Kingsoft Cloud

**Kingsoft Cloud Holdings Limited**
**金山云控股有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 03896)**
**(Nasdaq Stock Ticker: KC)**

# (1) (I) OFFERING OF AMERICAN DEPOSITARY SHARES AND ISSUANCE OF UNDERLYING SHARES UNDER GENERAL MANDATE; AND (II) OFFERING AND ISSUANCE OF ORDINARY SHARES UNDER GENERAL MANDATE; AND (2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

**(I) OFFERING OF AMERICAN DEPOSITARY SHARES AND ISSUANCE OF UNDERLYING SHARES UNDER GENERAL MANDATE; AND (II) OFFERING AND ISSUANCE OF ORDINARY SHARES UNDER GENERAL MANDATE**

The Board announces that on April 16, 2025, the Company and the Underwriters entered into the Underwriting Agreement in relation to the Offering, pursuant to which the Company agreed to issue and sell to the Underwriters an aggregate of (i) 17,300,000 Firm ADSs (representing 259,500,000 Underlying Shares with the aggregate nominal value of US$259,500) at US$11.27 per Firm ADS; and (ii) 18,000,000 Offer Shares with the aggregate nominal value of US$18,000 at HK$5.83 per Offer Share.

The Company also granted to the Underwriters a 30-day option to purchase up to 2,775,000 Additional ADSs issuable in connection with the Offering (representing 41,625,000 Underlying Shares with the aggregate nominal value of US$41,625) at US$11.27 per Firm ADS.

As at the date of this announcement, the Company has 3,805,284,801 Ordinary Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the total number of 319,125,000 Relevant Shares (assuming the Option will be fully exercised) represents: (i) approximately 8.4% of the existing issued Ordinary Shares as at the date of this announcement; and (ii) approximately 7.7% of the issued Ordinary Shares as enlarged by the allotment and issue of the aforementioned Relevant Shares.

**Since completion of the Offering is subject to the satisfaction of the conditions set out in the Underwriting Agreement, the Offering may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other securities of the Company.**

**CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

The Board announces that on April 16, 2025, the Company and Subscriber entered into the Subscription Agreement, pursuant to which Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the 69,375,000 new Shares (with the aggregate nominal value of US$69,375) at the Subscription Price of HK$5.83 for each Subscription Share.

As at the date of this announcement, the Subscriber, namely Kingsoft Corporation, is the controlling shareholder of the Company, and therefore a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Subscription by the Subscriber constitutes a connected transaction of the Company and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements under Chapter 14A of the Listing Rules.

69,375,000 new Shares are to be issued to the Subscriber, representing in aggregate (i) approximately 1.82% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 1.65% of the issued share capital as enlarged by the Offering and the Subscription, assuming that the Option is fully exercised and that, save for the completion of the Offering, there is no other change in the issued share capital of the Company from the date of this announcement up to the completion of the Subscription.

**Since completion of the Subscription is subject to the satisfaction of the conditions set out in the Subscription Agreement (including the completion of the Offering), the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other securities of the Company.**

## USE OF PROCEEDS OF THE OFFERING AND THE SUBSCRIPTION

The Company intends to use the estimated net proceeds of the Offering and the Subscription for (i) investments in upgrading and expanding infrastructure, (ii) investments in technology and product development, and (iii) general corporate and working capital purposes.

## GENERAL

The Subscription is subject to Independent Shareholders' approval. The Subscription Shares will be allotted and issued under a specific mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the forthcoming AGM.

The forthcoming AGM will be convened for the Independent Shareholders to consider, and if thought fit, approve the Subscription Agreement, the transaction contemplated thereunder and the requisite specific mandate.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the Subscription Agreement and the connected transaction contemplated thereunder, and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details of the Subscription Agreement and the transaction contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; and (iv) a notice convening the forthcoming AGM and the relevant proxy form will be dispatched to the Shareholders in due course and within 15 business days after the publication of this announcement (i.e. on or before 14 May, 2025).

## (1) (I) OFFERING OF AMERICAN DEPOSITARY SHARES AND ISSUANCE OF UNDERLYING SHARES UNDER GENERAL MANDATE AND (II) OFFERING AND ISSUANCE OF SHARES UNDER GENERAL MANDATE

Reference is made to the inside information announcement of the Company dated April 16, 2025 in connection with the Offering and Subscription.

On April 16, 2025 (Hong Kong time), the Company filed the preliminary prospectus supplement with the SEC in relation to the Offering.

On April 16, 2025 (Hong Kong time), the Company and the Underwriters entered into the Underwriting Agreement in relation to the Offering, pursuant to which the Company agreed to issue and sell to the Underwriters an aggregate of (i) 17,300,000 Firm ADSs (representing 259,500,000 Underlying Shares with the aggregate nominal value of US$259,500) at the ADS Offer Price where each ADS represents fifteen (15) Ordinary Shares as Underlying Shares (the "**Share-to-ADS Ratio**"); and (ii) 18,000,000 Offer Shares with the aggregate nominal value of US$18,000 at the Offer Share Price.

The Company also granted to the Underwriters a 30-day option (the "**Option**") to purchase up to 2,775,000 Additional ADSs issuable in connection with the Offering (representing 41,625,000 Underlying Shares with the aggregate nominal value of US$41,625) at the ADS Offer Price.

Principal terms of the Offering and the issuance of the Relevant Shares in relation thereto under the General Mandate are set out as follows:

**Parties:**

(a) the Company; and

(b) the Underwriters

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriters and their ultimate beneficial owner(s) are Independent Third Parties.

**Target Placees**

The Firm ADSs and Offer Shares have been placed to not fewer than six Placees. To the best of the knowledge, information and belief of the Directors and the Underwriters, the Placees and the ultimate beneficial owners of the Placees are or will be, as the case may be, Independent Third Parties.

**Number of Firm ADSs, Additional ADS, and Offer Shares**

The Company will offer 17,300,000 Firm ADSs (representing 259,500,000 Underlying Shares with total nominal value of US$259,500 in aggregate), being part of the Underwritten ADSs. The Company also granted to the Underwriters a 30-day option to purchase up to 2,775,000 Additional ADSs (representing 41,625,000 Underlying Shares with total nominal value of US$41,625 in aggregate), being the remaining part of the Underwritten ADSs, from the Company at the ADS Offer Price.

The Company will also offer 18,000,000 Offer Shares at the Offer Share Price, with total nominal value of US$18,000, being the Underwritten Shares.

As at the date of this announcement, the Company has 3,805,284,801 Ordinary Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the total number of 319,125,000 Relevant Shares (assuming the Option will be fully exercised) represents:

(i) approximately 8.4% of the existing issued Ordinary Shares as at the date of this announcement; and

(ii) approximately 7.7% of the issued Ordinary Shares as enlarged by the allotment and issue of the aforementioned Relevant Shares.

**ADS Offer Price and Offer Share Price**

The Offer Share Price of HK$5.83 per Offer Share, which is equivalent to US$11.27 per Firm ADS, being the ADS Offer Price (calculated based on the Share-to-ADS Ratio), represents:

(i) a discount (calculated based on the Share-to-ADS Ratio) of approximately 14.62% to the closing price per ADS of US$13.20 as quoted on Nasdaq on April 15, 2025 (U.S. Eastern time), being the last trading day immediately prior to the date of the Underwriting Agreement and the pricing date;

(ii) a discount of approximately 8.76% to the closing price per Ordinary Share of HK$6.39 as quoted on the Stock Exchange on April 16, 2025 (Hong Kong time), being the last trading day immediately prior to the date of the Underwriting Agreement and the pricing date; and

(iii) a discount of approximately 16.83% to the average closing price per Ordinary Share of approximately HK$7.01 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to April 16, 2025 (Hong Kong time).

The net Offer Share Price and net ADS Offer Price (each after deducting underwriters' discounts, without taking into account estimated Offering expenses payable by the Company) is approximately HK$5.60 per Offer Share and US$10.82 per Firm ADS, respectively.

The Offer Share Price and ADS Offer Price was determined on an arm's length basis between the Company and the Underwriters, with reference to the market condition and the prevailing market prices of the ADSs and the Ordinary Shares.

**Ranking of the Relevant Shares**

The Relevant Shares, when issued and fully paid, shall rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and/or distributions declared, made or paid at any time after the date of issuance.

**Lock-up agreements**

The Company agreed, for a period ending 90 days following the date of the final prospectus supplement (the "**Restricted Period**"), not to, other than customary carve-outs, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Shares, ADSs or any securities convertible into or exercisable or exchangeable for Shares or ADSs, or submit to, or file with, the Securities and Exchange Commission a registration statement under the Securities Act relating to, any ADSs, Shares or any securities convertible into or exercisable or exchangeable for such ADSs or Shares (other than registration statements on Form S-8 relating to the issuance, vesting, exercise or settlement of equity awards granted or to be granted pursuant to any employee benefit plan), (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or ADSs, or any securities convertible into or exercisable or exchangeable for such ADSs or Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares, ADSs or such other securities, in cash or otherwise, (iii) make any demand for or exercise any right with respect to the registration of any ADSs, Ordinary Shares or any securities convertible into or exercisable or exchangeable for such ADSs or Ordinary Shares, or (iv) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of the Representatives.

The Company's executive officers and Directors, including Mr. Lei Jun, Mr. Zou Tao, Mr. He Haijian, Mr. Yu Mingto, Mr. Wang Hang, Ms. Qu Jingyuan, Dr. Liu Tao and Mr. Tian Kaiyan, and Kingsoft Corporation have agreed, for a period of 90 days after the date of the final prospectus supplement, not to, in each case without the prior written consent of the Underwriters, other than customary carve-outs, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ADSs or Ordinary Shares beneficially owned by such persons or any other securities so owned convertible into or exercisable or exchangeable for the ADSs or Ordinary Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ADSs or Ordinary Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of the ADSs or Ordinary Shares or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any ADSs or Ordinary Shares or any securities convertible into or exercisable or exchangeable for ADSs or Ordinary Shares.

**General Mandate**

The Relevant Shares (including those issuable upon the full exercise of the Option) will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, no Ordinary Shares or ADSs have been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Relevant Shares is not subject to further approval by the Shareholders.

## Application for listing

The securities of the Company are dual-primary listed on Nasdaq and the Stock Exchange. The Company's ADSs have been quoted on the Nasdaq system under the symbol "KC" since May 8, 2020. The Company's Ordinary Shares have been listed on the Main Board of the Stock Exchange under the stock code "3896" since December 30, 2022.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Relevant Shares.

For the avoidance of doubt, dealings in the Underlying Shares would commence on the Stock Exchange only after the holder of the corresponding ADSs converts the ADSs into Ordinary Shares.

## Closing

Closing for the Offering of the 17,300,000 Firm ADSs under the Underwriting Agreement is expected to take place on April 17, 2025 (Hong Kong time) or at such other time on the same or such other date, not later than the tenth Business Day thereafter, as shall be agreed upon by the Company and the Underwriters, whereby delivery and payment for the corresponding Underlying Shares shall be made.

Closing for the Offering of the 18,000,000 Offer Shares under the Underwriting Agreement is expected to take place on April 25, 2025 (Hong Kong time) or at such other time on the same or such other date, as shall be agreed upon by the Company and the Underwriters, whereby delivery and payment for the corresponding Offer Shares shall be made.

Should the Option be exercised, in whole or in part, the Additional Closing Date for each such full or partial exercise of the Option will take place not later than the tenth Business Days after the date of the notice exercising the Option is given by the Underwriters to the Company, whereby delivery and payment for the corresponding Underlying Shares shall be made.

## Conditions of the Underwriters' Obligations

The obligations of the Underwriters under the Underwriting Agreement to purchase (i) 17,300,000 Firm ADSs and (ii) 18,000,000 Offer Shares, on the ADS Closing Date and the Offer Shares Closing Date, respectively or (iii) the Additional ADSs, on any Additional Closing Date, as the case may be, are conditional on the fulfilment of customary conditions, including, among others, that:

(i) the representations and warranties of the Company under the Underwriting Agreement and other statements of the Company in the Underwriting Agreement shall be true and correct as of the ADS Closing Date, Offer Shares Closing Date, and the Additional Closing Date, as the case may be;

(ii) no stop order suspending the effectiveness of the Company's registration statements shall be in effect and no proceedings for such purpose shall have been instituted or threatened by the SEC;

(iii) there is not any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company that is material and adverse and makes it, in the judgment of the Representatives, impracticable or inadvisable to market the offered securities on the terms and in the manner contemplated in the preliminary prospectus supplement; and

(iv) the Underwriters shall have received the customary closing opinions, comfort letters, officer's certificates on the ADS Closing Date, Offer Shares Closing Date, and the Additional Closing Date, as the case may be.

**Termination**

The Underwriters may terminate the Underwriting Agreement by notice to the Company, if after the execution and delivery of the Underwriting Agreement and prior to the ADS Closing Date, among other things:

(i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, Nasdaq, or the Stock Exchange, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by order of the relevant government authority;

(ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market;

(iii) a material disruption in commercial banking, securities settlement, payment or clearance services in the United States, the PRC or the Cayman Islands or with respect to certain clearing systems in Europe shall have occurred; or

(iv) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Underwriters, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Firm ADSs.

## (2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board announces that on April 16, 2025 (Hong Kong Time), the Company and Subscriber entered into the Subscription Agreement, pursuant to which Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price of HK$5.83 for each Subscription Share.

**THE SUBSCRIPTION AGREEMENT**

Date: April 16, 2025

Parties:

(1) the Company; and

(2) the Subscriber

**Number of Subscription Shares**

69,375,000 new Shares (with the aggregate nominal value of US$69,375) to be issued to the Subscriber, representing in aggregate (i) approximately 1.82% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 1.65 % of the issued share capital as enlarged by the Offering and the Subscription, assuming that the Option is fully exercised and that, save for the completion of the Offering, there is no other change in the issued share capital of the Company from the date of this announcement up to the completion of the Subscription.

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares.

**Subscription Price**

The Subscription Price per Subscription Share is equivalent to the Offer Share Price of HK$5.83 per Offer Share, which is also the net Subscription Price per Subscription Share (without taking into account estimated Offering expenses payable by the Company), as there are no underwriters' discounts with respect to the Subscription.

The aggregate consideration of the Subscription Shares is HK$404,456,250.

The Subscription Price, which is equivalent to the Offer Share Price as determined between the Company and Underwriters, was determined on an arm's length basis between the Company and the Subscriber, taking into account the market condition and the prevailing market prices of the ADSs and the Ordinary Shares respectively, and that the Subscription and the Offering are launched simultaneously. The Directors (excluding the Directors who shall abstain from voting on the relevant resolutions and the independent non-executive Directors whose opinions will be formed after taking into consideration the advice from the independent financial adviser) consider that the Subscription Price and the terms of the Subscription are fair and reasonable under the current market conditions, on commercial terms and are in the best interests of the Company and the Shareholders as a whole.

**Ranking of the Subscription Shares**

The Subscription Shares, when issued and allotted, will rank *pari passu* in all respects with the other Shares then in issue as at the date of completion of the Subscription (save in respect of any entitlements the record date for which falls on or before the date of completion of the Subscription).

**Conditions of the Subscription**

The closing of the Subscription is conditional upon, among other things, the satisfaction of, the following non-waivable conditions:

(i) the Listing Committee granting approval (either unconditionally or subject only to conditions to which the Company does not reasonably object) for the listing of, and permission to deal in, the Subscription Shares;

(ii) the passing by the Independent Shareholders of all necessary resolutions at the AGM in compliance with applicable laws and the Listing Rules to approve the grant of the specific mandate to allot and issue the Subscription Shares and the transactions contemplated under the Subscription Agreement;

(iii) the completion of the Offering having taken place; and

(iv) the subscription of the Subscription Shares will not cause the Subscriber Group to breach the Creeper Limit.

In the event that the conditions are not fulfilled or waived (to the extent waivable) on or before the Long Stop Date (i.e., December 31, 2025), the Subscription Agreement shall terminate and the obligations of the parties shall immediately cease and be null and void and none of the parties shall have any right against or liability towards the other party arising out of or in connection with such Subscription Agreement.

**Closing of the Subscription**

Closing of the Subscription shall take place within 5 Business Days (or such other time and/or date as the Company and the Subscriber may agree in writing) immediately following the fulfilment of the conditions of the Subscription.

**Since completion of the Subscription is subject to the satisfaction of the conditions set out in the Subscription Agreement (including the completion of the Offering), the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other securities of the Company.**

## EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF (I) THE OFFERING AND (II) THE SUBSCRIPTION

| | As at the date of this announcement | | Immediately after the completion of the Offering, but before the completion of the Subscription | | | | Immediately after the completion of the Offering and the Subscription | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assuming the Option is not exercised | | Assuming the Option is fully exercised | | Assuming the Option is not exercised | | Assuming the Option is fully exercised | |
| | *Share number* | *%* | *Share number* | *%* | *Share number* | *%* | *Share number* | *%* | *Share number* | *%* |
| ***Directors*** | | | | | | | | | | |
| Mr. Zou Tao | 2,000,000 | 0.05 | 2,000,000 | 0.05 | 2,000,000 | 0.05 | 2,000,000 | 0.05 | 2,000,000 | 0.05 |
| Mr. He Haijian | 1,644,893 | 0.04 | 1,644,893 | 0.04 | 1,644,893 | 0.04 | 1,644,893 | 0.04 | 1,644,893 | 0.04 |
| ***Substantial shareholders (including controlling shareholder)*** | | | | | | | | | | |
| Kingsoft Corporation/ Subscriber *(note 3)* | 1,423,246,584 | 37.40 | 1,423,246,584 | 34.86 | 1,423,246,584 | 34.51 | 1,492,621,584 | 35.95 | 1,492,621,584 | 35.59 |
| Xiaomi Corporation | 466,161,000 | 12.25 | 466,161,000 | 11.42 | 466,161,000 | 11.30 | 466,161,000 | 11.23 | 466,161,000 | 11.12 |
| ***Public Shareholders*** | | | | | | | | | | |
| Placees | – | – | 277,500,000 | 6.80 | 319,125,000 | 7.74 | 277,500,000 | 6.68 | 319,125,000 | 7.61 |
| Other Public Shareholders | 1,912,232,324 | 50.25 | 1,912,232,324 | 46.84 | 1,912,232,324 | 46.36 | 1,912,232,324 | 46.05 | 1,912,232,324 | 45.60 |
| **Total** | 3,805,284,801 | 100.00 | 4,082,784,801 | 100.00 | 4,124,409,801 | 100.00 | 4,152,159,801 | 100.00 | 4,193,784,801 | 100.00 |

*Notes:*

1. The above assumes there is no change to the issued share capital of the Company from the date of this announcement up to the ADS Closing Date, the Offer Shares Closing Date, the Additional Closing Date or the completion date of the Subscription, as the case may be, save for the allotment and issue of the Relevant Shares and the Subscription Shares.

2. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

3. The Subscriber is Kingsoft Corporation. The above assumes that, other than the Subscription Shares, there is no change to the number of Shares held by the Subscriber in the Company from the date of this announcement and up to the ADS Closing Date, the Offer Shares Closing Date, the Additional Closing Date or the completion date of the Subscription, as the case may be.

## USE OF PROCEEDS OF THE OFFERING AND THE SUBSCRIPTION

### *Proceeds of Issuing the Firm ADSs and Additional ADSs*

The gross proceeds of issuing the Firm ADSs and Additional ADSs is expected to be in the range of US$194,971,000 (equivalent to approximately HK$1,512,468,035) (assuming that the Option will not be exercised) to US$226,245,250 (equivalent to approximately HK$1,755,074,902) (assuming that the Option will be fully exercised). The net proceeds of issuing the Firm ADSs and Additional ADSs, after deduction of underwriters' discounts, without taking into account estimated Offering expenses payable by the Company), are expected to be in the range of US$187,172,160 (equivalent to approximately HK$1,451,969,314) (assuming that the Option will not be exercised) to US$217,195,440 (equivalent to approximately HK$1,684,871,906) (assuming that the Option will be fully exercised).

### *Proceeds of Issuing the Offer Shares*

The gross proceeds of issuing the Offer Shares is expected to be HK$104,940,000 (equivalent to approximately US$13,527,728). The net proceeds of the issuing the Offer Shares, after deduction of underwriters' discounts, without taking into account estimated Offering expenses payable by the Company), are expected to be HK$100,742,400 (equivalent to approximately US$12,986,619).

### *Proceeds of Issuing the Subscription Shares*

The gross proceeds, which is also the net proceeds of issuing the Subscription Shares is expected to be HK$404,456,250 (equivalent to approximately US$52,138,120) (without taking into account estimated Offering expenses payable by the Company).

The Company intends to utilize the estimated net proceeds of the Offering and the Subscription for (i) investments in upgrading and expanding infrastructure, (ii) investments in technology and product development, and (iii) general corporate and working capital purposes.

## REASONS FOR AND BENEFITS OF THE OFFERING AND THE SUBSCRIPTION

The Offering is being undertaken to further enlarge the Shareholders' equity base of the Company, support the healthy and sustainable development of the Company, and optimize the capital structure of the Company. The Directors also consider the terms of the Underwriting Agreement to be fair and reasonable, in the interests of the Company and the Shareholders as a whole and that the Underwriting Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Underwriters. The Subscription is being undertaken to further enlarge the capital base of the Company. The Subscription is also an appropriate window for the Subscriber, who is the controlling shareholder of the Company already, to subscribe for further shares to demonstrate its increasing confidence in the Company's long-term business development and prospects. The development of the Company will in turn help strengthen its capability to provide high-quality cloud services to support Kingsoft Corporation, including but not limited to its WPS AI, gaming and other business. The Directors (excluding the Directors who shall abstain from voting on the relevant resolutions and the independent non-executive Directors whose opinions will be formed after taking into consideration the advice from the independent financial adviser) also consider the terms of the Subscription Agreement to be fair and reasonable, in the interests of the Company and the Shareholders as a whole and that the Subscription Agreement are entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber. Considering the recent prevailing market conditions and market price of the Shares and the factors as set out above, the Directors therefore consider that the Offering and Subscription would be appropriate in order to replenish the Company's cash resources for the above intended purposes, which would be important for the promotion of the Group's long-term success.

## GENERAL MANDATE AND SPECIFIC MANDATE

### *The Relevant Shares*

By an ordinary resolution of the Shareholders passed on June 28, 2024, a General Mandate was granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of the then issued share capital of the Company as at the date of the abovementioned resolutions. Under the General Mandate, the Company is authorised to issue up to 761,056,960 Shares. Since the grant of the General Mandate on June 28, 2024 and up to the date of this announcement, the Directors have not exercised their power to allot or issue any new Shares pursuant to such General Mandate. The Relevant Shares will be allotted and issued under the General Mandate. Accordingly, no separate Shareholders' approval is required for the issue of the Relevant Shares.

***The Subscription Shares***

The Subscription Shares will be allotted and issued under a specific mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the forthcoming AGM.

**Equity Fund Raising Activities of the Company in the Past 12 Months**

The Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## INFORMATION OF THE PARTIES

**The Company**

The Group is a leading cloud service provider in China. With its full commitment to cloud service, it is dedicated to mobilizing our resources to enable its customers to successfully embrace the benefits of cloud solutions, to pursue their digital transformation strategies, and to create business value.

**The Subscriber**

The Subscriber is Kingsoft Corporation. Kingsoft Group is principally engaged in the design, research and development, and sales and marketing of the office software products and services of WPS Office; and research and development of games, and the provision of PC games and mobile games services.

## INDEPENDENT SHAREHOLDERS' APPROVAL IN RESPECT OF THE SUBSCRIPTION

The Subscription is subject to Independent Shareholders' approval. The Subscription Shares will be allotted and issued under a specific mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the forthcoming AGM.

## IMPLICATIONS UNDER THE LISTING RULES IN RESPECT OF THE SUBSCRIPTION

As at the date of this announcement, the Subscriber, namely Kingsoft Corporation, is the controlling shareholder of the Company, and therefore a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Subscription by the Subscriber constitutes a connected transaction of the Company and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements under Chapter 14A of the Listing Rules.

Mr. Lei Jun and Mr. Zou Tao are considered to have material interests by virtue of their respective directorships and shareholdings in the Subscriber. Accordingly, both Mr. Lei Jun and Mr. Zou Tao have abstained from voting on the relevant Board resolutions to approve the Subscription Agreement with the Subscriber and the transactions contemplated thereunder. Save as mentioned above, none of the other Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Board resolutions for approving the Subscription Agreement with the Subscriber and the transactions contemplated thereunder.

## FORTHCOMING AGM

The forthcoming AGM will be convened for the Independent Shareholders to consider, and if thought fit, approve the Subscription Agreement, the respective transaction contemplated thereunder and the requisite specific mandate.

In accordance with the Listing Rules, the Subscriber and its respective associates will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the connected transaction contemplated thereunder and the requisite specific mandate at the forthcoming AGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the connected transaction contemplated under the Subscription Agreement and will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the connected transaction contemplated thereunder and the requisite specific mandate at the forthcoming AGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the Subscription Agreement and the connected transaction contemplated thereunder, and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details of the Subscription Agreement and the respective transaction contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; and (iv) a notice convening the forthcoming AGM and the relevant proxy form is expected to despatched to the Shareholders in due course and within 15 business days after the publication of this announcement (i.e. on or before 14 May, 2025).

## CSRC FILINGS

The Company shall comply with CSRC Rules and complete the CSRC Filings in connection with the Offering and the Subscription respectively.

## DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

| | |
|---|---|
| "Additional ADSs" | the ADSs issuable pursuant to the exercise of the Option |
| "Additional Closing" | additional closing under the Underwriting Agreement |
| "Additional Closing Date" | the date when the Additional Closing takes place |
| "ADS(s)" | American depositary share(s), each ADS represents 15 Ordinary Shares |
| "ADS Closing Date" | the date of the closing of the Firm ADSs under the Underwriting Agreement |
| "ADS Offer Price" | US$11.27 per Firm ADS |
| "AGM" | the annual general meeting of the Company to be held on or around June 9, 2025 |
| "Board" | the board of Directors |
| "Business Day" | (i) in relation to the Nasdaq, as a day on which Nasdaq is open for trading, and (ii) in relation to the Stock Exchange, as a day on which the Stock Exchange is open for trading. Except for public holidays in the United States and Hong Kong (as the case may be) |
| "Circular" | a circular to be issued and published by the Company together with the notice of the AGM in connection with, among others, the Subscription |
| "Company" | Kingsoft Cloud Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on January 3, 2012, the ADS(s) of which were listed on the Nasdaq Global Market in May 2020 and the Ordinary Shares of which were listed on the Main Board of the Stock Exchange in December 2022 |
| "Concert Parties Group" | the group of persons that act in concert with the Subscriber Group for the purpose of the Code on Takeovers and Mergers and Share Buy-backs |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "controlling shareholder(s)" | has the meaning ascribed to it under the Listing Rules |

| | |
|---|---|
| "Creeper Limit" | an increase in (i) the aggregate percentage of voting rights of the Company held by the Subscriber Group, or (ii) the aggregate percentage of voting rights of the Company held by such Subscriber Group together with the Concert Parties Group, by not more than 2% from the lowest percentage holding of voting rights of the Company of such Subscriber Group or the Concert Parties Group (as the case may be) in the 12-month period ending on and inclusive of the completion date of the respective Subscription |
| "CSRC" | China Securities Regulatory Commission |
| "CSRC Filings" | any and all letters, filings, correspondences, communications, documents, responses, undertakings and submissions in writing, orally or in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Offering and the Subscription, respectively pursuant to the CSRC Filing Rules and other applicable laws, regulations and requirements of the CSRC (including, without limitation, the CSRC Filing report) |
| "Directors" | the directors of the Company |
| "Firm ADSs" | the ADSs to be issued pursuant to the Underwriting Agreement |
| "General Mandate" | the general mandate granted to the Directors by an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on June 28, 2024, pursuant to which the Company has been authorised to allot, issue and deal with additional Ordinary Shares and/or ADSs, not exceeding 20% of the then issued share capital of the Company as at the date of passing such resolution |
| "Group" | the Company, its subsidiaries and the consolidated affiliated entities from time to time |
| "HK$" | Hong Kong Dollars, the lawful currency of Hong Kong |
| "Hong Kong" | Hong Kong Special Administrative Region of the People's Republic of China |
| "Independent Board Committee" | the independent Board committee comprising all independent non-executive Directors, to advise the Independent Shareholders on the Subscription |
| "Independent Third Party(ies)" | third party(ies) who/which is/are not connected person(s) of the Group |

| | |
|---|---|
| "Independent Shareholders" | the Shareholders other than (i) the Subscriber and its associate (if any); (ii) those who have material interest in the Subscription or any other person who is required by the Listing Rules to abstain from voting on the resolutions approving the Subscription, the allotment and issuance of the Subscription Shares and other transactions contemplated under the Subscription Agreement |
| "Kingsoft Corporation" | Kingsoft Corporation Limited, an exempted limited liability company incorporated in the British Virgin Islands on March 20, 1998 and discontinued in the British Virgin Islands and continued into the Cayman Islands on November 15, 2005, the controlling shareholder of the Company |
| "Kingsoft Group" | Kingsoft Corporation and its subsidiaries |
| "Listing Committee" | the listing committee of the Stock Exchange for considering applications for listing and the granting of listing |
| "Listing Rules" | Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time |
| "Nasdaq" | Nasdaq Global Market |
| "Offering" | the offering of (i) Firm ADSs in the United States; and (ii) Offer Shares in Hong Kong, by the Company |
| "Offer Shares" | the Ordinary Shares to be issued pursuant to the Underwriting Agreement |
| "Offer Shares Closing Date" | the date of the closing of the Offer Shares under the Underwriting Agreement |
| "Offer Share Price" | HK$5.83 per Offer Share |
| "Placee(s)" | any professional, institutional or other investor whom the Underwriters has procured to subscribe for any of the Firm ADS, Offer Shares and/or Additional ADSs pursuant to the Underwriting Agreement |
| "PRC" | the People's Republic of China, excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region and Taiwan region |
| "Relevant Shares" | the Underlying Shares and the Offer Shares |
| "Representatives" | Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C. |
| "SEC" | U.S. Securities and Exchange Commission |
| "Securities Act" | the U.S. Securities Act of 1933, as amended |

| | |
|---|---|
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "Share(s)" or "Ordinary Share(s)" | ordinary Shares of US$0.001 each in the issued share capital of the Company |
| "Shareholder(s)" | holder(s) of the Shares |
| "Specific Mandate" | the specific mandate to be granted by the Independent Shareholders at the AGM to allot and issue the Subscription Shares |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscriber" | Kingsoft Corporation |
| "Subscriber Group" | the Subscriber together with its subsidiaries |
| "Subscription" | the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement |
| "Subscription Agreement" | the subscription agreement entered into between the Company and the Subscriber dated April 16, 2025 in respect of the Subscription |
| "Subscription Price" | equivalent to the Offer Share Price, which after pricing has been determined to be HK$5.83 per Offer Share |
| "Subscription Shares" | the Ordinary Shares to be subscribed by the Subscriber |
| "substantial shareholder(s)" | has the meaning ascribed to it under the Listing Rules |
| "Underlying Shares" | the number of new Ordinary Shares issuable and to be issued by the Company as represented by the Firm ADSs and the Additional ADSs |
| "Underwriters" | Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Deutsche Bank AG, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, and Merrill Lynch (Asia Pacific) Limited |
| "Underwriting Agreement" | the underwriting agreement dated April 16, 2025 (Hong Kong time) entered into between the Company and the Underwriters in relation to the Offering |
| "Underwritten ADSs" | the Firm ADSs and Additional ADSs |
| "Underwritten Shares" | the Offer Shares |

| | |
|---|---|
| "U.S. Securities Act" | the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder |
| "U.S." or "United States" | the United States of America, its territories and possessions and all areas subject to its jurisdiction |
| "US$" | United States dollar, the lawful currency of the United States |
| "%" | per cent |

*Unless otherwise specified, translations of US$ into HK$ in this announcement are based on the rates of US$1:HK$7.7574. No representation is made that any amounts in US$ and HK$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.*

By Order of the Board
**Kingsoft Cloud Holdings Limited**
**Mr. Zou Tao**
*Vice Chairman of the Board, Executive Director,*
*and acting Chief Executive Officer*

Hong Kong, April 17, 2025

*As at the date of this announcement, the board of Directors comprises Mr. Lei Jun as Chairman and non-executive Director, Mr. Zou Tao as Vice Chairman and executive Director, Mr. He Haijian as executive Director and Mr. Feng Honghua as non-executive Director, and Mr. Yu Mingto, Mr. Wang Hang and Ms. Qu Jingyuan as independent non-executive Directors.*