



KINGSOFT ANNOUNCES 2021 ANNUAL AND FOURTH QUARTER RESULTS

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**Continue to Develop the "Cloud and Collaboration" Ecosystem
New Games Achieve Great Performance**

FINANCIAL HIGHLIGHTS

<i>RMB'000</i>	For the year ended 31 December		For the 3 months ended 31 December	
	2021	2020	2021	2020
Revenue	6,371,406	5,594,243	1,822,110	1,605,510
- Office software and services	3,264,794	2,257,177	903,901	756,473
- Online games and others	3,106,612	3,337,066	918,209	849,037
Gross Profit	5,214,289	4,676,962	1,449,586	1,346,867
Operating Profit	1,360,583	1,855,134	331,399	559,767
Profit/(loss) Attributable to Owners of the Parent	395,332	10,045,043	(335,102)	220,562
Basic Earnings/(loss) Per share (RMB)	0.29	7.35	(0.24)	0.16

(23 March 2022 – Hong Kong) **Kingsoft Corporation Limited** (“Kingsoft” or the “Company”; HKEx stock code: 03888), a leading Chinese software and Internet service company, has announced its 2021 annual results and fourth quarter results for the period ended 31 December 2021.

For the year of 2021, the revenue of Kingsoft increased 14% year-on-year to RMB6,371.4 million. Revenue from the office software and services and online games and others represented 51% and 49%, respectively, of the Company’s total revenue for the year of 2021. Gross profit for the year of 2021 increased 11% year-on-year to RMB 5,214.3 million, while operating profit amounted to RMB1,360.6 million.

For the fourth quarter of 2021, the Company’s revenue increased 13% year-on-year and 21% quarter-on-quarter to RMB1,822.1 million. Revenue from the office software and services and online games and others represented 50% and 50%, respectively, of the Company’s total revenue for the fourth quarter of 2021. Gross profit for the fourth quarter of 2021 increased 8% year-on-year and 17% quarter-on-quarter to RMB1,449.6 million, while operating profit amounted to RMB331.4 million.

Mr. Jun LEI, Chairman of Kingsoft, commented, “In 2021, we are poised to achieve a steady growth in our core businesses leveraging our continuous investment in technological innovation. Kingsoft Office Group understands user needs and has further enhanced its products and services. It has also continued to pursue the ecosystem strategy of “multi-screen, cloud, content, artificial intelligence (“AI”) and collaboration” and achieved an excellent operation performance. Meanwhile, our online games business

has launched several new mobile games during the year while continuing to focus on the development of premium games, long-term operation and enrichment of core game IPs.”

Mr. Tao ZOU, Chief Executive Officer of Kingsoft, added, “The Group’s business continued to achieve a steady growth, with revenue reaching RMB6,371.4 million, increasing by 14% year-on-year. Our office software and services business maintained a solid growth momentum and its revenue increased 45% year-on-year.”

BUSINESS REVIEW

Office Software and Services

In 2021, revenue from office software and services business increased 45% year-on-year to RMB3,264.8 million. Revenue in the fourth quarter increased 19% year-on-year and 12% quarter-on-quarter to RMB903.9 million.

In 2021, Kingsoft Office Group continued to enhance its products and services for cloud office and collaboration office scenarios. With increasing user activeness and user stickiness in individual and enterprise users, cloud migration of both domestic individual and institutional subscriptions has accelerated. With the stable growth in the number of monthly active devices of its key products, Kingsoft Office Group has continued to optimize its user experience and products functions, promote cloud migration, increase usage of its value-added functions and further drove the growth in its number of paying users. In addition, the significant increase in the number of uploaded cloud documents and the increase in the proportion of long-term paying users have also laid a solid foundation for the development of the individual subscription business in the future.

Regarding the government and enterprise market, Kingsoft Office Group took advantage of the industry trend on the demands of government and enterprise users for data asset management and office efficiency improvement, and has actively improved product systems, enhanced user experience and expanded eco-systems, to promote the cloud office migration of government and enterprise users. This has also set a solid foundation for its subsequent promotion of digital office platform solutions. As the cloud migration of government and enterprise users continues, Kingsoft Office Group is expected to increase its presence in the government and enterprise market.

In addition, Kingsoft Office Group has witnessed a strong demand growth from the government and enterprise users, as localization projects enter a booming stage with a fast-growing market leveraging the favourable policies. Moreover, Kingsoft Office Group also received substantial orders for its re-flowable and fixed-layout document format products which lead to a robust growth of its domestic institutional licensing business.

Online Games and others

Revenue from the online games and others business for 2021 was RMB3,106.6 million. Revenue for the fourth quarter of 2021 increased 8% year-on-year and 30% quarter-on-quarter to RMB 918.2million. The steady year-on-year growth in the fourth quarter was mainly due to the successful launch of several mobile games which diversified the Company’s game portfolio. In the fourth quarter, revenue from the flagship JX Online III PC game and the classic JX 2D PC game grew steadily quarter-on-quarter. Moreover,

we have also achieved breakthroughs on product development demonstrating the vitality of the core IP and our strong R&D and operational capabilities.

Following the successful release of the JX I Pocket mobile game in Vietnam in April 2021, JX I: Gui Lai (劍網 1: 歸來), the domestic version of JX I Pocket mobile game was released in October. Upon its debut, JX I: Gui Lai (劍網 1: 歸來) was ranked third in the top free charts and first in the top grossing role-playing game (RPG) charts for iOS. In November, Wu Lin Xian Xia (武林閑俠), our self-developed mobile game, was released in China with highest ranking sixth in the top grossing charts for iOS, demonstrating our successful strategic co-operation with Nuverse. In December, JX World III, the third generation of the JX World series mobile games, was launched. Upon its launch, JX World III ranked first in the top free charts and ninth in the top grossing charts for iOS. In addition, the mobile game was also recommended on the front page of Apple Today and was recognized as a superstar product by the Mobile Hardcore Alliance.

Mr. Jun LEI concluded, “Looking forward, Kingsoft Office Group will ride on the trend of cloud and collaboration office and continue to invest in product research and development. It will also further explore the opportunities in the enterprise market and strive to empower the digital transformation of large-scale organizations. Regarding our online games business, we will maintain the development of our core IP while focusing on bringing new game genres and new IPs. Looking ahead, we will continue to invest in R&D, promote technological innovation and upgrades, and pursue social responsibility to ensure long-term sustainable growth of our business.”

About Kingsoft Corporation Limited

Kingsoft is a leading software and Internet services company based in China listed on the stock exchange of Hong Kong. It has two subsidiaries including Kingsoft Office and Seasun. Following the implementation of its “mobile internet transformation” strategy, Kingsoft has completed the comprehensive transformation of its overall business and management models and formed a strategic platform with office software and interactive entertainment as the pillars and cloud services and AI as the new directions. The Company has more than 7,000 staff around the world and enjoys an important market share in China. For more information, please visit <http://www.kingsoft.com>.

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