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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)

**COMPLETION OF
PLACING OF EXISTING SHARES
AND
SUBSCRIPTION FOR NEW SHARES**

Placing Agents

Morgan Stanley

J.P.Morgan

The Board is pleased to announce that all the conditions as set out in the Placing and Subscription Agreement have been fulfilled and completion of the Placing and the Subscription took place on 8 June 2015 and 11 June 2015, respectively, in accordance with the terms and conditions of the Placing and Subscription Agreement.

An aggregate of 100,000,000 Placing Shares, representing approximately 7.69% of the total issued share capital of the Company as at the date of this announcement (as enlarged by the issue and allotment of the Subscription Shares), have been successfully placed to not less than six Placées at the Placing Price of HK\$27.40 per Placing Share.

Furthermore, an aggregate of 100,000,000 Subscription Shares were subscribed by the Vendor at the Subscription Price of HK\$27.40 per Subscription Share (before deducting the commissions, fees and the expenses properly incurred by the Vendor in relation to the Placing and/or the Subscription).

Reference is made to the announcement of the Company dated 4 June 2015 (the “**Announcement**”) in relation to, among other things, the Placing and the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

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An aggregate of 100,000,000 Placing Shares, representing approximately 7.69% of the total issued share capital of the Company as at the date of this announcement (as enlarged by the issue and allotment of the Subscription Shares), have been successfully placed to not less than six Places at the Placing Price of HK\$27.40 per Placing Share.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Places and their respective ultimate beneficial owners are neither a connected person of the Company nor a person who is not an Independent Person and none of them has become a substantial shareholder immediately after the completion of the Placing.

Furthermore, an aggregate of 100,000,000 Subscription Shares were subscribed by the Vendor at the Subscription Price of HK\$27.40 per Subscription Share (before deducting the commissions, fees and the expenses properly incurred by the Vendor in relation to the Placing and/or the Subscription).

The Company received total net proceeds from the Subscription of approximately HK\$2,720.6 million and intends to use the net proceeds from the Subscription for the purposes as disclosed in the paragraph headed “Reasons for and Benefits of the Placing and the Subscription and Use of Proceeds” in the Announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table sets out the changes in the shareholding structure of the Company (i) immediately before the Placing and the Subscription; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription:

Name of Shareholders	(i) Immediately before the Placing and the Subscription		(ii) Immediately after completion of the Placing but before completion of the Subscription		(iii) Immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Mr. Jun LEI (Note 1)	352,830,251	29.38	252,830,251	21.05	352,830,251	27.12
Places of the Placing Shares	—	—	100,000,000	8.33	100,000,000	7.69
Other Shareholders (Note 2)	848,025,821	70.62	848,030,421	70.62	848,059,421	65.19
Total	1,200,856,072	100.00	1,200,860,672	100.00	1,300,889,672	100.00

Notes

- As at the date of this announcement, Mr. Jun LEI is deemed to be interested in 352,830,251 Shares under the SFO as follows:

Name	Long position in Shares
Vendor (a company wholly owned by Mr. Jun LEI)	174,818,191
Xiaomi Corporation (a company controlled by Mr. Jun LEI)	35,298,057
Mr. Shuen Lung CHEUNG*	34,681,437
Mr. Pak Kwan KAU*	108,032,566

- * The aggregate 142,714,003 Shares held by Mr. Pak Kwan KAU and Mr. Shuen Lung CHEUNG are deemed to be interested by Mr. Jun LEI under the SFO because under a voting consent agreement entered into by Mr. Jun LEI, Mr. Pak Kwan KAU and Mr. Shuen Lung CHEUNG, Mr. Pak Kwan KAU and Mr. Shuen Lung CHEUNG would vote in the same way as Mr. Jun LEI with these shares.

- These include three executive Directors of the Company, Mr. HongJiang ZHANG, Mr. Yuk Keung NG and Mr. Tao ZOU. Further, in the ordinary course of business, affiliates of the Placing Agents provide investment banking and lending services that may result in the Placing Agents or their respective affiliates having interests in securities of the Company that require disclosure obligations under Part XV of the SFO.

As at the date of this announcement, the Company is in compliance with the public float requirement under Rule 8.08 of the Listing Rules.

By order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 11 June 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.