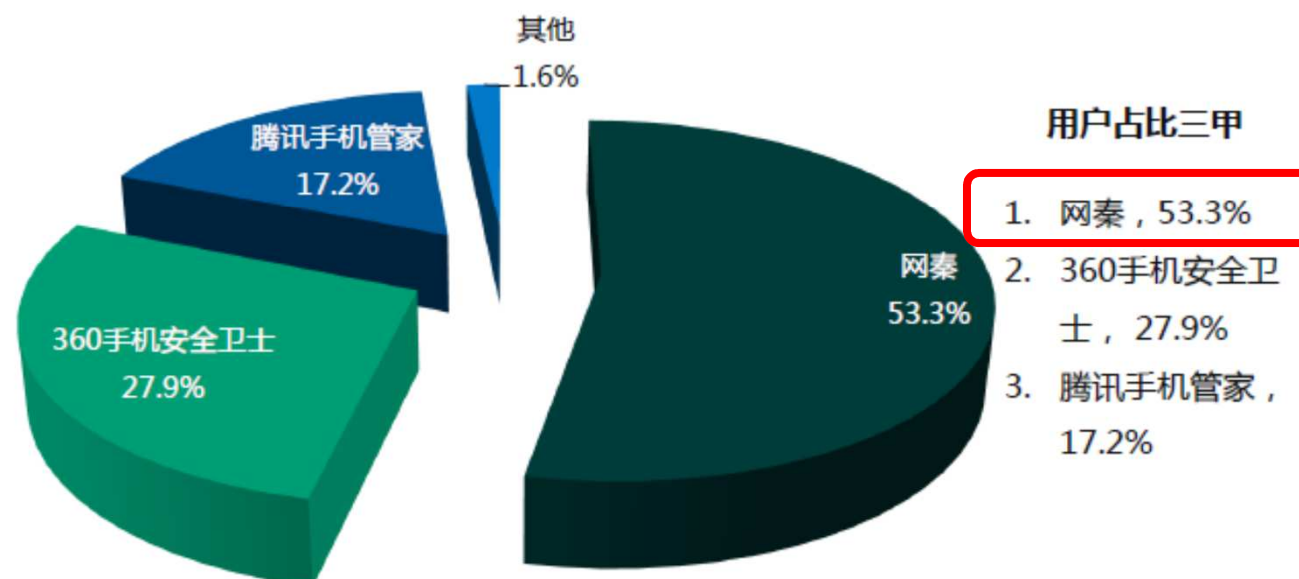


# SinoMR (GFK) China Market Share report - 2013Q2

- Page 18 of the report

## 手机安全软件累计注册用户发展情况

- 截止2013年Q2，中国大陆手机安全市场累计注册用户数达到3.07亿；
- 网秦在累计注册用户规模上占到53.3%，360手机安全卫士占到27.9%。



注：累计注册用户数反映自该安全软件发行以来累计的所有注册用户数，不考虑流失率以及转换率。  
数据来源：赛诺消费者调研

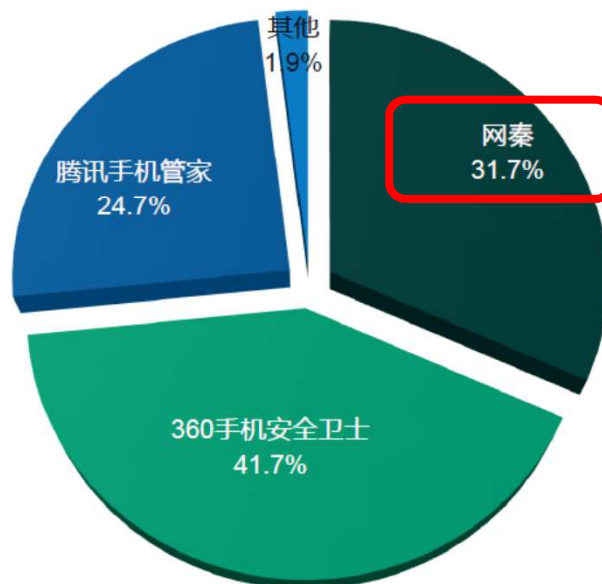


# SinoMR (GFK) China Market Share report - 2013Q2

- Page 19 of the report

## 手机安全软件存量用户发展情况

手机安全软件存量用户占比



注：存量用户综合计算流失率，转换率等多方面指数得出。  
数据来源：赛诺消费者调研

## Screenshots of Yidatong payment flows



## Screenshots of Yidatong payment flows



## Screenshots of Yidatong payment flows



# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

MA AL BCC-MRA CNAS  
2008002445H (天津) 质量监督检验站第七十站

## 检 验 报 告

委托号: 2010-101

产品名称: 网秦杀毒软件 4.0

版本信息: 4.0.26.18

受检单位: /

生产单位: 北京网秦天下科技有限公司

委托单位: 北京网秦天下科技有限公司

检验类别: 委托检验

计算机病毒防治产品检验中心  
(天津市质量监督检验站第七十站)

### 委托检验书

委托单号: 2010-101

名称	北京网秦天下科技有限公司		
注册地址	天津市和平区荣业 11 号 10 层 1001 室		
联系人	王智群	联系电话	010-65555555-6102 13611796777
样品描述	软件包 硬件 □ 其它 □	样品数量	3 部 第 100013
是否自主知识版权	是 <input checked="" type="checkbox"/> 否 <input type="checkbox"/>	注: 样品上如有产权产品标识须提供相关授权证明文件	
产品名称	运行平台	检验功能	
网秦杀毒软件 4.0	Symbian	杀毒功能	

检验项目

检验依据

检验结果

备注

委托单位: 北京网秦天下科技有限公司

受托单位: 计算机病毒防治产品检验中心 (天津市质量监督检验站第七十站)

日期: 2010 年 11 月 5 日

受理人: 王智群

日期: 2010 年 11 月 17 日

检验中心地址: 天津经济技术开发区第 30 号 5 层 505 室 邮编: 300457  
联系电话: 022-66211488 传真: 022-66211155

注: 本委托书一式三份, 一份检验中心留存, 一份客户留存, 一份入检验任务单。

### 检 验 报 告

计算机病毒防治产品检验中心  
(天津市质量监督检验站第七十站)

委托号: 2010-101

产品名称: 网秦杀毒软件 4.0

生产单位: 北京网秦天下科技有限公司

委托单位: 北京网秦天下科技有限公司

抽样地点: /

抽样基数: 1

样品等级: 1

样品描述: 光盘

检验环境: 详见检验报告

抽样依据: /

检验依据: GA 849-2009 计算机病毒防治产品检验规范

检验结论: 经检验, 该产品为二级品。

备注

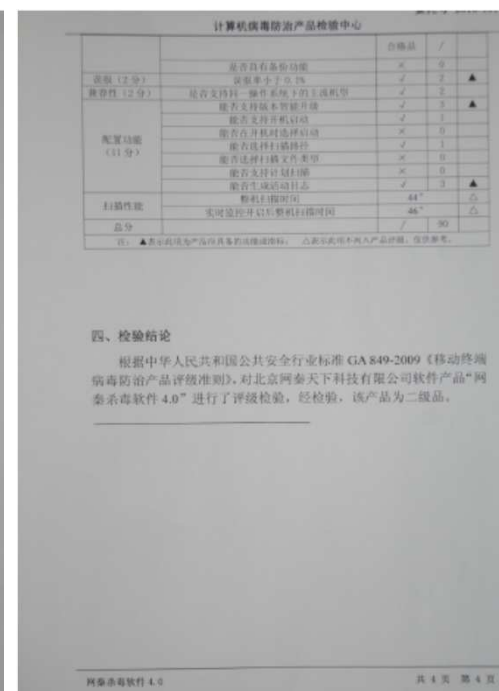
批准: 张树

审核: 陈建民

编写: 李斌

日期: 2010 年 11 月 29 日

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.



# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

计算机信息系统安全专用产品

## 销售许可证

证书编号: XKA10714

有效期: 自2011年09月02日

至2013年09月02日

北京网秦天下科技有限公司

根据公安部《计算机信息系统安全专用产品检测和销售许可证管理办法》及有关规定, 经审查, 准许你单位生产的(代理)

网秦杀毒软件 4.0 (For Android) 4.0 (合格)

安全专用产品进入市场销售, 特发此证。

中华人民共和国公安部监制

2011年09月02日



# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.



## 检 验 报 告

委托号: 2018-188

产 品 名 称: 网秦杀毒软件 4.0 (For Android)

版 本 信 息: 4.0

受 检 单 位: /

生 产 单 位: 北京网秦天下科技有限公司

委 托 单 位: 北京网秦天下科技有限公司

检 验 类 别: 委托检验

计算机病毒防治产品检验中心  
(天津市质量监督检验站第七十站)

## 委托检验书

委托单号: 2018-188

名称	北京网秦天下科技有限公司		
详细地址	北京市和平里东街11号顺四号楼		
联系人	王海洋	联系电话	010-85655555-6102 13611179677
样品描述	软件类 <input checked="" type="checkbox"/> 硬件类 <input type="checkbox"/> 其它 <input type="checkbox"/>	样品数量	2 个 编 100013
是否自主知识产	是 <input checked="" type="checkbox"/> 否 <input type="checkbox"/>	注: 非自主知识产权产品需提供授权证明文件	
检验项目	产品名称	运行平台	检测功能
	网秦杀毒软件 4.0	Android	杀毒功能
检验说明	<input type="checkbox"/> 检验依据 GB243-2000 《计算机病毒防治产品评测准则》; <input checked="" type="checkbox"/> 检验依据 GB4949-2009 《移动终端病毒防治产品评测准则》; <input type="checkbox"/> 检验依据 《移动终端防病毒产品评测规范 (试行)》 <input type="checkbox"/> 检验依据 GB/T 2512-2008 《程序内嵌病毒检测方法》; <input type="checkbox"/> 检验依据 GB1734-1998 《基于 DOS 的信息安全产品评测准则》; <input type="checkbox"/> 检验依据 GB1734-1998 《DOS 操作系统环境中计算机病毒防治产品测试方法》; <input type="checkbox"/> 检测按照天津市物价局文件规定执行; <input type="checkbox"/> 是否有分包: <input type="checkbox"/> 是否同意使用非标准方法; <input type="checkbox"/> 是否需要测量不确定度: <input type="checkbox"/> 其它: <input type="checkbox"/> 委托方有特殊要求, 由双方协商决定。		
	备注		
委托方签字	签名(章): 日期: 2018 年 11 月 5 日		
受理人签字	日期: 2018 年 11 月 17 日		

检测中心地址: 天津经济技术开发区荣业路 80 号天太科技园 C6 邮编: 300457  
报告咨询电话: 022-68211498 传真: 022-68211155

注: 本委托书一式三份, 一份检测中心留存, 一份客户留存, 一份入档随证携带。



# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

计算机病毒防治产品检验中心				
委托号 2010-102				
<b>二、 检验环境</b>				
软件环境: Android 版本 2.2				
Baseband 版本 32.47.00.32U1_5.10.05.23				
软件版本 2.11.832.4				
浏览器版本 WebKit3.1				
硬件环境: HTC Desire A8181				
<b>三、 检验结果</b>				
<b>1、检测、清除病毒及误报检验表</b>				
检验用样本库	样本总数	检测合格率	清除合格率	误报率
病毒样本库	81	86.4%	86.4%	/
特殊格式病毒样本库	2	100%	/	/
误报检验样本库	4	/	/	0%
<b>2、产品测试结果和分数表</b>				
检验项目		检验结果	分数	备注
病毒库 (满分)	病毒样本入侵手机是否报警	来自存储介质	√	3 ▲
		来自数据连接线	√	3 ▲
		来自 WiFi	√	3 ▲
		来自红外	√	3 ▲
		来自蓝牙	√	3 ▲
		来自 WAP/WWW	√	3 ▲
		来自彩信	√	3 ▲
		来自电子邮件	√	3 ▲
		来自移动聊天	√	3 ▲
	启动后程序实时监控	√	2	
测试病毒, 能否阻止病毒的特洛伊木马		√	2	▲
能否及时清除		√	2	

网秦杀毒软件 4.0 (For Android)

共 4 页 第 3 页

计算机病毒防治产品检验中心		
委托号 2010-102		
<b>检验报告</b>		
根据《计算机信息系统安全专用产品检测和销售许可证管理办法》的规定,按照中华人民共和国公共安全行业标准 GA 849-2009《移动终端病毒防治产品评级准则》,对北京网秦天下科技有限公司软件产品“网秦杀毒软件 4.0 (For Android)”进行了评级检验。		
<b>一、 样品说明</b>		
产品名称: 网秦杀毒软件 4.0 (For Android)		
版本信息: 软件版本: 4.0		
Build: 231		
病毒库版本: 20110428		
		
产品界面	产品版本	病毒库信息
网秦杀毒软件 4.0 (For Android)		
共 4 页 第 2 页		

# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

计算机病毒防治产品检验中心  
(天津市质量监督检验站第七十站)

## 检 验 报 告

委托号: 2010-102 共 4 页 第 1 页

产品名称	网秦杀毒软件 4.0 (For Android)		规格型号	详见检验报告	
生产单位	北京网秦天下科技有限公司		商标	/	
委托单位	北京网秦天下科技有限公司		检验类别	委托检验	
抽样地点	/	生产日期	/	产品批号	/
抽样基数	/	样品数量	3 张		
样品等级	/	收样时间	2011.4.28		
样品描述	光盘	送样人	王亚萍		
检验环境	详见检验报告	检验时间	2011.4.28		
抽样依据	/				
检验依据	GA 849-2009《移动终端病毒防治产品评级准则》				
检验结论	经检验, 该产品为合格品。  签发日期: 2011 年 5 月 19 日				
备注					

批准:  审核:  编写: 

计算机病毒防治产品检验中心 委托号 2010-102

检测病毒 (30 分)	病毒库检测率	一精品	/	
		二精品	/	
	合格品	10	▲	
特殊模式病毒库检测率	一精品	4		
	二精品	/		
	合格品	/	▲	
清除病毒 (25 分)	病毒库清除率	一精品	/	
		二精品	18	
	合格品	/		
配置功能 (11 分)	是否具有备份功能	×	0	
	误删率小于 0.1%	√	2	▲
	是否支持同一操作系统的子进程	√	2	
	是否支持病毒实时监控	√	3	▲
	能否支持开机启动	√	1	
	能否在开机时选择启动	×	0	
	能否选择扫描路径	×	0	
	能否选择扫描文件类型	×	0	
	能否支持计划扫描	×	0	
	能否生成活动日志	√	3	▲
扫描性能	整机扫描时间	37"	91	点
	实时监控开启后整机扫描时间	38"	52	点
总分		/	79	

注: ▲表示该项为产品应具备的功能或指标, 公示此项不对产品评级, 仅供参考。

## 四、检验结论

根据中华人民共和国公共安全行业标准 GA 849-2009《移动终端病毒防治产品评级准则》, 对北京网秦天下科技有限公司软件产品“网秦杀毒软件 4.0 (For Android)”进行了评级检验。经检验, 该产品为合格品。

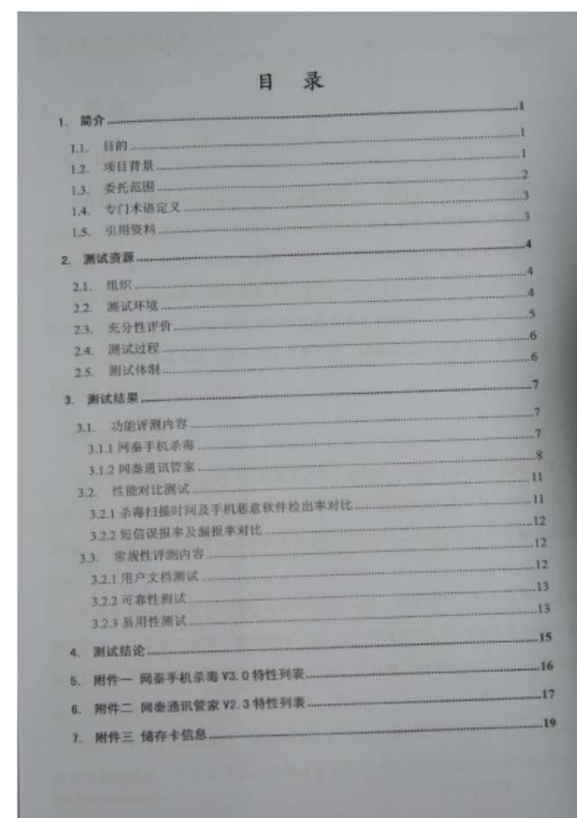
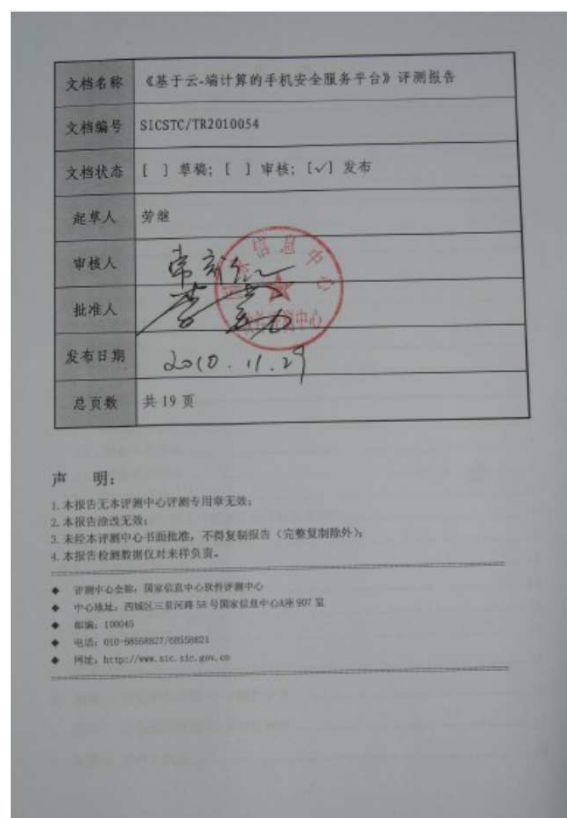
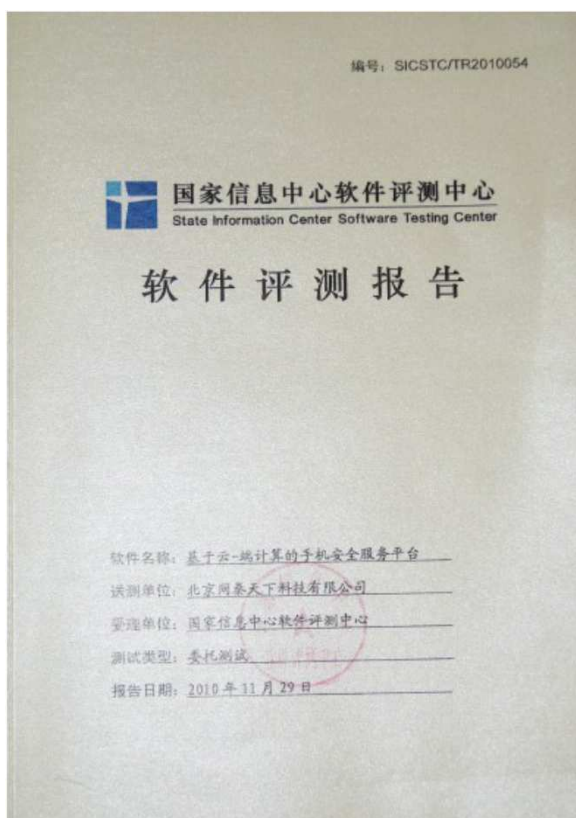
## 注 意 事 项:

- 1、报告无“委托检验专用章”或检验单位公章无效。
- 2、复制报告未重新加盖“委托检验专用章”或检验单位公章无效。
- 3、报告无主检、审核、批准人签字无效。
- 4、报告涂改无效。
- 5、检验报告或复制报告未加盖骑缝章无效。
- 6、对检验结论若有异议, 应于收到检验报告之日起 15 日内向检验单位提出, 逾期不予受理。

地 址: 天津天大科技园 C6 电话(含区号): (022)66211488  
 邮 编: 300457 传真(含区号): (022)66211155  
 网址: [www.antivirus-china.org.cn](http://www.antivirus-china.org.cn)  
 E-mail: [avtest@antivirus-china.org.cn](mailto:avtest@antivirus-china.org.cn)

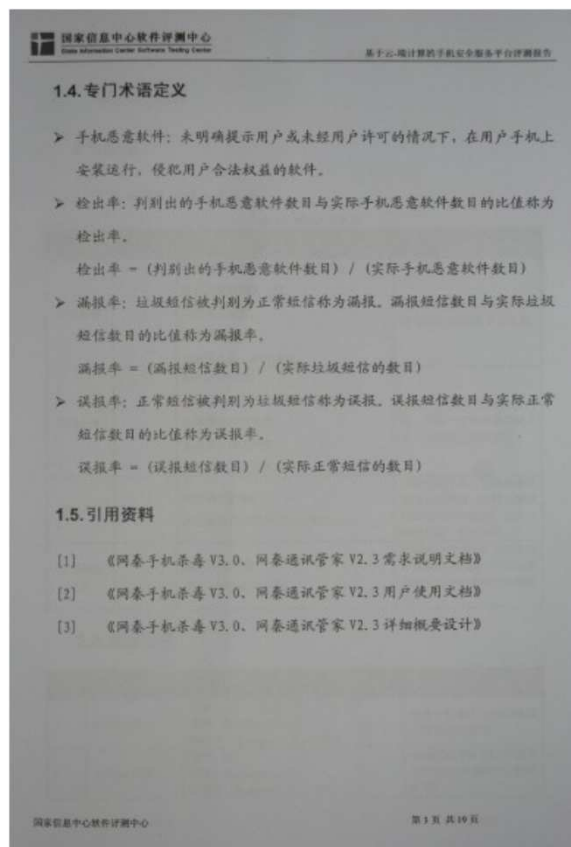
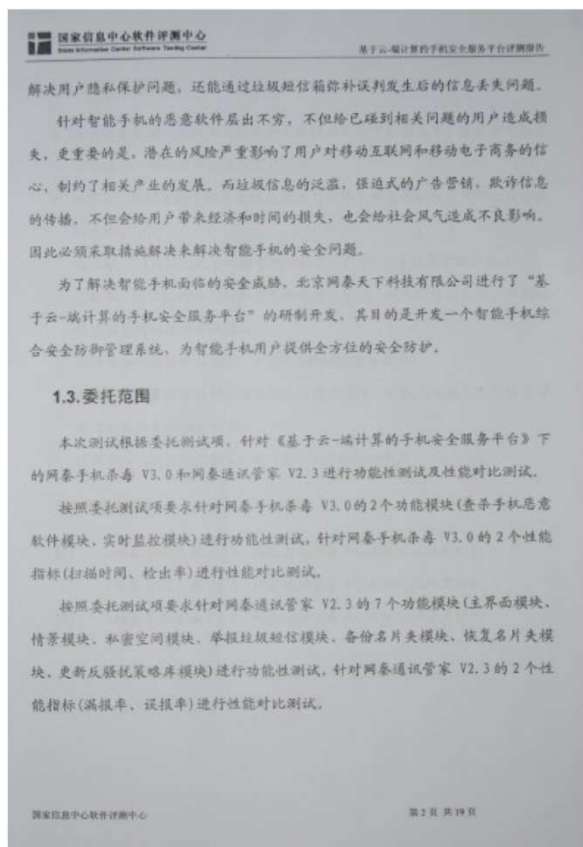
# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.



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# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

国家信息中心软件评测中心 State Information Center Software Testing Center				
基于云-端计算的手机安全服务平台评测报告				
3.	NOKIA 手机	型号: E63 颜色: 蓝 系统: Symbian OS v9.2 储存卡: Kingston 2G SDC	1	网泰通讯管家 V2.3 性能对比测试(短信接收端)
4.	NOKIA 手机	型号: N95 系统: Symbian OS v9.2 储存卡: Kingston 2G SDC	1	网泰通讯管家 V2.3 性能对比测试(短信接收端)
5.	NOKIA 手机	型号: 5320 系统: Symbian OS v9.3 储存卡: Kingston 2G SDC	1	网泰通讯管家 V2.3 性能对比测试(短信接收端)
6.	NOKIA 手机	型号: E72 系统: Symbian OS v9.2 储存卡: Kingston 2G SDC	1	网泰通讯管家 V2.3 性能对比测试(短信接收端)
7.	NOKIA 手机	型号: E51 系统: Symbian OS v9.2 储存卡: Kingston 2G SDC	1	网泰通讯管家 V2.3 性能对比测试(短信接收端)
测试数据				
序号	名称	数量	用途与备注	
1.	手机恶意软件	40	网泰手机杀毒 V3.0 性能对比测试	
2.	辅助扫描文件	6742	网泰手机杀毒 V3.0 性能对比测试	
3.	垃圾短信	200	网泰通讯管家 V2.3 性能对比测试	
4.	正常短信	200	网泰通讯管家 V2.3 性能对比测试	
2.3. 充分性评价				
针对《基于云-端计算的手机安全服务平台》样品测试,本次测试中定义了如下测试类型:功能测试,性能对比测试,用户文档测试,可靠性测试、易用性测试。				
1) 测试用例执行率要达到 100%, 测试用例的通过率要达到 90%。				
2) 所有测试用例至少要执行 2 次。				
在报告中未被列出软件测试标准依照《GB/T17544-1998 信息技术 软				
国家信息中心软件评测中心 第 5 页 共 19 页				

国家信息中心软件评测中心 State Information Center Software Testing Center				
基于云-端计算的手机安全服务平台评测报告				
件包,质量要求和测试》以及软件涉及到的相关行业的行业标准来确定。				
2.4. 测试过程				
产品评测包括以下过程:				
1) 由申请单位配合,测试组进行测试需求分析,功能模块的划分。				
2) 由申请单位协助完成对被测系统的业务培训。				
3) 由申请单位协助评估单位搭建评测场景。				
5) 由中心评测小组负责《基于云-端计算的手机安全服务平台》测试。				
6) 拟写出评测报告。				
7) 正式签发评测报告。				
2.5. 测试体制				
本次测试由国家信息中心软件评测中心负责进行,北京网泰天下科技有限公司给予配合和支持,并提供测试环境。				
国家信息中心软件评测中心 第 6 页 共 19 页				

国家信息中心软件评测中心 State Information Center Software Testing Center				
基于云-端计算的手机安全服务平台评测报告				
3. 测试结果				
3.1. 功能评测内容				
3.1.1 网泰手机杀毒				
标识符	测试项名称	测试内容	期望结果	测试结果
1-1	查杀手机恶意软件			
1-1-1	全盘扫描	对手机所包含的全部内存空间进行扫描,全面查杀手机恶意软件,危险的程序,恶意链接等威胁	完成全盘扫描,并对手机恶意软件,危险程序及恶意链接等威胁及时发现提醒,系统无报错。	实现预期结果,测试通过 6
1-1-2	更新手机恶意软件库	联网更新手机恶意软件库信息	更新成功,系统成功添加新的手机恶意软件信息,系统无报错	实现预期结果,测试通过 2
1-1-3	威胁处理	对所有威胁可直接单个删除,也可删除全部,一次性清除	威胁清除成功,系统无报错	实现预期结果,测试通过 2
1-2	实时监控			
1-2-1	监控手机恶意软件	对于手机恶意软件入侵或手机恶意软件的任何动作进行实时监控,一旦发现恶意行为,会马上显示提醒,情况真实	监控成功,对于手机恶意软件入侵或手机恶意软件活动情况实时掌握,情况真实	实现预期结果,测试通过 6
1-2-2	扫描安装文件	对正在安装的程序进行实时监控,如发现手机恶意软件及时报告,并提供删除功能	扫描成功,对于手机恶意软件的安装程序正确拦截,并成功删除	实现预期结果,测试通过 4
国家信息中心软件评测中心 第 7 页 共 19 页				

# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

国家信息中心软件评测中心 State Information Center Software Testing Center					
基于云、端计算的手机安全服务平台评测报告					
标识符	测试项目名称	测试内容	期望结果	测试结果	用例
1-2-3	扫描信息中链接	对短信中的恶意链接实时监控, 并提供即时提醒	扫描成功, 对短信信息中的恶意链接正确拦截, 并提醒	实现预期结果, 测试通过	4
1-3-4	实时监控设置	对实时监控功能进行基础属性设置	设置成功, 设置的属性保存后得到即时更改	实现预期结果, 测试通过	4
3.1.2 两泰通讯管家					
标识符	测试项目名称	测试内容	期望结果	测试结果	用例
2-1	主界面				
2-1-1	短信防火墙	自动根据两泰的拦截短信数据库对短信内容进行过滤, 将垃圾短信自动置于垃圾短信箱	对垃圾短信可进行有效拦截, 并自动将其放入垃圾短信箱	实现预期结果, 测试通过	10
2-1-2	来电防火墙	对来电信息按照实际设置进行防范	根据设置对来电信息进行有效防范	实现预期结果, 测试通过	5
2-1-3	来电区号显示	手机屏幕会显示电话号码、区号、区域等信息	正常并准确显示来电号码的区号及区域等信息	实现预期结果, 测试通过	6
2-1-4	骚扰电话识别	对只响铃一声疑似骚扰电话进行有效识别, 并提供提醒功能	识别成功, 对只响铃一声的电话, 提供提醒功能	实现预期结果, 测试通过	4
2-2	情景				
2-2-1	预设				
2-2-1-1	只拒黑名单	对设置在黑名单内的电话号码进行实时拦截	拦截成功, 拒接号码均出自黑名单中	实现预期结果, 测试通过	5
2-2-1-2	只接名片夹	只针对名片夹中的电话号码进行接通	只能接通在名片夹中电话号码, 情况属实有效	实现预期结果, 测试通过	5

国家信息中心软件评测中心 State Information Center Software Testing Center					
基于云、端计算的手机安全服务平台评测报告					
标识符	测试项目名称	测试内容	期望结果	测试结果	用例
2-2-1-3	会议	将手机转换至会议模式	转换会议模式成功, 并享有会议模式默认的功能配置	实现预期结果, 测试通过	2
2-2-1-4	睡眠	将手机转换至睡眠模式	转换睡眠模式成功, 并享有睡眠模式默认的功能配置	实现预期结果, 测试通过	2
2-2-1-5	休闲	将手机转换至休闲模式	转换休闲模式成功, 并享有会议模式默认的功能配置	实现预期结果, 测试通过	2
2-2-2	情景编辑				
2-2-2-1	接听方案	可以为用户提供包括(全部接听、全部拒接、拒接指定分组、只接指定分组)的接听方案, 方便用户进行选择	各接听方案均能针对设置无误工作, 完成既定功能	实现预期结果, 测试通过	8
2-2-2-2	拒接方式	可以为用户提供包括(用户已关机、用户已停机、号码为空号、正在通话中、短信回复)的拒接方式, 方便用户选择	各拒接方式均能针对设置无误工作, 完成既定功能	实现预期结果, 测试通过	5
2-2-2-3	新建情景	当软件内置的情景模式不能满足用户需求, 用户可自己建立专属情景模式	专属情景模式新建成功, 内含各种设置均能正常工作	实现预期结果, 测试通过	7
2-3	私密空间				
2-3-1	设置				
2-3-1-1	私密模式开关	查看并可更改私密模式的开关状态	私密模式的开通和关闭均可由私密模式开关选项进行控制	实现预期结果, 测试通过	2
2-3-1-2	私密短信箱	可以显示私密短信箱中私密信息的数量	显示成功, 数量与真实私密信息条数相符	实现预期结果, 测试通过	4

国家信息中心软件评测中心 State Information Center Software Testing Center					
基于云、端计算的手机安全服务平台评测报告					
标识符	测试项目名称	测试内容	期望结果	测试结果	用例
2-3-1-3	私密短信提醒	可以设置当有私密短信时, 是否进行提醒	提醒功能均可由私密短信提醒选项进行控制, 且设置生效时功能与实际情况相符	实现预期结果, 测试通过	4
2-3-1-4	新私密来电	显示截至到目前没有查看的未接私密联系人的来电数	显示成功, 且显示的来电数与真实情况相符	实现预期结果, 测试通过	3
2-3-1-5	私密来电处理	设置对私密来电的处理方式(全部接听、拒接+短信回复)	设置成功, 且设置中设置项可真实有效的完成指定工作	实现预期结果, 测试通过	3
2-3-1-6	私密密码	设置私密密码, 防止他人侵入	密码设置成功, 系统无报错	实现预期结果, 测试通过	2
2-4	举报垃圾短信				
2-4-1	举报垃圾短信	对漏报、误报的短信进行举报处理, 完善过滤机制	举报成功, 在数据库中生成举报信息, 系统无报错	实现预期结果, 测试通过	4
2-5	备份名片夹				
2-5-1	联网备份名片夹	将分组、黑名单、名片夹信息进行网络备份	备份成功, 系统无报错	实现预期结果, 测试通过	2
2-6	恢复名片夹				
2-6-1	恢复名片夹	从网络备份中的数据恢复	恢复成功, 数据均为备份的数据, 系统无报错	实现预期结果, 测试通过	2
2-7	更新反骚扰策略库				
2-7-1	更新反骚扰策略库	对新的策略库信息进行下载并实时更新至本地手机中	更新成功, 本地手机的策略库中有新数据加入, 系统无报错	实现预期结果, 测试通过	3



# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

国家信息中心软件评测中心  
State Information Center Software Testing Center

基于云-端计算的手机安全服务平台评测报告

## 3.2.性能对比测试

### 3.2.1 杀毒扫描时间及手机恶意软件检出率对比

#### 【注】

➢ 因《赛门铁克 5.04》和《F-Secure 6.4》只能进行手机整体扫描，所以扫描存储卡的时间，通过整体扫描(C(手机内存)+E(存储卡))与单独扫描(C(手机内存))的时间差进行核算。

➢ 扫描时间在不同手机上会有差异

序号	对比产品	次数	扫描目录	扫描时间(秒)	检出数(个)	平均检出率
1	网秦手机杀毒 3.0	I	E(存储卡)	496	39	483 97.5%
		II	E(存储卡)	477	39	
		III	E(存储卡)	476	39	
2	赛门铁克 5.04	I	C(手机内存)+E(存储卡)	1441	7	1426.3 17.5%
			C(手机内存)	7		
		II	C(手机内存)+E(存储卡)	1400	7	
			C(手机内存)	7		
		III	C(手机内存)+E(存储卡)	1459	7	
			C(手机内存)	7		
3	F-Secure 6.4	I	C(手机内存)+E(存储卡)	1325	26	1301.3 65%
			C(手机内存)	23		
		II	C(手机内存)+E(存储卡)	1310	26	
			C(手机内存)	23		
		III	C(手机内存)+E(存储卡)	1290	26	
			C(手机内存)	23		
4	卡巴斯基 9.0	I	E(存储卡)	4707	31	4670.7 77.5%
		II	E(存储卡)	4665	31	
		III	E(存储卡)	4640	31	

国家信息中心软件评测中心

第 11 页 共 19 页

国家信息中心软件评测中心

第 11 页 共 19 页

国家信息中心软件评测中心  
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### 3.2.2 短信误报率及漏报率对比

序号	产品名称	漏报率(200)	误报率(300)
1	网秦通信管家 V2.3	0.5%(1/200)	0.3%(1/300)
2	360 信安易 V2.1.2	17.5%(35/200)	42.3%(127/300)
3	来电通 V2.8.2.0	36.5%(73/200)	35.0%(105/300)
4	安全管家 V1.92	44.5%(89/200)	15.3%(46/300)

## 3.3. 常规性评测内容

### 3.3.1 用户文档测试

测试项目	测试过程说明	结果
完整性	用户文档应包含产品使用所需信息，在产品描述中说明的所有功能以及在程序中用户可调用的所有功能。	通过
	用户文档中应说明产品描述中给出的所有边界值。	通过
	提供软件安装所需要的信息。	通过
	提供软件维护所需要的信息。	通过
正确性	用户文档中的所有信息应是正确的，没有歧义和错误的表达。	通过
一致性	用户文档自身内容或相互之间以及产品描述之间都不相互矛盾。	通过
	用户手册每个术语的含义保持一致。	通过
易懂解程度	用户文档对于正常执行其工作任务的一般用户是易懂解的。	通过
易浏览程度	用户文档易于浏览，相互关系明确。	通过
	每个文档有目录表和索引表。	通过

国家信息中心软件评测中心

第 12 页 共 34 页

国家信息中心软件评测中心

第 12 页 共 19 页

国家信息中心软件评测中心  
State Information Center Software Testing Center

基于云-端计算的手机安全服务平台评测报告

### 3.2.2 可靠性测试

测试类项	测试过程说明	结果
成熟性	代码级错误造成的系统影响未超出规定	通过
	接口级错误造成的系统影响未超出规定	通过
	系统级错误造成的系统影响未超出规定	通过
鲁棒性	超出系统规定的数据库容量，系统正常工作	N/A
	输入用明确规定的非法指令，系统正常工作	通过
	执行禁止的业务流程和程序，系统正常工作	通过
	超出规定的异常输入，系统正常工作	通过
易恢复性	平时失效时间间隔(MTBF)符合规定	N/A
	平均失效恢复时间(MTTR)符合规定	N/A
	系统拥有备份和冗余技术	N/A
依从性	遵循与可靠性相关的标准、约定或法规以及类似规定	N/A

### 3.2.3 易用性测试

测试类项	测试过程说明	结果
易懂解性	通过选择适当的术语、图表表示、背景信息和帮助，帮助用户理解、使用	通过
	出错消息应提供解释相应差错产生原因和纠正的详细信息	通过
	样品避免存在会让用户产生错误指引的操作	通过
	样品避免存在会让用户产生有专业争议的操作	通过
	在线帮助详细、准确、快速、直观、易懂	通过
易学性	在线帮助能根据帮助点直接定位查询内容	通过
	在线帮助有充分的实例	通过

国家信息中心软件评测中心

第 15 页 共 19 页

国家信息中心软件评测中心

第 13 页 共 19 页

# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.

国家信息中心软件评测中心 State Information Center Software Testing Center		
基于云-端计算的手机安全服务平台评测报告		
测试需求	测试过程说明	结果
易用性	没有过于复杂的命令或者功能，不需记住大量的信息	通过
	提示信息描述不过于相似或者简单	通过
	菜单项与功能键对应相结合	通过
	安装、卸载过程简单	通过
	菜单选项不繁琐，打开层次不深	通过
	具有严重后果的功能执行是可逆的，或者程序应给出该后果的明显警告，并且在执行该命令前要求确认	通过
吸引力	列表提供搜索功能	通过
	颜色、图形美观	通过
易用性	布局合理、界面元素行为合理	通过
规范性	遵循与易用性相关的标准、约定或法规以及类似规定	通过

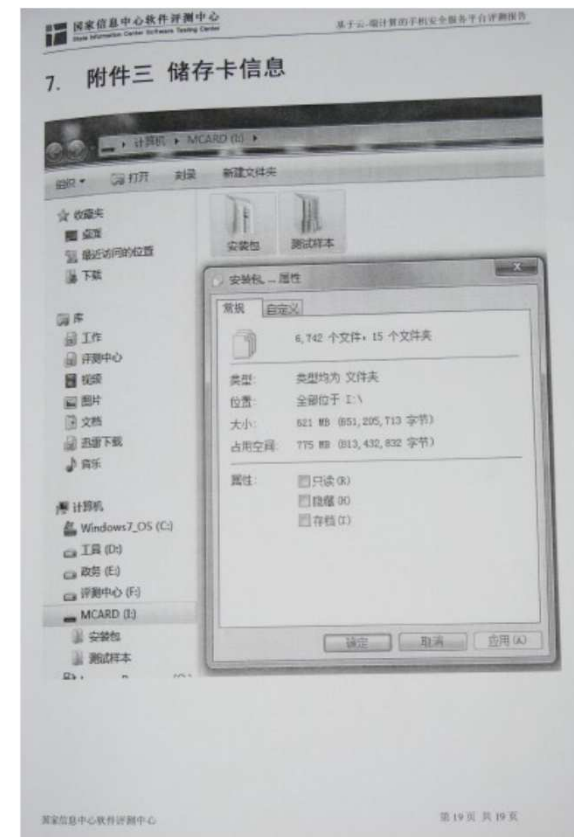
国家信息中心软件评测中心 State Information Center Software Testing Center	
基于云-端计算的手机安全服务平台评测报告	
<h4>4. 测试结论</h4> <p>针对该样品测试需求，进行了委托测试，共计设计测试用例118个。本次测试中发现软件的问题3个，为一般错误性错误。</p> <p>经过交单位确认的软件问题3个，回归测试对修改后的软件进行了测试，缺陷得到了修复，没有发现新增问题。</p> <p>本次测试项目，用例执行的比例达到100%，回归后用例全部通过，且未发现致命严重缺陷，满足了充分性测试的评价要求。</p> <p>经过测试，《基于云-端计算的手机安全服务平台》基本实现了附件列表中所规定的技术指标（技术指标见附件一、附件二），在用户文档、可靠性、易用性上达到了质量特性的要求并且性能对比测试结果与客户提供的委托性能指标基本符合。</p> <p>该软件测试通过。</p> <p>国家信息中心软件评测中心 2010年11月29日 软件评测中心 评测专用章</p>	

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基于云-端计算的手机安全服务平台评测报告			
<h4>5. 附件一 网秦手机杀毒 V3.0 特性列表</h4>			
序号	模块	项目	功能描述
1	查杀手机恶意软件	全盘扫描	对手机所包含的全部内存空间进行扫描，会查杀手机恶意软件、危险的程序、恶意链接等威胁
		更新手机恶意软件库	联网更新手机恶意软件信息
		威胁处理	对所有威胁可直接单个删除，也可删除全部，一次性清除
2	实时监控	监控手机恶意软件	将手机恶意软件植入或手机恶意软件的任何动作进行实时监控，一旦发现异常行为，会马上显示提醒
		扫描安装文件	对正在安装的程序进行实时监控，如发现手机恶意软件及时报告，并提供删除功能
		扫描信息中链接	对短信中的恶意链接实时监控，并提供即时通报
		实时监控设置	对实时监控功能进行基础性设置
3	性能对比测试	杀毒扫描时间对比	在同样环境下，对相同的文件集进行杀毒扫描，对比扫描时间
		手机恶意软件检出率对比	在同样环境下，对相同的文件集进行杀毒扫描，对比手机恶意软件检出率



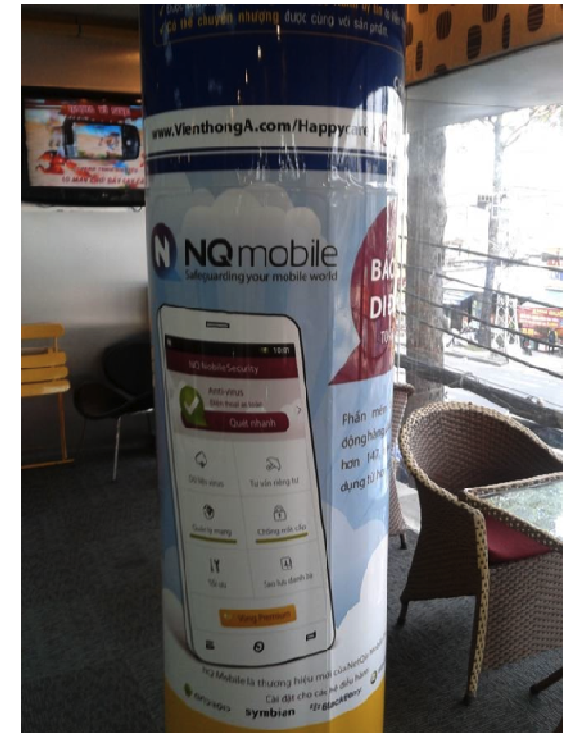
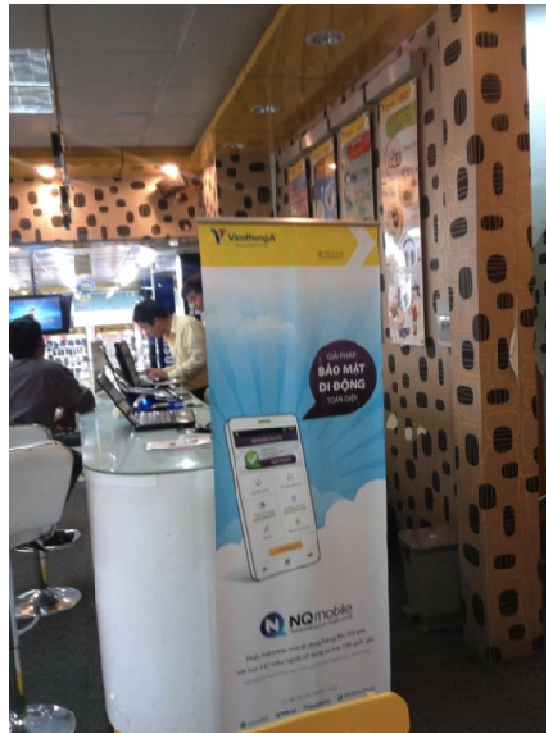
# Allegation: NQ Mobile is a fraud

- Numerous government agencies have certified that NQ and FL mobile applications do NOT contain the alleged malware. Images of certifications and testing results included below.



# Allegation: NQ International Revenue is Fabricated

- Images from international retail locations/partners selling NQ products.



Vietnam Retail

# Allegation: NQ International Revenue is Fabricated

- Images from international retail locations/partners selling NQ products.



Axiom Retail (Dubai)



# Allegation: NQ International Revenue is Fabricated

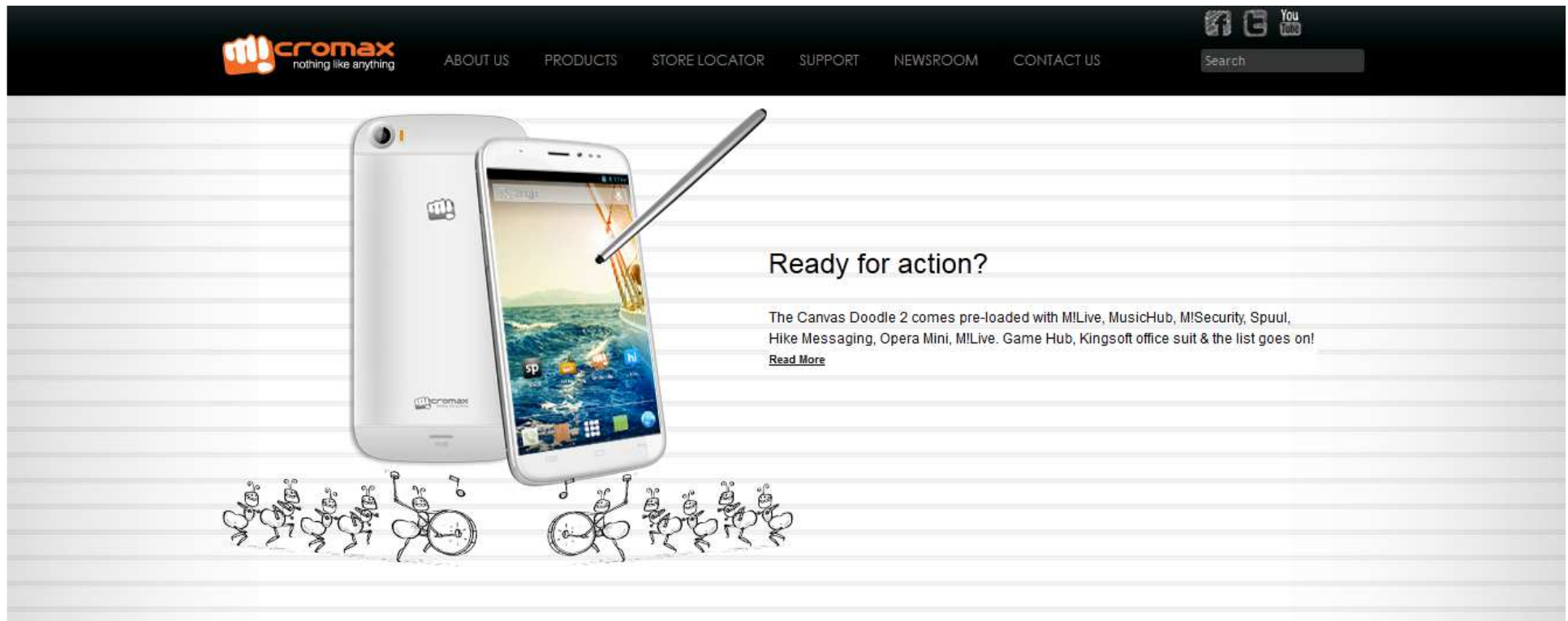
- Images from international retail locations/partners selling NQ products.



Spice Cellular (India)

# Allegation: NQ International Revenue is Fabricated

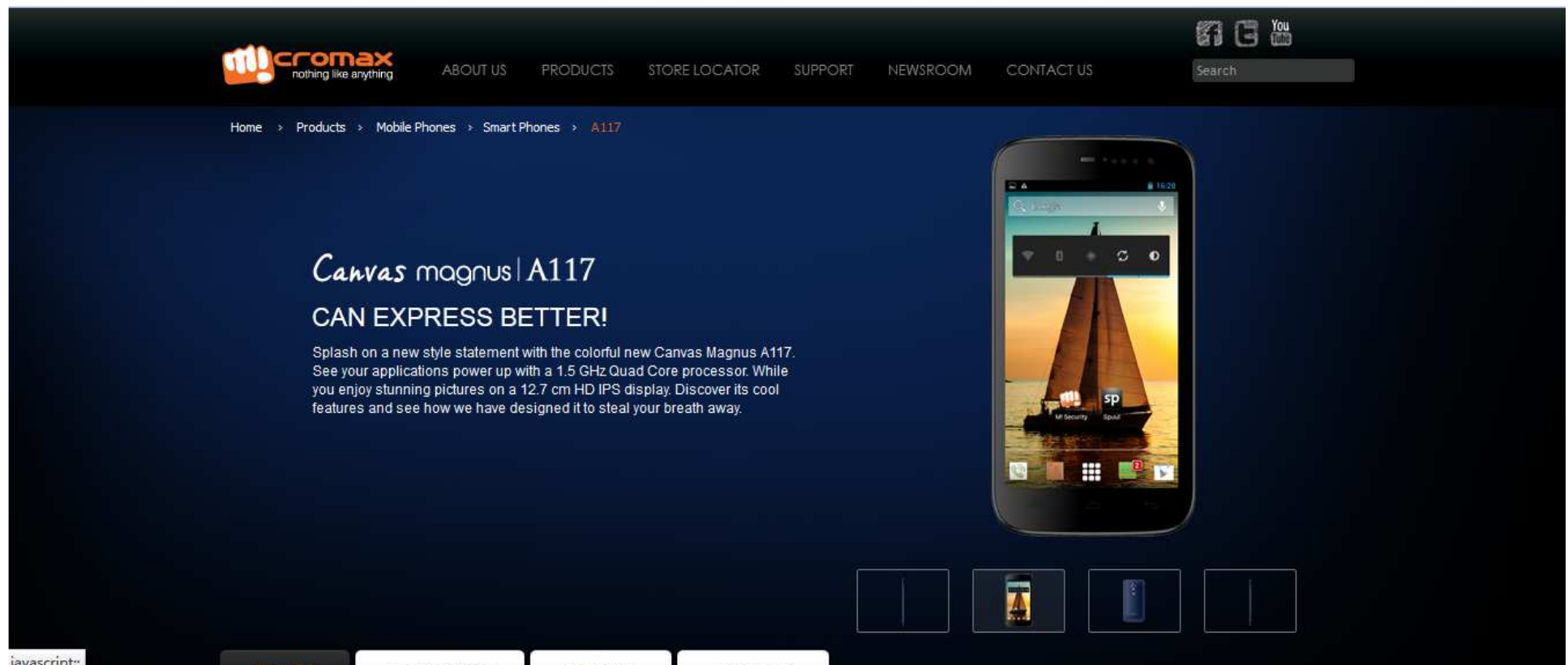
- Images from international retail locations/partners selling NQ products.



Micromax OEM (India)

# Allegation: NQ International Revenue is Fabricated

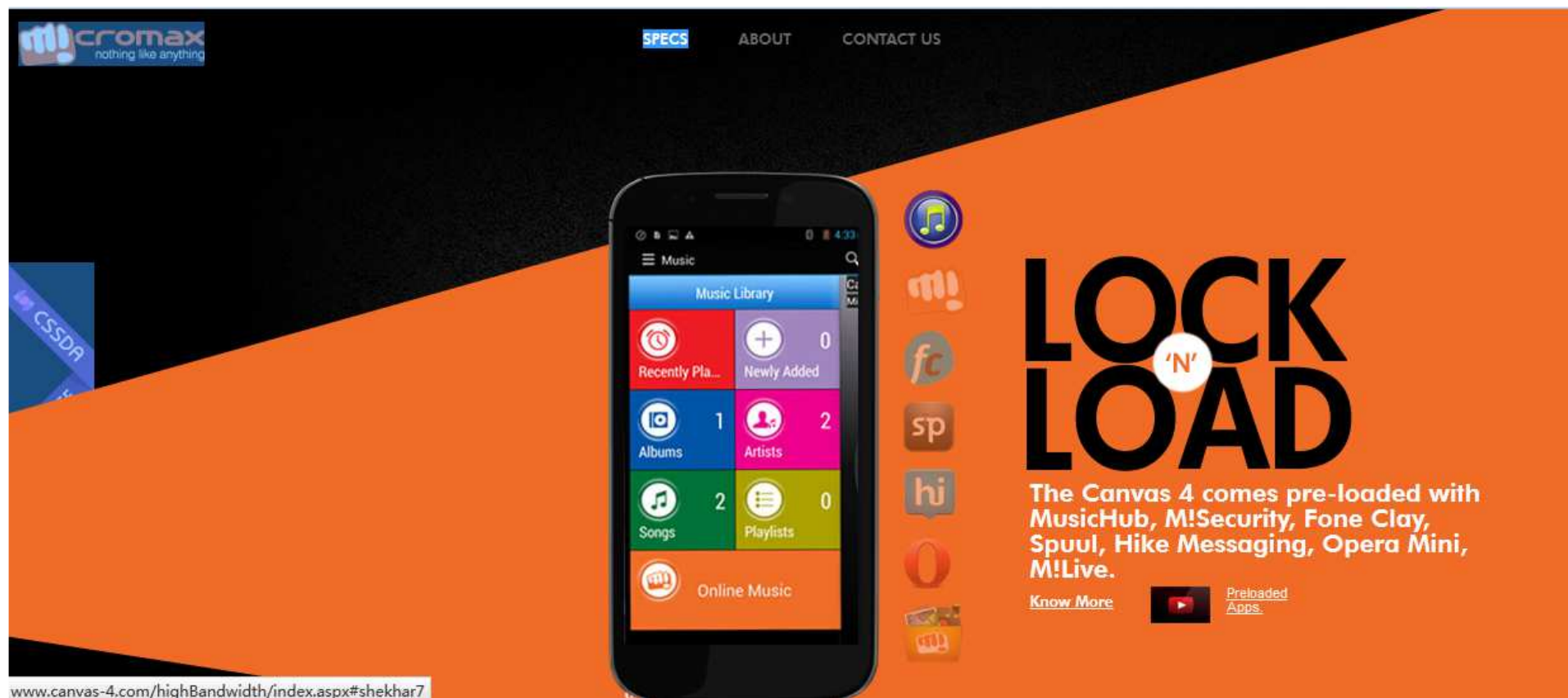
- Images from international retail locations/partners selling NQ products.



Micromax OEM (India)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail locations/partners selling NQ products.

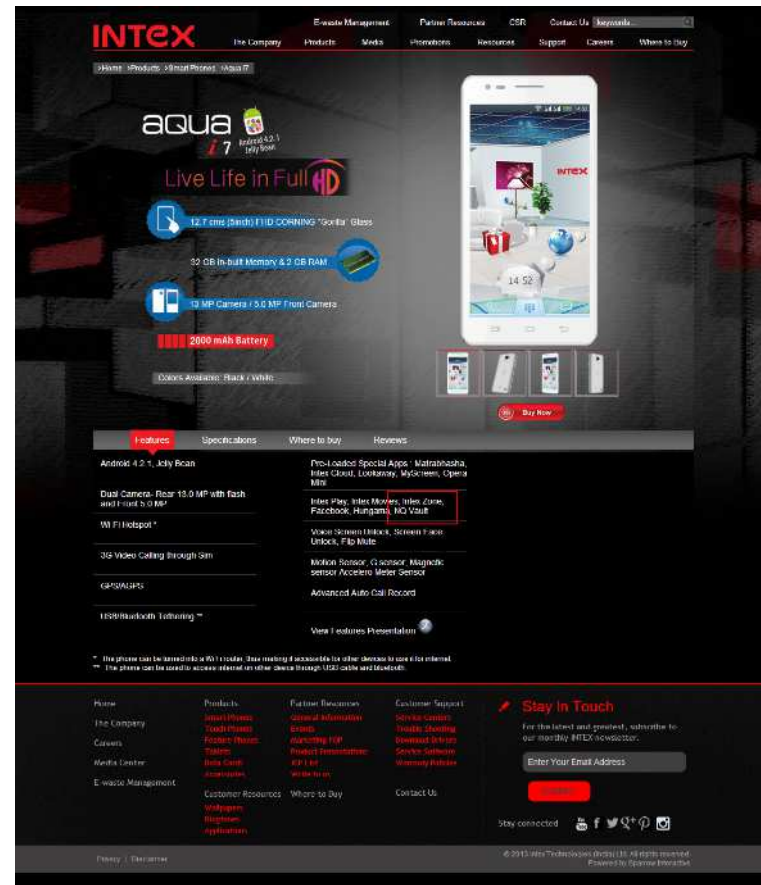
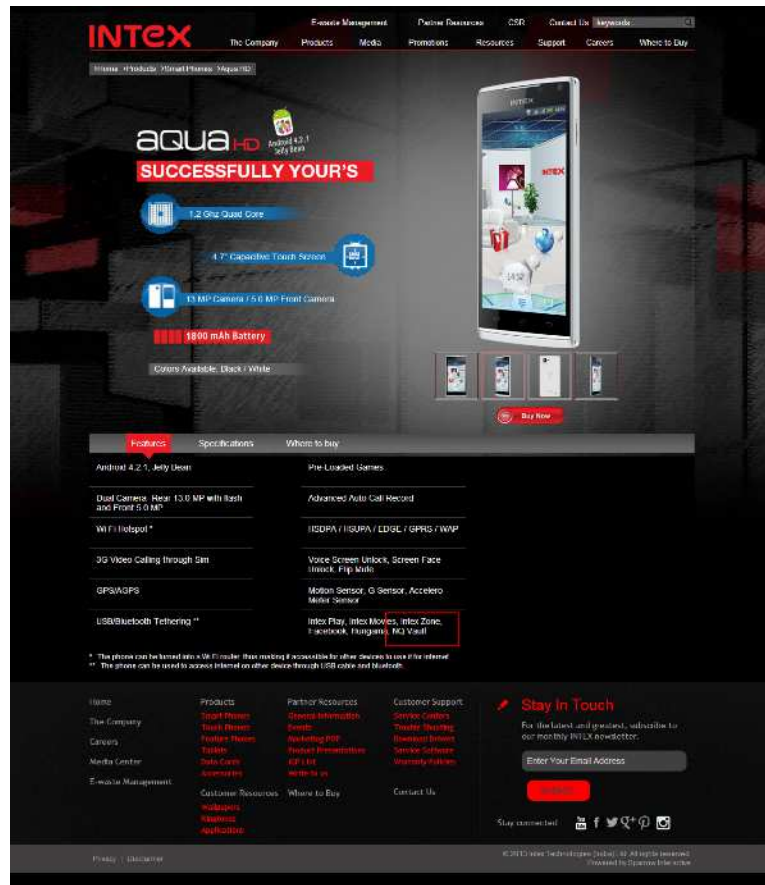


Micromax OEM (India)



# Allegation: NQ International Revenue is Fabricated

- Images from international retail locations/partners selling NQ products.

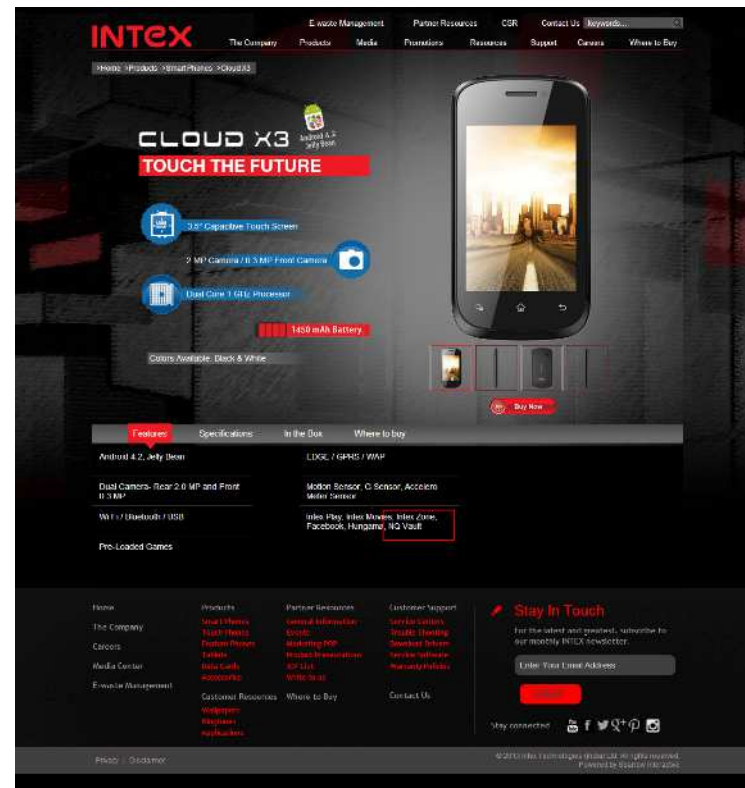


Intex OEM (India)



# Allegation: NQ International Revenue is Fabricated

- Images from international retail locations/partners selling NQ products.



Intex OEM (India)

- Images from international retail/OEM partners selling or preinstalling NQ products.



## Android 4.2 Jelly Bean

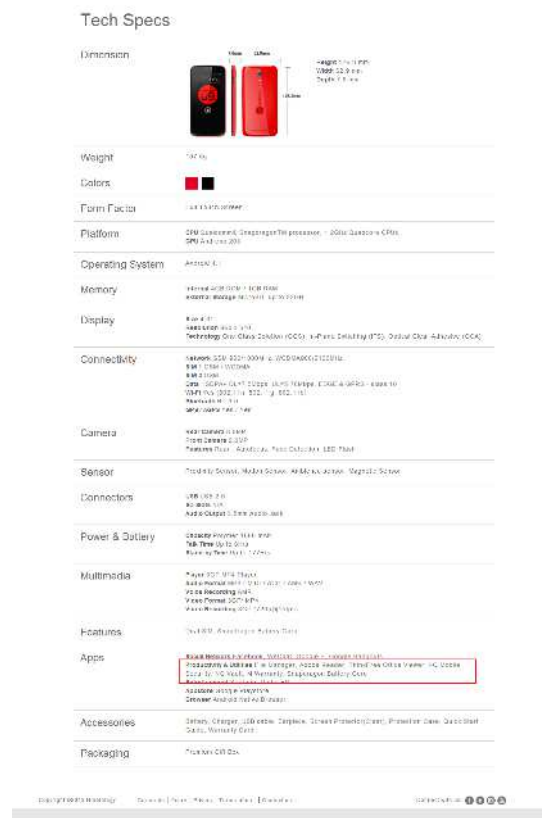


Dimension	
Weight	171g
Colors	
Form Factor	Full Size, 5G, 6.67"
Platform	CPU: 1x Cortex-A78 + 3x Cortex-A78 + 4x Cortex-A55 GPU: Mali-G68
Operating System	Android 12
Memory	Internal: 8GB RAM + 128GB ROM External Storage: UFS 3.1, up to 256GB
Display	Size: 6.67" Resolution: 2400 x 1080 pixels Technology: AMOLED, 120Hz
Connectivity	Network: 5G, 4G LTE, 3G, 2G Wi-Fi: 802.11a/b/g/n/ac Bluetooth: 5.2 NFC: Yes USB: Type-C, 2.0
Camera	Main Camera: 64MP Ultra Wide: 8MP Macro: 5MP Selfie: 16MP
Sensor	Fingerprint Sensor, Ambient Light Sensor
Connectors	USB Type-C 3.5mm Headset Jack Audio Output: 3.5mm Headset Jack
Power & Battery	Capacity: 5000 mAh Talk Time: up to 100h Standby Time: up to 150h
Multimedia	Video: 4K, 60FPS Audio: 24-bit, 192kHz Video Playback: 4K, 60FPS Video Playback: 4K, 60FPS
Features	5G, 5G+ 5G-A, 5G-A Pro
Apps	Redmi 10 Pro 5G, Redmi 10 Pro 5G Pro, Redmi 10 Pro 5G Pro Max, Redmi 10 Pro 5G Pro Max 5G-A, Redmi 10 Pro 5G Pro Max 5G-A Pro, Redmi 10 Pro 5G Pro Max 5G-A Pro Max, Redmi 10 Pro 5G Pro Max 5G-A Pro Max 5G-A Pro Max
Accessories	Charger, USB Cable, Earphones

NQ Mobile Security  
NQ Vault

## Ninetology OEM (Malaysia)

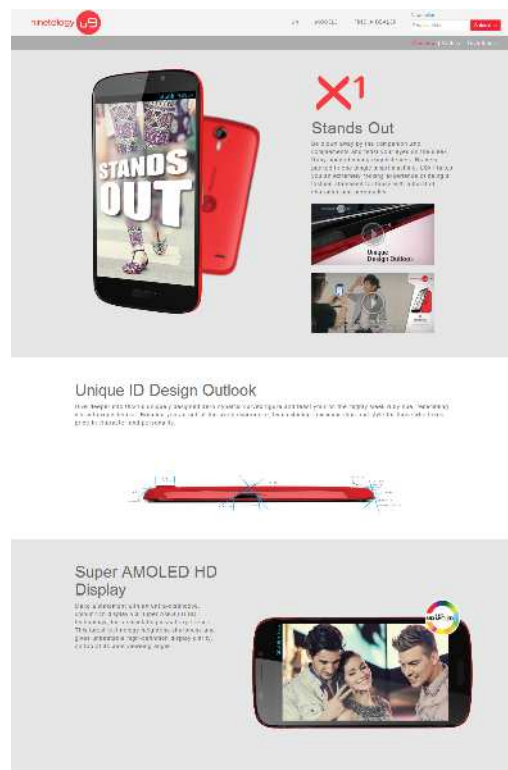
- Images from international retail/OEM partners selling or preinstalling NQ products.



## Ninetology OEM (Malaysia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



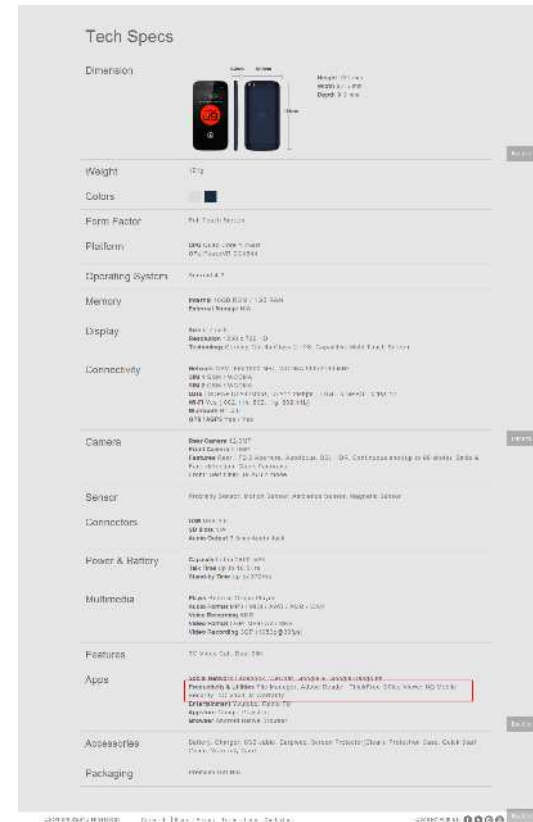
Tech Specs	
Dimension	
Weight	160g
Colors	Red, Black
Form Factor	Full Touch Screen
Platform	Qualcomm Snapdragon 800 2GB RAM, 16GB Storage
Operating System	Android 4.2
Memory	RAM: 2GB (DDR3) Internal Storage: 16GB (eMMC 4.0)
Display	5.0 inch Super AMOLED Resolution: 720 x 1280 Screen-to-body ratio: 67.8%
Connectivity	Wi-Fi (802.11 b/g/n) Bluetooth (4.0) GPS (A-GPS) USB (Micro USB) NFC (Optional)
Camera	Front Camera: 1.3MP Rear Camera: 8MP (1080p) Flash: LED
Sensor	Proximity, Accelerometer, Gyroscope, Compass
Connectivity	2G GSM 850/900/1800/1900 3G HSPA 850/900/1800/1900
Power & Battery	Battery: 2000mAh Talk Time: 12-15h Standby: 10-12h
Multimedia	Video: 1080p@30fps Audio: 3.5mm Jack, Loudspeaker Formats: MP3, AAC, WAV, etc.
Features	Multi-touch, Gesture Control, etc.
Apps	Pre-installed: Ninetology, etc. Available: Google Play Store, etc.
Accessories	Charging Cable, Headset, etc.
Packaging	Standard Retail Box

NQ Mobile Security  
NQ Vault

## Ninetology OEM (Malaysia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



NQ Mobile Security  
NQ Vault

## Ninetology OEM (Malaysia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



Tech Specs	
Dimension	
Weight	175g
Colors	Black, Silver
Form Factor	Full Touchscreen
Platform	Android 4.2.2 (Jelly Bean)
Operating System	Android 4.2.2
Memory	Internal 16GB ROM + 1GB RAM Expandable Storage: Up to 32GB via microSD
Display	Size 5.0 inch Resolution: 1280 x 720 HD Technology: Capacitive Touchscreen (16M Colors), Fingerprint Sensor
Connectivity	Bluetooth 4.0, Wi-Fi 802.11 b/g/n, GPS, FM Radio, Micro USB, 3.5mm Headset Jack, NFC
Camera	Front Camera: 1.3MP Rear Camera: 5MP Features: LED Flash, Auto Focus, HDR, Panorama, Video Recording
Sensor	Fingerprint Sensor, Proximity Sensor, Accelerometer, Gyroscope
Connectors	Micro USB, 3.5mm Headset Jack, Audio Output 3.5mm Jack
Power & Battery	Capacity: 1900mAh Talk Time: Up to 1000h Standby Time: Up to 100 days
Multimedia	Audio: Stereo Speaker, MP3, AAC, WMA Video: Playback: MP4, H.264, H.263, WMV Video Recording: 1080p, 720p, 480p
Features	3.5 Video Call, Dual SIM
Apps	Search, Browser, Email, GPS, Google+, Google+, Messages, Productivity & Utilities, To Do List, Address Book, Text, Email, Calendar, Photos, Music, Video, Games, etc.
Accessories	Micro USB Cable, Headset, Screen Protector, Back Cover, etc.
Packaging	Plastic Box

NQ Mobile Security  
NQ Vault

## Ninetology OEM (Malaysia)



# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



MITO OEM (Indonesia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



MITO OEM (Indonesia)



## Allegation: NQ International Revenue is Fabricated

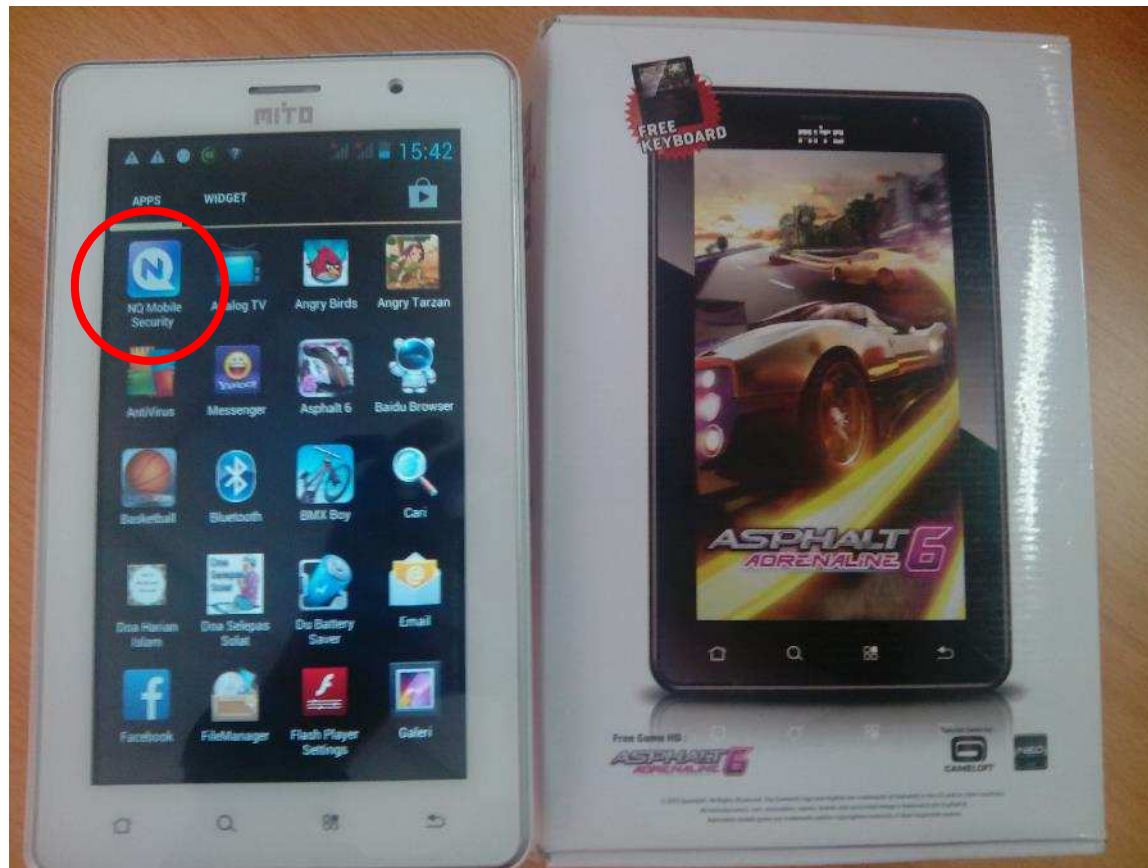
- Images from international retail/OEM partners selling or preinstalling NQ products.



MITO OEM (Indonesia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



MITO OEM (Indonesia)

# Allegation: NQ International Revenue is Fabricated

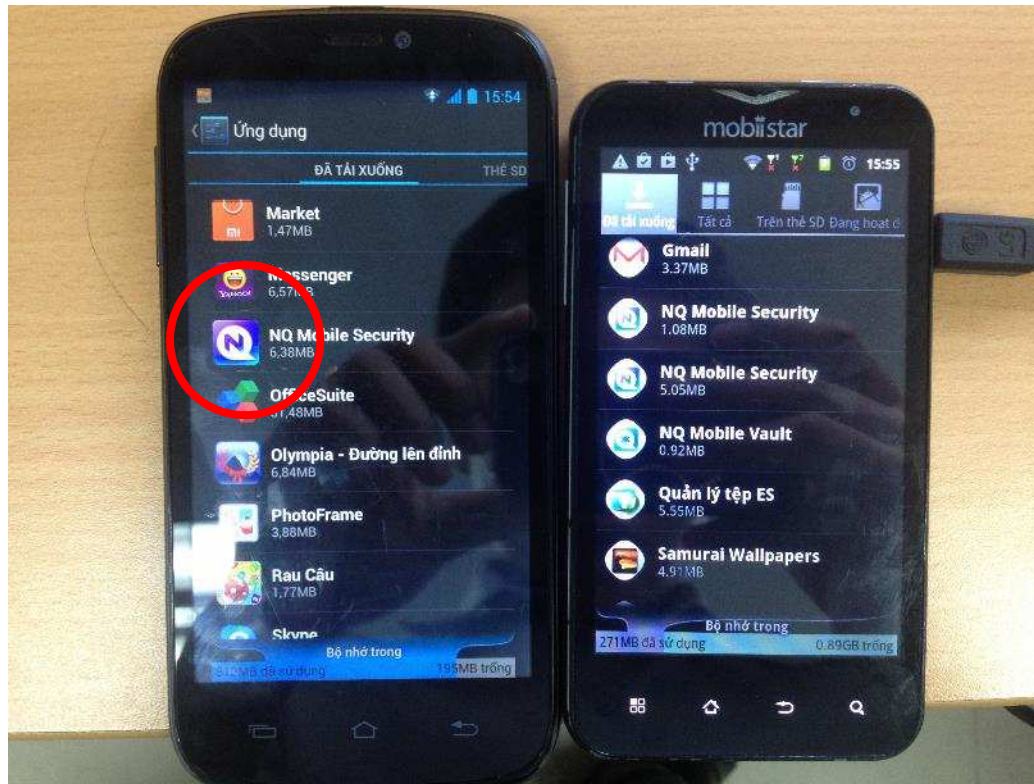
- Images from international retail/OEM partners selling or preinstalling NQ products.



MITO OEM (Indonesia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.

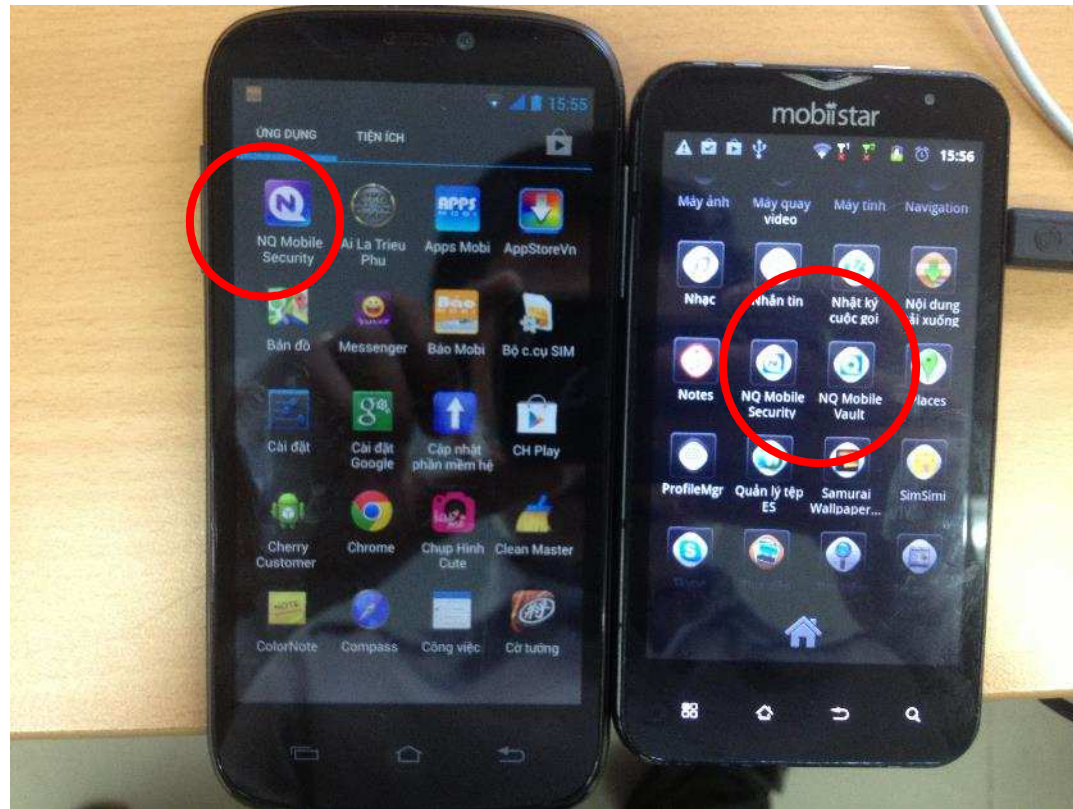


Mobiistar (Vietnam)



# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



Mobiistar (Vietnam)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



Venera (Indonesia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



Venera (Indonesia)

# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



Venera (Indonesia)



# Allegation: NQ International Revenue is Fabricated

- Images from international retail/OEM partners selling or preinstalling NQ products.



Venera (Indonesia)