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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
EXTERNAL INVESTMENT BY
KINGSOFT OFFICE**

This announcement is made by Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis, to inform the shareholders and potential investors of the Company of the latest business developments of the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce that a resolution in relation to the external investment by Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) (“**Kingsoft Office**”), a subsidiary of the Company, was considered and approved by the board of directors of Kingsoft Office on 18 August 2020. Kingsoft Office proposes to acquire 37.5219% equity interests in Beijing Suwell Technology Co., Ltd.* (北京數科網維技術有限責任公司) (“**Suwell**”) directly held by Beijing CSSCA Technologies Co., Ltd. (北京冠群信息技術股份有限公司) (“**CSSCA**”) for a consideration of RMB150 million (the “**Proposed Acquisition**”). As at the date of this announcement, Kingsoft Office held 29.9965% equity interests in Suwell. Upon completion of the Proposed Acquisition, Kingsoft Office will hold 67.5184% equity interests in Suwell, and Suwell will become a subsidiary of Kingsoft Office and will be included in the consolidated financial statements of Kingsoft Office.

Upon completion of the Proposed Acquisition, Kingsoft Office will become the controlling shareholder of Suwell, and will have the decision-making right on its significant matters. Kingsoft Office will make strategic planning for the open fixed-layout document format standards (OFD), step up its collaboration with Suwell in different ways such as cooperative development and acting as an agent for Suwell’s products, and continue to deliver quality services to the government and general industry customers. The Proposed Acquisition is in line with Kingsoft Office’s needs for its overall development strategy and will increase its consolidated financial revenue and profits. On the other hand, it will be beneficial to the innovation of Kingsoft Office’s products in the OFD field.

After making all reasonable enquiries, to the best of the knowledge, information and belief of the directors of the Company, CSSCA and its ultimate beneficial owners are all independent third parties of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Pursuant to the Listing Rules, since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Proposed Acquisition are all less than 5%, the Proposed Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

Since no equity transfer agreement in relation to the Proposed Acquisition has been entered into yet, the final terms of the Proposed Acquisition will remain uncertain to some extent. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 18 August 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.