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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)

GRANT OF AWARDED SHARES AND PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE PURSUANT TO SHARE AWARD SCHEME

The Board announces that on 27 March 2023, the Company granted an aggregate of 69,300 Awarded Shares to 17 employees of the Company, its subsidiaries and associates (the “**Selected Employees**”) pursuant to the terms of the Share Award Scheme at nil consideration.

The 69,300 Awarded Shares shall be satisfied by way of allotment and issuance of 69,300 Shares, upon vesting, to the Selected Employees as fully paid at nominal value under the General Mandate. The 69,300 Awarded Shares to be allotted and issued by the Company represent: (i) approximately 0.005% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.005% of the total issued share capital of the Company as enlarged by such allotment and issue of all the 69,300 Awarded Shares, assuming there is no change in the issued share capital of the Company from the date of this announcement up to the issue date of the new Awarded Shares, other than the allotment and issue of the new Awarded Shares.

This announcement is made by Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement of the Company dated 1 April 2008, 1 December 2010, 5 July 2021 and 9 July 2021 (the “**Announcements**”) in relation to, among others, the Share Award Scheme and the grant of awarded shares. Unless otherwise defined, terms used in this announcement shall have the same meanings as ascribed to them in the Announcements.

GRANT OF AWARDED SHARES

The Board announces that on 27 March 2023, the Company granted an aggregate of 69,300 Awarded Shares to 17 employees of the Company, its subsidiaries and associates (10 of which are Selected Employees for the year 2022 (“**2022 Grantees**”), and 7 of which are Selected Employees for the year 2020 (“**2020 Grantees**”), collectively, the “**Grantees**”) pursuant to the terms of the Share Award Scheme at nil consideration (the “**Grant**”), to recognise the contributions made by the Grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group.

To the best knowledge, information and belief of the directors of the Company (the “**Director(s)**”), having made all reasonable enquiries, as at the date of this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of Company or their respective associates or otherwise a connected person of the Company. The grant of Awarded Shares would not result in (i) the Awarded Shares granted and to be granted to such person in the 12-month period up to and including the date of grant in aggregate to exceed 1% of the Shares in issue; or (ii) the Awarded Shares granted and to be granted to each individual Grantee, being a related entity participant (as defined in the Listing Rules), in any 12-month period exceeding 0.1% of the Shares in issue.

Details of the grant of Awarded Shares are set out below:

Date of grant	:	27 March 2023
Number of Grantees	:	17 employees of the Company, its subsidiaries and associates
Number of Awarded Shares granted	:	69,300 Awarded Shares
Purchase price of the Awarded Shares granted	:	Nil
Closing price of the Shares on the date of grant	:	HK\$37.75
Vesting schedule of the Awarded Shares	:	The 69,300 Awarded Shares shall be vested according to the following vesting schedule: (a) with respect to the 56,000 Awarded Shares granted to the 2022 Grantees, such Awarded Shares shall be vested upon each anniversary commencing from the date of grant over a period of 5 years in equal portion (i.e. 20% each); and (b) with respect to the 13,300 Awarded Shares granted to the 2020 Grantees, 40% of which shall be vested upon the date of grant (i.e. 5,320 Awarded Shares), and following which, 20% of the Awarded Shares granted to the 2020 Grantees shall be vested on the date falling each anniversary from the date of grant, provided that, the relevant Grantees shall remain as an employee of the Company, its subsidiaries and associates.

- Performance targets of the Awarded Shares : No performance target is attached to the Awarded Shares.
- Clawback mechanism of the Awarded Shares : In the event (i) a Grantee is, prior to the relevant vesting date, found to have ceased to be an employee of the Company, its subsidiaries and associates, or (ii) the company by which a Grantee is employed ceases to be a member of the Group or associates of the Company, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, all Awarded Shares not already vested shall automatically lapse forthwith and all the Awarded Shares shall not vest on the relevant vesting date and no Awarded Shares shall be allotted and issued to the relevant Grantees for the purposes of the Share Award Scheme.

PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The 69,300 Awarded Shares shall be satisfied by way of allotment and issuance of 69,300 Shares to the Grantees as fully paid at nominal value under the general mandate granted by the Shareholders (the “**General Mandate**”) at the annual general meeting of the Company on 25 May 2022 (the “**AGM**”). Pursuant to the General Mandate, the Company is authorised to allot and issue a maximum number of 274,040,743 Shares (being 20% of the total number of the issued shares of the Company as at the date of the AGM). As at the date of this announcement, the Company has not allotted and issued any Shares under the General Mandate. As such, the allotment and issue of the 69,300 Awarded Shares is not subject to the approval of the Shareholders.

The number of Shares available for future grant after the Grant of the Awarded Shares under the Share Award Scheme will be 86,990,807 Shares as at the date of the Grant.

The Board shall cause a subscription money of HK\$34.65 for the new Awarded Shares, representing the nominal value of the new Awarded Shares multiplied by the number of Awarded Shares to be allotted and issued, be transferred from the Company’s internal resources as soon as practicable prior to the relevant vesting date. No funds will be raised from the allotment and issue of the new Awarded Shares. The Company has not conducted any equity fund raising activities for the twelve months immediately before the date of this announcement. The Company does not have any arrangement to provide financial assistance to the Grantees to facilitate the purchase of Award Shares.

Based on the closing price of HK\$37.75 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 69,300 new Awarded Shares allotted and issued is HK\$2,616,075. The Awarded Shares to be allotted and issued by the Company represent: (i) approximately 0.005% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.005% of the total issued share capital of the Company as enlarged by such allotment and issue of all the 69,300 Award Shares, assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the issue date of the new Awarded Shares, other than the allotment and issue of the new Awarded Shares.

The new Awarded Shares, when issued and allotted, shall rank pari passu among themselves and with the fully paid Shares in issue.

REASONS FOR AND BENEFITS OF THE GRANT

The purpose of the Grant to the Selected Employees, comprising the employees of the Company, its subsidiaries and associates, is to (i) recognise the Selected Employees' contribution to the success and development of the Company and its subsidiaries and associates, and (ii) generally incentivise and motivate the Selected Employees to remain with the Company and its subsidiaries and associates, and to strive for the future development and expansion of the Group.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 69,300 Awarded Shares to be allotted and issued.

By order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 27 March 2023

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, David Yuen Kwan TANG and Ms. Wenjie WU.