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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 2023**

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 2023 (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.

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, 27 February 2024

As at the date of this announcement, the executive director of the Company is Mr. Tao ZOU; the non-executive directors of the Company are Messrs. Jun LEI, Pak Kwan KAU and Leiwen YAO; the independent non-executive directors of the Company are Messrs. Shun Tak WONG, Zuotao CHEN and Ms. Wenjie WU.

APPENDIX

Stock Code: 688111

Stock Short Name: Kingsoft Office

Announcement No.: 2024-009

BEIJING KINGSOFT OFFICE SOFTWARE, INC. PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR OF 2023

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 severally and jointly accept responsibility for the truthfulness, accuracy and completeness.

The major financial data for the year of 2023 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 2023 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 2023

Item	<i>Unit: RMB</i>		
	Current reporting period	Corresponding period last year	Rate of increase/decrease (%)
Revenue	4,555,968,287.39	3,884,959,481.38	17.27
Operating profit	1,402,267,162.84	1,196,561,963.35	17.19
Profit	1,391,526,444.97	1,198,242,356.16	16.13
Net profit attributable to owners of the parent company	1,318,995,932.01	1,117,529,482.04	18.03
Net profit attributable to owners of the parent company after deducting non-recurring gains and losses	1,263,544,759.09	938,853,046.53	34.58
Basic earnings per share (RMB)	2.86	2.42	18.18
Weighted average return on net assets (%)	14.19	13.64	An increase of 0.55 percentage points

	End of the current reporting period	Beginning of the current reporting period	Rate of increase/ decrease (%)
Total assets	13,973,847,400.94	12,071,095,284.88	15.76
Owner’s equity attributable to the parent company	9,950,056,617.07	8,727,075,138.88	14.01
Share capital	461,723,327.00	461,221,529.00	0.11
Net assets per share attributable to owners of the parent company (RMB)	21.55	18.92	13.89

Notes:

1. 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 2023 annual report of the Company.
2. Pursuant to the Interpretation No. 16 of Accounting Standards for Business Enterprises issued by the Ministry of Finance, the relevant provisions of “accounting treatment that the exemption of initial recognition shall not apply to the deferred income tax relating to assets and liabilities arising from a single transaction” shall be implemented by the Company from 1 January 2023. According to the transitional requirements of the standard interpretation, enterprises shall make adjustments in accordance with the provisions of such interpretation for the single transactions applicable to such interpretation that occurred from the beginning of the earliest period presented in the financial statements for which such interpretation is first implemented to the effective date of such interpretation. For the lease liabilities and right-of-use assets recognized due to the single transactions applicable to such interpretation at the beginning of the earliest period presented in the financial statements for which such interpretation is first implemented, where there are taxable temporary differences and deductible temporary differences, enterprises shall, in accordance with such interpretation and the Accounting Standards for Business Enterprises No. 18 — Income Tax, adjust the cumulative effect to the retained earnings and other related financial statement items at the beginning of the earliest period presented in the financial statements.

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 2023, the Company continued to maintain a stable operating position. Driven by individual and institutional subscription businesses, the Company’s overall results continued to have a sustainable growth. Meanwhile, the Company continued to invest in research and development in the field of Artificial Intelligence and collaboration, as well as continued to enhance product competitiveness and accelerated the commercialization process through technological innovation, product iteration, performance improvement and other measures, further strengthening the Company’s competitive edges.

During the reporting period, the Company’s revenue amounted to RMB4,556 million, representing a year-on-year increase of 17.27%; net profit attributable to owners of the parent company amounted to RMB1,319 million, representing a year-on-year increase of 18.03%; and net profit attributable to owners of the parent company after deducting non-recurring gains and losses amounted to RMB1,264 million, representing a year-on-year increase of 34.58%.

The Company optimized the user experience of all products in response to the diversified needs of individual users. Meanwhile, the membership system has been upgraded. By providing a membership system with extensive benefits and flexible structure, it has continuously improved both the paying ratio and the average revenue per paying user, driving the steady growth of domestic individual office subscription business. During the reporting period, the revenue of domestic individual office subscription business was approximately RMB2,653 million, representing a year-on-year increase of approximately 29.42%.

To further satisfy the needs of government and enterprise customers for cost reduction and efficiency improvement, comprehensive cloudification of data, and security control, the Company launched WPS 365, a one-stop intelligent office platform. Under the trend of dual optimization of products and services, the digital and intelligent office experience of government and enterprise customers has been effectively improved, driving the rapid growth of domestic institutional subscription business. During the reporting period, the revenue of domestic institutional subscription business was approximately RMB957 million, representing a year-on-year increase of approximately 38.36%.

Due to the adjustment of the localization industry, during the reporting period, domestic institutional licensing business recorded revenue of approximately RMB655 million, representing a year-on-year decrease of approximately 21.60%.

The Company took an initiative to shrink and subsequently shut down its domestic advertising business, while its overseas business continued to expand. During the reporting period, the internet advertising and other businesses recorded revenue of approximately RMB288 million, representing a year-on-year decrease of approximately 6.05%.

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

During the reporting period, the net profit attributable to the owners of the parent company after deducting non-recurring gains and losses was RMB1,264 million, representing a year-on-year increase of 34.58%. This was mainly attribute to the overall results growth of the Company during the reporting period and the reduction on purchasing wealth management products due to the adjustment of capital management strategies of the Company, resulting in the year-on-year decrease in non-recurring gains and losses.

III. RISK WARNING

There are no significant uncertainties affecting the accuracy of the preliminary results. However, the major financial data for the year of 2023 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 2023 annual report of the Company. The specific and accurate financial data shall be based on those data in the audited 2023 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.**
28 February 2024