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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)

**REVISION OF 2017 ANNUAL CAPS UNDER
THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 10 March 2017 in relation to the transactions under the Strategic Cooperation Framework Agreement becoming continuing connected transactions of the Company. Pursuant to the Strategic Cooperation Framework Agreement, Kingdee China and Shenzhen CloudHub agreed to enter into cooperation in several areas including product distribution, channel marketing and sales support for a term of two years ending 31 December 2017.

Based on the current performance of its business operation, the Company considers that the revision of the 2017 annual caps under the Strategic Cooperation Framework Agreement is required.

As at the date of this announcement, Kingdee China is a wholly-owned subsidiary of the Company. Mr. Xu is the controlling shareholder and the chairman of the Board of the Company and indirectly owns the majority of the beneficial interests in Shenzhen CloudHub. Accordingly, Shenzhen CloudHub is an associate of Mr. Xu and is therefore a connected person of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the revised annual caps of the transactions contemplated under the Strategic Cooperation Framework Agreement exceed 0.1% but are below 5%, the transactions under the Strategic Cooperation Framework Agreement are subject to the reporting, annual review and announcement requirements and exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 10 March 2017 (the “**Announcement**”) in relation to the transactions under the Strategic Cooperation Framework Agreement becoming continuing connected transaction of the Company. Pursuant to the Strategic Cooperation Framework Agreement, Kingdee China and Shenzhen CloudHub agreed to enter into cooperation in several areas including product distribution, channel marketing and sales support for a term of two years ending 31 December 2017. Unless otherwise stated, terms defined herein shall have the same meanings as those defined in the Announcement.

REVISION OF 2017 ANNUAL CAPS UNDER THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

Set out below are the original annual caps under the Strategic Cooperation Framework Agreement for the year ending 31 December 2017:

Category	Annual caps for the year ending 31 December 2017
	<i>(RMB)</i>
Category A and Category C (on an aggregated basis)	25,000,000
Category B	35,000,000
Total	60,000,000

Based on the current performance of its business operation, the Company considers that the revision of the 2017 annual caps under the Strategic Cooperation Framework Agreement is required.

Set out below are the revised annual caps under the Strategic Cooperation Framework Agreement for the year ending 31 December 2017:

Category	Annual caps for the year ending 31 December 2017
	<i>(RMB)</i>
Category A and Category C (on an aggregated basis)	45,000,000
Category B	35,000,000
Total	80,000,000

The Board confirms that, as at the date of this announcement, the original annual caps under the Strategic Cooperation Framework Agreement for the year ending 31 December 2017 have not been exceeded.

The Directors (including the independent non-executive Directors) consider that the above revised 2017 annual caps of various categories are fair and reasonable, on normal commercial terms and in the interest of the Company and the shareholders of the Company as a whole, and the transactions contemplated under the Strategic Cooperation Framework Agreement are entered into in the ordinary and usual course of business of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Kingdee China is a wholly-owned subsidiary of the Company and Mr. Xu is the controlling shareholder and the chairman of the Board of the Company and indirectly owns the majority of the beneficial interests in Shenzhen CloudHub. Accordingly, Shenzhen CloudHub is an associate of Mr. Xu and is therefore a connected person of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the revised annual caps of the transactions contemplated under the Strategic Cooperation Framework Agreement exceed 0.1% but are below 5%, the transactions under the Strategic Cooperation Framework Agreement are subject to the reporting, annual review and announcement requirements and exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Shenzhen CloudHub is an associate of Mr. Xu. Accordingly, Mr. Xu shall abstain from voting on the relevant Board resolution regarding the revision of 2017 annual caps under the Strategic Cooperation Framework Agreement. Save as disclosed above, no Directors had any material interest in the revision of annual caps above, nor did they abstain from voting on the relevant Board resolution.

GENERAL INFORMATION

Shenzhen CloudHub is principally engaged in the provision of mobile Internet enterprise services through a mobile office platform offered to registered enterprises and organizations.

The Group is principally engaged in the provision of software products and Cloud services for corporates, government organizations and other users worldwide. Kingdee China is a direct wholly-owned subsidiary of the Company, which, together with its subsidiaries, principally carries out business in the corporate management software and Internet services markets.

On behalf of the Board
Kingdee International Software Group Company Limited
Lin Bo
Director

Shenzhen, the People's Republic of China, 25 August 2017

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 (Chief Financial Officer) 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.