



# Kingdee IR Newsletter

## Summary Of Operating Activities During The Period

### Kingdee Participates in 2014 Chinese Management Excellence Awards

The highly anticipated seventh Chinese Management Excellence Awards ceremony was held at the Beijing National Convention Center On October 30, 2014. The "Internet transformation" was the forum theme. The mobile Internet transformation is everywhere and there is no limit for management innovation.

The Awards Committee consisted of experts from five of China's top business schools: China Europe International Business School, Tsinghua University, Peking University, Shanghai Jiaotong University, and the Central University of Finance and Economics. The 2014 awards were selected after six months of in-depth research. The Chinese Management Excellence Award contest had been successfully held seven times, and interviewed participants from more than 40 industries and over 1,000 enterprises, as well as more than 500 corporate executives. 54 companies were successfully selected.

During the awards ceremony, Siwei Cheng, the honorary chairman of the awards Council and vice chairman of the 9<sup>th</sup> and the 10<sup>th</sup> National People's Congress, pointed out that the rapid growth of the Internet will have far-reaching impact on management thinking, management science, and management practice in Chinese companies. Chinese enterprises will start to walk their own path in terms of innovation, and the next decade will represent the dawn of a new era for Chinese management to win worldwide recognition.

Mr. Xu Shaochun, the founder of Kingdee and the executive vice president of the Chinese Management Excellence Award Council, commented: "The wave of the Internet Transformation is unstoppable. The period between 2014 and 2016 is the golden time for the traditional enterprises to become Internet-based and being innovative is the only way for enterprises to achieve the transformation. In the Internet era, the core of enterprise management innovation is connecting, i.e. connecting to the Internet, as well as innovative business models, and new eco-management, which is a new starting point for the Chinese management to enter a new era and the mission of the Chinese Management Excellence Award.

### Kingdee: Connecting to The Cloud, Embracing a Fantastic Future

The fourth Chinese Management Global Forum" was held on October 30, 2014 in Beijing. 1500 political, business, and academics leaders gathered at this event that focused on the Cloud and Internet transformation of Chinese enterprises. The attendees included Mr. Siwei Cheng, the Vice Chairman of the Ninth and Tenth NPC, Mr. Yongtu Long, Chief Negotiator of China's WTO Accession and Chairman of the Forum, Mr. Hequan Wu, Diplomat of the Chinese Academy of Engineering and Director of the Executive Council of Internet Society of China, Mr. Shi Wang, Chairman of China Vanke Company Limited, Mr. Shaochun Xu, Chairman of Board of Directors of Kingdee International, and Mr. Xiaoge Xiong, the Founding Partner of IDG Venture Capital Fund.

The phrase that captured the spirit of the forum is "Connecting to the Cloud." Mr. Shaochun Xu emphasized in his keynote speech that enterprises must build both internal and external connections to the Internet, energize their organization and culture and institute innovation, thus forming a new economy with unlimited potential. Connections enable zero-distance communication with end-users, suppliers, partners and employees, create value-added services and generate new revenue models.

Attendees were also invited to witness the 2014 (seventh) Chinese Management Excellence Award event. The forum also set up ten parallel sub-forums, covering Cloud technology, information security, mobile office, Internet banking, other enterprise management areas such as financial controls and management, human resources innovation, and supply-chain collaboration, as well as focusing on manufacturing, real estate, automotive, medical and other industries.

## Connect Changes Vanke and Haier. Cloud Hub Leads The Mobile Office Wave

On October 30, 2014, the "2014 China Management • Global Forum" was held at the Beijing National Convention Center. The theme was "Connect with the Cloud". The sub-forum "the Cloud Family Products" focused on topic of the enterprise mobile Internet. Hundreds of guests discussed their experience and shared views on how to use internal connect to revolutionize the way that they work. The key case studies of Vanke Real Estate, Haier Group, Jingye Group, and Jinbaiwan Dining were also reviewed.

## Kingdee: New Trends for The Enterprise Management and Control in The Mobile Internet Era

On October 30, 2014, a crowd gathered in conference room 301 of the Beijing National Convention Center, where Kingdee EAS Group held a parallel forum with the theme: "New Finance, New Controls, New Platform". More than 100 top managers from the industry, along with representatives from CSR Corporation Limited, Deloitte Consulting LLP, and Alibaba Group discussed the new trends in the development of enterprise control and management. Attendees witnessed the launch of the enterprise control and management product EASV8.0. Mr. Yanxi Zhao, Assistant Director of Kingdee, and Product Director of EAS R&D Center, presented and demonstrated the EAS V8.0 on site. Guests saw latest version of enterprise control and management product in the Mobile Internet Era.

## The Mobile Internet Era Needs Social Human Resource Management with Innovation

On October 30, 2014, Kingdee and many leading human resources management executives attended the sub-forum "Human Resources Innovation in the Mobile Internet Era". Guests explored ways in which human resource management could be transformed and advanced in age of mobile internet. The sub-forum emphasized on new modes of thinking about and reconstructing human resource management human resource management in the future.



## Kingdee Middleware Team Joins with Hardware Manufacturers to Establish Information Security Brand Alliance

The annual management event "2014 Chinese Management • Global Forum" was held in Beijing on October 30, 2014. At the sub-forum on technology, topics that draw attentions included how the information industry could embrace the new wave of technology, how domestic IT firms can provide information security, how firms can achieve explosive growth, and other trending subjects. The theme of the sub-forum was "New technologies, New IT, New Alliances". Discussion of technology innovation received great attention from participants. In a ceremony, the Kingdee middleware team and many hardware manufacturers launched the groundbreaking information security brand alliance. Hundreds of guests in politics and business witnessed the important moment. In addition, big names from Ali Cloud, 360, Baidu, and Jingdong shared their latest achievements, and shared updates on the integrated innovation and security experience in the application of Cloud Computing, Big Data, and information security.



## Discussion on Transforming Hospitals in The Internet Era Held in Beijing National Convention Center

On October 30, 2014, the "2014 China Management • Global Forum" was held in the Beijing National Convention Center. The sub-forum "Mobile Internet Initiative, Cloud Defines the Future – Transforming Hospitals in the Internet Era" was also convened. More than 150 hospital directors had a spirited discussion and shared views on hospital transformation mode in the mobile Internet era. Discussion focused on various topics ranging from an international perspective to local practices and forward thinking.

## Kingdee ERP Cloud Service Helps Traditional Enterprises in Internet Transformation.

On October 30, 2014, China Management Global Forum 2014 was held at Beijing National Convention Center in Beijing. Mr. Shi dongrong, CIO of Joyou Group, Mr. Zhang liangjie, Chief Scientist and Senior Vice President of Kingdee and Mr. Yang Shiquan, Senior Consultant of Kingdee cloud service, attended a parallel forum entitled "entrust cloud, trust kingdee ERP cloud service" and delivered keynote speech. Mr. Yang xianzhao, General Manager of E-Commerce Department in Kang Bao Group and Mr. Zhang Haijun, Assistant President of Kingdee and General Manager of the ERP cloud service division, also presented the forum and discussed with other attendees. Additionally, the senior consultant of Kingdee cloud service presented a live illustration of the cloud hub with an IPAD, leading all attendees to experience the cloud service.

## Connect 100, Kingdee Leads The New Trend in Enterprise Internet

“The Internet Age”(《互联网时代》), a TV program by China Central Television in 2014, revealed that a new era for humanity has arrived -- dramatic changes have taken place in the Internet market for individuals, the active online services for group buying and car rental amid intensifying market competition has facilitated the O2O business both online and offline. More and more enterprises have set up their Wechat enterprise account (“微信企业号”), Baidu Zhida account (“百度直达号”) and Alipay Service Window (“支付宝服务窗”) to develop corporate mobile services. Traditional enterprises are studying the hot topic of the new era and leveraging the mobile Internet for the development of their business. Mr. Xu Shaochun, Chairman of the Board of Directors of Kingdee International, said: “A new economy with enormous potential would be formed when the traditional corporations leverage the Internet to revive the engine of development.” On October 30, Kingdee announced to launch the “Connect 100” in China National Convention Center in Beijing. The “Connect 100” is a Cloud service product which could link up the corporate services with the entrance of Internet access. For those enterprises with ERP system, the “Connect 100” could help to link up the offline entrance to the Internet entrance, which could help enterprises to connect with the consumers, the working partners both upstream and downstream of the supply chain and the internal staff through the platforms including Wechat, Alipay and Baidu Zhida, which would enable a seamless connection of the O2O and equip the traditional enterprises to quickly adapt to the Internet mobile era.



## Kingdee K/3 Cloud: Rebuilding ERP, Cloud Platform in The Cloud Era

On October 30, a new generation of ERP-Kingdee K/3 Cloud V5 made its first debut at the “2014 China Management Global Forum”. One sub-forum titled “Rebuilding ERP, Cloud Platform in the Cloud Era” was held to present numerous new products. Hundreds of senior enterprise executives attended the grand event and witnessed the model product for the ERP in the cloud era. The attendees include senior executives from Northeast Pharm, Huatai Gas and Binke (Shanghai).

## Accounting Society of China’s Information Technology Experts Visit Kingdee

In the morning of October 13, 2014, IT specialists from the Accounting Society of China visited Kingdee headquarters. The specialists came to further their academic research as well as to exchange ideas with Kingdee’s own experts and analyze finance cases. The experts explore new concepts if management accounting, and discussed how the profession could embrace the Mobile Internet. Mr. Qin Liu, the Chairman of the Accounting Information Professional Committee of the Accounting Society of China, acknowledged Kingdee’s leadership.

Mr Qin said, “I was extremely impressed – as one of the leaders in our industry, Kingdee has not only outdone itself in accumulating knowledge about enterprise management and shared financial services, but it has also shown how companies can make a smooth transition to the Mobile Internet.” Mr Qin continued, “Kingdee is at the forefront of the Mobile Internet era. We look forward to continuing our dialog with Kingdee, and working together to speed the development of accounting information development “

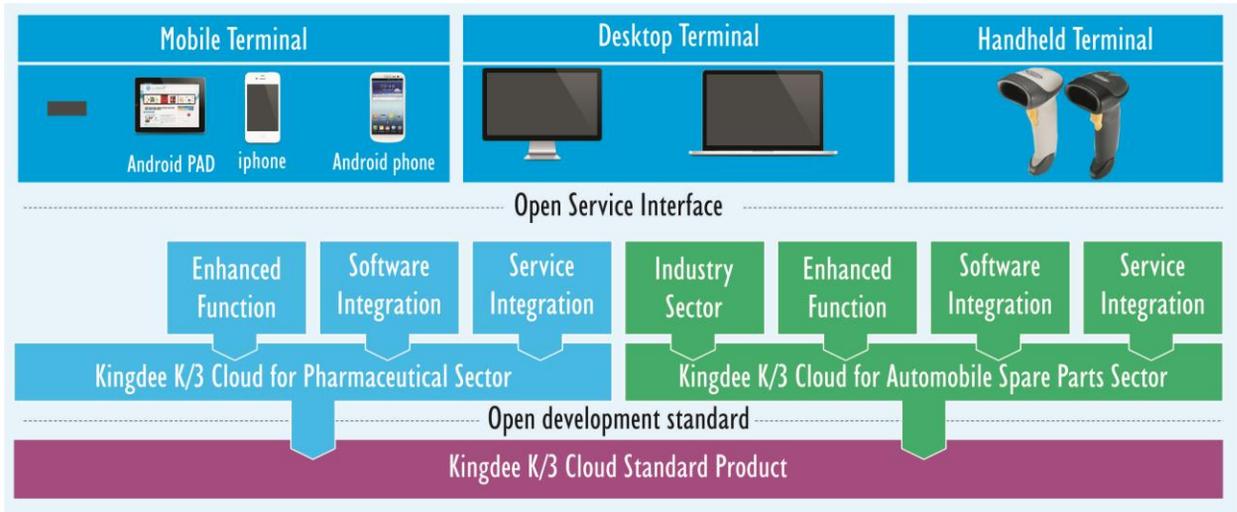


## Open ERP Cloud Platform – Kingdee K/3 Cloud

Kingdee K/3 Cloud is a new type of ERP system developed for the mobile Internet age. It is a new enterprise management service platform based on WEB2.0 and cloud computing. Kingdee K/3 Cloud is a “standardized, open and social” ERP cloud platform to support the business of enterprises.

## Kingdee K/3 Cloud Mobile Development Platform

K/3 Cloud mobile development platform is based on the new generation K/3 Cloud BOS platform. It enables the users to develop mobile applications via a visualized design equipment, what you see is what you get, making the whole development process easier. Additionally, users are able to use the release function to enable the real-time results on the mobile phones, while do not have to apply any other development terminals of mobile systems, such as Android or IOS. The function of “one-time development for multiple applications” is realized.



## K/3 Cloud Light Application



## How to Use K/3 Mobile Application



Contact us and provide your mobile phone number  
Enjoy Cloud Hub  
Enjoy K/3 Cloud Light Application

## Selected New Contracts Signed In Q4

Customer Name	Products	Industry/Sector
Anhui Wanlang Cisu Group	EAS	Manufacturing
Tongling Construction Material Co Ltd	EAS	Wholesale and retail
Tianjin Xinhua Investment	EAS	Construction and real estate
Tianjin Baili Machinery Equipment Group	EAS	Conglomerate
Anhui Dadixiong New Material Co Ltd	K/3 WISE	Manufacturing
Zhaotong Huayuan Hotel of Yunnan Provincial Tobacco Co	K/3 WISE	Social service
Jiangxi Gaozheng Bio-Science Group	K/3 WISE	Conglomerate
Chongqing Xingwang Electric Machinery Equipment Co Ltd	K/3 CLOUD	Manufacturing
Fangqing	K/3 CLOUD	Conglomerate

## Analyst Reports

Time	Institutions	Rating	Target Price
Nov-14	GF Securities	Buy	HKD2.90
Oct-14	China Galaxy	Buy	HKD3.04
Oct-14	Macquarie	Buy	HKD3.75
Oct-14	CCB International	Overweight	HKD3.65
Oct-14	BNP Paribas	Buy	HKD3.80

## Investor Conference Calendar

Time	Venue	Organizer
2014-12-9	HK	JI Investor Conference
2014-11-17,18	HK	Goldman Sachs Investor Conference
2014-11-3, 4	HK	Standard Chartered Bank Investor Conference
2014-10-30	HK	UBS Investor Conference
2014-10-20, 21	SH	HSBC Investor Conference

## (0268.HK) Information

Closing Price (30/01/2015)	HKD2.52
52 Wk Range	HKD2.06 – 3.69
Market Cap	HKD6.46Billion
Shares Outstanding	2.565 Billion Shares
Listing Date (Main Board)	20/07/2005

# 2014 Interim Financial Review

Revenue	749,9(RMB' mil)	% of Turnover
-Sales of software license	396	53%
-Implementation	139	19%
-Consulting, training and maintenance	188	25%
-Sales of computers and related products	27	3%
Gross Profit Margin	80.9%	
R&D Costs of Total Revenue	15.0%	
Net Profit	81.5	
Cash and bank deposits	1,355.8	

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