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KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED
金蝶國際軟件集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 268)

PROFIT WARNING

This announcement is made by Kingdee International Software Group Company Limited (the “**Company**” together with its subsidiaries (the “**Group**”)) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, 2020 is a strategic year for the acceleration of cloud transformation of the Company, and based on the information currently available to the Board and a preliminary assessment of the financial performance of the Group, it is expected that the Group will record a loss attributable to owners of the Company for the six months ended 30 June 2020 ranging from approximately RMB200.00 million to approximately RMB300.00 million (six months ended 30 June 2019: profit attributable to owners of the Company of approximately RMB109.64 million). The overall financial results of the Group were mainly affected by the following factors:

- i. in the first half of the year, the Group adjusted its business model according to its strategic plan, which mainly developing and promoting the subscription-based cloud products; and some ERP software licensed products were discontinued. Hence, the Group expects to record a decrease in total revenue by approximately 5%-10% when compared to the same period in 2019 to between approximately RMB1,336.64 million and approximately

RMB1,410.90 million (six months ended 30 June 2019: approximately RMB1,485.16 million);

- ii. the Company continued to increase its investment in the research and development of cloud products, especially the new generation core product Kingdee Cloud Cosmic; and
- iii. the outbreak of novel coronavirus (COVID-19) had an adverse effect on the Company's small, medium and micro enterprises market business.

Although the Group's profit was under certain pressure for the first half of the year, the cloud service business of the Group continued to develop rapidly through its promotion of the cloud strategic transformation. Revenue from the Group's cloud services business in the first half of the year increased by approximately 40%-50% over the same period in 2019 to between approximately RMB770.34 million and approximately RMB825.36 million (six months ended 30 June 2019: approximately RMB550.24 million). The cloud services business accounted for approximately 55%-60% of the total revenue of the Group (six months ended 30 June 2019: approximately 37%). The contracted amount of Kingdee Cloud Cosmic was more than RMB150.00 million for the first half of the year. The management of the Company has full confidence in the long-term development of the Group.

The Company is still in the process of finalising its interim results for the six months ended 30 June 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the figures and information currently available, and have not been audited or reviewed by the Company's auditor or the audit committee of the Company. Further details of the Group's financial results for the six months ended 30 June 2020 will be announced in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
**Kingdee International Software
Group Company Limited**
Xu Shao Chun
Chairman

Shenzhen, the People's Republic of China, 10 July 2020

As at the date of this announcement, the Board comprises Mr. Xu Shao Chun (Chairman of the Board and Chief Executive Officer) and Mr. Lin Bo as executive directors; Ms. Dong Ming Zhu and Mr. Zhou Bo Wen as non-executive directors; and Mr. Gary Clark Biddle, Mr. Cao Yang Feng and Mr. Liu Chia Yung as independent non-executive directors.