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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it had approved the adoption of the Share Award Scheme. The purposes and objectives of the Share Award Scheme are to provide incentives and reward the contributions of certain employees and directors of the Group. The Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. Pursuant to the Share Award Scheme, existing issued Shares may be acquired by the Trustee on the open market, at the direction and cost of the Group, and new Shares may be allotted and issued to it under the general mandate granted or to be granted by the Shareholders at general meetings from time to time, and be held in trust for the relevant Selected Participants until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Share Award Scheme.

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding three per cent. of the issued share capital of the Company from time to time. For the avoidance of doubt, the three per cent. provided above shall exclude any Shares which have been vested in Selected Participants. The maximum number of shares which may be awarded to a Selected Participant under the Scheme in any twelve (12)-month period shall not exceed 1% of the issued share capital of the Company from time to time.

Given that the Share Award Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required to adopt the Share Award Scheme.

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it had approved the adoption of the Share Award Scheme, pursuant to which the Awarded Shares will be comprised of Shares subscribed for or purchased by the Trustee out of cash arranged by the Company out of the Company's funds to the Trustee and be held on trust for the Selected Participants until such Shares are vested with the Selected Participants in accordance with the provisions of the Share Award Scheme.

SUMMARY OF THE SCHEME RULES

(1) Purpose and Objective

The purposes and objectives of the Share Award Scheme are to provide incentives and reward the contributions of certain employees and directors of the Group.

(2) Eligible Persons for the Share Award Scheme

Pursuant to the Share Award Scheme, the Board may, from time to time, in its absolute discretion, select the Selected Participant(s) after taking into various factors as they deem appropriate and determine the number of Award Shares to be awarded to each of the Selected Participants.

(3) Administration

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The Board will be responsible for, among other things, determining the basis of the awards, the number and target of the awards to be made. The Trustee shall hold the Shares and the income derived therefrom in accordance with the Scheme Rules and the terms of the Trust Deed.

Notwithstanding that the Trustee is the legal registered holder of the Shares held upon trust pursuant to the Trust Deed, the Trustee in general shall not exercise the voting rights attached to the Shares, in the event that the Trustee at its discretion considers that it shall so vote in respect of any Shares held by it under the Trust, it should take into account all relevant considerations at its discretion and in such cases, the Trustee may, prior to the respective general meetings, execute such proxy form or authorization or authorization documents to such person(s) as the Trustee may deem fit.

(4) Maximum Limit

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding three per cent. of the issued share capital of the Company from time to time. For the avoidance of doubt, the 3% provided above shall exclude any Shares which have been vested in Selected Participants.

The maximum number of shares which may be awarded to a Selected Participant under the Scheme in any twelve (12)-month period shall not exceed 1% of the issued share capital of the Company from time to time.

(5) Operation of the Share Award Scheme

The Board may, from time to time, in its absolute discretion select the Selected Participants after taking into various factors as they deem appropriate and determine the number of Award Shares to be awarded to each of the Selected Participants. The Board may (i) cause to be paid to the Trustee the purchase price and related purchase expenses to the Trustee from the Group's resources in respect of the Award Shares to be purchased on the market by the Trustee, and/or (ii) allot and issue Shares to the Trustee. The Trustee shall hold such Shares until they are vested to the Selected Participants in accordance with the Scheme Rules and the Trust Deed.

(6) Restrictions to Purchase Shares by the Trustee

No Award shall be made to Selected Participants and no instructions shall be given to the Trustee to purchase Shares when the Board is in possession of unpublished inside information in relation to the Group or during the period where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

(7) Issue of New Award Shares

New Shares may be allotted and issued to the Trustee for purpose of the Share Award Scheme under general mandate granted or to be granted by the Shareholders at general meetings of the Company from time to time. The Award Shares will be held on trust for the Selected Participants until the vesting criteria and conditions have been satisfied. The Company will comply with the relevant Listing Rules when issuing the new Award Shares and application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the new Award Shares to be issued pursuant to the Share Award Scheme.

(8) Awards to the Connected Persons

Where any grant of the Award Shares is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director), such grant must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee. The Company will also comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of granting the Award Shares to a connected person of the Company.

(9) Rights of Award Holders Before Vesting

Prior to the Vesting Date, any Award made under the Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any person over or in relation to the Award Shares referable to him pursuant to such Award.

(10) Vesting of Awards

A Selected Participant shall be entitled to receive the Award Shares held by the Trustee in accordance with the vesting schedule upon satisfaction of the vesting criteria and conditions specified by the Board in the offer of the grant of the relevant Award.

In respect of a Selected Participant who dies or retires prior to or on the Vesting Date, all the Award Shares of the relevant Selected Participant shall not be vested to that Selected Participant and shall remain part of the trust fund.

If there occurs an event of change in control of the Company (as specified in the Hong Kong Codes on Takeovers and Mergers and Shares Repurchases from time to time), whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether the Award Shares shall vest in the Selected Participant and the time at which such Award Shares shall vest.

If notice is duly given by the Company to the Shareholders to convene a shareholders' meeting for purpose of the voluntary winding-up of the Company (otherwise than for the purpose of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether the Award Shares shall vest in the Selected Participant and the time at which such Award Shares shall vest.

(11) Disqualification of Selected Participant

In the event that prior to the Vesting Date, a Selected Participant is deemed to cease to be a Selected Participant, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Award Share shall not vest on the relevant Vesting Date.

Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be a Selected Participant shall include, without limitation:

- (i) in the case of employee, consultant or adviser of the Group: this person ceases to be an employee or consultant or adviser to the Group by reason of a termination of his employment or engagement on his own accords or on the grounds that he has been guilty of persistent or serious misconduct, or has been declared or adjudged to be bankrupt by a competent court or government body, or has failed to pay his debts as they fall due, or has become insolvent, or has entered into any arrangement or composition with his creditors generally, or has been convicted of any criminal offence, or any other grounds on which an employer would be entitled to terminate his employment or under employee's service contract or written engagement with the Group; and
- (ii) in the case of a director (including executive director, non-executive director, independent non-executive director): before vesting, on the date when this person ceases to be a director of the Company for whatever reason.

(12) Duration and Termination

The Share Award Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant.

(13) Alternation of the Share Award Scheme

The Share Award Scheme may be altered in any respect from time to time by a resolution of the Board.

DEFINITIONS

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

“Adoption Date”	4 December 2015, being the date on which the Board adopted the Share Award Scheme
“Award”	an award of Shares by the Board to a Selected Participant pursuant to the Share Award Scheme
“Award Shares”	such Shares awarded pursuant to the Share Award Scheme
“Board”	the board of Directors
“Company”	Kingdee International Software Group Company Limited, a company incorporated in Cayman Islands with limited liabilities whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 268)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Persons”	(i) employees (whether full-time or part-time and including any executive director), consultants or advisers of or to the Group, and (ii) any non-executive directors (including independent non-executive directors) of the Group
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Scheme Rules”	the rules relating to the Share Award Scheme adopted by the Board
“Selected Participants”	Eligible Persons selected by the Board in accordance with the terms of the Share Award Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shares”	ordinary shares of HK\$0.025 each in the share capital of the Company
“Shareholders”	holders of Shares
“Share Award Scheme”	the share award scheme adopted by the Board, as amended from time to time

“Trust”	the trust constituted under the Trust Deed from which Award Shares may be granted to a Selected Participant in accordance with the Scheme Rules
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee (as restated, supplemented and amended from time to time) as trustee in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	Bank of Communications Trustee Limited, the trustee appointed by the Company for the purpose of the Share Award Scheme, which is an independent third party not connected with any of the director, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Vesting Date”	the date or each such date on which the Award Shares are to vest
“%”	per cent

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

Shenzhen, the People’s Republic of China, 18 December, 2015

As at the date of this announcement, the Board comprises Mr. Xu Shao Chun (Chairman of the Board and Chief Executive Officer), Mr. Chen Deng Kun and Mr. Yang Jian as executive directors; Ms. Dong Ming Zhu and Mr. Chen Zhang as non-executive directors and Mr. Gary Clark Biddle, Mr. Wu Cheng and Mr. Liu Chia Yung as independent non-executive directors.