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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)

**VOLUNTARY ANNOUNCEMENT
RISK ALERT ON THE NUMBER OF MAU OF
WPS DOCS OF
BEIJING KINGSOFT OFFICE SOFTWARE, INC.**

This announcement is made by Kingsoft Corporation Limited (the “**Company**”) on a voluntary basis.

Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) (“**Beijing Office Software**”) is a subsidiary of the Company and its shares are listed on the SSE STAR Market (stock code: 688111).

I. Information on the number of MAU of WPS Docs

WPS Docs is an online document product of Beijing Office Software for cooperative edit. Users are able to log in online and use its instant messaging mini programs and other scenarios to edit the documents online and co-edit with others.

Due to the increasing demands for remote office work by various enterprises in the short run, there is a substantial increase in the number of monthly active user (MAU) of WPS Docs product, the online cooperative editing product of Beijing Office Software. As at 2 March 2020, the number of MAU of WPS Docs amounted to 239 million.

II. Impacts on Beijing Office Software

Currently, the main operation revenue of Beijing Office Software is attributable to the office software licensing business, office service subscription business and online marketing business of WPS office PC version and WPS office mobile version. The office software licensing business is targeted at government authorities and large and medium-sized corporate customers, while the office service subscription and online marketing businesses are targeted at individual users. In 2018, the revenue from the office software licensing business, office service subscription business and online marketing business accounted for 31.49%, 34.76% and 33.75% of the total revenue, respectively.

As the number of MAU of WPS office PC version and WPS office mobile version provided by Beijing Office Software has certain impact on the revenue from the office service subscription business and online marketing business of Beijing Office Software, the relevant indicator is listed as one of the major operation indicators of Beijing Office Software. Currently, only a very small proportion of active users of products provided by Beijing Office Software have become paid users, details of which are disclosed in “Section 8 Financial Information and Management Analysis 11. Operational Results” of the prospectus of Beijing Office Software.

As WPS Docs and the related functions are currently targeted at individual users free of charge and such products are not featured with online marketing function, they will not produce income from the office service subscription and online marketing business. Therefore, this business will not impose direct impact on the operating result of Beijing Office Software and the number of MAU of WPS Docs is not listed as one of the major operation indicators of Beijing Office Software.

The number of MAU of WPS Docs is calculated based on online scenarios, which hasn't been de-duplicated with the number of MAU of other products.

III. Alert on relevant risks

1. The short-term increase in the number of MAU of WPS Docs was attributable to the rapid increase in demand for “remote office work” as a result of delay in resumption of operation by various enterprises. Such demand is considered as unexpected and phasing. With the resumption of operation by the enterprises and increasing on-site presence at the working premises, it is expected that the number of MAU of WPS Docs will be on a trend of decrease.
2. Currently, the major operation indicators of Beijing Office Software include the number of MAU of WPS office PC version, WPS office mobile version and other product (Kingsoft PowerWord), respectively. In the future, Beijing Office Software will evaluate these major operation indicators based on its operation results, and will make relevant disclosure on a regular basis for the investors' information with care.

By Order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 4 March 2020

As at the date of this announcement, the Executive Directors are Messrs. Tao ZOU and Yuk Keung NG; the Non-executive Directors are Messrs. Jun LEI, Pak Kwan KAU and Chi Ping LAU; the Independent Non-executive Directors are Messrs. Shun Tak WONG, David Yuen Kwan TANG and Ms. Wenjie WU.