For Immediate Release

KINGSOFT

Kingsoft Corporation Limited
金 山 軟 件 有 限 公 司

Kingsoft Announces 2009 First Quarterly Results
Profit Increased by 77% Y-o-Y to RMB101 million

Financial Highlights

RMB'000	For the 3 months ended March 31 (Unaudited)		Change (%)
	2009	2008	
Revenue	**236,228**	175,037	+35
- Entertainment software	**162,804**	120,262	+35
- Applications software	**72,030**	53,913	+34
- Others	**1,394**	862	+62
Gross profit	**206,910**	150,619	+37
* Profit attributable to equity holders	**100,909**	57,051	+77
Basic EPS (RMB cent)	**9.55**	5.36	+78

* Profit attributable to equity holders of the Company excluding the effect of share-based compensation cost is RMB113.5 million and RMB73.7 million for the three months ended at March 31, 2009 and March 31, 2008, respectively.

Operational Highlights

	March 31,	December 31,	March 31,
	2009	2008	2008
Online Games			
Daily Average Peak Concurrent Users	**951,685**	1,029,611	633,487
Monthly Average Paying users	**1,489,797**	1,531,993	1,093,789
Monthly Average Revenue per Paying User (RMB)	**36**	38	36
Online Services of Internet securities			
Daily Average Paying Users	**8,450,146**	8,409,533	8,277,873
Monthly Average Revenue per Paying Users (RMB)	**1.9**	1.9	1.4

(May 27, 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 first quarterly results for the three months ended March 31, 2009.

During the period under review, Kingsoft recorded continuous growth in both revenue and profit compared with the corresponding period last year. Revenue increased by 35% year-over-year to RMB236.2 million and profit attributable to equity holders increased by 77% year-over-year to RMB100.9 million. Gross profit margin increased by two percentage points year-over-year to 88%.

The Company continued to impose stringent cost control measures. Administrative expenses slightly increased by 1% year-over-year to RMB21.9 million during the period under review. Net cash generated by operating activities was RMB88.1 million, representing an increase of 198% year-over-year. As at March 31, 2009, cash and cash equivalent on hand amounted to RMB601.1 million.

BUSINESS REVIEW

Revenue from entertainment software business and applications software business represented 69% and 30% respectively of total revenue in the first quarter.

Entertainment Software Business

Revenue from the entertainment software business increased by 35% year-over-year to RMB162.8 million. Daily average peak concurrent users increased by 50% year-over-year to 0.95 million. Monthly average paying users increased by 36% year-over-year to 1.5 million. The monthly average revenue per paying user ("monthly ARPU") for the Company's MMORPGs held flat year-over-year to RMB36.

In January 2009, the Company opened its online games, JX Online World and The Legend of JX II, to users of Shanda, a leading online game operators in China. This strategic alliance allowed the Company to expand Kingsoft's game content franchise.

Kingsoft continued to expand its game portfolio. Following to the launch of MAT, its 3D FPS game, in China in March 2009, The Legend of JX II, JX Online II's new expansion pack, was successfully released in April 2009.

Applications Software Business

Revenue from applications software business increased by 34% year-over-year to RMB72.0 million. The number of subscribers for online services of Kingsoft Internet Security recorded 8.5 million daily average paying users, representing an increase of 2% year-over-year. Monthly ARPU for online services of Kingsoft Internet Security business increased by RMB0.5 year-over-year to RMB1.9, due primarily to the increased portion of SMS and bank card subscribers with higher monthly ARPU.

The Company strived to expand its applications software business. Kingsoft WPS office, the leading domestically developed office applications software in China, has been

widely adopted by various Chinese government departments or state-owned enterprises. During the period under review, it was furthered purchased by China Securities Regulatory Commission and Yunnan-Copper (Group) Limited Company.

In March 2009, Kingsoft WPS Office was available at Google Pack for Google users to download at free. The cooperation with Google was an important step of transforming the product to web-based and accessing to a wider group of Internet user.

Following to the outstanding results achieved in Japan's applications software market in 2008, the Company continued to extend its foothold in the country by launching Kingsoft PowerWord Japanese Version in March 2009. Apart from the traditional PC Supported Version, an innovative iPhone Supported Version was developed in a bid to fulfill the needs of different users.

In May 2009, Kingsoft collaborated with PICC Property and Casualty Company Limited to offer Kingsoft Internet Security – Computer Insurance Version, which was one of the first products in China with both computer security and computer insurance functions.

Kingsoft believes that strong research and development capacity is central to its long-term growth and thus will continue to invest in this area. Research and development costs, net of government grants increased by 80% year-over-year to RMB43.1 million during the period under review, resulted from a company-wide raise in salaries and benefits as well as an overall increase in research and development headcount. Kingsoft Internet Security – Computer Insurance Version and Kingsoft PowerWord Japanese iPhone Supported Version were two creative products in the first quarter of 2009.

OUTLOOK

Looking ahead, Kingsoft is optimistic about the growing momentum in both entertainment software and applications software businesses. **Mr. Pak Kwan KAU, Chairman and CEO of Kingsoft,** concluded, "We are confident that the upcoming JX III, our most anticipated 3D game, will continue to expand JX and leverage the growth of online game market in China."

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About Kingsoft

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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