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Kingsoft Announces the Results for the First Half and the Second Quarter of 2024

AI Powers Comprehensive Evolution of Office Products, while Game Quality Enhancement and New Genres Expansion Progressing Simultaneously, Leading to Significant Progress in Core Businesses

FINANCIAL HIGHLIGHTS

RMB'000 (Unaudited)	For the 6 Months Ended June 30		For the 3 Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Revenue	**4,610,641**	4,163,797	**2,473,766**	2,193,490
- Office Software and Services	**2,413,079**	2,172,497	**1,187,730**	1,120,845
- Online Games and Others	**2,197,562**	1,991,300	**1,286,036**	1,072,645
Gross Profit	**3,782,688**	3,457,239	**2,042,035**	1,831,846
Operating Profit	**1,395,615**	1,136,015	**794,037**	675,713
Profit Attributable to Owners of the Parent	**677,923**	249,530	**393,353**	57,187
Basic Earnings per Share (*RMB*)	**0.51**	0.18	**0.29**	0.04

On August 20, 2024, Kingsoft Corporation Limited ("Kingsoft" or the "Company", Stock Code: 03888.HK), a leading software and internet services company in China, announces its unaudited results for the three and six months ended June 30, 2024.

In the first half of 2024, Kingsoft's total revenue reached RMB 4,611 million, representing a year-on-year increase of 11%. Revenue from office software and services business was RMB 2,413 million, while revenue from online games and other business was RMB 2,198 million, accounting for 52% and 48% of total revenue, respectively. Gross profit for the first half of 2024 was RMB 3,783 million, a 9% increase compared to the same period last year.

In the second quarter of 2024, Kingsoft's total revenue reached RMB 2,474 million, representing a year-on-year increase of 13%. Revenue from office software and services business was RMB 1,188 million, while revenue from online games and others business was RMB 1,286 million, accounting for 48% and 52% of total revenue, respectively. Gross profit was RMB 2,042 million, representing a year-on-year increase of 11%.

Mr. Jun LEI, Chairman of Kingsoft, stated: "In the second quarter of 2024, we steadfastly implemented our established strategy, and significant progress has been made in our core businesses. Kingsoft Office Group maintained steady operations and adhered to the strategy of 'Multi-Screen, Cloud, Content, Collaboration, AI'. We actively embraced the opportunities presented by large language models, and continuously invested in collaboration and AI R&D to enhance product competitiveness and promote the practical application of new productive forces in the smart office sector. In the online games business, we focused on a quality-centered strategy, delving deeply into classic JX series while actively expanding into new game genres."

Mr. Tao ZOU, the chief executive officer ("CEO") of Kingsoft, said, "In the second quarter of 2024, we achieved solid growth in revenue and operating profit. Total revenue for the second quarter was RMB2,474 million, representing a year-on-year increase of 13% and a quarter-on-quarter increase of 16%. Revenue from online games and others business was RMB1,286 million, representing a year-on-year increase of 20% and a significant quarter-on-quarter increase of 41%, while revenue from office software business was RMB1,188 million, representing a year-on-year increase of 6%. The operating profit was RMB794 million, representing a year-on-year increase of 18% and a significant quarter-on-quarter increase of 32%."

Office software and services: Official released of WPS AI 2.0, further enhancing the intelligent office experience

In the first half of 2024, the revenue of Kingsoft Office Group reached RMB2,413 million, representing a year-on-year increase of 11%. In the second quarter, its revenue reached RMB1,188 billion, representing a year-on-year increase of 6%.

Kingsoft Office Group upgraded its AI strategy and released WPS AI 2.0. Focusing on individual users, it has launched four AI assistants in writing, reading, data and design. For enterprise users, we released WPS AI Enterprise Edition, which includes AI Hub, AI Docs, and Copilot Pro. For government users, we released Kingsoft Government Office Model , and WPS AI Government Edition.

In the second quarter, the individual office subscription business experienced steady growth. We enhanced the cloud-integrated experience of its products, increasing user reliance on WPS cloud services, which in turn boosted user activity on the cloud. Simultaneously, we continually improved users' awareness and utilization of AI features. In the enterprise office sector, WPS 365 continued to drive business transformation, advancing cloud integration and collaborative work processes for government and corporate clients. We also focused deeply on the value scenarios of key government and enterprise customers, incubating secure and efficient industry-

wide solutions. In the field of localization industry, we addressed the actual replacement needs of critical industries, achieving localized migration, adaptation, and application reconstruction of office systems. Meanwhile, the overseas business maintained healthy growth, with the upgraded release of WPS AI's international edition and its membership system.

Online Games business: Core IP continues to break through, injecting new vitality into development

In the first half of 2024, revenue from the online games and others business grew steadily to RMB2,198 million, a 10% increase year-on-year. Revenue for the second quarter was RMB1,286 million, a 20% increase year-on-year and a significant increase of 41% quarter-on-quarter.

Our core games have achieved a milestone breakthrough. The mobile version of JX3 Ultimate was successfully launched in June, with full platform data inheritance and interconnectivity with the flagship PC game JX3 Online. The daily active user count across all platforms reached a record high. Many dormant players returned, while new players kept joining, enhancing the baseline for the long-term operation of the IP and injecting new vitality into it. We will hold the 15th-anniversary celebration of JX3 Online in August and launch a new expansion pack in October to further enhance its long-term vitality. The sci-fi mech game, Mecha BREAK, has completed its first domestic public beta test in August.

Mr. Jun LEI concluded, "Looking forward to the second half of the year, Kingsoft Office Group will remain dedicated to focusing on AI and collaboration, continue to invest in R&D, and improve the products related to WPS 365 and WPS AI systems. We will also promote their applications in office scenarios across various industries to provide more efficient and intelligent office solutions. Online games business will keep focusing on users, deepen expanded genres and seek new breakthroughs. We will adhere to the technology-driven business, continuously innovate and deliver products and content, and create prime experiences to generate value for our users and shareholders."

About Kingsoft Corporation Limited

Kingsoft (3888.HK) is a leading Chinese software and internet service company listed on the Hong Kong Stock Exchange. It has three main subsidiaries: Kingsoft Office, Seasun Holdings and Kingsoft Shiyou. With the implementation of the "transformation toward mobile internet" strategy, Kingsoft has completed a comprehensive transformation in its overall business and management model. The Company has established a strategic layout with office software and interactive entertainment as its pillars, and cloud services and artificial intelligence as its new starting points. Kingsoft has more than 7,000 employees worldwide and holds a significant market share domestically. For more details, please refer to http://www.kingsoft.com.

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