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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)

**FURTHER ANNOUNCEMENT
PROPOSED DISPOSAL OF BUSINESS AND
ASSETS IN RELATION TO KUAIPAN PERSONAL
BY THE COMPANY TO XUNLEI**

Reference is made to the announcement of Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 August 2014 regarding the proposed disposal of business and assets in relation to Kuaipan Personal (快盤個人版).

The board of the Company (the “**Board**”) hereby further announces that on 2 September 2014 the Company through its three subsidiaries, namely Beijing Kingsoft Cloud Network Technology Co., Ltd.* (北京金山雲網絡技術有限公司), Zhuhai Kingsoft Cloud Technology Co., Ltd.* (珠海金山雲科技有限公司) and Beijing Kingsoft Cloud Technology Co., Ltd.* (北京金山雲科技有限公司), entered into a business and assets transfer agreement with Shenzhen Xunlei Network Technology Co., Ltd.* (深圳市迅雷網絡技術有限公司), a subsidiary of Xunlei Limited (“**Xunlei**”, together with its subsidiaries, the “**Xunlei Group**”) (the “**Business and Assets Transfer Agreement**”).

Pursuant to the Business and Assets Transfer Agreement, the Company agreed to dispose and Xunlei agreed to acquire the business and assets in relation to Kuaipan Personal and Kansunzi (看孫子軟件) (collectively, the “**Disposed Business**”), a list of which as agreed by the parties is set out in the Business and Assets Transfer Agreement, for an aggregate cash consideration of US\$33 million (the “**Proposed Disposal**”).

After the Proposed Disposal, Xunlei will use the Group’s cloud storage services to support Kuaipan Personal. The Company believes that upon completion of the Proposed Disposal, leveraging on the vast number of users of Xunlei Group, the business of Kuaipan Personal is expected to grow rapidly, which in return will drive the development of cloud storage services of the Group. The exclusion of the Disposed Business will enable the Group to focus on the cloud storage (雲存儲) and cloud computing (雲計算) businesses, which will lead a sustainable development in cloud area. Taking the aforementioned factors into account, the directors of the Company (the “**Directors**”) are of the view that the Proposed Disposal is in the best interest of the Company and its shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Xunlei Group is not the connected person of the Company. As the highest applicable percentage ratio in respect of the Business and Assets Transfer Agreement is less than 5%, the entering into the Business and Assets Transfer Agreement is exempted from reporting, announcement and shareholders' approval requirements under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 2 September 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. Shun Tak WONG, David Yuen Kwan TANG, and Ms. Wenjie WU.

* *for identification only*