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Kingsoft Corporation Limited

金山軟件有限公司

(continued into the Cayman Islands with limited liability)

(Stock Code: 03888)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SFO

This announcement is made by Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the “**SFO**”).

PROPOSED SPIN-OFF

The Company is pleased to announce that it submitted a spin-off application to the Stock Exchange on 20 December 2013 pursuant to Practice Note 15 of the Listing Rules for the spin-off listing of the Group’s information security software business on the NASDAQ Global Market or the New York Stock Exchange (the “**Proposed Spin-off**”). The information security software business is currently carried on by Kingsoft Internet Software Holdings Limited (“**KIS**”), a company incorporated in the Cayman Islands, and its subsidiaries. KIS is principally engaged in the research, development and operation of information security software, internet browser, mission critical mobile applications, and the provision of online advertising services and internet value-added services across devices.

As at the date of this announcement, the Company directly holds approximately 54.09% of the issued shares of KIS (on the assumption that all issued preferred shares of KIS are converted into ordinary shares of KIS on a conversion ratio of 1:1). The Company and KIS are currently proposing to adopt a dual-class share capital structure for KIS, with investors in the initial public offering of KIS (the “**IPO**”) acquiring a class of ordinary shares that carries a lower vote per share and the Company and other existing shareholders holding a class of ordinary shares that carries a higher vote per share. Through this dual-class share capital structure, the Company will retain control over KIS and will continue to consolidate its financial results following the IPO.

The terms of the Proposed Spin-off, including offer size, price range and assured entitlement for shareholders of the Company required under Practice Note 15 of the Listing Rules, have not yet been finalised. Further announcement(s) will be made by the Company in this regard as and when appropriate.

The above may constitute inside information pursuant to the Inside Information Provisions under Part XIVA of the SFO.

Shareholders and potential investors should note that the Proposed Spin-off is subject to, among other things, the final decision of the Board and the approval from the Stock Exchange, and there is no assurance that Proposed Spin-off will take place or as to when it may take place. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 28 January 2014

As at the date of this announcement, the executive Directors are Messrs. HongJiang ZHANG, Yuk Keung NG and Tao ZOU; the non-executive Directors are Messrs. Jun LEI, Pak Kwan KAU and Chi Ping LAU; the independent non-executive Directors are Messrs. Guangming George LU, David Yuen Kwan TANG, and Ms. Wenjie WU.