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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)**

## **UPDATE ON THE RESULTS FOR THE FIRST HALF OF 2019**

This announcement is made by Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders that the Company held 11,800,547 class A ordinary shares and 662,806,049 class B ordinary shares in Cheetah Mobile Inc. (“**Cheetah**”) as of 30 June 2019. The ordinary shares of Cheetah are listed on the New York Stock Exchange in the form of American depositary shares (stock code: “CMCM”). The Company has observed that Cheetah has struggled with sluggish stock performance since April 2019. According to the accounting treatment requirements of the International Accounting Standards, the Company is in the process of assessing the investment in Cheetah and plans to make impairment provisions. It is expected that the total amount of provisions as of 30 June 2019 will be approximately RMB1.2 billion to RMB1.4 billion. The Company is still in the process of conducting the assessment, and the specific amount of provisions is yet to be finalized. The impairment provisions will have a negative impact on the profit of the Company for the period ended 30 June 2019. In respect of this arrangement, the Board wishes to emphasize that the provisions are accounting-related adjustments and non-cash items, and therefore, will not have any impact on the cash flow of the Group. In conclusion, the Group continues to maintain a healthy net cash balance.

The Company is still in the process of finalizing the consolidated results of the Group for the half year ended 30 June 2019. The information contained in this announcement is only based on the preliminary assessment of the Board and the information currently available to the Company, but it has not been audited or reviewed by the auditor or the Audit Committee of the Company. Detailed financial results of the Group for the half year ended 30 June 2019 will be disclosed in the interim results announcement of the Company on 20 August 2019.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 11 August 2019

*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.*