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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 PRICE 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 announcement of the Company dated 28 April 2015. Each of the original conversion price of the Convertible Bonds was adjusted with effect from 2 June 2015.

As announced in the Company's announcement dated 22 March 2016 in relation to the results of the Company for the year ended 31 December 2015, the directors of the Company (the "**Directors**") have recommended the payment of a final dividend of HK\$0.10 per share of the Company (the "**Share**") for the year 2015 (the "**2015 Final Dividend**"), which is subject to the approval of the shareholders of the Company (the "**Shareholders**") at the annual general meeting to be held on 20 May 2016 ("**AGM**"). The 2015 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 2016 (the "**Record Date**"). For details, please refer to the AGM circular of the Company dated 15 April 2016.

In accordance with the respective terms and conditions of the Convertible Bonds, the payment of the 2015 Final Dividend, together with the issue of 100,000,000 additional Shares on 11 June 2015 (details of which are set out in the Company’s announcements dated 4 June 2015 and 11 June 2015), will result in a further adjustment (the “**Adjustment**”) to the respective conversion prices of each of the Convertible Bonds. Assuming that the 2015 Final Dividend will be approved by the Shareholders at the AGM, the Adjustment shall become effective on 2 June 2016, being the day after the Record Date in respect of the 2015 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 2016, it is expected that the respective conversion price of the Convertible Bonds will be adjusted as follows:

	Before Adjustment	After Adjustment
2013 Convertible Bonds	HK\$16.70 per Share	HK\$16.46 per Share
2014 Convertible Bonds	HK\$43.29 per Share	HK\$42.67 per Share

Save for the above-mentioned adjustment to the respective conversion price of the Convertible Bonds, the other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the aggregate principal amounts under the 2013 Convertible Bonds and the 2014 Convertible Bonds that remain outstanding are HK\$1,000,000,000 and HK\$2,327,000,000, respectively. Immediately following the Adjustment and assuming that the respective outstanding principal amounts 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\$16.46 per Share will be 60,753,341 Shares, representing an increase of 873,102 Shares (the “**2013 Additional Conversion Shares**”) from the original 59,880,239 Shares based on the current conversion price of HK\$16.70 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\$42.67 per Share will be 54,534,801 Shares, representing an increase of 781,048 Shares (the “**2014 Additional Conversion Shares**”, together with the 2013 Additional Conversion Shares, the “**Additional Conversion Shares**”) from the original 53,753,753 Shares based on the current conversion price of HK\$43.29 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 fully utilised the 2013 General Mandate as at the date of this announcement.

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, 29 April 2016

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.