

**For Immediate Release**

## **Tencent Acquires 15.68 % of Kingsoft in Strategic Investment**

### ***To Further Enhance Collaboration in Online Security and Other Areas***

JULY 6, 2011 – HONGKONG – Kingsoft Corporation Limited (03888.HK), a leading software developer in China, together with Tencent Holdings Limited (00700.HK), one of the largest providers of Internet, mobile and telecommunication value-added services in China, today announced that the two companies have entered into strategic partnerships. Tencent will hold 15.68% shareholding in Kingsoft Corporation Limited through acquiring shares from Kingsoft's existing shareholders; and will make a strategic investment in Kingsoft Internet Security Software, an Internet Security services provider under Kingsoft Corporation Limited, in the meantime. Through the establishment of long-term strategic partnerships, the two companies will join hands to provide trustworthy Internet security solutions for the users; and will explore further collaboration in Internet application software and online game markets.

Under the share purchase agreements, Mr. Pak Kwan Kau, founder and executive director, and Mr. Cheung Shuen Lung, non-executive director of Kingsoft Corporation Limited, will transfer a total of 15.68% of their shares in Kingsoft Corporation Limited to Tencent. The total consideration amounts to HK\$892 million. Meanwhile, Tencent also supports Kingsoft Internet Security Software, an Internet Security services provider under Kingsoft Corporation Limited, through a strategic investment. The investment amount was not disclosed.

"As the founder of Kingsoft Corporation Limited, I have made a lot of efforts for the development of the company. After long times of consideration and studies, would like to introduce a strategic partner which can create synergies with Kingsoft Corporation Limited to explore further potential for the company. Based on comprehensive studies, review and serious consideration, I believe Tencent is the preferred partner for our company," said Mr. Pak Kwan Kau, founder of Kingsoft Corporation Limited.

"Kingsoft is open for collaboration with the leading companies in the Internet industry, so as to further promote the development of the industry", Mr. Jun Lei, the newly appointed chairman of Kingsoft Corporation Limited remarked.

"We are pleased to form strategic partnerships with Kingsoft. The strategic investment is a testament to our commitment to building a healthy and safe environment for the Internet industry in China. Leveraging on its 14 years of security technology and operational expertise, Kingsoft Internet Security Software possesses advanced anti-virus technologies and experts. We believe the technologies and businesses of Kingsoft and Tencent are highly complementary. The strategic partnership can combine our security technologies and operational strengths in the Internet industry, bringing the Chinese Internet users more trustworthy Internet security services and safer online experiences." Mr. Ma Huateng, Chairman and CEO of Tencent said.

"Kingsoft Internet Security Software has always been dedicated in building a safe and trustworthy Internet environment for the Internet users in China. It is also our long-held belief in offering free choices, safe and reliable security products for the online users. Amid the rising Internet security threats, Internet users are now exposing to more online security risks. The strategic investment of Tencent will empower Kingsoft Internet Security Software with more resources to step up our efforts in product innovation and development of security technologies, so that we can provide a larger variety and more reliable security solutions for the online users. Through various strategies including technological innovation and improvement of the online environment, we have achieved significant growth in user base. Going forward, we will leverage on Tencent's open platform to further expand our user base within one year of establishment. We look forward to partnering with Tencent to build a safer Internet environment, offering users more professional and more choices of security solutions," Mr. Fu Sheng, CEO of Kingsoft Internet Security Software said.

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### About Kingsoft

Kingsoft Corporation Limited is a leading software developer, distributor and service provider in China. Kingsoft now has R&D centers in Zhuhai, Beijing, Chengdu, and Dalian. Kingsoft established its joint venture company Kingsoft Japan inc. in 2005, and established its wholly-owned subsidiary company in Malaysia in 2008.

Since 1989, Kingsoft successfully launched the first office application software WPS1.0, through twenty years of innovation and hard work, Kingsoft is currently covers office software, Internet security software, translation software, games and many other fields. We have several well-known products such as Kingsoft Office, Kingsoft PowerWord, Kingsoft Internet Security and online games such as "JX Series" and "The First Myth".

On October 9th, 2007, Kingsoft was listed on the Hong Kong Stock Exchange (stock code: 03888.HK). To obtain additional information, please visit our official website: <http://cn.ir.kingsoft.com/>.

### About Tencent

Tencent aims to enrich the interactive online experience of Internet users by providing a comprehensive range of Internet and wireless value-added services. Through its various online platforms, including Instant Messaging QQ, web portal QQ.com, the QQ Game platform under Tencent Games, multi-media social networking service Qzone and wireless portal, Tencent services the largest online community in China and fulfills the user's needs for communication, information, entertainment and e-Commerce on the Internet. Tencent has three main streams of revenues: Internet value-added services, mobile and telecommunications value-added services and online advertising. Shares of Tencent Holdings Limited are traded on the Main Board of the Stock Exchange of Hong Kong Limited, under stock code 00700. The Company became one of the 43 constituents of the Hang Seng Index (HSI) on June 10, 2008. For more information, please visit [www.tencent.com/ir](http://www.tencent.com/ir).

### Forward-Looking Statements

*This press release contains forward-looking statements relating to the business outlook, forecast business plans and growth strategies of Kingsoft and Tencent. These forward-looking statements are based on information currently available to the companies and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in future. Underlying the forward-looking statements is a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in other public disclosure documents on the companies' corporate websites.*