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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 2021**

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 2021 (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, 25 February 2022

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.: 2022-006

BEIJING KINGSOFT OFFICE SOFTWARE, INC. PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR OF 2021

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 legally liable for the truthfulness, accuracy and completeness hereof according to law.

The major financial data for the year of 2021 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 2021 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 2021

Item	<i>Unit: RMB</i>		
	Current reporting period	Corresponding period last year	Rate of increase/decrease (%)
Total revenue	3,280,058,758	2,260,968,393	45.07
Operating profit	1,121,328,254	935,373,847	19.88
Total profit	1,118,743,184	935,863,144	19.54
Net profit attributable to owners of the parent company	1,042,198,455	878,141,265	18.68
Net profit attributable to owners of the parent company after deducting non-recurring gains and losses	841,341,622	612,028,725	37.47
Basic earnings per share (RMB)	2.26	1.90	18.68
Weighted average return on net assets (%)	14.35	13.64	an increase of 0.71 percentage point

	End of the current reporting period	Beginning of the current reporting period	Rate of increase/ decrease (%)
Total assets	10,425,081,354	8,511,586,171	22.48
Owner's equity attributable to the parent company	7,720,459,597	6,854,905,920	12.63
Share capital	461,000,000	461,000,000	0.00
Net assets per share attributable to owners of the parent company (RMB)	16.75	14.87	12.63

- 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 2021 annual report of the Company.
 3. Basic earnings per share and net assets per share attributable to owners of the parent company are presented in two decimal places only.

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 2021, the Company continued to firmly press ahead with the strategy of “multi-screen, cloud, content, AI and cooperation”, and made steady progress under a user-oriented and technology-based principle, thus achieving outstanding performance. During the reporting period, the Company's revenue amounted to RMB3,280 million, representing a year-on-year increase of 45.07%; total profit amounted to RMB1,119 million, representing a year-on-year increase of 19.54%; net profit attributable to owners of the parent company amounted to RMB1,042 million, representing a year-on-year increase of 18.68%; and net profit attributable to owners of the parent company after deducting non-recurring gains and losses amounted to RMB841 million, representing a year-on-year increase of 37.47%.

In addition, the ongoing enrichment of the Company's products and services in cloud and collaboration office and the continuous boost in stickiness of individual and institutional users in cloud and collaboration office expedited the progress of cloud migration in the domestic individual subscription and domestic institutional subscription business. At the end of the current reporting period, the total contract liabilities of the Company exceeded RMB1,600 million, representing a year-on-year increase of over 70%.

With the continual expansion of the user base in the individual user market in 2021, the Company promoted the cultivation of long-term users through an array of means, including enriching product functions, enhancing service quality and expanding the free cloud storage space of documents for individuals, driving a continuous and rapid growth in the individual subscription business. During the reporting period, the domestic individual subscription business recorded revenue of approximately RMB1,465 million, representing a year-on-year increase of approximately 44%.

In the government and enterprise customer market, capitalizing on the demands of government and enterprise customers for data asset management and office efficiency improvement in the surge of the digital economy, the Company continued to promote the transition of government and enterprise users from traditional independence office work to cloud-based and collaborative office work through measures such as expanding ecological channels, improving product systems and enhancing service experience, which ensured the steady growth of domestic institutional subscription and service business, while laying a solid foundation for the subsequent promotion of digital office platform solutions. As the products of government and enterprise users become increasingly cloud-based, the Company's penetration rate in the government and enterprise market will significantly increase. During the reporting period, the domestic institutional subscription and service business recorded revenue of approximately RMB446 million, representing a year-on-year increase of approximately 23%.

Meanwhile, with the improvement of maturity and quality of overall products in the localization industry, the localization process continued to deepen and the demand of government and enterprise users increased significantly. The Company's re-flowable and fixed-layout software products have obtained substantial orders, driving the continued explosive growth of the domestic institutional licensing business. During the reporting period, the domestic institutional licensing business recorded revenue of approximately RMB962 million, representing a year-on-year increase of approximately 107%.

With respect to Internet advertising business, the Company continued to maintain the strategic adjustment approach. The revenue share of this sector continued to shrink steadily. During the reporting period, Internet advertising and other business recorded revenue of approximately RMB406 million, representing a year-on-year decrease of 3%.

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

1. During the reporting period, the Company recorded revenue of RMB3,280 million, representing a year-on-year increase of 45.07%. The change was mainly due to the continued fast growth of individual subscription business as a result of continuous expansion of customer base and enhanced structure. As the data management demands of enterprise-level users and the digitalization demands of industries gradually emerged, the institutional subscription business also maintained a growth momentum. With the release of user demands, the institutional licensing business achieved explosive growth.

2. During the reporting period, net profit attributable to owners of the parent company after deducting non-recurring gains and losses was RMB841 million, representing a year-on-year increase of 37.47%. The increase in revenue led to an increase in net profit. In addition, the non-recurring gains and losses for the same period of the previous year mainly included gains on wealth management, government subsidies and investment gains from acquisition of Suwell, while the non-recurring gains and losses for the current period mainly included gains on wealth management and government subsidies, resulting in a decrease in the non-recurring gains and losses for the current period.

II. RISK WARNING

There are no significant uncertainties affecting the accuracy of the preliminary results. However, the major financial data for the year of 2021 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 2021 annual report of the Company. The specific and accurate financial data shall be based on those data in the audited 2021 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.**
25 February 2022