



KINGSOFT ANNOUNCES 2012 THIRD QUARTER RESULTS

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**Completed Main Subsidiaries Restructuring and
Achieved Strong Growth on All Fronts
Embracing Mobile Internet Era**

FINANCIAL HIGHLIGHTS

<i>RMB'000 (unaudited)</i>	For the Three Months Ended				
	September 30 2012	September 30 2011	YoY Change (%)	June 30 2012	QoQ Change (%)
Revenue	365,387	242,707	51%	322,467	13%
- Entertainment Software	210,957	165,224	28%	208,728	1%
- Application Software	151,771	77,483	96%	112,073	35%
- Others	2,659	-	-	1,666	60%
Gross Profit	320,915	205,937	56%	281,590	14%
Profit Attributable to Owners of the Parent	108,082	74,894	44%	111,897	-3%
Basic Earnings per Share (RMB cents)	9.44	6.63	42%	9.79	-4%

OPERATIONAL HIGHLIGHTS OF ONLINE GAMES

	For the Three Months Ended		
	September 30 2012	September 30 2011	June 30 2012
Online Games			
- Daily Average Peak Concurrent Users	611,474	608,607	615,221
- Monthly Average Paying Accounts	1,524,761	1,186,481	1,459,883
- Monthly Average Revenue per Paying User (RMB)	46	46	47

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(Hong Kong, 30 November 2012) —**Kingsoft Corporation Limited** (“Kingsoft” or the “Company”; SEHK stock code: 03888), a leading Chinese software and Internet service company, announced its unaudited third quarter results for the three months ended 30 September 2012.

During the period under review, Kingsoft recorded an increase in both revenue and profit compared with the corresponding period last year. Revenue increased by 51% year-over-year to RMB365.4 million and gross profit increased by 56% year-over-year to RMB320.9 million. Profit attributable to owners of the parent rose by 44% year-over-year to RMB108.1 million. Revenue from the online games business and the application software business represented 58% and 42% respectively of total revenue in the third quarter. As at 30 September 2012, cash and cash equivalent amounted to RMB2.32 billion.

Dr. HongJiang Zhang, Chief Executive Officer, commented, “The business of Kingsoft in the third quarter of 2012 has continued to achieve steady growth. The total revenue for the quarter reached a new record with an increase of 13% quarter-over-quarter and 51% year-over-year. The slight decrease in our bottom-line number over the quarter was primarily due to our planned intensive marketing and promotional activities to launch new games and products during the quarter. However, compared with the same period last year, growth has demonstrated strong momentum, reaching 44%.”

BUSINESS REVIEW

Online Games Business

The Company’s online game portfolio remained strong in this seasonally weaker quarter. Revenue from online games for the third quarter of 2012 increased 28% year-over-year to RMB211.0 million. The year-over-year increase was primarily attributable to the ongoing popularity and strong performance of JX Online III (劍網3), which achieved triple-digit year-over-year growth. The monthly average paying accounts (“APA”) for the Group’s online games for the third quarter of 2012 increased 4% quarter-over-quarter and 29% year-over-year to 1.52 million. The sequential quarterly increase mainly reflected the success of the expansion pack “Wakened Dragon of Erhai (洱海驚龍)” for JX Online III and the contribution from new game titles. APA of JX Online III has jumped to a new record of more than 0.75 million in September, with an increase of 13% quarter-over-quarter and 128% year-over-year.

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Kingsoft will launch this year's largest expansion pack "Nirvana of the Light (日月明尊)" for JX Online III in late November. The open beta testing of the Company's Q version of 3D role-playing game, "Ma La Jiang Hu (麻辣江湖)," in October has indicated the high popularity of the game. Its 2.5D MMO "Legend of Moon (月影傳說)" and new 3D MMO, "Legend of the Holy World (聖道傳奇)" were commercially launched in September and October, respectively. The Company is confident that the commercial launch of its new games and large expansion packs for JXs would further enrich its game portfolios and contribute to the top line growth in the coming quarters.

Internet Security Service and WPS Office Software

Revenue from the application software business for the third quarter of 2012 increased 96% year-over-year and 35% quarter-over-quarter to RMB 151.8 million. The sequential rise was mainly due to the combination of surging online advertising revenue from Kingsoft Internet Security and the record sales from Kingsoft WPS Office.

In the third quarter of 2012, advertising revenue from Kingsoft Internet Security maintained fast growth momentum and achieved a three-digit increase both on a quarter-over-quarter and a year-over-year basis, driven by rapidly increasing traffic from the Company's landing page navigation. Meanwhile, driven by new service updates and improved user experience, the monthly active user bases of Kingsoft Internet Security and Kingsoft PC Doctor expanded further to over 120 million and 50 million respectively, while the number of users of another driver genius software has exceeded 30 million. The internet browser Cheetah(獵豹瀏覽器) launched in June this year has also gained positive feedback from users for its high speed, attractive style and safety features. According to the latest report from CNZZ, the monthly utilisation rate of the Cheetah internet browser has increased by 133% after launch within just 60 days and the number of its daily active users has also exceeded 3 million. In addition, in August, the Company officially launched Kingsoft Mobile Security, with the differentiation featuring mobile phone APP behavior analysis and management and the capability to intelligently prevent and intercept hidden malicious ads, and other malicious behaviors in APPs. Such APP management and privacy protection features have received highly positive feedback from mobile users.

Benefiting from the government policy and product innovation, revenue from Kingsoft WPS Office continued to sustain strong growth momentum in Q3. The monthly active users of WPS Personal Edition rose to more than 40 million supported by the improved user experiences and improved copyright awareness, only took six months since it reached its 30 million records. The Company is pleased to see the active users of WPS Mobile Office exceed 7 million globally. As the leading mobile office software with users in more than 226 countries and regions, WPS Mobile Office supports 23 types of main document formats and 46 languages. Through continuous overseas expansion, the number of its global users has exceeded 23 million, which takes the Google Play top spot in the business APPs category.

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Dr Zhang, Chief Executive Officer of Kingsoft, concluded, “In July, we completed the restructuring of Kingsoft WPS Office subsidiary with MBO, which concludes the restructuring of our three major subsidiaries. We believe this restructuring has and will continue to drive the management teams to focus on the long-term development of the Group, and boost the profitability of all business streams so that they may attain new heights, and ultimately reward investors for their trust and support.”

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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. Headquartered in Beijing, Kingsoft has set up R&D centers in Zhuhai, Beijing, Dalian and Chengdu. Since the commercial launch of its first office applications software, WPS 1.0, in 1989 followed by over 20 years of innovative endeavors, Kingsoft has become well recognised as a leading brand in China. Kingsoft has also rejuvenated itself by successfully transiting from “the King of package software” to an Internet technologies and service provider.

Kingsoft’s main business encompasses Internet security, office software, entertainment software, cloud computing and on-line translation. The Company utilises the Internet as an effective channel to market and distribute its products, and has built an extensive sales and distribution network. Kingsoft provides a range of products and services across all devices and platforms, such as WPS Office, Kingsoft PowerWord, Kingsoft Internet Security and online games to retail customers, corporate clients and Government bodies in China.

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

For more information, please visit www.kingsoft.com

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