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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)

INSIDE INFORMATION ANNOUNCEMENT

MR. LEI JUN INCREASES 2.5% INTEREST IN THE COMPANY

This announcement is made by Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the “**SFO**”).

The Company and all members of the board warrant the truthfulness, accuracy and completeness of the contents of the announcement and accept responsibility severally for any false statement, misleading representation or material omission contained in this announcement.

MR. LEI JUN INCREASES INTEREST HOLDING IN THE COMPANY

The Company has been informed that Mr. Lei Jun, the Company’s substantial shareholder and Chairman, will acquire from Tencent Holdings Limited, a company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700) (“**Tencent**”), 29,324,611 issued ordinary shares of the Company (the “**Shares**”), representing approximately 2.5% of the entire issued share capital of the Company as at the date of this announcement, at an aggregate consideration of approximately HK\$190.6 million (the “**Acquisition by Lei Jun**”). The Acquisition by Lei Jun is expected to be settled before 18 April 2013.

The Company believes that Mr. Lei Jun being a substantial shareholder, the Chairman and a co-founder of the Company, fully understands the Group’s business. The Acquisition by Lei Jun fully reflects Mr. Lei’s confidence in the Group and his recognition and affirmation to the development of the Group. After the Acquisition by Lei Jun, Mr. Lei will continue to play a very important role in the management of the Group’s business operation. With Mr. Lei Jun’s rich experience in the Internet industry and outstanding leadership, our Group will be open to further development opportunities and in turn will consolidate and improve the Group’s overall market position.

CHANGE OF SHAREHOLDINGS BEFORE AND AFTER THE ACQUISITION BY LEI JUN

Below is a consolidated list showing the substantial shareholders of the Company as defined under Part XV of the SFO, and the number and approximate percentages of Shares such substantial shareholders are deemed to be interested in under Part XV of the SFO, beneficially or through their respective corporate and/or family interests (as appropriate), based on the public information disclosed on the website of the Hong Kong Exchanges and Clearing Limited :

Name of substantial shareholder of the Company	No. of Shares before the completion of the Acquisition by Lei Jun (approximate percentage of the total issued share capital of the Company)	No. of Shares after the completion of the Acquisition by Lei Jun (approximate percentage of the total issued share capital of the Company)
Mr. Lei Jun (Note)	288,707,583 (24.59%)	318,032,194 (27.09%)
Mr. Pak Kwan Kau (Note)	109,532,566 (9.33%)	109,532,566 (9.33%)
Tencent	178,407,183 (15.19%)	149,082,572 (12.70%)
FIL Limited	82,207,000 (7.00%)	82,207,000 (7.00%)
<p>Note: <i>Prior to and after the Acquisition by Lei Jun, Mr. Lei Jun held a personal interest of 145,493,580 and 174,818,191 Shares in the Company respectively, which represented 12.39% and 14.89% of the Company's total issued share capital respectively. Under a voting consent agreement entered into by Mr. Lei Jun, Mr. Pak Kwan Kau and Mr. Shuen Lung Cheung, Mr. Lei Jun is interested in 108,532,566 and 34,681,437 Shares held by Mr. Pak Kwan Kau and Mr. Shuen Lung Cheung respectively in the Company according to Part XV of the SFO. Mr. Pak Kwan Kau and Mr. Shuen Lung Cheung will vote in the same way as Mr. Lei Jun with these Shares.</i></p>		

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
Kingsoft Corporation Limited
Michelle Feng Harnett
 Company Secretary

Hong Kong, 2 April 2013

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. To Thomas HUI and Guangming George LU, and Ms. Wenjie WU.