



**KINGSOFT ANNOUNCES 2021 THIRD QUARTER RESULTS**

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**Kingsoft Office Group Achieved Significant Growth  
Online Games Business Adhered its “Premium” Games Strategy**

**FINANCIAL HIGHLIGHTS**

| <b>RMB'000 (Unaudited)</b>                          | <b>For the three months ended</b> |                          |                     |
|---|-----------------------------------|--------------------------|---------------------|
|   | <b>30 September 2021</b>          | <b>30 September 2019</b> | <b>30 June 2021</b> |
| <b>Revenue</b>                                      | <b>1,510,163</b>                  | 1,397,290                | 1,479,526           |
| - Online Games and others                           | <b>706,480</b>                    | 810,286                  | 693,308             |
| - Office Software and Services                      | <b>803,683</b>                    | 587,004                  | 786,218             |
| <b>Gross profit</b>                                 | <b>1,240,971</b>                  | 1,157,751                | 1,207,867           |
| <b>Operating Profit</b>                             | <b>287,299</b>                    | 361,479                  | 229,824             |
| <b>Profit Attributable to Owners of the Parent*</b> | <b>565,198</b>                    | 666,893                  | 48,664              |
| <b>Basic Earnings Per share (RMB)</b>               | <b>0.41</b>                       | 0.49                     | 0.04                |

(16 November 2021 – 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 2021 (“period under review”).

During the period under review, the revenue of Kingsoft increased 8% year-on-year to RMB1,510.2 million. Revenue from online games and others, and office software and services represented 47% and 53% of the Group’s total revenue for the third quarter of 2021, respectively. Revenue from the office software and services business for the third quarter of 2021 increased 37% year-on-year to RMB803.7 million. Gross profit for the third quarter of 2021 increased 7% year-on-year to RMB1,241.0 million.

**Mr. Jun LEI, Chairman of Kingsoft**, commented, “Our overall business grew steadily during the quarter. Kingsoft Office Group focused on addressing user needs to enhance its products and services, and continued to pursue its strategy of ‘multi-screen, cloud, content, artificial intelligence (“AI”) and collaboration’. Meanwhile, our online game business adhered its ‘premium’ games strategy.”

**Mr. Tao ZOU, Chief Executive Officer of the Company**, added, “The Group’s business continued to grow in the third quarter with revenue reaching RMB1,510.2 million, up 8% year-on-year. Driven by the continued growth of licensing and subscription services businesses, our office software and services business maintained strong growth momentum in the third quarter with revenue reaching RMB803.7 million, up 37% year-on-year.”

\* Profit attributable to owners of the parent before the effect of share-based compensation costs is RMB611.2 million, RMB686.7 million and RMB71.8 million for the three months ended 30 September 2021, 30 September 2020 and 30 June 2021, respectively.

## **BUSINESS REVIEW**

### **Office Software and Services**

The strong year-on-year revenue growth of licensing business was primarily driven by the growing cloud office and licensing business in the government and enterprise market and the increasing demand for localization. Kingsoft Office Group continued to improve the services quality of its localization business by joining the Trusted Computing Group, where it worked with different partners to set up a multi-dimensional cooperative program. The program focuses on document services to effectively promote the integration of cloud products with digital government and state-owned cloud projects. Meanwhile, Kingsoft Office Group actively participated in the pilot exercise of the newly-launched industry localization business and gained recognition from clients.

The subscription service business continued to maintain a robust growth during the quarter. Kingsoft Office Group strived to optimize collaboration office scenarios and launched new solutions to effectively maintain stable growth in active users and paying users, resulting in transition of paying user habits from casual to long-term needs. As of the end of September 2021, the number of monthly active devices of its key products amounted to 521 million, up 14% year-on-year. With increasing demand for cloud and collaboration office solutions, the number of users of WPS Docs in the third quarter already exceeded the peak recorded during the COVID-19 pandemic. In order to cater to small and medium-sized enterprises' and teams' demand for collaboration and convenient office solutions, Kingsoft Office Group has invested in ActionSoft (炎黃盈動), a low-code Platform as a Service ("PaaS") provider, and aimed to develop a digital transformation solution to achieve the synergy of office scenarios and business scenarios.

### **Online Games and others**

In the third quarter, the online game business continued to maintain a stable performance quarter-on-quarter. Revenue from the flagship JX Online III PC game and the classic JX 2D PC games achieved steady growth demonstrating the sustainable longevity and vitality of the core IP. In August, Kingsoft celebrated the 12<sup>th</sup> anniversary of JX Online III PC game and launched theme activities with collaboration between traditional and contemporary Chinese culture. These activities received wide acclaim from younger generation of gamers. In October, Kingsoft launched Bei Tian Yao Zong (北天藥宗), the anniversary expansion pack for JX Online III PC game, and a new section with the theme of traditional Chinese medicine and upgraded gameplay that has been popular among gamers. In addition, JX I: Gui Lai (劍網1: 歸來) was released in China on 15 October 2021.

During the third quarter, the domestic games industry adapted to new regulations. We are proactively embracing the new regulatory environment which we believe would contribute to a more sustainable development path for the gaming industry. Forging ahead, Kingsoft will continue our integration of development and operation of new game genres to create a diversified content ecosystem while strengthening the performance of Kingsoft's core IP products."

**Mr. Jun LEI** concluded, "In the third quarter, our core businesses continued to expand and contributed solid results to the Group. Looking forward, we will focus on exploring opportunities of the enterprise services market and online games market, continuing to expand R&D investment, as well as enhancing our products and services, aiming to provide our users and partners with valuable products and services experience and drive long-term returns for our shareholders."

### **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 two subsidiaries including Kingsoft Office and Season. Following the implementation of its “mobile internet transformation” strategy, Kingsoft has completed the comprehensive transformation of its overall businesses and management models and formed a strategic platform with interactive entertainment and office software as the pillars and cloud services and AI as the new directions. The Company has more than 6,000 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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