

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Kingsoft Corporation Limited

金山軟件有限公司

(Continued into the Cayman Islands with limited liability)

(Stock Code: 03888)

ANNOUNCEMENT

QUOTATION OF MOXIU ON THE NATIONAL EQUITIES EXCHANGE AND QUOTATIONS SYSTEM

The Company is pleased to announce that the quotation of the shares of Moxiu on the NEEQ will commence on 30 May 2016 under the stock code of 837315.

Reference is made to the announcement of the Company dated 22 January 2016 in relation to the application of Moxiu for the Proposed Quotation. Unless otherwise specified in this announcement, the terms used herein shall have the same meaning as defined in the announcement of the Company dated 22 January 2016.

The Company is pleased to announce that the quotation of the shares of Moxiu on the NEEQ will commence on 30 May 2016 under the stock code of 837315.

APPROVALS OF THE PROPOSED QUOTATION

The Company and Moxiu have obtained all approvals required for the Proposed Quotation. The Company has received an approval pursuant to Practice Note 15 of the Listing Rules (the “**Practice Note 15**”) from the Stock Exchange in relation to the Proposed Quotation on 2 February 2016. Moxiu has received a letter of approval issued by the NEEQ Co. Ltd. on 21 April 2016, which approved the Proposed Quotation of Moxiu’s shares on the NEEQ.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15

Paragraph 3(f) of Practice Note 15 requires listed issuers carrying out spin-offs to provide existing shareholders with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares or by way of preferred application in any offering of existing or new shares in the spun off entity.

The Company has applied to the Stock Exchange for a waiver from strict compliance with the assured entitlement requirement under paragraph 3(f) of Practice Note 15 in respect of the Proposed Quotation, on the grounds as set out below:

(i) absence of dilution in the indirect equity interest of the existing shareholders of the Company

The Group does not intend to effect any sale of its existing shares in, nor will there be any new shares to be issued by, Moxiu in connection with the Proposed Quotation. Immediately following the Proposed Quotation, the Group will continue to hold approximately 52.1% equity interest in Moxiu. As such, there is no dilution in the indirect equity interest of the existing shareholders of the Company in Moxiu.

(ii) the legal impediment in the PRC

According to the laws and regulations of the PRC and the rules governing the quotation of the NEEQ, it is not feasible to provide the existing shareholders of the Company with an assured entitlement to the shares in Moxiu.

Firstly, Moxiu was converted from a limited liability company (有限責任公司) into a joint stock limited company (股份有限公司) in November 2015 (the “**Conversion**”). The PRC legal adviser of Moxiu Group (the “**PRC Counsel**”) has advised that, according to the Company Law of the PRC* (《中華人民共和國公司法》), the Group (as the promoter of Moxiu Group) is restricted from transferring shares it held within one (1) year from the date of the Conversion. For such reasons, the Group is restricted from transferring or distributing the existing shares of Moxiu it held to the Company’s shareholders before November 2016, including the quotation date of Moxiu Group.

Secondly, the PRC Counsel has also advised that foreign natural persons, legal persons and institutions cannot invest in the shares quoted on the NEEQ unless they are (i) qualified foreign institutional investors, (ii) Renminbi qualified foreign institutional investors, (iii) strategic investors that are approved by the Ministry of Commerce, or (iv) foreign natural persons with the right of permanent residence in the PRC or residents of Hong Kong, Macau and Taiwan working in the PRC, who have more than RMB5 million worth of securities assets and more than two (2) years of experience in securities investment.

Accordingly, not all, if any, of the existing shareholders of the Company will be qualified to hold shares in Moxiu following the Proposed Quotation, and thus compliance with paragraph 3(f) of Practice Note 15 in relation to the Proposed Quotation will not be feasible.

Having considered the above factors, the board of directors of the Company is of the view that the non-provision of assured entitlements in connection with the Proposed Quotation is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Stock Exchange has granted the Company, a waiver from strict compliance with paragraph 3(f) of Practice Note 15 on 2 February 2016.

By Order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

the PRC, 27 May 2016

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. Shun Tak WONG, David Yuen Kwan TANG, and Ms. Wenjie WU.

* *for identification purposes only*