



KINGSOFT AND KENIU NETWORK JOIN HANDS ESTABLISH KINGSOFT NETWORK

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KINGSOFT INTERNET SECURITY FREE TO ADOPT STRATEGY OF INTERNET SPECIALISATION

(10 November, 2010 – Hong Kong) **Kingsoft Corporation Limited** (“Kingsoft” or the “Company”; SEHK stock code: 03888), a leading applications and entertainment software developer, distributor and service provider in China, announced that its wholly-owned subsidiary, Kingsoft Internet Security Software Holdings Limited (“KIS”), joins Keniu Network Technology (Beijing) Co., Ltd. (“Keniu Network”) to set up Kingsoft Network Technology Limited (“Kingsoft Network”). Meanwhile, Kingsoft has announced that its Internet security product, Kingsoft Internet Security simplified Chinese personal edition, will be available free of charge. The free model aims to offer Kingsoft’s rapid growing user base with free Internet security service. Meanwhile, the Company will speed up the launch of various value-added services and the introduction of new income-generating model. Such switch of operating model is one of the important steps of the Company's strategy of Internet specialization.

Mr. Sheng Fu, the current Chairman and CEO of Keniu Network, is appointed CEO of Kingsoft Network; Ms. Xin Wang, the current CEO of KIS, is appointed as COO; Mr. Min Xu, the current CTO of Keniu Network, is appointed as CTO; Mr. Pak Kwan Kau and Mr. Jun Lei, Chairman and Vice Chairman of Kingsoft, are the board members of the newly established company. Kingsoft Network owns all the Internet security products of KIS including Kingsoft Internet Security, Kingsoft Defender and Kingsoft Web Shield, as well as those of Keniu Network including Keniu Antivirus Freeware and Keniu Image.

Mr. Sheng Fu, CEO of Kingsoft Network, announced that the new company would adopt a “FREE” strategy, providing users with liberal and professional Internet security services free of charge. The first big step under the strategy is to launch Kingsoft Internet Security simplified Chinese personal edition for free. Moving forward, Kingsoft Network will proactively explore new business model in free antivirus software market and provide further value added services to users.

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Mr. Pak Kwan Kau, Chairman and CEO of Kingsoft said, “KIS has accumulated advanced technical experiences and possesses good brand reputation, while the Keniu team is experienced in the Internet product operation. The strengths of the two teams are complementary to each other. The cooperation helps Kingsoft Network in its strategy to move towards Internet specialization. Moreover, bringing in Matrix Partners China, the world’s leading fund agent, Kingsoft Network could obtain solid support in areas such as capital, business strategy and Internet resources. ”

Mr. Jun Lei, Vice Chairman of Kingsoft said, “The solid experiences in Internet product operation of Keniu team will facilitate the implementation of Kingsoft Network's strategy of Internet specialisation. Moving along with the market development trend, Kingsoft has entered into the free Internet security market. We believe that the overall market presence of Kingsoft Network will be further strengthened after the integration, which will enable us to capture a greater share of the Internet security market.”

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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

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