KINGSOFT®

KINGSOFT ANNOUNCES 2011 THIRD QUARTER RESULTS

SUCCESSFUL PRODUCT INNOVATION AND BUSINESS TRANSFORMATION WITH NEW MANAGEMENT TEAM FOCUSING ON LONG-TERM STRATEGIES
* * *

FINANCIAL HIGHLIGHTS

RMB'000	For the Three Months Ended September 30 (Unaudited)		Change (%)
	2011	**2010**	
Revenue	**242,707**	229,237	6
- Entertainment Software	165,224	155,203	6
- Application Software	77,483	74,034	5
Gross Profit	**205,937**	197,075	4
Profit Attributable to Owners of the Parent	**74,894**	84,990	-12
Basic Earnings per Share (RMB cents)	**6.63**	7.76	-15

OPERATIONAL HIGHLIGHTS

	September 30	June 30	September 30
	2011	**2011**	**2010**
Online Games			
- Daily Average Peak Concurrent Users	**608,607**	653,085	773,349
- Monthly Average Paying Users	**1,186,481**	1,250,771	1,325,056
- Monthly Average Revenue per Paying User(RMB)	**46**	46	39

(Hong Kong, 24 November 2011) — **Kingsoft Corporation Limited** ("Kingsoft" or the "Company"; SEHK stock code: 03888), a leading entertainment software, Internet security and application software developer, distributor and service provider in the PRC, announced its unaudited results for the three months ended 30 September 2011.

During the period under review, Kingsoft recorded an increase in both revenue and profit compared with the corresponding period last year. Revenue increased by 6% year-over-year to RMB242.7 million and gross profit increased by 4% year-over-year to

RMB205.9 million. Profit attributable to owners of the parent decreased by 12% year-over-year to RMB74.9 million. Selling and distribution expenses decreased by 3% year-over-year to RMB33.6 million during the period under review. As at 30 September 2011, cash and cash equivalent amounted to RMB1.84 billion. Revenue from the entertainment software business and the application software business represented 68% and 32% respectively of total revenue in the third quarter.

Dr. Hongjiang Zhang, Chief Executive Officer of Kingsoft, commented, "The past quarter was a challenging one for Kingsoft as we chose to extend the testing cycle of our new games and devote more resources to fine tune our major new game 'Legend of Moon', with the target to achieving long-term sustainable growth of new games. The slowdown of new product releases, the adverse impact of summer vacation in China and sizable R&D investments in mobile application only have a short term effect on our revenue and profits during the period."

BUSINESS REVIEW

Entertainment Software Business

Revenue from the entertainment software business in the third quarter increased 6% year-over-year to RMB165.2 million. In the third quarter, the company's existing games continued to show relatively stable performance. The release of the expansion pack "New JX Online III" of the 3D MMO JX Online III in May has has been successful and raised the game's user base significantly. To enhance the existing games portfolio, the company has released expansion packs "The Grand Master" (一代宗師) of JX Online III and "LMFJ" (龍門飛劍) of JX World Online in November 2011. Limited open beta testing for the new game title "Legend of Moon" was started in September, 2011 and has gained positive feedback from users. To expand the testing, three groups of new servers were added in November. We believe the official launch of the game will drive the revenue growth of the company.

Application Software Business

Revenue from the application software business for the third quarter of 2011 increased 5% year-over-year to RMB77.48 million. Benefiting from the improved copyright protection in China and the Government's support towards domestically produced software, Kingsoft WPS Office continued to receive strong sales orders both from enterprise customers and Government agencies. The mobile versions of Kingsoft WPS Office in Chinese, Japanese and English were issued in September and have received positive feedback from users. With its outstanding quality, WPS Office has accumulated close to ten thousand corporate

clients and over 50 million individual users within a short period of a few years. The number of active users of Kingsoft Internet Security has increased significantly since the launch of Kingsoft Antivirus 2012 – the Cheetah Version based on our proprietary 30-core cloud-based engine. The launch of the "Guarantee Indemnity" plan in August provided additional assurance for online e-commerce users.

Mr. Jun Lei, Chairman of Kingsoft, commented, "In consideration of the adverse impact of summer vacation, we are satisfied with the performance of our existing games. The fast growing Kingsoft Internet Security has positioned us as number two in China's consumer PC and internet security market. The performance of Kingsoft WPS has demonstrated the great opportunity of application software market in China and overseas. Taking account of long term interests of shareholders, we shall further focus on our products and make sure major new products are thoroughly tested before they are brought to end users."

Looking forward, **Mr. Jun Lei** concluded, "We are very glad to be able to invite Dr. Hongjiang Zhang and Mr. Shun Tak Wong to join Kingsoft as the Chief Executive Officer and Chief Financial Officer respectively. The new management team shall focus on the long-term strategies in the coming months aiming for innovation and a leap forward in the scale of its business. I believe that we will lead Kingsoft to another new height in the broadened market prospect and bring good returns to our shareholders in the long run."

-- END--

About Kingsoft Corporation Limited (Stock Code: 3888)

Kingsoft is a leading Internet-based developer, distributor and service provider of entertainment software, Internet security and application software in China. 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 software brand in China. Kingsoft has also rejuvenated itself by successfully transiting from "the King of package software" legacy to become an Internet application based model of Software as a Service.

Kingsoft's main business encompasses on-line games, Internet security and application software. The Company utilises the Internet as an effective and relatively secure channel to market and distribute its products, and has built an extensive sales and distribution network. Kingsoft launches 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. The Company is currently building a converged user platform for its diversified product portfolio and providing users with a variety of value-added services.

Enhancing the quality of digitalised lifestyle has been the mission of Kingsoft. Headquartered in Beijing, Kingsoft has set up R&D centers in Zhuhai, Beijing, Dalian and Chengdu. In addition to possessing strong R&D capabilities, Kingsoft has introduced top Internet and on-line game operation talents to its management team with the aim to enhancing user engagement and improving the efficiency of operations. Kingsoft will continue developing new products 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	**Strategic Financial Relations (China) Limited**
Ms. Michelle Feng Harnett Tel: (86) 10 82325515 Email: ir@kingsoft.com	Ms. Nan Dong Tel: (852) 2864 4811 Email: nan.dong@sprg.com.hk
	Mr. Marcus Keung Tel: (852) 2114 4967 Email: marcus.keung@sprg.com.hk