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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)

**ANNOUNCEMENT OF THE RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2016
OF A SUBSIDIARY — CHEETAH MOBILE INC.**

This is not the announcement of the financial results of Kingsoft Corporation Limited (the “Company”). This announcement is made by the Company pursuant to the requirements of Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to provide shareholders of the Company and the public with information of the financial results of a listed subsidiary of the Company, Cheetah Mobile Inc. (“Cheetah”), which has announced its results for the year ended 31 December 2016.

Cheetah, a non-wholly owned subsidiary of the Company whose shares are listed on the New York Stock Exchange (the “NYSE”) in the United States of America, has announced on 21 March 2017 the results for the year ended 31 December 2016.

The summary of the unaudited financial results under US GAAP of Cheetah for the year ended 31 December 2016 together with the comparative figures for the last year are provided below:

INCOME STATEMENT

	Year ended 31 December 2016 (unaudited) RMB in '000	Year ended 31 December 2015 (unaudited) RMB in '000 (As adjusted ^{Note})
Revenue	4,564,650	3,773,877
(Loss) income before tax	(68,896)	238,377
Income tax (benefits) expenses	(12,189)	63,740
Net (loss) income for the year	<u>(56,707)</u>	<u>174,637</u>
Including: Net (loss) income attributable to Cheetah Mobile shareholders	(80,525)	176,347
Net income (loss) attributable to noncontrolling interests	<u>23,818</u>	<u>(1,710)</u>

Note: The above income statement has been prepared as if Kingsoft Japan Inc. had been owned and operated by Cheetah throughout the periods presented in accordance with ASC 805-50. Kingsoft Japan Inc. became a subsidiary of Cheetah on 29 January 2016.

Dividend

No ordinary dividend has been declared or recommended for the year ended 31 December 2016.

Please refer to the full report as published on Cheetah's company website at www.cmcm.com for further details.

By order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 21 March 2017

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.