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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)**

**ADJUSTMENTS TO CONVERSION PRICES OF  
HK\$1,356,000,000 3.00% CONVERTIBLE BONDS DUE 2018 AND  
HK\$2,327,000,000 1.25% CONVERTIBLE BONDS DUE 2019  
AND OVERSEAS REGULATORY ANNOUNCEMENT**

Reference is made to the announcements of Kingsoft Corporation Limited (the “**Company**”) dated 4 July 2013, 23 July 2013, 4 April 2014 and 11 April 2014, respectively. The Company issued convertible bonds in the principal amount of HK\$1,356,000,000 in July 2013 (the “**2013 Convertible Bonds**”) and convertible bonds in the principal amount of HK\$2,327,000,000 in April 2014 (the “**2014 Convertible Bonds**”, together with the 2013 Convertible Bonds, the “**Convertible Bonds**”), respectively.

Reference is also made to the circular of the Company dated 22 April 2015. As announced in the Company’s announcement dated 20 March 2015 in relation to the results of the Company for the year ended 31 December 2014, the Directors have recommended the payment of a final dividend of HK\$0.13 per share of the Company (the “**Share**”) for the year 2014 (the “**2014 Final Dividend**”), which is subject to approval of the shareholders of the Company (the “**Shareholders**”) at the annual general meeting (“**AGM**”) to be held on 20 May 2015. The 2014 Final Dividend, if approved by the Shareholders at the AGM, will be paid to the Shareholders whose names appear on the register of members of the Company on 1 June 2015 (the “**Record Date**”).

In accordance with the respective terms and conditions of the Convertible Bonds, the payment of the 2014 Final Dividend, together with the distribution in specie of American depository shares of Cheetah Mobile Inc. in May 2014 and the payment of final dividend of HK\$0.12 per Share for the financial year of 2013, will result in an adjustment (the “**Adjustment**”) to the respective conversion prices of each of the Convertible Bonds. Assuming that the 2014 Final Dividend will be approved by the Shareholders at the AGM, the Adjustment shall become effective on 2 June 2015, being the day after the Record Date in respect of the 2014 Final Dividend. Assuming that no other event that

may trigger adjustment to conversion prices of the Convertible Bonds will occur on or before 2 June 2015, it is expected that the respective conversion price of the Convertible Bonds will be adjusted as follows:

	<b>Before Adjustment</b>	<b>After Adjustment</b>
2013 Convertible Bonds	HK\$16.9363 per Share	HK\$16.70 per Share
2014 Convertible Bonds	HK\$43.89 per Share	HK\$43.29 per Share

Save for the above-mentioned adjustments to the conversion prices of the Convertible Bonds, the other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the aggregate principal amount under the 2013 Convertible Bonds and the 2014 Convertible Bonds that remains outstanding is HK\$1,103,000,000 and HK\$2,327,000,000, respectively. Immediately following the Adjustment and assuming that the respective outstanding principal amount under the 2013 Convertible Bonds and the 2014 Convertible Bonds stated above remain unchanged, it is expected that (i) the maximum number of Shares issuable by the Company upon full conversion of the outstanding 2013 Convertible Bonds at the adjusted conversion price of HK\$16.70 per Share will be 66,047,904 Shares, representing an increase of 921,519 Shares (the “**2013 Additional Conversion Shares**”) from the original 65,126,385 Shares based on the current conversion price of HK\$16.9363 per Share; and (ii) the maximum number of Shares issuable by the Company upon full conversion of the outstanding 2014 Convertible Bonds at the adjusted conversion price of HK\$43.29 per Share will be 53,753,753 Shares, representing an increase of 734,843 Shares (the “**2014 Additional Conversion Shares**”, together with the 2013 Additional Conversion Shares, the “**Additional Conversion Shares**”) from the original 53,018,910 Shares based on the current conversion price of HK\$43.89 per Share.

The Additional Conversion Shares will be issued and allotted pursuant to the general mandate approved by the Shareholders at the annual general meeting of the Company held on 23 May 2013 (the “**2013 General Mandate**”). The Company is entitled to issue and allot a maximum of 235,084,986 Shares pursuant to the 2013 General Mandate and the Company has not utilised the 2013 General Mandate as at the date of this announcement in full.

An application will be made by the Company to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing of, and permission to deal in, the Additional Conversion Shares on the Stock Exchange in due course.

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

Hong Kong, 28 April 2015

*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.*