



KINGSOFT ANNOUNCES 2009 ANNUAL RESULTS
BOTH REVENUE AND NET PROFIT CONTINUE TO GROW STEADILY

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FINANCIAL HIGHLIGHTS

(RMB'000)	For the year ended December 31		Change (%)
	2009	2008	
Revenue	1,022,412	820,944	+25%
- Entertainment software	684,242	553,723	+24%
- Applications software	329,196	261,150	+26%
- Others	8,974	6,071	+48%
Gross profit	893,945	710,009	+26%
Profit Attributable to owners of the parent	387,224	307,501	+26%
Basic EPS (RMB cent)	36.38	28.95	+26%
Final Dividend per share (HK cent)	15	15	0%

OPERATIONAL HIGHLIGHTS

For the three months ended				
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
Online Games				
Daily Average Peak Concurrent Users ("DAPCU")	951,685	953,817	1,061,250	1,131,124
Monthly Average Paying Users	1,489,797	1,317,755	1,543,946	1,767,553
Monthly Average Revenue per Paying User (RMB)	36	39	35	38
Online Services of Internet Securities				
Daily Average Paying Users	8,450,146	8,211,110	8,269,916	8,746,468
Monthly Average Revenue per Paying User (RMB)	1.9	2.1	2.1	2.1

(March 26, 2009 – Hong Kong) **Kingsoft Corporation Limited** (“Kingsoft” or the “Company”; SEHK stock code: 03888), a leading developer, distributor and service provider of applications and entertainment software in China, announced its annual results for the year ended December 31, 2009.

Kingsoft achieved satisfactory growth in both revenue and net profit in 2009. Revenue increased by 25% year-over-year to RMB1.0 billion, while profit attributable to owners of the parent increased by 26% year-over-year to RMB387.2 million.

Revenue from entertainment and applications software business segments represented approximately 67% and 32% of total revenue in 2009, respectively.

Gross profit increased by 26% year-over-year to RMB893.9 million. Gross profit margin increased by one percentage points year-over-year to 87% which reflected the improved utilisation of servers and bandwidth and reduced proportion of royalty fees for Shui Hu Q Zhuan.

Basic earnings per share for the year were RMB36.38 cents. The Board of directors has recommended a final dividend of HKD15 cents per share for year 2009 (2008: HKD15 cents).

Cash and cash equivalents increased by 25.9% from RMB1.0 billion in 2008 to RMB1.27 billion in 2009. The strong cashflow position will enable us to quickly and fully capture further development opportunities.

Mr. Pak Kwan KAU, Chairman and Chief Executive Officer of Kingsoft, said, “2009 was the second consecutive year of success for Kingsoft since our initial IPO in 2007. We have achieved satisfactory financial and operational performances in both entertainment and applications software business.”

BUSINESS REVIEW

Entertainment Software Business

During the year, revenue from the entertainment software increased by 24% year-over-year to RMB684.2 million, mainly attributable to combination of (i) the launch of the Company’s first 3D game **JX Online III**; and (ii) continued successful overseas expansion of **JX series**.

For the three-month period ended December 31, 2009, the Company's daily average peak concurrent users reached 1.1 million, an increase of 10% year over year and 7% quarter-over-quarter. This increase was largely contributed by newly launched **JX Online III** and the **JX Online World** launched in Vietnam.

Kingsoft's success in online game was recognized by the industry with four awards, "Outstanding Game Company in China for 2009", "Pioneer in Product R&D in China Game Industry for 2009", "Outstanding Entrepreneur" for **Mr. Pak Kwan KAU, Chairman and Chief Executive Officer of Kingsoft**, and "The Best Self-Developed Online Game in China for 2009" for **JXIII** during 2009 China Game Industry Annual Conference, which was attended by major online game developers and operators in China.

Applications Software Business

In 2009, revenue from applications software increased by 26% year-over-year to RMB329.2 million, primarily due to the increase of SMS and bank card subscribers with higher monthly ARPU for online services of Kingsoft Internet Security software and a continuing growth of software revenue from Kingsoft Japan. During the year, Kingsoft Internet Security contributed RMB258.9 million, or 79% to the total applications software revenue, and represented an increase of 29% from last year.

In China, **Kingsoft WPS Office** continued to maintain its leading position. It has been widely adopted by various Chinese government departments, state-owned enterprises and renowned corporations. In Japan, **Kingsoft WPS Office** software (named as Kingsoft Office in Japan) is adopted by over 341 higher education institutions, secondary and primary schools. Also, Kingsoft launched **Kingsoft PowerWord Japanese Version** in Japan and **Kingsoft Internet Security (Thai Edition)** in Thailand.

Looking ahead, **Mr. KAU** continued, "In line with our strategic plan, this year we will continue to put strong emphasis on R&D, in order to strengthen and optimize our products mix, and capture Internet market opportunities. We plan to launch up to 10 self-developed online games within this year, including **The Legend of Moon, The First Myth 3, War of the First Myth**, and the Company's first web game, **Shen Dao Xing 8 Ke**."

"We understand that to carry on our successes and leverage our engineering strength, it is also a must to better engage users and improve operation efficiency. This reorientation has already started from our people, as we recently introduced groups of top software and game operation talents to our management team. We are very determined and confident to deliver sustainable growth and return to the shareholders in the future." concluded **Mr. Kau**.

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About Kingsoft Corporation Limited (Stock Code: 3888)

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, Kingsoft has since launched numerous well-known software products, including WPS Office, Kingsoft PowerWord, Kingsoft Internet Security, and online games such as the JX Series and the First Myth series, gaining it leading market share in the industry. In addition, Kingsoft has built an extensive sales and distribution network, through its online and offline distribution channels, Kingsoft provides various types of products, such as office applications software, internet security software, translation software and online games, to retail customers, corporate clients and government bodies in China. Developing world-class software products has always been Kingsoft's mission, headquartered in Beijing, Kingsoft has built a number of R&D centers in Zhuhai, Beijing, Chengdu, Dalian and Shenzhen. In the future, Kingsoft will continue to develop new products and expand its market share in China, while making strong entrance into other overseas markets.

For more information, please visit www.kingsoft.com

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