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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)

CONTINUING CONNECTED TRANSACTIONS

2018 STRATEGIC COOPERATION FRAMEWORK AGREEMENT AND 2018 PRODUCT PROMOTION COOPERATION FRAMEWORK AGREEMENT

Reference is made to the announcements of the Company dated 10 March 2017 and 25 August 2017 respectively in respect of certain continuing connected transactions between Kingdee China and Shenzhen CloudHub pursuant to the Previous Strategic Cooperation Framework Agreement.

The Previous Strategic Cooperation Framework Agreement expired on 31 December 2017 and it is currently expected that the transactions under the Previous Strategic Cooperation Framework Agreement will continue to be entered into on a recurring basis. On 1 January 2018, Kingdee China and Shenzhen CloudHub entered into the 2018 Strategic Cooperation Framework Agreement and the 2018 Product Promotion Cooperation Framework Agreement, pursuant to which the parties agreed to enter into cooperation in several specific areas as set out in the agreements for a term of one year from 1 January 2018.

Implications under the Listing Rules

As at the date of this announcement, Kingdee China is a wholly-owned subsidiary of the Company. Mr. Xu is the controlling shareholder 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 (as defined under the Listing Rules) in respect of the annual cap of the transactions contemplated under the 2018 Strategic Cooperation Framework Agreement exceed 0.1% but are below 5%, the transactions under the 2018 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.

As the applicable percentage ratios in respect of the annual cap of the transactions contemplated under the 2018 Product Promotion Cooperation Framework Agreement exceed 0.1% but are below 5%, the transactions under the 2018 Product Promotion 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.

2018 SUISHOU TECHNOLOGY LEASE AGREEMENT

Reference is made to the announcement of the Company dated 30 June 2017 in respect of the Previous Suishou Technology Lease Agreement between Kingdee China and Suishou Technology.

On 1 January 2018, Kingdee China and Suishou Technology entered into the 2018 Suishou Technology Lease Agreement, which terminates and replaces the Previous Suishou Technology Lease Agreement which would expire on 31 December 2018.

Implications under the Listing Rules

As at the date of this announcement, Suishou Technology is a company indirectly controlled by Mr. Xu, thus Suishou Technology is an associate of Mr. Xu and a connected person of the Company. The transactions contemplated under the 2018 Suishou Technology Lease Agreement constitute continuing connected transactions of the Company for the purpose of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the 2018 Suishou Technology Lease Agreement exceeds 0.1% and is below 5%, the transactions contemplated under the 2018 Suishou Technology Lease Agreement are subject to the reporting, announcement and annual review requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

2018 STRATEGIC COOPERATION FRAMEWORK AGREEMENT AND 2018 PRODUCT PROMOTION COOPERATION FRAMEWORK AGREEMENT

The principal terms of the 2018 Strategic Cooperation Framework Agreement and the 2018 Product Promotion Cooperation Framework Agreement are summarised as follows:

(a) 2018 Strategic Cooperation Framework Agreement

Date: 1 January 2018

Parties: (1) Kingdee China
(2) Shenzhen CloudHub

Term: The term of the 2018 Strategic Cooperation Framework Agreement is one year from the date of the agreement.

Subject matter: The parties agreed to enter into cooperation in the following areas:

(1) Shenzhen CloudHub appoints Kingdee China as a distributor for Kingdee China to purchase its products (including but not limited to the PrivateCloud Products and the PublicCloud Products) from Shenzhen CloudHub and further distribution in the PRC (including Hong Kong) (the "**CloudHub Products Distributorship**"); and

(2) Shenzhen CloudHub agrees to use the strengths of its mobile office platform to provide sales support, business consultation and other services for the sale of Kingdee collaborative office software in consideration of a service fee payable by Kingdee China to Shenzhen CloudHub (the "**Kingdee Products Sales Support Services**").

Pricing:	The pricing for the transactions under the CloudHub Products Distributorship and the Kingdee Products Sales Support Services should be determined by reference to market prices offered to any independent third party by Shenzhen CloudHub and/or Kingdee China (as the case may be) for the distribution of similar products and provision of similar services.
Historical amounts:	For the period from 28 July 2016 to 31 December 2016 and the eleven months ended 30 November 2017, the amounts to be paid by Kingdee China to Shenzhen CloudHub regarding the CloudHub Products Distributorship and the Kingdee Products Sales Support Services were RMB13,808,000 (audited) and RMB33,844,000 (unaudited) respectively.
Estimated annual cap:	The Directors estimate that for the year ending 31 December 2018, the expected maximum amount payable by Kingdee China to Shenzhen CloudHub regarding the CloudHub Products Distributorship and the Kingdee Products Sales Support Services will be RMB43,000,000.
Basis for determination of the annual cap:	In arriving at the above estimated annual cap for the continuing connected transactions under the 2018 Strategic Cooperation Framework Agreement, the Directors have taken into consideration the historical amounts paid by Kingdee China to Shenzhen CloudHub under the Previous Strategic Cooperation Framework Agreement and the demand from customers for Shenzhen CloudHub's products distributed by Kingdee China.

(b) 2018 Product Promotion Cooperation Framework Agreement

Date:	1 January 2018
Parties:	(1) Kingdee China (2) Shenzhen CloudHub
Term:	The term of the 2018 Product Promotion Cooperation Framework Agreement is one year from the date of the agreement.
Subject matter:	Kingdee China agrees to use its channels and networks to promote the PublicCloud Products of Shenzhen CloudHub in consideration of a promotion fee payable by Shenzhen CloudHub to Kingdee China.
Pricing:	The pricing for the transactions under the 2018 Product Promotion Cooperation Framework Agreement should be determined by reference to the amount of fees offered to any independent third party by Shenzhen CloudHub for the provision of similar promotional services.
Historical amounts:	For the period from 28 July 2016 to 31 December 2016 and the eleven months ended 30 November 2017, the amount of fees paid by Shenzhen CloudHub to Kingdee China regarding the promotion of the PublicCloud Products were RMB9,389,000 (audited) and RMB15,082,000 (unaudited) respectively.
Estimated annual cap:	The Directors estimate that for the year ending 31 December 2018, the expected maximum amount of fees to be paid by Shenzhen CloudHub to Kingdee China regarding the promotion of PublicCloud Products will be RMB47,000,000.
Basis for	In arriving at the above estimated annual cap for the continuing connected

determination of the annual cap: transactions under the 2018 Product Promotion Cooperation Framework Agreement, the Directors have taken into consideration the historical amounts paid by Shenzhen CloudHub to Kingdee China regarding the promotion of PublicCloud Products and the business expansion plan of Shenzhen CloudHub.

REASONS FOR AND BENEFITS OF THE 2018 STRATEGIC COOPERATION FRAMEWORK AGREEMENT AND THE 2018 PRODUCT PROMOTION COOPERATION FRAMEWORK AGREEMENT

The Company believes that the 2018 Strategic Cooperation Framework Agreement and the 2018 Product Promotion Cooperation Framework Agreement with Shenzhen CloudHub will enable the Group to offer competitive products with significant differentiation and more comprehensive ERP solutions to customers, so as to facilitate the business development and branding of ERP products in the enterprise Internet market. The Company also believes the cooperation with Shenzhen CloudHub can strengthen the expertise and marketing capabilities of the Group in the enterprise Internet segment.

Based on the above, the Directors (including the independent non-executive Directors) consider that the 2018 Strategic Cooperation Agreement and the 2018 Product Promotion Cooperation Framework Agreement and the respective transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the respective terms thereof and the annual caps for the year ending 31 December 2018 are fair and reasonable and in the interests of the Company and shareholders of the Company as a whole.

2018 SUISHOU TECHNOLOGY LEASE AGREEMENT

Reference is made to the announcement of the Company dated 30 June 2017 in respect of the Previous Suishou Technology Lease Agreement between Kingdee China and Suishou Technology.

On 1 January 2018, Kingdee China and Suishou Technology entered into the 2018 Suishou Technology Lease Agreement, which terminates and replaces the Previous Suishou Technology Lease Agreement which would expire on 31 December 2018.

The principal terms of the 2018 Suishou Technology Lease Agreement are summarised as follows:

Date:	1 January 2018
Parties:	(1) Kingdee China, as lessor (2) Suishou Technology, as lessee
Term:	For the B10 Office, for a term from 1 January 2018 to 31 March 2018; and for the Other Offices, for a term from 1 January 2018 to 31 December 2020.
Subject matter:	Kingdee China shall lease the B10 Office and the Other Offices to Suishou Technology for the use as offices.
Rental and charges:	For the B10 Office: RMB221,222 per calendar month, inclusive of facilities usage charges and exclusive of management fees, other utilities charges and tax; for the Other Offices: RMB1,063,040 per calendar month, inclusive of facilities usage charges and exclusive of management fees, other utilities charges and tax.
Historical amounts:	The historical rental paid by Suishou Technology to the Group for the three years ended 31 December 2015, 2016 and 2017 were RMB1,229,787.92 (audited),

RMB2,514,426.20 (audited) and RMB5,362,475.40 (unaudited), respectively. In the past three years, Suishou Technology has been expanding its office premises areas leased from the Group because of its business development.

Estimated annual caps: The Directors estimate that the annual caps for the continuing connected transactions contemplated under the 2018 Suishou Technology Lease Agreement (being the aggregate of the annual rentals and charges) will be RMB13,420,146 for each of the years ending 31 December 2018, 2019 and 2020.

Basis for determination of the annual caps: The rentals and charges payable under the 2018 Suishou Technology Lease Agreement are determined between the parties on arm's length basis with reference to the historical rental paid and the prevailing market rent of comparable properties.

REASONS FOR AND BENEFITS OF THE 2018 SUISHOU TECHNOLOGY LEASE AGREEMENT

The Group has leased out office premises in the Kingdee Software Park to companies engaged in software and hardware development. The leasing of the office premises to Suishou Technology is in the ordinary course of business of the Company. The Directors, including the independent nonexecutive Directors, consider that the entering into of the 2018 Suishou Technology Lease Agreement is in the ordinary course of business of the Company, on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

2018 Strategic Cooperation Framework Agreement and 2018 Product Promotion Cooperation Framework Agreement

As at the date of this announcement, Kingdee China is a wholly-owned subsidiary of the Company. Mr. Xu is the controlling shareholder 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 annual cap of the transactions contemplated under the 2018 Strategic Cooperation Framework Agreement exceed 0.1% but are below 5%, the transactions under the 2018 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.

As the applicable percentage ratios in respect of the annual cap of the transactions contemplated under the 2018 Product Promotion Cooperation Framework Agreement exceed 0.1% but are below 5%, the transactions under the 2018 Product Promotion 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.

Other than Mr. Xu, no Director is materially interested in the transactions under the 2018 Strategic Cooperation Framework Agreement or the 2018 Product Promotion Cooperation Framework Agreement and is required to abstain from voting on the Board resolutions to approve the same.

2018 Suishou Technology Lease Agreement

As at the date of this announcement, Suishou Technology is a company indirectly controlled by Mr. Xu, thus Suishou Technology is an associate of Mr. Xu and a connected person of the Company. The transactions contemplated under the 2018 Suishou Technology Lease Agreement constitute continuing connected transactions of the Company for the purpose of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the 2018 Suishou Technology Lease Agreement exceeds 0.1% and is below 5%, the transactions contemplated under the 2018 Suishou Technology Lease Agreement are subject to the reporting, announcement and annual review requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

Other than Mr. Xu, no Director is materially interested in the transactions under the 2018 Suishou Technology Lease Agreement and is required to abstain from voting on the Board resolutions to approve the same.

GENERAL INFORMATION

The Group is principally engaged in the provision of software products and Cloud services for corporations, 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.

Shenzhen CloudHub is principally engaged in the provision of mobile Internet enterprise services through a mobile office platform offered to registered enterprises and organizations. Suishou Technology is principally engaged in providing financial services application for individuals.

DEFINITIONS

"2018 Strategic Cooperation Framework Agreement"	the strategic cooperation framework agreement dated 1 January 2018 entered into between Kingdee China and Shenzhen CloudHub for the distribution of certain products of Shenzhen CloudHub for a term of one year
"2018 Product Promotion Cooperation Framework Agreement"	the Product Promotion cooperation framework agreement dated 1 January 2018 entered into between Kingdee China and Shenzhen CloudHub for the promotion of the PublicCloud Products for a term of one year
"2018 Suishou Technology Lease Agreement"	the lease agreement dated 1 January 2018 entered into between Kingdee China and Suishou Technology in relation to the lease of certain office premises to Suishou Technology for a term from 1 January 2018 to 31 March 2018 (in respect of the B10 Office) or from 1 January 2018 to 31 December 2020 (in respect of the Other Offices)
"associate"	has the meaning ascribed to it under the Listing Rules
"B10 Office"	the office premises located at South of 10th Floor, Block B, Kingdee Software Park, No.2 Kejinan 12 Road, South District of Hi-Tech Industrial Park, Nanshan District, Shenzhen, having an aggregate floor area of approximately 2,087 square meters
"Board"	the board of Directors

"Company"	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liabilities, whose shares are listed on the Stock Exchange (Stock Code: 268)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic China
"Kingdee China"	金蝶軟件（中國）有限公司 (Kingdee Software (China) Co., Ltd*), a company incorporated in the PRC and a direct wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Xu"	Mr. Xu Shao Chun, an executive Director, the Chairman of the Board and the controlling shareholder of the Company
"Other Offices"	the office premises located at North of 3rd, 4th, 6th, 7th and 8th Floor, Block B, Kingdee Software Park, No.2 Kejinan 12 Road, South District of Hi-Tech Industrial Park, Nanshan District, Shenzhen, having an aggregate floor area of approximately 7,787.84 square meters
"PRC"	The People's Republic of China, and for the purpose of this announcement only (unless otherwise specified herein), excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Previous Strategic Cooperation Framework Agreement"	the strategic cooperation framework agreement dated 1 January 2016 entered into between Kingdee China and Shenzhen CloudHub for, among other things, the promotion and distribution of certain products of Shenzhen CloudHub for a term of two years
"Previous Suishou Technology Lease Agreement"	the lease agreement dated 30 June 2017 entered into between Kingdee China and Suishou Technology in relation to the lease of certain office premises to Suishou Technology for a term from 1 July 2017 to 31 December 2018
"PrivateCloud Products"	the products and services in relation to "Enterprise Mobile Office Platform" (企業移動工作平台) of Shenzhen CloudHub
"PublicCloud Products"	the on-line software-as-a-service (SaaS) products of Shenzhen CloudHub (including standard operating services, voice conferencing services, application access services, customer relationship management products, etc.)
"RMB"	Renminbi, the lawful currency of the PRC
"Shenzhen CloudHub"	深圳雲之家網絡有限公司 (Shenzhen CloudHub Network Co., Ltd.*),

a company incorporated in the PRC

"Stock Exchange"

The Stock Exchange of Hong Kong Limited

"Suishou Technology"

深圳市隨手科技有限公司 (Shenzhen Suishou Technology Co., Ltd.*), a company incorporated in the PRC and indirectly controlled by Mr. Xu as at the date of this announcement

On behalf of the Board

Kingdee International Software Group Company Limited

Lin Bo

Director

Shenzhen, the People's Republic of China, 2 January 2018

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.

* *for identification purposes only*