

[For Immediate Release]



Kingsoft Establish Subsidiary In Malaysia To Expand Online Game Business

(October 30, 2008 - Hong Kong) Kingsoft Corporation Limited (“Kingsoft” or the “Company”; SEHK stock code: 3888), China’s leading entertainment and applications software developer, distributor and service provider based on market share, announced that the Company has formed a wholly-owned subsidiary in Malaysia to aggressively expand the overseas market after entered into Vietnam, Japan and Thailand. Kingsoft plans to launch the first online game, JX Online World (劍俠世界), by the end of 2008 to capture the enormous development opportunity in the local online game market.

Mr. Zhang Wen Bing, Vice President of Kingsoft responsible for overseas business development said “Apart from focusing on Chinese market, Kingsoft also pays attention to expansion opportunities in overseas markets to expand business in all fronts. Kingsoft has successfully developed Vietnam, Japan and Thailand markets and achieved satisfactory results. Malaysia has a population of around 24 million. The favourable location and language culture are beneficial for us to first have a foothold in Malaysia cover surrounding area, and finally face the global English market. Hence, our company decided to enter Malaysia market and formed a subsidiary, Kingsoft (M) Sdn. Bhd.”

This is the first time that Kingsoft expands overseas markets through a wholly-owned subsidiary so as to concentrate resources for an extensive operation of the whole Kingsoft product lines in overseas and paves the way for expansion in English market in the future. In the early stage of its operation in Malaysia market, the company will mainly promote online game products. The first online game, JX Online World(劍俠世界), is planned to launch in 2008. The company plans to use Chinese games to open the market and enter English game markets gradually.

Mr. Zhang Wen Bing continued, " Vietnam and Malaysia are both located in Southeast Asia and their populations contain certain proportion of Chinese. We believe that the successful experience of Vietnam market will greatly benefit in developing Malaysia market. As I know, in 2006, the revenue of the online game market of Malaysia increased over 60% than in 2005, and the number of online game players reached 5 million. Some practitioners in the industry also estimated that the revenue of the online game market of Malaysia will saw a CAGR of around 30% in the next two to three years.

Kingsoft began marketing its entertainment software in Vietnam in 2004, Kingsoft's innovative game JX Online (劍俠情緣) was commercially launched in Vietnam in August, 2005 and achieved an immediate success with record peak concurrent users of 232,000 in December 2006. Kingsoft has entered into an agreement with two Vietnamese parties to form a joint venture company in Vietnam in June, 2008.

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 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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