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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 RESTRICTED SHARES PURSUANT TO 2023 BKOS 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 28 April 2023 (the “**Circular**”), and the poll results announcement dated 24 May 2023, in relation to, among others, the adoption of the restricted share incentive scheme (the “**2023 BKOS 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 52.10% 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 2023 BKOS SHARE INCENTIVE SCHEME**

The Board announces that on 6 June 2023, the BKOS Board has resolved to grant an aggregate of 800,400 Restricted Shares to 157 Participants, comprising a member of the senior management, core management personnel and technical backbones of BKOS, under the First Grant of the 2023 BKOS Share Incentive Scheme at the grant price of RMB150.00 per Restricted Share, to recognise the contributions made by the Participants and to retain outstanding personnel employed by the BKOS 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 Participants 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 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 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 Restricted Shares are set out below:

- Date of grant** : 6 June 2023 (the “**Date of First Grant**”)
- Participants** : 157 employees of BKOS Group
- Number of Restricted Shares granted** : 800,400 Restricted Shares
- Grant price of the Restricted Shares granted** : RMB150.00 per share
- Closing price of the shares of BKOS on the Date of First Grant** : RMB451.20
- Vesting of the Restricted Shares** : The 800,400 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.

**Clawback mechanism of the Restricted Shares** : If the 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 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 Participants culpable of misconduct and is in line with the purpose of the 2023 BKOS 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 institutional subscription service business of BKOS at BKOS level and individual performance assessment at the Participants level.

#### ***Performance assessment requirements at BKOS level***

<b>Vesting Period</b>	<b>Assessment year</b>	<b>Based on the performance in 2022, the growth rate of revenue (A)</b>		<b>Based on the revenue from institutional subscription service business, the growth rate of revenue from institutional subscription service business (B)</b>	
		<b>Target value (Am)</b>	<b>Trigger value (An)</b>	<b>Target value (Bm)</b>	<b>Trigger value (Bn)</b>
First Vesting Period	2023	The growth rate of revenue in 2023 is not less than 15.00%	The growth rate of revenue in 2023 is not less than 10.00%	The growth rate of revenue from institutional subscription service business in 2023 is not less than 25.00%	The growth rate of revenue from institutional subscription service business in 2023 is not less than 20.00%

Vesting Period	Assessment year	Based on the performance in 2022, the growth rate of revenue (A)		Based on the revenue from institutional subscription service business, the growth rate of revenue from institutional subscription service business (B)	
		Target value (Am)	Trigger value (An)	Target value (Bm)	Trigger value (Bn)
Second Vesting Period	2024	The cumulative growth rate of revenue for two years of 2023 and 2024 are not less than 147.25%	The cumulative growth rate of revenue for two years of 2023 and 2024 are not less than 131.00%	The cumulative growth rate of revenue from institutional subscription service business for two years of 2023 and 2024 are not less than 181.25%	The cumulative growth rate of revenue from institutional subscription service business for two years of 2023 and 2024 are not less than 164.00%
Third Vesting Period	2025	The cumulative growth rate of revenue for three years of 2023, 2024 and 2025 are not less than 299.34%	The cumulative growth rate of revenue for three years of 2023, 2024 and 2025 are not less than 264.10%	The cumulative growth rate of revenue from institutional subscription service business for three years of 2023, 2024 and 2025 are not less than 376.56%	The cumulative growth rate of revenue from institutional subscription service business for three years of 2023, 2024 and 2025 are not less than 336.80%

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)	$A \geq Am$	$X1=100\%$	Growth rate of revenue from institutional subscription service business (B)	$B \geq Bm$	$X2=100\%$
	$An \leq A < Am$	$X1=90\%$		$Bn \leq B < Bm$	$X2=90\%$
	$A < An$	$X1=0$		$B < Bn$	$X2=0$
<b>Vesting ratio at the Company level=Max (X1, X2)</b>					

*Note: the above revenue refers to the audited revenue of listed companies.*

## *Performance assessment requirements at the Participants' level*

BKOS conducts individual performance assessment on the Participants during the assessment year and determines the number of Restricted Shares actually vested to the Participants based on their assessment results. The performance assessment results of the 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:

<b>Assessment results</b>	<b>Attained</b>	<b>Not attained</b>
Vesting ratio	100%	0

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

If the Restricted Shares vested to the 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 2023 BKOS Share Incentive Scheme is 199,600 Restricted Shares, representing no more than 20% of the total Restricted Shares available under the 2023 BKOS Share Incentive Scheme.

## **REASONS FOR AND BENEFITS OF THE FIRST GRANT**

The purpose of the First Grant to the Participants is in line with the purpose of the 2023 BKOS 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, 7 June 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, Zuotao CHEN and Ms. Wenjie WU.*