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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)

(Convertible Bonds Code: 40210)

ADJUSTMENT TO CONVERSION PRICE OF HK\$3,100,000,000 0.625% CONVERTIBLE BONDS DUE 2025

References are made to the announcements of Kingsoft Corporation Limited (the “**Company**”) dated 24 April 2020 and 29 April 2020. The Company issued convertible bonds in the principal amount of HK\$3,100,000,000 in April 2020 (the “**2020 Convertible Bonds**”).

References are made to the announcements of the Company dated 27 May 2020, 16 June 2020 and 26 May 2021. The Company paid a special dividend of HK\$0.10135 per share of the Company (the “**Share**”) to the shareholders of the Company (the “**Shareholders**”) in relation to the spin-off and separate listing of Kingsoft Cloud Holdings Limited on 16 June 2020 (the “**Special Dividend**”) and a final dividend of HK\$0.10 per Share for the year ended 31 December 2019 to the Shareholders on 3 July 2020 (the “**2019 Final Dividend**”). Furthermore, the directors of the Company (the “**Directors**”) have recommended the payment of a final dividend of HK\$0.20 per Share for the year ended 31 December 2020 (the “**2020 Final Dividend**”), which has been approved by the Shareholders at the annual general meeting held on 26 May 2021. The 2020 Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on 7 June 2021 (the “**Record Date**”). For details, please refer to the circular of the Company dated 21 April 2021.

In accordance with the terms and conditions of the 2020 Convertible Bonds, the aggregate payment of the Special Dividend, the 2019 Final Dividend and the 2020 Final Dividend will result in an adjustment (the “**Adjustment**”) to the conversion price of the 2020 Convertible Bonds. The Adjustment shall become effective on 8 June 2021, being the day after the Record Date in respect of the 2020 Final Dividend. Assuming that no other event that may trigger adjustment to conversion price of the 2020 Convertible Bonds will occur on or before 8 June 2021, it is expected that the conversion price of the 2020 Convertible Bonds will be adjusted as follows:

	Before Adjustment	After Adjustment
2020 Convertible Bonds	HK\$35.7637 per Share	HK\$35.32 per Share

Save for the above-mentioned adjustment to the conversion price of the 2020 Convertible Bonds, the other terms of the 2020 Convertible Bonds shall remain unchanged.

As at the date of this announcement, the aggregate principal amount under the 2020 Convertible Bonds that remain outstanding are HK\$3,100,000,000. Immediately following the Adjustment and assuming that the outstanding principal amount under the 2020 Convertible Bonds stated above remain unchanged, it is expected that the maximum number of Shares issuable by the Company upon full conversion of the outstanding 2020 Convertible Bonds at the adjusted conversion price of HK\$35.32 per Share will be 87,768,969 Shares, representing an increase of 1,088,900 Shares (the “**Additional Conversion Shares**”) from the original 86,680,069 Shares based on the current conversion price of HK\$35.7637 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 15 May 2019 (the “**General Mandate**”). The Company is entitled to issue and allot a maximum of 274,545,743 Shares pursuant to the General Mandate and the Company has not fully utilised the 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, 26 May 2021

As at the date of this announcement, the Executive Directors are Messrs. Tao ZOU and Yuk Keung NG; 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.