

【For Immediate Release】



KINGSOFT COMPLETES REORGANISATION OF WESTHOUSE

MOTIVATING EMPLOYEES TO ENHANCE OPERATIONAL EFFICIENCY

(Hong Kong, 11 April 2011) — **Kingsoft Corporation Limited** ("Kingsoft" or the "Company"; SEHK stock code: 03888), a leading developer, distributor and service provider of application and entertainment software in China, announced the completion of the business reorganisation of Westhouse Holdings Limited ("Westhouse"), the largest game studio under the Company. WestGame Holdings Limited ("WestGame"), a company owned by its founding employees has completed a subscription for 160 million Westhouse shares and is now holding 20% interest in Westhouse.

According to the announcement dated 24 January 2011 regarding the reorganisation of certain subsidiaries and businesses of Kingsoft, Westhouse would hold the businesses under Chengdu Xishanju Interactive Entertainment Technology Co., Ltd. and Zhuhai Kingsoft Online Game Technology Co., Ltd. As part of the internal reorganisation, WestGame has subscribed for 160 million Westhouse Shares at a price of HK\$1.1834 per share for an aggregate consideration of approximately HK\$189 million. Meanwhile, Kingsoft Entertainment Software Holdings Limited ("Kingsoft Entertainment"), a wholly-owned subsidiary of the Company, is to provide a loan amounting to approximately HK\$151 million to WestGame to facilitate the share subscription.

The management of the Company believes that the reorganisation enables founding employees to directly own shares of Westhouse, an incentive for them to contribute to the long-term development of the Company, and thereby enhance the value of Westhouse.

Mr Pak Kwan Kau, Chairman and Chief Executive Officer of Kingsoft, said, "We always regard human resources as our most valuable asset. The reorganisation enables the founding employees to own the shares of Westhouse, which is part of our incentive policies for employees. Looking ahead, we will be proactively optimising our business structure through a series of reorganisations, in order to further enhance the operational efficiency and maximise the returns to shareholders in a win-win way".

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About Kingsoft Corporation Limited (Stock Code: 03888)

Kingsoft is a leading developer, distributor and service provider of applications and entertainment software in China. Following the commercial launch of its first office applications software WPS 1.0 in 1989 and through over 20 years of innovative endeavor, Kingsoft has been widely recognized as a household renowned software brand in China. We have rejuvenated and successfully transited ourselves from the legacy of “the King of package software” to be an Internet application based model of Software as a service (SAAS).

Kingsoft's main business lines are on-line games, Internet security and application software. We have built an extensive sales and distribution network through our online and offline distribution channels. We provide numerous well-known software products such as WPS Office, Kingsoft PowerWord, Kingsoft Internet Security and online games including the JX Series and the First Myth series to retail customers, corporate clients and government bodies in China. Kingsoft is building a converged user platform for its diversified product portfolio and providing a variety of value-add-services.

The mission of Kingsoft is being committed to improving the quality of people's digital lives. With its headquarter located in Beijing; Kingsoft has built a number of R&D centers in Zhuhai, Beijing, Chengdu and Dalian. While leveraging our R&D strength, we have introduced groups of top software and game operation talents to our management team with the aim to better user engagement and improve operation efficiency. Kingsoft will carry on developing new products and expanding its market share in China, while making strong entrance into other overseas markets.

For more information, please visit www.kingsoft.com

For Press Enquiries:

Kingsoft Corporation Limited

Ms. Michelle Feng Harnett
Tel: (86) 10 82325515
Email: ir@kingsoft.com

Ms. Claire Lee
Tel: (86) 10 82334488 – 5850
Email: limiao@kingsoft.com

Strategic Financial Relations (China) Limited

Ms. Nan Dong
Tel: (852) 2864 4811
Email: nan.dong@sprg.com.hk

Ms. Marcus Keung
Tel: (852) 2114 4967
Email: marcus.keung@sprg.com.hk