



KINGSOFT ANNOUNCES 2022 THIRD QUARTER RESULTS

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**Kingsoft Office Group Achieves Significant Growth
in Office Software and Services Business
Adheres to the Strategy of Premium Games and Optimizes Game Experience**

FINANCIAL HIGHLIGHTS

RMB'000 (Unaudited)	For the three months ended		
	30 September 2022	30 September 2021	30 June 2022
Revenue	1,837,127	1,510,163	1,834,152
- Office Software and Services	1,004,726	803,683	924,576
- Online Games and Others	832,401	706,480	909,576
Gross Profit	1,466,175	1,240,971	1,467,655
Operating Profit	331,770	287,299	418,728
Profit/(Loss) Attributable to Owners of the Parent	(6,054,900)	565,198	(139,412)
Basic Earnings/(Loss) per Share (RMB)	(4.44)	0.41	(0.10)

(15 November 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 30 September 2022 (“period under review”).

During the period under review, the revenue of Kingsoft increased 22% year-on-year and kept flat quarter-on-quarter to RMB1,837.1 million. Revenue from the office software and services, and the online games and others represented 55% and 45%, respectively, of total revenue. Gross profit increased 18% year-on-year to RMB1,466.2 million. Operating profit before share-based compensation costs increased 10% year-on-year to RMB395.3 million.

Mr. Jun LEI, Chairman of Kingsoft, commented, “The Group adheres to technological empowerment, with a focus on developing core products and technologies. During the quarter, our core businesses demonstrated strong resilience. Leveraging its accumulated experience and strengths in products and technologies development, Kingsoft Office Group continued to pursue the strategy of ‘multi-screen, cloud, content, artificial intelligence (“AI”) and collaboration’ and improve its products and services solutions, aiming to increase user stickiness for cloud and collaboration office scenarios. Regarding our online games business, we have adhered to the strategy of premium games and focused on the long-term development of core games.”

Mr. Tao ZOU, Chief Executive Officer of Kingsoft, added, “During the third quarter, our total revenue reached RMB1,837.1 million, up 22% year-on-year. Driven by the continued growth of individual and institutional subscription businesses, revenue from office software and services business reached RMB1,004.7 million, up 25% year-on-year.

BUSINESS REVIEW

Office Software and Services

For the third quarter of 2022, revenue from the office software and services business increased 25% year-on-year and 9% quarter-on-quarter to RMB1,004.7 million. The year-on-year increase was mainly due to the continued growth of Kingsoft Office Group’s individual and institutional subscription businesses.

In the third quarter, with a growing individual user base, Kingsoft Office Group strived to increase user engagement and stickiness and the proportion of long-term paying users by enhancing cloud services, enriching product portfolio and improving user experience. Kingsoft Office Group has dedicated itself to improving application performance for the government and enterprise subscription business by working on user efficiency, data management, information security and industry application scenarios in order to cater to the need of users which has led to a growing penetration of the enterprise-level product, Kingsoft Digital Office Platform. As for the institutional licensing business, our products continued to gain acceptance by increasing demand for domestic office software from government and enterprises, partially offset the high base for the same period last year and slower localization progress this year. Recently, we launched the official document version of WPS for the government users. Developed upon the professional version of WPS, it offers industry-leading functions such as official document work mode, a variety of official document templates, and document conversion to optimize document work efficiency of government users.

Online Games and Others

Revenue from the online games and others business for the third quarter of 2022 increased 18% year-on-year to RMB832.4 million. The year-on-year increase was mainly due to the successful launch of several mobile games in the fourth quarter of 2021.

During the review period, we continued to refine the core IP, enrich the content and enhance product quality through technological innovation aiming to bring players a better gaming experience. We celebrated the 13th anniversary of the flagship JX Online III PC game in August and launched Heng Dao Duan Lang (橫刀斷浪), the anniversary expansion pack and a new section Dao Zong (刀宗) for the JX Online III PC game in October. The third season of JX Online III: Chivalrous Shen Jianxin (劍網3·俠肝義膽沈劍心), an animation series based on the JX Online III was released on Bilibili in July and was welcomed by gamers. The rating of the animation series on Bilibili reached a record high and the influence of JX IP has been further enhanced. In August, we launched the open beta across all platforms and a new expansion pack for JX World III (劍俠世界3) in China. The launch has further enhanced user engagement and reached a broader player base laying a solid foundation for our long-term development.”

Mr. Jun LEI concluded, “Looking ahead, we will maintain our investment in R&D, further enhance the user experience for our ‘cloud and collaboration’ office services and expand new game genres. We will continue to focus on technology innovation and product upgrades and enhance competitiveness and efficiency, aiming for the long-term sustainable development of the Group.”

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>.

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