

For Immediate Release



Kingsoft Corporation Limited  
金山軟件有限公司

**Kingsoft Announces 2009 3Q Results**  
**Revenue Increased by 13% Y-o-Y to RMB246 million**

**Financial Highlights**

RMB'000	For the three months ended Sept 30 (Unaudited)		Change (%)
	2009	2008	
<b>Revenue</b>	<b>246,099</b>	216,956	+13%
- Entertainment software	<b>162,786</b>	148,916	+9%
- Applications software	<b>81,464</b>	68,013	+20%
- Others	<b>1,849</b>	27	+6,748%
<b>Gross profit</b>	<b>210,730</b>	187,920	+12%

**Operational Highlights**

	Sept 30, 2009	June 30, 2009
<b>Online Games</b>		
Daily Average Peak Concurrent Users	<b>1,061,250</b>	953,817
Monthly Average Paying users	<b>1,543,946</b>	1,317,755
Monthly Average Revenue per Paying User (RMB)	<b>35</b>	39
<b>Online Services of Internet securities</b>		
Daily Average Paying Users	<b>8,269,916</b>	8,211,110
Monthly Average Revenue per Paying User (RMB)	<b>2.1</b>	2.1

(November 26, 2009 – Hong Kong) **Kingsoft Corporation Limited (“Kingsoft” or the “Company”; SEHK stock code: 03888)**, China’s leading entertainment and applications software developer, distributor and service provider based on market share, announced its quarterly results for the three months ended September 30, 2009.

During the period under review, the core business of Kingsoft continued to grow.

Revenue increased by 13% year-over-year to RMB246.1 million. Two major operational indicators, daily average peak concurrent online games users and monthly average paying online games users, grew by 7% and 25% year-over-year respectively due to the commercial launch of JX III in China, the Company's first 3D MMORPG (multi-player online role playing game), and the commercial launch of JX World in Vietnam. Gross profit increased by 12% year-over-year to RMB210.7 million. Profit attributable to owners of the Company for the period amounted to RMB69.1 million, representing a year-over-year decrease of 33%. It was due to increased cost of revenue as well as selling and distribution costs incurred by the launch of JX III, coupled with increased research and development costs.

**Mr Pak Kwan KAU, Chairman and Chief Executive Officer of Kingsoft**, said, "We are confident that JX III will leverage the growth of 3D game market and expand JX franchise further. We expect to see increasing game revenue with the help of JX III."

## **REVIEW**

During the period under review, revenue from entertainment software business and applications software business represented 66% and 33% respectively of total revenue. Revenue from entertainment software business increased by 9% year-over-year to RMB162.8 million. Daily average peak concurrent users increased by 7% year-over-year to 1.06 million, while monthly average paying users increased by 25% year-over-year to 1.54 million, attributable to the strong performance of JX III in China and JX World in Vietnam.

Revenue from applications software business was RMB81.5 million, representing a year-over-year growth of 20%. As the Company continued to transform its applications software business to a software-as-a-service platform, online subscription has grown to become a major revenue source. Driven by the increased portion of SMS and bank card subscribers whose monthly ARPU is higher, monthly ARPU for online services of Kingsoft Internet Security business increased by RMB0.4 year-over-year to RMB2.1.

Kingsoft is committed to product development to accommodate different customer needs. During the period under review, the Company launched Kingsoft WPS Office 2009 – Campus Edition and Kingsoft Internet Security - Netbook Edition. With successful sales strategy and promotion, Kingsoft WPS Office software (named as Kingsoft Office in Japan) has been adopted by over 341 higher education institutions, secondary and primary schools in Japan. In China, it was purchased and fully adopted by the State

Electricity Regulatory Commission.

## **OUTLOOK**

Looking ahead, Kingsoft is optimistic about the growing momentum in both entertainment software and applications software businesses. JX III recorded a peak concurrent user of about 140,000 after the commercialization. The Company expects the game will continue to deliver good performance. With self-developed WPS Office, Kingsoft PowerWord and Kingsoft Internet Security, the Company is well positioned to capture opportunities in applications software market.

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## **About Kingsoft Corporation Limited**

Following the commercial launch of its first office applications software WPS 1.0 in 1989, Kingsoft Corporation Limited has now become a leading entertainment and applications software developer, distributor and service provider in China, based on market share. The Company leverages its comprehensive software development platform to offer a wide range of innovative entertainment and applications software.

Kingsoft has several well-known products such as WPS Office, Kingsoft PowerWord, Kingsoft Internet Security, and online games such as the JX Series and The First Myth. In addition, the Company sells various products such as Kingsoft Internet Security and Kingsoft PowerWord to retail consumers, corporate organizations and government agencies in China using online and offline distribution channels.

With its headquarters in Beijing, Kingsoft has multiple research and development centers based in Zhuhai, Beijing, Chengdu, Dalian and Shenzhen. The Company's vision is to create world-class software products that run on every computer. The Company's strategy is to enhance its position as a leading entertainment and application software developer, operator and distributor in China and to expand its presence in certain oversea markets.

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