[For Immediate Release]

Kingsoft to Acquire InfoGate

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Acquisition will create a reliable Internet security platform for SMEs

(June 25, 2008 – Hong Kong) Kingsoft Corporation Limited ("Kingsoft" or the "Company"; SEHK stock code: 3888), a leading entertainment and applications software developer, distributor and service provider in China based on market share, today announced the Company's acquisition plan for China Merchants InfoGate Ltd. ("InfoGate") ，an Internet security products and services provider in Shenzhen, at a cash consideration of RMB14.52million plus future earn-outs.

Kingsoft will acquire the businesses of China Merchants InfoGate Ltd. through its affiliate company Shenzhen Kingsoft Information Security Technology Co., Ltd. Meanwhile, Kingsoft held a press conference and released five series of Internet security products based on InfoGate's advanced technologies, the new products are Kingsoft KingGate Viruswall ，Kingsoft KingGate Firewall, Kingsoft KingGate Web Filter, Kingsoft KingGate UTM (Unified Threat Management), and Kingsoft KingGate Mail Security Gate. Kingsoft has entered the enterprise security market in 2003. With this acquisition, Kingsoft will penetrate growing SME sector by providing Internet security solutions.

China Merchants InfoGate Ltd. was established in 2002 and recorded a revenue of RMB 10.2million and RMB 4.2million for 2007 and 2006 respectively, representing an increase of approximately 143%.

Mr. Kau Pak Kwan, Chairman and Chief Executive Officer of Kingsoft, said, "I believe the acquisition of InfoGate will create synergy with Kingsoft's existing application software platform. The acquisition will further drive our growth in the Internet security business segment and widen our customer base."

As at 31 March 2008, the revenue of Kingsoft's application software business increased by 110% year-over-year to RMB53.9 million, primarily due to an increase in the number of subscribers for online services of Kingsoft Internet Security to 8.3 million daily average paying users. This increase represents a 109% year-over-year increase in the number of daily average paying users.

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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, Shenzhen and Dalian. The Company's vision is to create world-class software products that run on every computer and our strategy is to enhance our 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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