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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)

DISCLOSEABLE TRANSACTION

LAND ACQUISITION

The Board is pleased to announce that on 7 September 2018, Qingdao Xinrun, a non-wholly owned subsidiary of the Company, won a bid at the Online Auction with the final bid price at RMB635,318,804 and entered into the Confirmation Notice with Qingdao Jimo Land, Resources and Housing Bureau in respect of the Land Acquisition.

Implications under the Listing Rules

As one of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company and is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LAND ACQUISITION

The principal terms of the Confirmation Notice are set out below:

Date: 7 September 2018

Parties: **Transferee:** Qingdao Xinrun, a limited liability company established under the laws of the PRC and is an 80%-owned subsidiary of the Company. Its principal business is software research and development, software technology services and property development.

Transferor: Qingdao Jimo Land, Resources and Housing Bureau, a local PRC governmental body in charge of, among others things, the sale of land use rights of land parcels in Jimo District, Qingdao. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Qingdao Jimo Land, Resources and Housing Bureau and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject matter: The land use rights of the Land, which is situated at 青島即墨區青島藍谷鶴山路以南、硅谷大道以東、大任河以北、港中旅以西 (South of Heshan Road, Qingdao Oceanec Valley; East of Silicon Valley Avenue; North of Da Ren River;

West of Gang Zhong Lu, Jimo District, Qingdao#) with details as follows:-

Number	Site area (sq. m.)	Usage	Planned land area (sq. m.)	Deposit (RMB)
JY18-32	58,466	Residential and commercial	116,932	514,851,596
JY18-33	35,488	Commercial service	70,976	120,091,392
	93,954		187,908	634,942,988

The term of the land use rights of the Land is 70 years for residential use and 40 years for commercial and commercial service use, each commencing from the date on which the Land Grant Contract was entered into, respectively.

Consideration: The consideration for the Land Acquisition of RMB635,318,804 was the outcome of the Online Auction, which was conducted in accordance with the relevant terms of the auction promulgated by Qingdao Jimo Land, Resources and Housing Bureau. The Deposit shall be applied towards settling part of the consideration for the Land Acquisition.

If Qingdao Xinrun fails to enter into the Land Grant Contract within 10 business days from the date of the Confirmation Notice, Qingdao Xinrun's status as the preferred bidder at the Online Auction shall be revoked and part of the Deposit (being 20% of the consideration) shall be forfeited.

The consideration for the Land Acquisition has been and will be settled by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Group is principally engaged in the provision of software products and cloud services for corporations, government organizations and other users worldwide.

Qingdao is the national economic center city and a pilot city for industrial internet. It has more than 30 universities with lots of innovative talents. It also has profound industrial base and strong advantage in talented manpower. Therefore, the Company intends to acquire the Land to build the Kingdee Qingdao Software Park and establish a research and development center, a delivery center and an education and training center, etc. After considering the prevailing market price for land parcels in the vicinity and the future development potential of the Land, the Directors consider that the terms and conditions under the Land Acquisition (including the consideration) are fair and reasonable so far as the Company and the Shareholders are concerned and that the Land Acquisition is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company and is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

"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)
"Confirmation Notice"	國有建設用地使用權成交確認書 (the notices confirming the successful bidding at the Online Auction for land use rights of the Land#) entered into on 7 September 2018 between Qingdao Xinrun and Qingdao Jimo Land, Resources and Housing Bureau in relation to the Land Acquisition
"Deposit"	競買保證金 (the guarantee payment for contractual performance under the Online Auction#), being a guarantee deposit required to be paid to participate in the Online Auction
"Directors"	the directors of the Company
"Land"	two parcels of land situated at 青島即墨區青島藍谷鶴山路以南、硅谷大道以東、大任河以北、港中旅以西 (South of Heshan Road, Qingdao Oceanec Valley; East of Silicon Valley Avenue; North of Da Ren River; West of Gang Zhong Lu, Jimo District, Qingdao#)
"Land Acquisition"	the acquisition of the land use rights of the Land by Qingdao Xinrun from Qingdao Jimo Land, Resources and Housing Bureau pursuant to the Confirmation Notice
"Land Grant Contract"	國有建設用地使用權出讓合同 (the land grant contract for the state-owned construction land use rights#) to be entered into between Qingdao Xinrun and Qingdao Jimo Land, Resources and Housing Bureau in relation to the Land Acquisition pursuant to the Confirmation Notice
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Online Auction"	the online bidding process for the sale of the land use rights of the Land arranged by Qingdao Jimo Land, Resources and Housing Bureau at 青島市公共資源交易網 (Qingdao Public Resources Trading Website#) on 29 August 2018
"PRC"	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
"Qingdao Jimo Land, Resources and Housing Bureau"	青島市國土資源和房屋管理局即墨分局(Qingdao Jimo Land, Resources and Housing Bureau#), a local government authority, which is in charge of, among other things, the sale of land use rights of land parcels in Jimo District, Qingdao, the PRC

“Qingdao Xinrun”	Qingdao Xinrun Real Estate Limited (青島鑫潤置業有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“sq. m”	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

On behalf of the Board
Kingdee International Software Group Company Limited
Xu Shao Chun
Chairman

Shenzhen, the PRC, 7 September 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. Mr. Shen Yuan Ching as non-executive Directors; and Mr. Gary Clark Biddle, Mr. Cao Yang Feng, and Mr. Liu Chia Yung as independent non-executive Directors.

for identification purpose only