



KINGSOFT ANNOUNCES 2022 FIRST QUARTER RESULTS

* * *

**Kingsoft Office Group Achieves Significant Increase
in Institutional Subscription Business
Online Games Business Delivers Steady Growth**

FINANCIAL HIGHLIGHTS

RMB'000 (Unaudited)	For the three months ended		
	31 March 2022	31 March 2021	31 December 2021
Revenue	1,853,015	1,559,607	1,822,110
- Office Software and Services	871,118	770,992	903,901
- Online Games and Others	981,897	788,615	918,209
Gross Profit	1,502,331	1,315,865	1,449,586
Operating Profit	499,451	512,061	331,399
Profit/(Loss) Attributable to Owners of the Parent	99,386	116,572	(335,102)
Basic Earnings/(Loss) per Share for Profit for the Period (RMB)	0.07	0.09	(0.24)

(24 May 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 unaudited quarterly results for the three months ended 31 March 2022 (“period under review”).

During the period under review, the revenue of Kingsoft increased 19% year-over-year and 2% quarter-over-quarter to RMB1,853.0 million. Revenue from the office software and services, and the online games and others represented 47% and 53%, respectively, of total revenue. Gross profit increased 14% year-over-year and 4% quarter-over-quarter to RMB1,502.3 million. Operating profit before share-based compensation costs increased 5% year-over-year and 42% quarter-over-quarter to RMB573.7 million.

Mr. Jun LEI, Chairman of Kingsoft, commented, “Amidst the evolving market and new challenges, we have successfully seized the opportunity for digital transformation and achieved a decent start in our core businesses. During the quarter, Kingsoft Office Group continued to pursue the strategy of ‘multi-screen, cloud, content, artificial intelligence (“AI”) and collaboration’, upgrade its cloud office services and solutions, expand its user base and enhanced market penetration. In the online games business, we continued to focus on the R&D of premium games, promote the long-term development of core games and the overseas market expansion.”

Mr. Tao ZOU, Chief Executive Officer of Kingsoft, added, “The Company maintained steady performance across all businesses in the first quarter with total revenue reaching RMB1,853.0 million, increasing by 19% year-on-year. Driven by the continued growth of subscription revenue from individual and institutional users, our office software and services business in the first quarter increased by 13% year-on-year. With the contribution of our new mobile games launched in the fourth quarter of 2021, our online games and others business in the first quarter increased by 25% year-on year.”

BUSINESS REVIEW

Office Software and Services

For the first quarter of 2022, revenue from the office software and services business increased 13% year-on-year to RMB871.1 million. The year-on-year increase was mainly due to the continued growth of Kingsoft Office Group’s individual and institutional subscription business.

During the quarter, the robust year-on-year growth of domestic individual subscriptions business was primarily driven by the ongoing user base expansion and growth in the number of long-term paying users. Meanwhile, during the COVID-19 pandemic, the highly effective collaboration functions of WPS Docs facilitated information sharing and drove a continuous increase in the number of uploaded cloud documents. Regarding the government and enterprise market, Kingsoft Office Group continued to enhance the solution quality of cloud and collaboration, bring brand-new experiences to users, and further promote cloud office migration and penetration. Kingsoft Office Group continued to optimize its solutions, enhance the eco-system construction and channel capabilities, and seize new opportunities arising from digital government and the industry digital transformation.

Online Games and Others

Revenue from the online games and others business for the first quarter of 2022 increased 25% year-on-year and 7% quarter-on-quarter to RMB981.9 million. The increases were mainly due to the successful launch of several mobile games in the fourth quarter of 2021.

JX World III, which was launched at the end of 2021, achieved an excellent performance in the quarter, and further demonstrated our strengths in R&D and operation of premium games. Meanwhile, we continued to optimize our newly launched titles. In April 2022, we have received the license approval for JX Online III Origin (劍網3緣起), and launched its open beta on 13 May. In view of the globalization, we strive to increase our product presence in international markets. As such, JX World III was launched in Southeast Asia in March 2022, and Wu Lin Xian Xia (武林閑俠) was launch in Hong Kong, Macao and Taiwan in April 2022, and will also be released in South Korea in the third quarter of the year.

Mr. Jun LEI concluded, “The results we achieved in the first quarter lays a solid foundation for the year of 2022. Looking ahead, the Company will continue to adhere to technological empowerment and keep investing in R&D. We will also strengthen our products and services, optimize user experience and strive to build a brighter future together with our users and partners.”

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 three main subsidiaries including Kingsoft Office, Seasun and Kingsoft Shiyou. 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 a large market share in China. For more information, please visit <http://www.kingsoft.com>.

Kingsoft Investor Relations:

Francie Lu Tel: (86) 10 6292 7777 Email: ir@kingsoft.com

For further queries, please contact Hill+Knowlton Strategies Asia:

Ovina Zhu Tel: (852) 2894 6315 Email: kingsoft@hkstrategies.com