



KINGSOFT ANNOUNCES 2013 FIRST QUARTER RESULTS

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Solid and Impressive Start for 2013 Fast Expansion into Mobile Services

FINANCIAL HIGHLIGHTS

<i>RMB'000 (unaudited)</i>	For the Three Months Ended				
	March 31 2013	March 31 2012	YoY Change (%)	December 31 2012	QoQ Change (%)
Revenue	456,859	292,585	56%	430,722	6%
- Online Game	266,666	191,090	40%	240,627	11%
- Application Software	188,029	90,754	107%	189,466	-1%
- Others	2,164	10,741	-80%	629	244%
Gross Profit	395,278	242,931	63%	378,786	4%
Profit Attributable to Owners of the Parent	195,914	87,526	124%	125,084	57%
Basic Earnings per Share (RMB cents)	17.08	7.68	122%	10.42	64%

OPERATIONAL HIGHLIGHTS OF ONLINE GAMES

	For the Three Months Ended		
	March 31 2013	March 31 2012	December 31 2012
Online Games			
- Daily Average Peak Concurrent Users	631,098	631,485	633,084
- Monthly Average Paying Accounts	1,768,190	1,330,868	1,650,636
- Monthly Average Revenue per Paying User (RMB)	47	47	48

(Hong Kong, 24 May 2013) - **Kingsoft Corporation Limited** ("Kingsoft" or the "Company"; SEHK stock code: 03888), a leading Chinese software and Internet service company, announced its unaudited first quarter results for the three months ended 31 March 2013.

During the period under review, Kingsoft recorded a revenue of RMB456.9 million which increased by 6% quarter-over-quarter and 56% year-over-year. Revenue from the online game and the application software businesses represented 58% and 41%, respectively, of the Company's total revenue in the first quarter. Gross profit for the first quarter increased by 4% quarter-over-quarter and by 63% year-over-year to RMB395.3 million. As at 31 March 2013, cash and cash equivalent amounted to RMB2.65 billion.

Dr. HongJiang Zhang, Chief Executive Officer of Kingsoft, said, "The first quarter of 2013 is another harvest quarter for Kingsoft and the Company has delivered a strong performance in both top-line and bottom-line. Thanks to the strong reception to the key products of major business lines, the total revenue reached a record high of RMB456.9 million, representing a quarter-over-quarter increase of 6% and a year-over-year increase of 56%. The operating profit also posted a growth of 45% quarter-over-quarter and 93% year-over-year to RMB162.0 million."

BUSINESS REVIEW

Online Games Business

Despite the adverse impact of Chinese New Year holiday, revenue from online game business for the first quarter of 2013 increased by 11% quarter-over-quarter and by 40% year-over-year to RMB266.7 million. The quarter-over-quarter increase was primarily fueled by the strong growth of JX Online III (《劍網3》), the Company's flagship product, and MAT (《反恐行動》), the Company's first 3D shooting game; while the year-over-year increase was also contributed by the newly launched games.

Furthermore, Kingsoft has been actively developing web games and mobile games, with new talents and studios joining in early 2013. The Company has started closed beta testing for two web games, T3 (《格鬥灌籃王》) and Sinomon Master (《少年精靈王》), and also launched several casual mobile games. The Company believes that these initiatives will enable Kingsoft to establish a foothold in these rapid growing new market segments which will enrich its game portfolio and make greater contributions to the future revenue.

Kingsoft Internet Security and Kingsoft WPS Office

In the first quarter of 2013, revenue from the application software business was RMB188.0 million, representing a slight quarter-over-quarter decrease of 1% and a year-over-year increase of 107%. Kingsoft Internet Security ("KIS") has successfully transformed from a traditional software company to an internet company, contributing to the robust growth of online advertising revenue. Meanwhile, the remarkable year-over-year growth was also driven by the strong sales of Kingsoft WPS Office in domestic market.

During the period under review, the monthly PC-based active user base of KIS family further expanded and reached 155 million in March. The advertising revenue and value-added revenue from KIS increased by 9% quarter-over-quarter and increased fourfold year-over-year. The monthly active mobile users of KIS family reached 54 million by the end of the first quarter, and the Company will continue to invest to further explore mobile product market.

Due to seasonality effect, revenue from Kingsoft WPS Office decreased by 7% quarter-over-quarter but posted an 8% growth year-over-year. The monthly active users of WPS Personal Edition continued to rise to over 48 million at the end of the first quarter; and the global monthly active users of WPS mobile office jumped to 17 million in May. Since its official release in February, WPS Office for IOS ranked top in Apple's App Store in the category of Free Chinese business APPs, and it received very positive feedbacks from users. In April, WPS for mobile was upgraded to version 5.5 to further integrate cloud storage in mobile office application, which represented a significant breakthrough in mobile office functionality.

In addition, the commercial version of Kingsoft Cloud for business users and cloud service platform was officially released on 27 March. The total registered users for Kingsoft Cloud has exceeded 35 million in the increasingly competitive cloud computing and cloud storage market.

Dr. HongJiang Zhang, Chief Executive Officer of Kingsoft, concluded, "We are pleased to see that Kingsoft has attained a solid and impressive start for 2013. In addition to the exciting growth of the flagship product JX Online III, the increasing monetization capabilities of KIS business, and the continued strong sales of WPS Office, we also achieved fast expansion into mobile services in major business lines. Furthermore, Kingsoft Cloud, the Company's strategic business, also recorded stable development. We believe the outstanding performance in the first quarter has laid a solid foundation for success in 2013. We will continue our dedication to providing the best products and services to our users and boosting the profitability of all business lines."

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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

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