

# Chinese tech firm Qihoo gets \$9B buyout offer from CEO (Update)

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China's Qihoo 360 Technology Co. Ltd., a provider of Internet security products and popular mobile browser, has received a \$9.1 billion offer from a group led by its chief executive to buy out its public shareholders.

The offer for Qihoo's U.S.-traded shares is the biggest yet in a wave of proposals this year to take Chinese companies private at a time of surging stock prices at home and increased scrutiny of their finances by foreign shareholders.

Chinese technology companies turned to U.S. and other foreign stock exchanges over the past decade to raise money due to lack of access to the state-dominated financial system at home.

Communist leaders have promised to give private companies more access to China's stock markets and other financing in an effort to make its economy more productive. Combined with a stock price boom that began in late 2014, that has prompted expectations companies that buy back shares abroad will seek listings on Chinese exchanges instead.

The Qihoo offer gave no indication whether the buyout group planned to seek a market listing in China.

The group led by Zhou Hongyi, Qihoo's founder, offered \$77 per U.S.-traded share, Qihoo said. That would be a 16 percent premium over Tuesday's closing price of \$66.05. Shares rose to \$70.15 following the announcement.

Others in the group offering the buyout include state-owned CITIC Securities Co. Ltd., Sequoia Capital China I LP, Golden Brick Capital Private Equity Fund I LP and China Renaissance Holdings Ltd.

The bid brings to 14 the number of offers this year to take U.S.-traded Chinese companies private, according to Dealogic, a financial information provider. By contrast, there were only two such offers in the same period last year.

They include a \$3.3 billion offer for Wuxi Pharmatech Inc., a drug manufacturer, and \$2.6 billion for Mindray Medical International Ltd., a maker of medical equipment. Nearly all the groups making such offers include managers of the companies.

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