

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)

CHANGE OF CHAIRMAN OF THE BOARD AND PROPOSED RESIGNATION OF CHIEF EXECUTIVE OFFICER

The Board announces that Mr. Pak Kwan KAU has resigned from the position of Chairman and Mr. Jun LEI has been appointed as the new Chairman with contemporaneous effect from 5 July 2011. Mr. Kau intends to resign from the position of CEO within six months from the date of this announcement.

The Board of Directors (the “**Board**”) of Kingsoft Corporation Limited (the “**Company**”) announces with effect from 5 July 2011, Mr. Pak Kwan KAU (“**Mr. Kau**”) has resigned from the position as the chairman of the Board (the “**Chairman**”). Mr. Kau recommended Mr. Jun LEI (“**Mr. Lei**”), a non-executive director of the Company, as the new Chairman and the appointment was approved by the nomination committee of the Company and the Board with contemporaneous effect from Mr. Kau’s resignation on 5 July 2011. After his resignation as Chairman, Mr. Kau will remain as an executive director of the Company.

Mr. Kau intends to resign from the position of chief executive officer of the Company (the “**CEO**”) within six months from the date of this announcement. Mr. Kau and Mr. Lei will exercise their best endeavours to assist the Company to seek out a suitable candidate to succeed Mr. Kau before his resignation as CEO takes effect. If such suitable candidate is found, Mr. Kau and Mr. Lei will jointly recommend the candidate to the nomination committee of the Company and the Board for their consideration and approval.

Jun LEI, aged 41, is a non-executive director and co-founder of the Company, and was vice chairman of the Board prior to his current appointment as Chairman. Mr. Lei has been employed by the Company since 1992 and has played a key role in developing the operation of the Company and its subsidiaries (the “**Group**”) and expanding the Group’s business operations. He had been the chief executive officer of the Company since 1998, and under his leadership, the Company further expanded application software businesses into utilities software, internet security software and online games. He also played a major role in transforming the Group from a traditional software company into an on demand software company which extensively utilizes the Internet. In December 2007, Mr. Lei relinquished his position as chief executive officer, chief technology officer and president of the Company. In August 2008, Mr. Lei was re-designated from an executive director to a non-executive director. Mr. Lei is also a director of certain subsidiaries of the Group.

Mr. Lei graduated from Wuhan University in 1991 with a bachelor degree in Computer Science. He has been a member of the board of Wuhan University since 2003. He was founder of Joyo.com, which was founded in April 2000 and sold to Amazon.com in 2004. Mr. Lei was a director in 2020 CHINACAP ACQUIRCO, INC. — an AMEX listed company from January 2007 to October 2009. 2020 CHINACAP ACQUIRCO, INC. is listed on AMEX since 8 November 2007.

Mr. Lei was named as one of Beijing Top Ten Young Entrepreneurs in 2002, as one of the Ten Most Influential Leaders in China's Games Industry at the inaugural China Game Industry Annual Conference in January 2008.

Mr. Lei has entered into a service contract as a non-executive director with the Company for a term of 3 years from 28 August 2008. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. The amount of directors' emoluments to be received by Mr. Lei will be determined by the Board of directors of the Company based on the recommendations of the remuneration committee and nomination committee of the Company, with reference to his duties and responsibilities with the Company and the market rate for his position. Under the service contract, Mr. Lei will receive director's emoluments of US\$30,000 per annum. Mr. Lei has entered into a service contract as Chairman with the Company for a term of 3 years from 5 July 2011.

Mr. Lei, through Color Link Management Limited ("**ColorLink**"), a limited liability company incorporated in the British Virgin Islands which is fully and beneficially owned by Mr. LEI, is beneficially interested in an aggregate of 117,230,280 issued ordinary shares of the Company, and has person interest in options to subscribe for 27,763,300 ordinary shares of the Company granted under the Company's share option scheme, within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**") as at the date of this announcement.

Save as disclosed above, as at the date of the announcement, Mr. Lei:

- (i) has not held any other positions with any members of the Group;
- (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group;
- (iii) is not interested in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. Lei has confirmed that there is no other information required to be brought to the attention of the shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to his appointment as the Chairman of the Board.

LOCK-UP UNDERTAKING OF MR. LEI AND COLOR LINK

As at the date of this announcement, ColorLink holds an aggregate of 117,230,280 issued ordinary shares of the Company, representing approximately 10.30% of the total issued share capital of the Company (the “**Existing Shares**”), and the entire issued share capital of ColorLink is held by Mr. Lei.

As a voluntary gesture of Mr. Lei’s continuing support and commitment to the Company, Mr. Lei and ColorLink had on 5 July 2011 entered into a deed of lock-up undertaking (the “**Deed**”) pursuant to which each of Mr. Lei and ColorLink has irrevocably and unconditionally undertaken in favour of the Company, with no consideration being payable by the Company, that they will not (and shall procure that none of their associates or companies controlled by any of them will), unless agreed by the Company:

- (a) for the first period of 365 days following the execution of the Deed, sell or dispose of, directly or indirectly, any of the Existing Shares and/or any share capital in ColorLink; and
- (b) for the second and third periods of 365 days following the execution of the Deed, sell or dispose of, directly or indirectly, over 50% of the Existing Shares and/or any share capital in ColorLink.

The Board wishes to take this opportunity to express gratitude for Mr. Kau’s contributions during his appointment as Chairman, congratulate Mr. Lei on his new role as the Chairman and welcomes the lock-up arrangement voluntarily entered into by Mr. Lei and ColorLink in favour of the Company which the Board believes strongly expressed Mr. Lei’s confidence in the long-term development of the Company and its subsidiaries as a whole.

By Order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 5 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.