



## **Kuaishou Technology Announces Details of the Proposed Listing on the Main Board of The Stock Exchange of Hong Kong**

2021.01.25

- **Global Offering of 365,218,600 Shares -**

- **Offer Price Ranges from HK\$105.00 to HK\$115.00 Per Offer Share -**

### **Highlights of Kuaishou Technology**

- Kuaishou Technology ("Kuaishou") aims to be the most customer-obsessed company in the world. Kuaishou's mission is to help people discover their needs and use their talents in order to find their unique brand of happiness.
- Kuaishou is dedicated to offering an authentic user experience through a massive and diverse library of short video and live streaming content, highly engaged and vibrant user communities and innovative and industry-leading technologies.
- As a leading content community and social platform, globally, Kuaishou is the largest live streaming platform by gross billings from virtual gifting and average live streaming MPUs, the second largest short video platform by average DAUs, and the second largest live streaming e-commerce platform by GMV in the world<sup>[1],[2]</sup>.
- Kuaishou is a household brand and is among the most widely used social platforms in China<sup>[1]</sup>. There were 305 million average DAUs and 769 million average MAUs of Kuaishou's apps and mini programs in China<sup>[2]</sup>.
- Kuaishou ranked No. 1 in terms of activeness of content community among the top video-based social platforms in China<sup>1</sup>, with content creators constituting approximately 26% of average MAUs on Kuaishou App<sup>[2],[3]</sup>.

### **Highlights of the Global Offering**

- Kuaishou intends to offer an aggregate of 365,218,600 shares (subject to the Over-allotment Option).
- Indicative Offer Price ranges between HK\$105.00 and HK\$115.00 per Offer Share.
- The Hong Kong Public Offering will begin at 9:00 a.m. on 26 January 2021 (Tuesday) and will end at 12:00 noon on 29 January 2021 (Friday).
- The final Offer Price and allocation results will be announced on 4 February 2021 (Thursday).
- Dealing in Kuaishou's Class B shares will commence on the Main Board of HKEX on 5 February 2021 (Friday) under the stock code 1024.
- The Class B Shares will be traded in board lots of 100 Class B Shares each.

HONG KONG, Jan. 26, 2021 /PRNewswire/ -- **Kuaishou Technology** ("Kuaishou", together with its subsidiaries and consolidated affiliated entities, the "Group"), a leading content community and social platform, today announced the details of its global offering of shares (the "Global Offering") and its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEX").

### **Offering Details**

The Group intends to offer an aggregate of 365,218,600 shares (subject to the Over-allotment Option) (the "Offer Shares"), of which 356,088,100 shares (subject to re-allocation, adjustment and the Over-allotment Option) will be for International Offering and 9,130,500 shares (subject to reallocation and adjustment) will be for Hong Kong Public Offering. Indicative Offer Price ranges between HK\$105.00 and HK\$115.00 per Offer Share. Assuming the Over-allotment Option is not exercised and an Offer Price is set at HK\$110.00 per share (being the mid-point of the Offer Price range), the estimated net proceeds from the Global Offering will amount to approximately HK\$39,477.4 million after deducting underwriting commissions and other estimated expenses in connection with the Global Offering.

The Hong Kong Public Offering will begin at 9:00 a.m. on 26 January 2021 (Tuesday) and will end at 12:00 noon on 29 January 2021 (Friday). The final Offer Price and allocation results will be announced on 4 February 2021 (Thursday). Dealing in Kuaishou's Class B shares will commence on the Main Board of HKEX on 5 February 2021 (Friday) under the stock code 1024. The Class B Shares will be traded in board lots of 100 Class B Shares each.

Morgan Stanley Asia Limited, Merrill Lynch Far East Limited, and China Renaissance Securities (Hong Kong) Limited are the Joint Sponsors. Morgan Stanley Asia Limited, Merrill Lynch (Asia Pacific) Limited and China Renaissance Securities (Hong Kong) Limited are the Joint Global Coordinators. Morgan Stanley Asia Limited, (in relation to Hong Kong Public Offering only), Morgan Stanley & Co. International plc (in relation to International Offering only), Merrill Lynch (Asia Pacific) Limited, China Renaissance Securities (Hong Kong) Limited, The Hong Kong and Shanghai Banking Corporation Limited, ICBC International Capital Limited (Joint Bookrunner only), ICBC International Securities Limited (Joint Lead Manager only), Haitong International Securities Company Limited, CMB International Capital Limited, BOCI Asia Limited and Futu Securities International (Hong Kong) Limited are the Joint Bookrunners and Joint Lead Managers of the Listing.

### **Use of Proceeds**

Assuming that the Over-allotment Option is not exercised and the Offer Price is set at HK\$110.00 per Offer Share, (being the mid-point of the indicative price range between HK\$105.00 and HK\$115.00), the Group estimates the net proceeds from the Global Offering, after deducting related underwriting fees and estimated expenses in connection with the Global Offering, will be approximately HK\$39,477.4 million, the Group intends to use the net proceeds for the following purposes:

Use of proceeds	Approximate percentage of net proceeds	Approximate amount of net proceeds
Enhance and grow the Group's ecosystem	35%	HK\$13,817.1 million
Strengthen the Group's research and development and technological capabilities	30%	HK\$11,843.2 million
Selective acquisitions of or investment in products, services and businesses, particularly in areas such as content, social entertainment and software, that are complementary to the Group's business and are in line with the Group's philosophy and growth strategies	25%	HK\$9,869.4 million
Working capital and general corporate purposes	10%	HK\$3,947.7 million

## **Investment Highlights**

### **Dedication to an Authentic User Experience Encourages Interactions and Content Creation**

Kuaishou helps everyday people express themselves. Based on its technology infrastructure and personalization engine, Kuaishou has established a unique online traffic allocation mechanism that gives people the chance to be seen, understood, and for their lives to be embraced by others. After being seen, users will be able to be connected with a group of followers who understand, like and resonate with them, which reinforces the interactions on the platform.

This is best shown by the fact that nearly 40% of the short videos on Kuaishou App had more than 100 accumulated views<sup>[4]</sup> and content creators constitute approximately 26% of its average MAUs<sup>[2]</sup>.

### **Interest-based Community with a Highly Engaged User Base and a Vibrant Ecosystem**

Content on Kuaishou's platform covers a wide range of topics, and it is home to many interest groups. Kuaishou's deep and diverse content motivates content creators to keep creating authentic and original content. By doing this, Kuaishou benefits from strong network effects and is able to attract more and more users to its platform. This virtuous cycle of content creation and consumption also increases user engagement.

For the nine months ended September 30, 2020, DAUs on average spent over 86 minutes per day on Kuaishou App and accessed it more than 10 times a day. In the nine months ended September 30, 2020, the Group had approximately 1.1 billion average monthly short video uploads and nearly 1.4 billion live streaming sessions hosted on Kuaishou App, with 2.2 trillion likes, 173 billion comments and 9 billion shares recorded on short videos and live streams. As a result of the robust engagement, its content base is growing rapidly and organically.

### **Industry-leading Technologies Enhance User Engagement**

Kuaishou has invested heavily in data and technology infrastructure, with over 6,500 R&D employees as of September 30, 2020. Its deep reinforcement learning-based personalization engine is built for short video and live streaming content recommendations. Its personalization engine allows Kuaishou to keep users engaged with interesting and useful content and connects them with content creators based on their common interests.

### **Multifaceted Network Effects**

Kuaishou's business growth naturally gives rise to multifaceted network effects on its platform. Kuaishou has become the starting point and platform for content creation and business activities. The more users use Kuaishou App, the more diverse and vibrant its ecosystem becomes, which increases user engagement and the value it provides to ecosystem participants. Also, users' interactions and trust greatly enhance monetization. This in turn attracts more advertisers, merchants and other business partners to its platform. In addition, this virtuous cycle is supported by massive data and Kuaishou's technology. All participants on Kuaishou's platform have created massive data, enabling it to understand users better and provide more convenient & efficient transactions.

### **Diverse Monetization Opportunities Arise Naturally**

Kuaishou takes a unique approach to monetization and expansion into new business lines. At Kuaishou, all business lines are integrated and grow naturally based on the value users get from them. Kuaishou gradually added tools to facilitate these interactions to take place. Different business lines integrated in the community and propelled each other.

Kuaishou has several business lines that promote and influence each other, including live streaming, online marketing services and other services which include e-commerce, online games and other value-added services.

### **Visionary Management and Reputable Shareholders**

The Group's management team pioneered the short video and live streaming platform model globally. Its co-founders Mr. Su Hua and Mr. Cheng Yixiao are visionaries who envisioned the market potential of content-based social platforms, and have a complementary combination of product and engineering expertise.

Kuaishou's management team has a steadfast dedication to its mission and core values, always putting users first and relentlessly focusing on satisfying their needs and exceeding their expectations. The fundamental measure of Kuaishou's success is the value the Group creates for its ecosystem participants and society over the span of multiple decades. Kuaishou is accountable to its users to continue to improve itself, pursue

long-term success over short-term interests, and contribute to the overall happiness of its society.

[1]	According to iResearch
[2]	For the nine months ended September 30, 2020
[3]	Collectively, Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps
[4]	As of September 30, 2020

### **Fully Electronic Application Process**

Kuaishou has adopted a fully electronic application process for the Hong Kong Public Offering and will not provide printed copies of the prospectus or printed copies of any application form to the public in relation to the Hong Kong Public Offering. The prospectus is available at the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the "HKEXnews > New Listings > New Listing Information" section, and Kuaishou's website at [www.kuaishou.com](http://www.kuaishou.com).

### **About Kuaishou**

Kuaishou is a leading content community and social platform with its mission to be the most customer-obsessed company in the world. Kuaishou has relentlessly been focusing on serving its customers and creating value for them through the continual innovation and optimization of its products and services. At Kuaishou, any user can chronicle and share their life experiences through short videos and live streams and showcase their talents. Working closely with content creators and businesses together, Kuaishou provides product and service offerings that address various user needs that arise naturally, including entertainment, online marketing services, e-commerce, online games, online knowledge-sharing, and more.

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