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Kingsoft Corporation Limited

金山軟件有限公司

(Continued into the Cayman Islands with limited liability)

(Stock Code: 03888)

(Convertible Bonds Code: 40210)

**INSIDE INFORMATION:
PRELIMINARY RESULTS OF
BEIJING KINGSOFT OFFICE SOFTWARE, INC.
FOR THE YEAR ENDED 31 DECEMBER 2020**

This announcement is made by Kingsoft Corporation Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) (“**Kingsoft Office**”) is a subsidiary of the Company and its shares are listed on the SSE STAR Market (stock code: 688111). In compliance with the relevant requirements of Shanghai Stock Exchange, Kingsoft Office has published its preliminary results announcement for the year ended 31 December 2020 (the “**Preliminary Results Announcement**”) on the information disclosure webpage of Shanghai Stock Exchange’s website at <http://star.sse.com.cn/disclosure/announcement/>.

The board of directors of the Company would like to draw the attention of its shareholders and public investors to the appendix of this announcement (the “**Appendix**”), which sets out the Preliminary Results Announcement prepared by Kingsoft Office in accordance with the PRC Accounting Standards for Business Enterprises.

Please note that the Preliminary Results Announcement in the Appendix was originally prepared by Kingsoft Office in Chinese. If there is any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

By Order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 23 February 2021

As at the date of this announcement, the Executive Directors are Messrs. Tao ZOU and Yuk Keung NG; the Non-executive Directors are Messrs. Jun LEI, Pak Kwan KAU and Chi Ping LAU; the Independent Non-executive Directors are Messrs. Shun Tak WONG, David Yuen Kwan TANG and Ms. Wenjie WU.

APPENDIX

Stock Code: 688111

Stock Short Name: Kingsoft Office

Announcement No.: 2021-003

BEIJING KINGSOFT OFFICE SOFTWARE, INC. PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR OF 2020

The Company's board of directors and all of the directors warrant that this announcement does not contain any false statements, misleading representations or material omissions, and shall be jointly and severally liable for the truthfulness, accuracy and completeness hereof.

The major financial data for the year of 2020 set forth in this announcement is only preliminary accounting data and has not been audited by an accounting firm. The specific data shall be based on those data to be disclosed in the 2020 annual report of Beijing Kingsoft Office Software, Inc. (the "Company"). Investors are advised to pay attention to the investment risks involved.

I. MAJOR FINANCIAL DATA AND INDICATORS FOR 2020

Unit: RMB

Item	Current reporting period	Corresponding period last year	Rate of increase/decrease (%)
Total operating revenue	2,260,967,223	1,579,520,610	43.14%
Operating profit	932,800,777	401,647,105	132.24%
Total profit	933,290,074	406,372,001	129.66%
Net profit attributable to owners of the parent company	879,494,782	400,579,205	119.56%
Net profit attributable to owners of the parent company after deducting non-recurring gains and losses	618,955,568	314,528,401	96.79%
Basic earnings per share (RMB)	1.91	1.09	75.23%
Weighted average return on net assets	13.66%	22.60%	a decrease of 8.94 percentage points

	End of the current reporting period	Beginning of the current reporting period	Rate of increase/ decrease (%)
Total assets	8,516,557,823	6,843,993,487	24.44%
Owner's equity attributable to the parent company	6,856,257,115	6,068,580,258	12.98%
Share capital	461,000,000.00	461,000,000.00	0.00%
Net assets per share attributable to owners of the parent company (RMB)	14.87	13.16	12.98%

Notes: 1. The data for the beginning of the current reporting period is the same as the data for the end of last year as required to be disclosed by law.

2. The above financial data and indicators are set out based on those data in the consolidated statements, but they have not been audited. The final data shall be based on those data in the 2020 annual report of the Company.

II. DETAILS OF THE OPERATING RESULTS AND FINANCIAL POSITION

(I) Operating conditions, financial position and major factors affecting operating results during the reporting period

In 2020, the Company's operating revenue amounted to RMB2,260,970,000, representing a year-on-year increase of 43.14%; total profit was RMB933,290,000, representing a year-on-year increase of 129.66%; net profit attributable to owners of the parent company was RMB879,490,000, representing a year-on-year increase of 119.56%; and net profit attributable to owners of the parent company after deducting non-recurring gains and losses was RMB618,960,000, representing a year-on-year increase of 96.79%.

During the reporting period, the Company provided high-quality cloud collaboration and cloud office application services for more enterprise and individual users. During the reporting period, the institutional licensing business achieved fast growth. As enterprise-level cloud migration demands gradually emerged, the institutional subscription business saw sizable growth. In light of the growing popularity of mobile office and cloud collaborative office among users, to enhance users' experience in the age of cloud and collaborative office, the Company reduced the placing of traditional Internet advertisements, which enabled the individual subscription business to maintain a relatively high growth rate, driving the substantial growth of the Company's performance.

(II) Analysis of the reasons for changes in key indicators

1. During the reporting period, the Company achieved operating revenue of RMB2,260,970,000, representing a year-on-year increase of 43.14%. During the reporting period, the institutional licensing business achieved fast growth, the individual subscription business maintained fast growth, and the institutional subscription business also maintained a growth momentum as enterprise-level cloud migration demands gradually emerged.
2. During the reporting period, the Company achieved an operating profit of RMB932,800,000, representing a year-on-year increase of 132.24%; a total profit of RMB933,290,000, representing a year-on-year increase of 129.66%; and a net profit attributable to owners of the parent company of RMB879,490,000, representing a year-on-year increase of 119.56%. During the reporting period, the Company provided high-quality cloud collaboration and cloud office application services for more enterprise and individual users. While maintaining growth in income, the Company saved or reduced relevant costs and expenses as the Company's offline marketing activities, traveling, and recruitment activities were restricted due to the pandemic and the Company continued to improve the expense ratio. Meanwhile, the Company's non-recurring gains and losses, which mainly included the gains on wealth management using idle funds of the Company and the investment gains from acquisition of Suwell, increased significantly compared with the corresponding period of last year. In addition, the Company's assets had been enlarged after its listing, leading to the dilution of weighted average return on net assets.

III. RISK WARNING

There are no significant uncertainties affecting the accuracy of the preliminary results. However, the major financial data for the year of 2020 set forth in this announcement is only preliminary accounting data and has not been audited by an accounting firm. There may be discrepancies between relevant data contained herein and those data to be disclosed in the 2020 annual report of the Company. The specific and accurate financial data shall be based on those data in the audited 2020 annual report to be formally disclosed by the Company. Investors are advised to pay attention to the investment risks involved.

Announcement is hereby made.

**The board of directors of
Beijing Kingsoft Office Software, Inc.**
24 February 2021