



KongZhong Corporation Reports Third Quarter 2015 Unaudited Financial Results

BEIJING, China - November 24, 2015-KongZhong Corporation (NASDAQ: KZ), a leading online games publisher and developer in the PRC, today announced its unaudited financial results for the third quarter of 2015.

Third Quarter 2015 Financial Highlights

- Total revenues for the third quarter of 2015 were US\$ 38.58mn.
- Total gross profit was US\$ 16.90mn.
- Net income was US\$ 3.90mn, with diluted net income per American Depositary Shares ("ADS") of US\$ 0.08.
- Non-GAAP net income was US\$ 4.54mn, with Non-GAAP diluted net income per ADS of US\$ 0.10(Non-GAAP Financial Measures are described and reconciled to the corresponding GAAP measures in the section titled "Non-GAAP Financial Measures").
- As of September 30, 2015, the Company had US\$ 137.97mn in cash and cash equivalents, term deposits, held-to-maturity securities, available-for-sale securities and restricted cash or US\$ 2.95 per ADS in cash and cash equivalents, term deposits, held-to-maturity securities, available-for-sale securities and restricted cash, net of a US\$ 49.96mn bank loan. The mark to fair value of the Company's investments in Ourgame and Forgame were priced at HK\$ 3.94 and HK\$ 14.20 per ordinary share, respectively (or US\$ 30.47mn and US\$ 22.09mn, respectively) as of September 30, 2015, compared to the mark to fair value of the Company's investments in Ourgame and Forgame which were priced at HK\$ 6.49 and HK\$ 22.25 per ordinary share, respectively (or US\$ 50.18 mn and US\$ 34.61 mn, respectively) as of June 30, 2015.

Business Highlights

- Moving forward, the Company intends to concentrate its efforts in Internet Games and Mobile games around its War Saga game platform, China's leading military genre online game platform.
- As part of War Saga, we expect to release World of Warships to Open Beta Test on November 27, 2015, which is currently one of the most anticipated new PC games in China per mainstream media rankings.
- The Company released Heart of Thorns, the first expansion pack for Guild Wars 2 to the mainland China market on November 20, 2015.
- The Company recently licensed its self-developed martial arts MOBA PC game, Master of Meteor Blades, to Tencent Games, with beta testing to begin in the near future.
- The Company continues to internally test Blitzkrieg 3 and other PC and mobile military genre games for potential release in 2016.