

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Kingsoft Corporation Limited

金山軟件有限公司

(Continued into the Cayman Islands with limited liability)

(Stock Code: 03888)

GRANT OF RESTRICTED SHARES PURSUANT TO BKOS 2024 SHARE INCENTIVE SCHEME

This announcement is made by Kingsoft Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.13 and 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the circular of the Company dated 30 April 2024 (the “**Circular**”), and the poll results announcement dated 23 May 2024, in relation to, among others, the adoption of the restricted share incentive scheme (the “**BKOS 2024 Share Incentive Scheme**”) of Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) (the “**BKOS**”), a limited liability company incorporated in the PRC, in which the Company owns 51.62% as of the date of this announcement and whose shares are listed on the SSE STAR Market (stock code: 688111). Unless otherwise defined, terms used in this announcement shall have the same meanings as ascribed to them in the Circular.

GRANT OF RESTRICTED SHARES UNDER BKOS 2024 SHARE INCENTIVE SCHEME

The Board announces that on 29 May 2024, the BKOS Board has resolved to grant an aggregate of 798,000 Restricted Shares to 157 Incentive Participants, comprising a number of core management personnel and technical backbones of BKOS, under the First Grant of the BKOS 2024 Share Incentive Scheme at the grant price of RMB146.74 per Restricted Share, to recognise the contributions made by the Incentive Participants and to retain outstanding personnel employed by the BKOS Group.

Given 1 Incentive Participant no longer met the incentive conditions due to resignation, pursuant to authorization by BKOS Shareholders at its annual general meeting held on 28 May 2024, the BKOS Board adjusted, in accordance with the terms of the BKOS 2024 Share Incentive Scheme, the list of Incentive Participants comprising a number of the core management personnel and technical backbones of BKOS, and the number of Restricted Shares granted under the BKOS 2024 Share Incentive Scheme, with the number of Incentive Participants has been adjusted from 158 to 157; and the total number of Restricted Shares granted has been adjusted from 801,000 Restricted Shares to 798,000 Restricted Shares.

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 Restricted Shares will not result in (i) the Restricted Shares granted and to be granted to any Incentive Participant representing in aggregate over 1% of the share capital of BKOS in any 12-month period up to and including the date of grant; or (ii) the Restricted Shares granted to any Incentive Participant who is a Director, chief executive, substantial shareholder of the Company or any of their respective associates, representing in aggregate over 0.1% of the relevant class of shares in issue of BKOS in any 12-month period up to and including the date of grant.

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

Date of grant	: 29 May 2024 (the “ Date of First Grant ”)
Incentive Participants	: 157 employees of BKOS Group
Number of Restricted Shares granted	: 798,000 Restricted Shares
Grant price of the Restricted Shares granted	: RMB146.74 per share
Closing price of the shares of BKOS on the date of grant	: RMB260.61
Vesting of the Restricted Shares	: The 798,000 Restricted Shares shall be vested according to the following vesting schedule: (1). 33% of the Restricted Shares under the First Grant shall be vested during the period commencing from the first trading date after the expiry of 12 months following the Date of First Grant until the last trading day within the 24 months following the Date of First Grant; (2). 33% of the Restricted Shares under the First Grant shall be vested during the period commencing from the first trading date after the expiry of 24 months following the Date of First Grant until the last trading day within the 36 months following the Date of First Grant; and

(3). 34% of the Restricted Shares under the First Grant shall be vested during the period commencing from the first trading date after the expiry of 36 months following the Date of First Grant until the last trading day within the 48 months following the Date of First Grant.

Source of the Restricted Shares : The ordinary A shares of BKOS to be issued to the Incentive Participants by BKOS upon Vesting or the ordinary A shares of BKOS to be repurchased by BKOS on the secondary market.

Clawback mechanism of the Restricted Shares : If the Incentive Participants violate the laws and professional ethics, leak confidential information of BKOS, and are negligent or gross misconduct in performance of duties which may cause serious damage to the interests or reputation of BKOS, upon being reviewed by the BKOS Remuneration Committee and reported to the BKOS Board for approval, the Restricted Shares that have been granted to Incentive Participants but not yet vested shall not be vested and shall lapse and be cancelled by BKOS. At the same time, in the event of serious circumstances, BKOS may also recover the losses suffered by BKOS in accordance with relevant laws and regulations. The clawback mechanism provides an option for BKOS to clawback the share incentives granted to the Incentive Participants culpable of misconduct and is in line with the purpose of the BKOS 2024 Share Incentive Scheme and the interests of BKOS and its shareholders as a whole. For further details, please refer to Appendix IV to the Circular.

Performance targets for vesting of the Restricted Shares under the First Grant

Vesting of the Restricted Shares under the First Grant is subject to the achievement of certain pre-established performance targets, such as the growth rate of revenue and the growth rate of revenue from institution subscription and services business of BKOS at BKOS level and individual performance assessment at the Incentive Participants level.

Performance assessment requirements at BKOS level

Vesting Period	Assessment year	Based on the performance in 2023, the growth rate of revenue (A)				Based on the revenue from institution subscription and services business in 2023, the growth rate of revenue from institution subscription and services business (B)	
		Target value (Am)	Trigger value (An)	Target value (Bm)	Trigger value (Bn)		
First Vesting Period	2024	The growth rate of revenue in 2024 is not less than 10.00%	The growth rate of revenue in 2024 is not less than 8.00%	The growth rate of revenue from institution subscription and services business in 2024 is not less than 15.00%	The growth rate of revenue from institution subscription and services business in 2024 is not less than 10.00%		
Second Vesting Period	2025	The cumulative growth rate of revenue for two years of 2024 and 2025 is not less than 128.80%	The cumulative growth rate of revenue for two years of 2024 and 2025 is not less than 122.48%	The cumulative growth rate of revenue from institution subscription and services business for two years of 2024 and 2025 is not less than 147.25%	The cumulative growth rate of revenue from institution subscription and services business for two years of 2024 and 2025 is not less than 131.00%		
Third Vesting Period	2026	The cumulative growth rate of revenue for three years of 2024, 2025 and 2026 is not less than 257.83%	The cumulative growth rate of revenue for three years of 2024, 2025 and 2026 is not less than 243.83%	The cumulative growth rate of revenue from institution subscription and services business for three years of 2024, 2025 and 2026 is not less than 299.34%	The cumulative growth rate of revenue from institution subscription and services business for three years of 2024, 2025 and 2026 is not less than 264.10%		

Assessment indicators	Performance completion level	Vesting ratio at the Company level (X1)	Assessment indicators	Performance completion level	Vesting ratio at the Company level (X2)
Growth rate of revenue (A)	$A \geq A_m$	$X1=100\%$	Growth rate of revenue from institution subscription and services business (B)	$B \geq B_m$	$X2=100\%$
	$A_n \leq A < A_m$	$X1=90\%$		$B_n \leq B < B_m$	$X2=90\%$
	$A < A_n$	$X1=0$		$B < B_n$	$X2=0$
Vesting ratio at the Company level=Max (X1, X2)					

Note: The above revenue refers to the audited revenue of the listed company.

Performance assessment requirements at the Incentive Participants' level

BKOS conducts individual performance assessment on the Incentive Participants during the assessment year and determines the number of Restricted Shares actually vested to the Incentive Participants based on their assessment results. The performance assessment results of the Incentive Participants are divided into two levels, namely “Attained” and “Not attained”, and the actual number of Restricted Shares to be vested will be determined according to the proportion of vesting at the individual level corresponding to the following assessment rating table:

Assessment results	Attained	Not attained
Vesting ratio	100%	0

The number of Restricted Shares actually vested to the Incentive Participants in the current year = the number of Restricted Shares planned to be vested to the Incentive Participants in the current year × Company-level Vesting ratio × Individual-level Vesting ratio.

If the Restricted Shares vested to the Incentive Participants for a vesting period cannot be vested due to assessment reasons, the Restricted Shares shall lapse and be canceled by BKOS and shall not be deferred to the following years.

Reserved Grant

As at the date of this announcement, the number of Restricted Shares available for the Reserved Grant under the BKOS 2024 Share Incentive Scheme is 199,000 Restricted Shares, representing no more than 20% of the total Restricted Shares available under the BKOS 2024 Share Incentive Scheme.

REASONS FOR AND BENEFITS OF THE FIRST GRANT

The purpose of the First Grant to the Incentive Participants is in line with the purpose of the BKOS 2024 Share Incentive Scheme, which is to improve BKOS's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of BKOS's employees, effectively align the interests of the BKOS Shareholders, BKOS and the core teams, and enable all parties to jointly contribute to the long-term development of the BKOS Group.

By Order of the Board
Kingsoft Corporation Limited
Jun LEI
Chairman

Hong Kong, 29 May 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.