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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)

**UPDATE ANNOUNCEMENT IN
RELATION TO CONNECTED TRANSACTION OF
FORMATION OF BEIJING XIAOMI INTELLIGENT
MANUFACTURING EQUITY INVESTMENT FUND
PARTNERSHIP (LIMITED PARTNERSHIP); AND
CLARIFICATION ANNOUNCEMENT**

UPDATE ON THE FORMATION OF THE FUND

Reference is made to the announcement of Kingsoft Corporation Limited (the “**Company**”) dated 2 March 2023 (the “**Announcement**”) in relation to the formation of Beijing Xiaomi Intelligent Manufacturing Equity Investment Fund Partnership (Limited Partnership)* (北京小米智造股權投資基金合夥企業（有限合夥）) (the “**Fund**”) (the “**Connected Transaction**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Company would like to provide updates to the Shareholders regarding the latest development of the Connected Transaction. On 19 July 2024, Kingsoft Wuhan (as a limited partner), a subsidiary of the Company, Xiaomi Beijing (as the General Partner), Xiaomi Wuhan and other limited partners entered into a new partnership agreement (the “**New Partnership Agreement**”) in relation to the formation of the Fund, which shall replace and substitute the partnership agreement dated 2 March 2023 (the “**Original Partnership Agreement**”) in its entirety. Pursuant to the New Partnership Agreement, the subscription contribution amount from Kingsoft Wuhan in the Fund shall remain unchanged, i.e., RMB500 million, and the total subscription contribution amount of the Fund shall increase from RMB9,030 million into RMB10,000 million, with the additional aggregate subscription contribution amount of RMB970 million to be made by certain original limited partners and the new limited partners, the details of which are set out below. Save as disclosed herein, all other terms in the New Partnership Agreement are substantially the same as those in the Original Partnership Agreement as disclosed in the Announcement.

Capital Subscription Contribution under the New Partnership Agreement

Name of partner	Type of partner	Subscription contribution amount (RMB million)	Partnership interest (%)
Xiaomi Beijing ^{**}	General Partner	30	0.3
Xiaomi Wuhan ^{(1)#}	Limited Partner	3,600	36.0
Kingsoft Wuhan ^{**}	Limited Partner	500	5.0
Yizhuang International Investment ^{**}	Limited Partner	1,000	10.0
Tianjin Haichuang ^{**}	Limited Partner	1,000	10.0
Hainan Huaying Kaitai ^{**}	Limited Partner	100	1.0
Guangzhou Huaduo ^{**}	Limited Partner	500	5.0
Industrial Securities Investment ^{**}	Limited Partner	500	5.0
Beijing Zhaoyi ^{**}	Limited Partner	200	2.0
Beijing Guiding Fund ^{**}	Limited Partner	2,000	20.0
Nano Star Ventures ^{(2)#}	Limited Partner	200	2.0
DIOO ^{**}	Limited Partner	100	1.0
CNCB Haohong ^{**}	Limited Partner	20	0.2
Jintou Jinshun Fund ⁽³⁾⁺	Limited Partner	100	1.0
JoulWatt Hangzhou ⁽⁴⁾⁺	Limited Partner	50	0.5
Southchip Semiconductor ⁽⁵⁾⁺	Limited Partner	50	0.5
Ganzhou Light Control ⁽⁶⁾⁺	Limited Partner	50	0.5
TOTAL		10,000	100

^{**} denotes the original partners whose subscription contribution amount remained unchanged pursuant to the New Partnership Agreement

[#] denotes the original partners who agreed to make additional subscription contribution pursuant to the New Partnership Agreement

⁺ denotes the new limited partners admitted to the Fund pursuant to the New Partnership Agreement

Note:

- (1) The subscription contribution amount of Xiaomi Wuhan under the Original Partnership Agreement is RMB3,000 million.
- (2) The subscription contribution amount of Nano Star Ventures under the Original Partnership Agreement is RMB80 million.
- (3) Fujian Jintou Jinshun Equity Investment Fund Partnership (Limited Partnership)* (福建省金投金順股權投資基金合夥企業(有限合夥), “Jintou Jinshun Fund”) is a limited partnership registered under the laws of the PRC, which is managed by Fujian Jintou Private Equity Fund Management Co., Ltd.* (福建省金投私募基金管理有限公司), a wholly-owned subsidiary of a solely state-owned enterprise, as the general partner, and is principally engaged in equity investment, investment management, asset management and other activities with private equity funds (business activities can only be carried out after registration and filing with the China Securities Investment Fund Association); venture capital investment (limited to investment in unlisted enterprises); asset management services for investment with own funds.

- (4) JoulWatt (Hangzhou) Technology Co., Ltd.* (傑瓦特微電子 (杭州) 有限公司, “**JoulWatt Hangzhou**”) is a company incorporated in the PRC with limited liability and is principally engaged in technology development, technical services, results transfer of electronic products, computer software and hardware, semiconductor technology; sales of computer software and hardware, electronic products, semiconductor; import and export of goods and technology. As at the date of this announcement, JoulWatt Hangzhou is a wholly-owned subsidiary of JoulWatt Technology Co., Ltd.* (傑華特微電子股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 688141.SH).
- (5) Southchip Semiconductor Technology (Shanghai) Co., Ltd.* (上海南芯半導體科技股份有限公司, “**Southchip Semiconductor**”) is a joint stock company incorporated in the PRC with limited liability and is principally engaged in technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; integrated circuit design; integrated circuit sales; integrated circuit manufacturing; integrated circuit chip design and services; integrated circuit chip and product sales; integrated circuit chip and product manufacturing; electronic product sales; computer hardware and software and auxiliary equipment wholesale; computer hardware and software and auxiliary equipment retail; computer software and hardware and peripheral equipment manufacturing; power electronic components sales; electronic components and electromechanical components equipment sales; communication equipment sales; business management consulting; information consulting services (excluding licensed information consulting services); conference and exhibition services; import and export of goods; import and export of technology, the shares of which are listed on the Shanghai Stock Exchange (stock code: 688484.SH). Based on the announcement of Southchip Semiconductor dated 16 April 2024 published on the website of Shanghai Stock Exchange, Xiaomi Hubei, a subsidiary of Xiaomi, held approximately 2.02% interest in Southchip Semiconductor, and Jiangsu Zimi Electronic Technology Company Limited* (江蘇紫米電子技術有限公司), a subsidiary of Xiaomi, held approximately 1.67% interest in Southchip Semiconductor.
- (6) Ganzhou Light Control Soviet Area High Quality Development Industry Investment Fund (Limited Partnership)* (贛州光控蘇區高質量發展產業投資基金 (有限合夥)), “**Ganzhou Light Control**”) is a limited partnership registered under the laws of the PRC, which is principally engaged in equity investment, investment management, asset management and other activities with private equity funds; enterprise management consulting; engaged in investment activities with its own funds. As at the date of this announcement, Ganzhou Light Control is a subsidiary of China Everbright Limited* (中國光大控股有限公司), the shares of which are listed on the Stock Exchange (stock code: 00165. HK).
- (7) Please refer to the Announcement for details of information on the original partners.

The respective subscription contribution amount to be made by the partners was determined after arm’s-length negotiation between the parties to the New Partnership Agreement with reference to the capital requirements of the Fund and the partners’ proportionate interest therein.

As disclosed in the Announcement, both Xiaomi Beijing and Xiaomi Wuhan are subsidiaries of Xiaomi, which is an associate of Mr. Jun LEI, a Director and substantial shareholder of the Company. Mr. Jun LEI hold a majority of voting power in Xiaomi, while other interests of Xiaomi are held by independent third parties. As such, each of Xiaomi Beijing and Xiaomi Wuhan constitutes an associate of Xiaomi and is a connected person of the Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, except for a minority interest in Southchip Semiconductor and DIOO indirectly held by Xiaomi, Xiaomi Beijing and Xiaomi Wuhan, each of the other partners and their ultimate beneficial owner is a third party independent of the Company and its the connected persons.

In view of his interest in Xiaomi, Mr. Jun LEI has abstained from voting on the Board resolution approving the entering into the New Partnership Agreement. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the New Partnership Agreement and none of them has abstained from voting on the relevant Board resolution.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the New Partnership Agreement are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the New Partnership Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged.

CLARIFICATION ON THE POLL RESULTS OF THE AGM

Reference is made to the announcement of the Company dated 23 May 2024 (the “**Poll Results Announcement**”) on the poll results of the annual general meeting of the Company held on 23 May 2024 (the “**AGM**”).

The Company wishes to clarify that as there were actually more than 50% of the votes cast in favour of the ordinary resolution No. 5 as set out in the Poll Results Announcement, such resolution was duly passed at the AGM, and due to the inadvertent clerical errors, the poll result of ordinary resolution No. 5 as set out in the Poll Results Announcement should be corrected and revised to state as follows (with the corrections bolded and underlined). Nevertheless, such errors have no impact on the passing of the ordinary resolution No. 5 proposed at the AGM.

ORDINARY RESOLUTIONS		Number of votes (%)	
		For	Against
5.	To give a general mandate to the directors to issue new shares of the Company (ordinary resolution in item No. 5 of the notice of AGM)	476,079,111 (56.35%)	368,788,641 (43.65%)
	As <u>more</u> than 50% of the votes were cast in favour of this resolution, the resolution was <u>duly</u> passed.		

Save as disclosed above, all other information as set out in the Poll Results Announcement remain unchanged. This clarification is supplemental to and should be read in conjunction with the Poll Results Announcement.

By order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 19 July 2024

As at the date of this announcement, the executive Director is Mr. Tao ZOU; the non-executive Directors are Messrs. Jun LEI, Pak Kwan KAU and Leiwen YAO; the independent non-executive Directors are Messrs. Shun Tak WONG, Zuotao CHEN and Ms. Wenjie WU.

* For identification purpose only