



KINGSOFT ANNOUNCES 2013 THIRD QUARTER RESULTS

* * *

**WPS Maintains Strong Growth for Favorable National Policy
Revenues of All Business Lines Continue to Hit Record High**

FINANCIAL HIGHLIGHTS

<i>RMB'000 (Unaudited)</i>	For the Three Months Ended				
	30 September 2013	30 September 2012	YoY Change (%)	30 June 2013	QoQ Change (%)
Revenue	551,130	365,387	51%	496,528	11%
- Online Games	270,984	210,957	28%	270,539	0.2%
- Application Software	270,395	151,771	78%	219,275	23%
- Others	9,751	2,659	267%	6,714	45%
Gross profit	471,331	320,915	47%	430,484	9%
Profit Attributable to Owners of the Parent	163,276	108,082	51%	145,255	12%
Basic EPS (<i>RMB cent</i>)	14.10	9.44	49%	12.60	12%

ONLINE GAMES OPERATIONAL HIGHLIGHTS

	For the Three Months Ended		
	30 September 2013	30 September 2012	30 June 2013
Online Games			
Daily Average Peak Concurrent Users	614,263	611,474	616,285
Monthly Average Paying Accounts	1,791,194	1,524,761	2,002,414
Monthly Average Revenue per Paying User (<i>RMB</i>)	48	46	43

(12 November 2013 – Hong Kong) **Kingsoft Corporation Limited** (“Kingsoft” or the “Company;” SEHK stock code: 03888), a leading Chinese software and Internet service company, announced its unaudited quarterly results for the three months ended 30 September 2013.

- More-

During the period under review, the revenue of Kingsoft increased by 11% quarter-over-quarter and 51% year-over-year to RMB551.1 million. Revenue contributions from online game and application software businesses represented 49% and 49%, respectively, of the total revenue during the third quarter of 2013. Gross profit increased by 9% quarter-over-quarter and 47% year-over-year to RMB471.3 million. Profit attributable to owners of the parent in the third quarter increased 12% quarter-over-quarter and 51% year-over-year to RMB163.3 million.

Dr. HongJiang Zhang, Chief Executive Officer of Kingsoft, said, “The growth momentum continued during the third quarter of 2013. Benefiting from the steady development of all major business lines, especially KIS and Kingsoft WPS Office, our total revenue reached another record high of RMB551.1 million, representing a year-over-year increase of 51%. We continue to see strong overall growth of our monthly active mobile users, which posted over 150 million as end of this September.”

BUSINESS REVIEW

Online Games Business

In the third quarter of 2013, thanks to the growth of JX Online III (《劍網3》) and MAT (《反恐行動》), Kingsoft’s game portfolio recorded a steady performance against the weak quarter. Revenue from the online game business increased 28% year-over-year to RMB271.0 million. JX Online III achieved 18% growth quarter-over-quarter to RMB123.7 million as the release of expansion pack “Chang An in Trouble Times (《亂世長安》)” in September has more than offset the adverse impact of summer holiday on other games. In November 2013, another new expansion pack for JX Online III will be launched, targeting to further consolidate population and increase revenue of the game. Moreover, a new 3D MMO game, Jiutian Myth (《九天神話》) will be launched in the fourth quarter.

In addition, research and development on web games and mobile games have also continued. The Company’s initiative in children’s game, Young Elf King (《少年精靈王》) had over 2 million monthly login accounts in September. In order to grow the user base further, the commercialization of the game has been postponed to the end of the fourth quarter. Currently, Kingsoft has 9 mobile games in R&D process, and shall continue to increase the user base of Kingsoft games across devices.

- More-

Kingsoft Internet Security and Kingsoft WPS Office

Revenue from the application software business for the third quarter of 2013 increased 23% quarter-over-quarter and 78% year-over-year to RMB270.4 million.

Supported by the deepened cooperation with advertisers and the strong growth of Kingsoft Internet Security (“KIS”) game platform, the advertising revenue and value-added revenue from KIS increased 25% quarter-over-quarter and 144% year-over-year in the third quarter. The Company continued to invest heavily in KIS mobile services and the monthly active mobile users of KIS family exceeded 123 million in September 2013. Also, the monetization of KIS mobile user traffic has delivered promising results. There are nearly 400 mobile games on KIS mobile game platform currently.

Kingsoft WPS Office achieved significant growth in the third quarter, with revenue rising 37% quarter-over-quarter and 35% year-over-year. Chinese State Council issued a policy on government agencies to use genuine software in August, 2013. This milestone in IPR protection policy shall benefit the business of Kingsoft WPS Office in the long run. In addition, revenue from WPS free user traffic has become a new growth catalyst, while the global monthly active users of WPS mobile office surged to 25 million in September, 2013 from 6 million a year ago.

Dr. HongJiang Zhang, Chief Executive Officer of Kingsoft, concluded, “We are pleased to see that Kingsoft has again delivered a strong business performance. In the third quarter of 2013, JX Online III, our flagship game product has recorded a steady performance against the weak quarter; the monetization of KIS mobile user traffic has delivered promising results; Kingsoft WPS Office has achieved tremendous growth benefiting from the national policy. We will adhere to the “3+1” strategy, grasp the policy opportunity as well as market demand, to deliver the best products and services to all of our users.”

- End -

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, Chengdu and Dalian. 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 transforming 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

For Press Enquiries:

Kingsoft Corporation Limited
Ms. Ou Lu
Tel:(86) 10 62927777 ext.5581
Email: ir@kingsoft.com

Strategic Financial Relations (China) Limited
Ms. Nan Dong
Tel: (852) 2527 1628
Email: sprg-kingsoft@sprg.com.hk