

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)

INSIDE INFORMATION ANNOUNCEMENT PROPOSED SUBSCRIPTION OF XUNLEI SERIES E PREFERRED SHARES

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROPOSED SUBSCRIPTION

The Board announces that the Company, together with certain third-party investors independent of the Company and its connected persons, proposes to carry out an investment in Xunlei. According to the current proposal, Xunlei proposes to issue an aggregate of 39,037,382 Xunlei Series E Preferred Shares at the purchase price of US\$2.81781192 per Xunlei Series E Preferred Share to the investors (including the Company), and the Company proposes to subscribe for an aggregate of 31,939,676 Xunlei Series E Preferred Shares for a total consideration of US\$90 million. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Xunlei is a third party independent of the Company and its connected persons.

It is currently proposed that Xunlei Series E Preferred Shares may be converted at any time into Xunlei Common Shares. The initial conversion price is proposed to be one Xunlei Series E Preferred Share to be converting into one Xunlei Common Share. A holder of Xunlei Series E Preferred Shares shall be entitled to such number of votes as those attached to the Xunlei Common Shares into which such number of the Xunlei Series E Preferred Shares held by the holder may be converted. It is also proposed that the Xunlei Series E Preferred Shares may have other rights such as liquidation preference, anti-dilution adjustments and redemption at the request of the holders of Xunlei Series E Preferred Shares.

If the Proposed Subscription is eventually proceeded and completed, the Company will beneficially own 31,939,676 Xunlei Series E Preferred Shares, representing approximately (i) 29.03% of the total Xunlei Series E Preferred Shares in issue; and (ii) 9.98% of the total outstanding shares of Xunlei assuming all preferred shares of Xunlei are converted into the Xunlei Common Shares and all share options granted and to be granted under the share incentive plans of Xunlei are exercised. Xunlei will not become a subsidiary of the Company upon completion of the Proposed Subscription.

INFORMATION ABOUT XUNLEI

Xunlei is a company incorporated under the laws of the Cayman. Xunlei Group is mainly engaged in the provision of internet services.

REASONS FOR AND BENEFITS OF THE PROPOSED SUBSCRIPTION

Xunlei Group is a leading internet company in the PRC. Taking into account business development of Xunlei Group, the Company believes that the Company could achieve a cooperation with Xunlei through becoming one of its shareholders, and that such cooperation may expect to bring about more business cooperation opportunities and to strengthen the potential business cooperation between the parties in both breadth and depth.

IMPLICATIONS UNDER THE LISTING RULES

According to the currently available information, the Company estimates that the Proposed Subscription, if proceeded, may constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, which is subject to reporting and announcement requirements, but exempted from the shareholders' approval requirement.

The Board wishes to emphasize that no binding agreement in relation to the Proposed Subscription has been entered into as at the date of this announcement. As the Proposed Subscription may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Proposed Subscription will be made by the Company as and when appropriate in accordance with the Listing Rules.

1 DEFINITIONS

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Cayman”	Cayman Islands
“connected person”	has the meaning ascribed thereto under the Listing Rules
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	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
“Proposed Subscription”	the proposed subscription of 31,939,676 Xunlei Series E Preferred Shares for a total consideration of US\$90 million by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Xunlei”	Xunlei Limited, an exempted company incorporated under the laws of the Cayman
“Xunlei Common Shares”	the common shares of Xunlei with a par value of US\$0.00025
“Xunlei Group”	Xunlei and its subsidiaries
“Xunlei Series E Preferred Shares”	the series E preferred shares of Xunlei with a par value of US\$0.00025
%	percent

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

Hong Kong, 2 April 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.