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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)**

## **CONNECTED TRANSACTION LICENSING AGREEMENT WITH TENCENT TECHNOLOGY**

On 27 December 2013, Beijing KOS and Tencent Technology entered into the Licensing Agreement, pursuant to which Beijing KOS will grant the Tencent Grantees the right to perpetually use WPS Office 2013 Professional Office Software V9.6 on the computers which they owned and have legal access to in office premises in the PRC for office use only, and also provide them with three-year after-sale services for such software and its updated versions within the after-sale service period. Such after-sale services include basic services, training services and other services as provided for under the Licensing Agreement.

Tencent Technology is a connected person of the Company by virtue of Rule 14A.11 (4) of the Listing Rules. As such, the Licensing Agreement entered into between Tencent Technology and Beijing KOS constitutes a connected transaction of the Company under the Listing Rules.

As the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the Licensing Agreement exceeds 0.1% but is less than 5%, the Licensing Agreement is subject to reporting and announcement requirements, but exempted from the independent shareholders' approval requirement.

### **1 INTRODUCTION**

The Board announces that Beijing KOS and Tencent Technology entered into the Licensing Agreement on 27 December 2013, pursuant to which Beijing KOS will grant the Tencent Grantees the right to perpetually use WPS Office 2013 Professional Office Software V9.6 on the computers which they owned and have legal access to in office premises in the PRC for office use only, and also provide them with three-year after-sale services for such software and its updated versions within the after-sale service period. Such after-sale services include basic services, training services and other services as provided for under the Licensing Agreement.

## 2 THE PRINCIPAL TERMS OF THE LICENSING AGREEMENT

The principal terms of the Licensing Agreement are summarized as follows:

Date	27 December 2013
Parties	Beijing KOS Tencent Technology
Scope of licensing	Beijing KOS agreed to grant the Tencent Grantees the right to perpetually use WPS Office 2013 Professional Office Software V9.6 on the computers which they owned and have legal access to in office premises in the PRC for office use only.

In addition, Beijing KOS agreed to provide the Tencent Grantees the relevant after-sale services from 1 October 2014 to 30 September 2017 for the aforementioned software and its updated versions within the after-sale service period. Such after-sale services include basic services, training services and other services as provided for under the Licensing Agreement.

Consideration and payment terms	An aggregate consideration of RMB2 million will be payable by Tencent Technology to Beijing KOS in cash in three installments as follows:
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- RMB1.8 million payable within 45 business days upon receipt of the relevant invoice issued by Beijing KOS after the Licensing Agreement becomes effective
- RMB0.1 million payable within 45 business days upon receipt of the relevant invoice issued by Beijing KOS after the first anniversary of the commencement date of the provision of after-sale service
- RMB0.1 million payable within 45 business days upon receipt of the relevant invoice issued by Beijing KOS after the second anniversary of the commencement date of the provision of after-sale service

The consideration is determined upon arm's length negotiation with reference to the market price of services of a similar kind.

### **3 REASONS FOR AND BENEFITS OF THE TRANSACTION**

Providing licensing of WPS Office 2013 Professional Office Software V9.6 to the Tencent Grantees and the relevant after-sale service under the Licensing Agreement is in the ordinary and usual course of business of the Group. The Group will receive licensing fees for provision of such services and thus such transactions will increase the total revenue of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Licensing Agreement are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **4 IMPLICATIONS UNDER THE LISTING RULES**

Tencent Technology is a subsidiary of Tencent Holdings Limited. Tencent Holdings Limited is the substantial shareholder of the Company. Tencent Technology is a connected person of the Company by virtue of Rule 14A.11 (4) of the Listing Rules. As such, the Licensing Agreement entered into between Tencent Technology and Beijing KOS constitutes a connected transaction of the Company under the Listing Rules.

As the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the Licensing Agreement exceeds 0.1% but is less than 5%, the Licensing Agreement is subject to reporting and announcement requirements, but exempted from the independent shareholders' approval requirement.

Given that Mr. Lau Chi Ping is the director of Tencent Holdings Limited, he has, therefore, abstained from voting in respect of the relevant Board resolution approving the Licensing Agreement. Save as stated above, none of the Directors has a material interest in the Licensing Agreement nor has any of them abstained from voting in respect of the relevant Board resolution.

### **5 INFORMATION ABOUT THE PARTIES**

Beijing KOS, a non-wholly-owned subsidiary of the Company, is mainly engaged in software development, production and sales, technical services, and technical consultation.

Tencent Technology, a wholly-owned subsidiary of Tencent Holdings Limited, is mainly engaged in technology development of computer software and hardware, sales of self-developed software and hardware as well as provision of computer technology services and information services.

## 6 DEFINITIONS

“Beijing KOS”	Beijing Kingsoft Office Software Co., Ltd.* (北京金山辦公軟件有限公司), a non-wholly-owned subsidiary of the Company
“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“Cayman”	Cayman Islands
“Company”	Kingsoft Corporation Limited, an exempted limited liability company incorporated in the BVI on 20 March 1998 and discontinued in the BVI and continued into the Cayman on 15 November 2005, with its shares listed on the Stock Exchange (stock code: 03888)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Licensing Agreement”	the licensing agreement entered into between Beijing KOS and Tencent Technology dated 27 December 2013, pursuant to which Beijing KOS will grant the Tencent Grantees the right to perpetually use WPS Office 2013 Professional Office Software V9.6 on the computers which they owned and have legal access to in office premises in the PRC for office use only, and provide them with three-year after-sale services for such software and its updated versions within the after-sale service period
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Tencent Grantees”	the grantees listed under Appendix Two to the Licensing Agreement, including but not limited to certain subsidiaries of Tencent Holdings Limited
“Tencent Technology”	Tencent Technology (Shenzhen) Co., Ltd.* (騰訊科技(深圳)有限公司), a wholly-owned subsidiary of Tencent Holdings Limited
%	percent

By order of the Board  
**Kingsoft Corporation Limited**  
**Jun LEI**  
*Chairman of the Board*

Hong Kong, 27 December 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. Guangming George LU, David Yuen Kwan TANG, and Ms. Wenjie WU.*

\* *for identification purpose only*