ANNOUNCEMENT

ACQUISITION OF 15.68% INTEREST IN THE COMPANY BY TENCENT

RESUMPTION OF TRADING

This announcement is made by Kingsoft Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

ACQUISITION OF EXISTING ISSUED SHARES BY TENCENT

The Company has been informed that Tencent Holdings Limited, a company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700) (“Tencent”), will through its subsidiary acquire from Mr. Kau Pak Kwan (a founder, an executive director and currently the chief executive officer of the Company) (“Mr. Kau”) and Mr. Cheung Shuen Lung (a non-executive director of the Company) (“Mr. Cheung”) respectively 111,457,234 and 66,949,949 issued ordinary shares of the Company (the “Shares”), representing approximately 9.80% and 5.88% of the entire issued share capital of the Company as at the date of this announcement, at an aggregate consideration of approximately HK$892 million (the “Acquisition by Tencent”). The Acquisition by Tencent is expected to be completed on 7 July 2011.

According to the latest shareholding disclosures information on the website of the Hong Kong Exchanges and Clearing Limited (the “HKEx”) as at the date of this announcement, Mr. Kau is deemed to be interested under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) in 219,989,800 Shares (representing approximately 19.33% of the entire issued share capital of the Company) and Mr. Cheung is deemed to be interested under Part XV of the SFO in 101,631,386 Shares (representing approximately 8.93% of the entire issued share capital of the Company), without taking into account any interest in Shares through share awards or options. After the Acquisition by Tencent, each of Mr. Kau and Mr. Cheung will be deemed to be interested in approximately 9.54% and 3.05% of the entire issued share capital of the Company under the SFO, without taking into account any interest in Shares through share awards or options.
The Company believes that with the strength and support of Tencent as its partner and substantial shareholder, the Group will be strategically positioned to better leverage on the development opportunities in the online software markets and serve to enhance the market positions of both the Group and Tencent.

**CHANGE OF SHAREHOLDINGS BEFORE AND AFTER THE ACQUISITION BY TENCENT**

Below is a consolidated list showing the substantial shareholders of the Company as defined under 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 HKEx, without taking into account any interest in Shares through share awards or options:

<table>
<thead>
<tr>
<th>Name of substantial shareholder of the Company</th>
<th>No. of Shares before the completion of Acquisition by Tencent (approximate percentage of the total issued share capital of the Company)</th>
<th>No. of Shares after the completion of Acquisition by Tencent (approximate percentage of the total issued share capital of the Company)</th>
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<tbody>
<tr>
<td>Mr. Kau</td>
<td>219,989,800 (19.33%)</td>
<td>108,532,566 (9.54%)</td>
</tr>
<tr>
<td>Mr. Jun Lei</td>
<td>117,230,280 (10.30%)</td>
<td>117,230,280 (10.30%)</td>
</tr>
<tr>
<td>Mr. Cheung</td>
<td>101,631,386 (8.93%)</td>
<td>34,681,437 (3.05%)</td>
</tr>
<tr>
<td>Mirae Asset Global Investments (Hong Kong) Limited</td>
<td>57,021,115 (5.01%)</td>
<td>57,021,115 (5.01%)</td>
</tr>
<tr>
<td>Tencent</td>
<td>0 (0%)</td>
<td>178,407,183 (15.68%)</td>
</tr>
</tbody>
</table>

**INFORMATION ON THE GROUP AND TENCENT**

The Group is a leading internet based software developer, distributor and software provider and principally engaged in research and development distribution of online games entertainment and applications software in the People’s Republic of China (the “PRC”) and offers a wide range of innovative entertainment, internet security and application software in the PRC and the Asia region.

Tencent is principally engaged in the provision of internet and mobile value-added services and online advertising services to users in the PRC. As one of the pioneers in the instant messaging and mobile value-added services industry in the PRC, Tencent has the largest instant messaging community in China as measured by monthly active user accounts and peak concurrent user accounts and its renowned consumer instant messaging service, QQ, is a widely recognized consumer brand in the PRC.
RESUMPTION OF TRADING

At the request of the Company, trading in its Shares was suspended with effect from 9:30 a.m. on 6 July 2011 pending the release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in its Shares on the Stock Exchange with effect from 9:00 a.m. on 7 July 2011.

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

By Order of the Board
Kingssoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 6 July 2011

As at the date of this announcement, the Executive Directors are Messrs. Pak Kwan KAU, Donghui WANG and Tao ZOU; the Non-executive Directors are Messrs. Jun LEI and Shuen Lung CHEUNG; the Independent Non-Executive Directors are Messrs. Shun Tak WONG, Guangming George LU and Mingming HUANG.