KINGSOFT®

Kingsoft 2014 Revenue Significantly Increases by 54%
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Great Achievements in Mobile Transformation
Rapid and Accelerating Growth of Cloud Services

FINANCIAL HIGHLIGHTS

(RMB'000)	For the 3 Months Ended Dec 31 *(Unaudited)*		Change %	For the 12 Months Ended Dec 31 *(Audited)*		Change %
	2014	**2013**		**2014**	**2013**	
Revenue	**1,071,821**	**668,752**	**60%**	**3,350,133**	**2,173,269**	**54%**
- Online Games	346,133	287,724	20%	1,252,753	1,095,913	14%
- Cheetah Mobile	581,637	249,833	133%	1,674,060	694,389	141%
- Office software and others	144,051	131,195	10%	423,320	382,967	11%
Gross Profit	845,408	579,072	46%	2,760,478	1,876,165	47%
Profit Attributable to Owners of the Parent:	173,887	166,301	5%	768,783	670,746	15%
Basic EPS*(RMB)*	0.15	0.14	7%	0.66	0.58	14%

OPERATIONAL HIGHLIGHTS

For the 3 Months Ended				
	31 December 2014	**30 September 2014**	**30 June 2014**	**31 March 2014**
Online Games				
Daily Average Peak Concurrent Users	661,002	617,717	572,374	631,098
Monthly Average Paying Accounts ("APA")	2,717,443	2,374,699	2,255,404	1,768,190
Monthly Average Revenue per Paying User (RMB)	39	41	43	47
	In December 2014	**In September 2014**	**In June 2014**	**In March 2014**
Cheetah Mobile				
Mobile Monthly Active Users ("MAU") (Million)	395.4	340.7	284.3	222.5
% of Mobile MAU from Overseas Markets	69%	65%	67%	63%
Mobile Users Installations (Million)	1,089.1	862.2	662.2	502.1

(20 March 2015 – Hong Kong) **Kingsoft Corporation Limited** ("Kingsoft" or the "Company;" SEHK stock code: 03888), a leading Chinese software and Internet service company, announced its audited 2014 annual results and its unaudited 2014 fourth quarter results ended 31 December 2014.

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In the fourth quarter of 2014, the revenue of Kingsoft increased quarter-over-quarter by 26% and year-over-year by 60% to RMB1,071.8 million. Revenue from online games, Cheetah Mobile, and office software and others business represented 32%, 54%, and 14%, respectively, of the Company's total revenue for the fourth quarter of 2014. Gross profit increased quarter-over-quarter by 19% and year-over-year by 46% to RMB845.4 million. Profit attributable to owners of the parent decreased 25% quarter-over-quarter yet increased 5% year-over-year to RMB173.9 million.

In the year 2014, all of the business lines have achieved new record highs in terms of revenue and operation metrics. Cheetah Mobile's achievement in its mobile transformation was especially impressive with outstanding performances in mobile application development, global market penetration and global mobile monetization. Kingsoft Cloud also registered substantial progress in the development of cloud storage and computing services. The Company's annual top line growth surged 54% and the total revenue of 2014 set a new record of RMB3,350.1 million. Gross profit soared year-over-year by 47% to RMB2,760.5 million. Profit attributable to owners of the parent before share-based compensation costs increased 22% year-over-year to RMB875.4 million.

Mr. Jun LEI, Chairman of Kingsoft, commented, "The year 2014 witnessed great achievements in Kingsoft's mobile transformation. Our total mobile MAUs continued to grow rapidly, exceeding 481 million in December 2014. More than 63% of our mobile MAU were from overseas markets in December 2014. In the fourth quarter of 2014, 37% of Cheetah Mobile's revenue was generated from mobile services. This performance underscores our great progress in maintaining our priorities, from gaining traffic share and accelerating global expansion to strengthening global monetization capabilities."

"The year under review marked a turning point for our strategic business - Kingsoft Cloud," Mr. Jun LEI continued, "The daily average data uploaded to our cloud storage services was approximately 258 terabyte in December 2014, driven by the soaring increase in the number of cloud storage users and organic growth in mobile user data. More than 90 games are now operating on our platform. As a significant step forward for our cloud business, we unveiled our 'ALL IN Cloud' strategy in December 2014, in which the Company is to make a substantial investment to build Kingsoft Cloud into a leading cloud infrastructure service provider in China in the coming years."

Dr. Hongjiang ZHANG, Chief Executive Officer of Kingsoft, said, "I am pleased with the excellent performances and execution of our strategies and priorities. We delivered a 54% annual growth in our revenue of 2014. The profit margin, excluding the share-based compensation costs, adjusted 7 percentage points downward year-over-year to 26%. These results are in line with our proactive investment strategy in mobile transformation, trading off short term profit for greater long term gains in the future."

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BUSINESS REVIEW

Online Games Business

Revenue from the online game business for the fourth quarter of 2014 increased 14% quarter-over-quarter and 20% year-over-year to RMB346.1 million. Revenue from the online game business for the year of 2014 increased 14% year-over-year to RMB1,252.8 million outpacing the average annual growth rate of MMO gaming market in China. After a consecutive two-year, near double annual growth rate, the revenue of Kingsoft's flagship game, JX Online III, increased by 54% year-over-year in 2014 to RMB705.3 million with the release of a series of expansion packs in the past year. In November 2014, JX Online III achieved a new record in terms of revenue and APA with the launch of the expansion pack "Cang Xue Long Cheng".

In November, the Company's first self-developed mobile game "Transfiguration, Lord!" ("变身吧，主公") was launched and well received by gamers. Kingsoft has more than ten mobile game projects currently under development, a number of which will be commercially launched in 2015.

Cheetah Mobile

The year 2014 was a milestone year and marked a new start for Cheetah Mobile. On 8 May 2014, Cheetah Mobile was successfully listed on the New York Stock Exchange. For the fourth quarter of 2014, revenue increased 30% quarter-over-quarter and 133% year-over-year to RMB581.6 million. Revenue from mobile services of Cheetah Mobile grew 98% quarter-over-quarter and 635% year-over-year to RMB217.4 million, which represented approximately 37% of its total revenue, compared with approximately 11% a year ago. For the year 2014, revenue skyrocketed 141% year-over-year to RMB1,674.1 million. The strong growth momentum was buttressed by the significant progress in global mobile monetization, mobile traffic expansion and strengthened monetization capabilities of PC-based user traffic. The breakthrough in global monetization is particularly impressive, driven by the strong and accelerated growth of global mobile advertising market and Cheetah Mobile's unprecedented efforts in expanding its mobile advertising business worldwide.

Mobile MAU from Cheetah Mobile increased 16% quarter-over-quarter and 138% year-over-year to 395.4 million in December 2014, around 69% of which were from overseas markets. Leveraging the fast development of mobile internet market, strategic collaboration with Samsung and Xiaomi, as well as the expansion of geographic coverage, Cheetah Mobile's mission-critical applications continued to expand rapidly around the world with innovative and better than expected mobile experiences. CM Security, launched in January 2014, has rapidly become the second-leading mobile application of Cheetah Mobile. The flagship mobile application, Clean Master, continued to rank No. 1 in downloads within the Tools category on Google Play in December 2014 according to APP Annie Limited ("APP Annie"), while CM Security took the No. 2 position.

Office Software and Others

For the fourth quarter of 2014, revenue from the office software and others business increased 41% quarter-over-quarter and 10% year-over-year to RMB144.1 million. For the year 2014, the revenue of office software and others business increased by 11% year-over-year to RMB423.3 million. The monetization on traffic of WPS Office Personal Edition exceeded the Company's expectation, driven by the rising usage of WPS Office and its increased monetization capability. During 2014, the Company focused on its mobile office applications development and global market expansion. The MAU of WPS Personal Edition continued to grow and exceeded 82 million in December 2014, compared to 62 million a year ago. In July 2014, WPS Mail and WPS Mail for Xiaomi phones were launched, adding a key function to the mobile WPS productivity suit, which enhanced the email experience of Android phone users.

The year 2014 was a turning year and had laid a sound foundation for Kingsoft Cloud, as cloud services became mainstream and experienced explosive growth in China. The daily average upload of data into Kingsoft Cloud's storage services soared to approximately 258 terabyte in December 2014. More than 90 games are now operated on Kingsoft Cloud's platform, including "MU Miracle" ("全民奇跡"), the China's phenomenal blockbuster mobile game in 2014. The successful provision of cloud storage services to Xiaomi, the year's fastest-growing smart device provider in the world, and the excellent provision of cloud computing services to "MU Miracle" marked a milestone of Kingsoft Cloud's capabilities in providing cloud storage and computing services. The Company announced its "ALL IN Cloud" strategy in December 2014, through which it would make huge investments in cloud technology development, talent recruitment, market expansion and cloud service infrastructure building.

Dr. HongJiang ZHANG, Chief Executive Officer of Kingsoft, said, " Cheetah Mobile will continue to invest aggressively in mobile application innovation, big data analytic research and global market expansion as well as global mobile monetization. As the global mobile advertising market booms and evolves fast, we expect mobile advertising will become a strong growth catalyst in the coming year. Additionally, Cheetah Mobile's recent acquisition of MobPartner will further enhance our global mobile monetization capabilities and extend the footprint of our advertising business. We will also accelerate our effort in extending our cloud storage service capabilities into new markets and vertical applications. We expect revenue from Kingsoft Cloud storage will continue its strong growth momentum, driven by the fast growing shipments of smart devices and mobile user data, as well as the penetration of cloud service into new sectors. At the same time, we will increase our investment in cloud computing services to ensure we continue expanding our share in mobile game platform market, and extending to other non-game industries."

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Mr. Jun LEI, Chairman of Kingsoft, concluded, "Looking ahead, we will continue to pursue our mobile transformation and 'ALL IN Cloud' strategies. Given the encouraging performances of all four business lines in 2014 and our solid execution capabilities, I am confident that Kingsoft will maintain its strong growth momentum in terms of top line and mobile Internet transformation and reach new heights in 2015."

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About Kingsoft Corporation Limited (Stock Code: 03888)

Kingsoft is a leading Chinese software and Internet service company with its shares listed on the Stock Exchange of Hong Kong Limited. Since the commercial launch of its first office applications software, WPS 1.0, in 1989 followed by more than 20 years of innovative endeavors, Kingsoft has become well recognized as a leading brand in China. Kingsoft has also rejuvenated itself by successfully transforming from "the King of Packaged Software" into an internet technologies and services provider.

Kingsoft provides a range of products and services across devices and platforms, and its main business encompasses online games, internet software, mobile applications, office software, and cloud storage and computing services. The Company utilizes the internet as an effective channel to market and distribute its products and services, and has built an extensive sales and distribution network.

Enhancing the quality of the digital lifestyle has been the mission of Kingsoft. Kingsoft will continue developing new products, expanding our products and services across the internet especially the mobile internet and expanding its market share in China, while vigorously penetrating overseas markets.

For more information, please visit www.kingsoft.com

For Press Enquiries:

Kingsoft Corporation Limited	**Strategic Financial Relations (China) Limited**
Ms. Ou Lu	Ms. Karen Hung
Tel:(86) 10 62927777 ext.5581	Tel: (852) 2864 4845
Email: ir@kingsoft.com	Email: sprg-kingsoft@sprg.com.hk