

[Press Release]
For immediate release

Kingdee Retains No.1 Position in China's SaaS Market Outperforming Domestic and Foreign Peers

(20 July 2018, Hong Kong) **Kingdee International Software Group Company Limited** ("Kingdee" or the "Company", stock code: 00268.HK), a leading enterprise Cloud services provider, is pleased to announce that the Company commanded the largest share of China's enterprise SaaS market in terms of sales value in 2017 and outperformed other domestic and foreign peers with a market share of 7.2%, according to IDC's "China Semi-annual Public Cloud Services Tracker" for the second half of 2017. The study conducted by the internationally renowned market intelligence services provider showed that the size of China's public Cloud services market (IaaS, PaaS and SaaS) reached US\$4 billion in 2017. It is noteworthy that domestic SaaS market swelled at an annual growth rate of 40.1%.



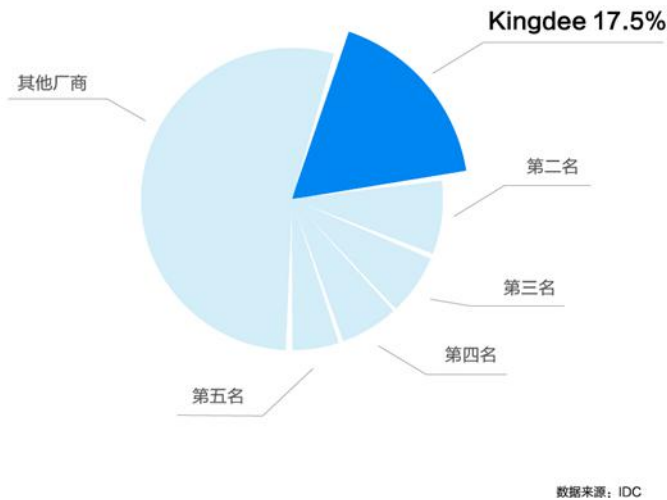
来源: IDC中国, 2018

IDC report: Kingdee captured a 7.2% share of China's enterprise SaaS market in 2017 in terms of sales value and became the market leader.

Meanwhile, Kingdee grasped a 17.5% share of China's SaaS ERM market and a 43.6% share of the country's SaaS Financial Cloud services market in 2017 in terms of sales value, according to IDC's "China Semi-annual Enterprise SaaS ERM Applications Tracker" for the second half of 2017. This is the second time for the

Company to capture the largest shares in China's overall enterprise SaaS, SaaS ERM and SaaS Financial Cloud services markets after 2016. Besides, its share in SaaS Financial Cloud services sector outstripped the total of the next 14 largest services providers.

中国2017年企业级SaaS ERM应用软件市场跟踪报告



IDC report: Kingdee grasped a 17.5% share of China's SaaS ERM market in 2017 and ranked the first in market share.

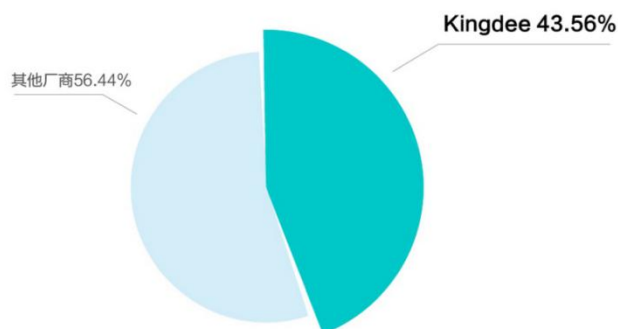
Kingdee Cloud, an advocate of “Chinese Management Model”, retained the largest share in SaaS market

"Cloud is our future. Kingdee Cloud is determined to be No.1 in the Cloud services market," Mr. Robert Xu, the chairman of Kingdee, spoke up at the groundbreaking ceremony of the Kingdee Cloud Building last year. His prediction was fulfilled, as evidenced by the aforementioned results. They were mainly attributable to the Company's determination to implementing transformation towards Cloud services. As early as 2007, Kingdee launched the financial Cloud services "Youshangwang" (later renamed into "Jingdou Cloud") for small and micro-enterprises. Since then, it has made persistent efforts to enrich its product lines by introducing a variety of Cloud services, including HR cloud, Omni-channel Cloud, Supply Chain Cloud and Real Estate Cloud. In recent years, Kingdee acquired "Guanyi Cloud", the top-tier brand of E-commerce management system, and made strategic investment in China's No.1 CRM brand "FXiaoKe". Kingdee has created an ecosystem for it to provide enterprises with powerful and complete Cloud solutions.

Good products and reliable technology are the pillars of the Company's achievements. Last year, Kingdee was named by the Ministry of Science and Technology ("MST") the research center for providing software engineering support to enterprise Internet services, making it the sole Cloud computing research center under the MST. Besides, Kingdee established National-Local Joint Engineering Research Center to develop Big Data technology for enterprise E-commerce operators to handle millions of concurrent connections in a short span of time. Also, it is the only domestic SaaS provider to be named the member of the International Cloud Security Alliance. The Company helped developing the security standards for Cloud computing in China and became the first domestic SaaS Cloud services provider to receive the ISO27001 security standards certification. Every year, Kingdee earmarked 15% of its total revenue for the development of proprietary technology. With more than 460 patents for its self-developed technology, it launched the first financial AI assistant in China.

Along with the technological leadership, Kingdee Cloud boasts itself with the integration of the "Chinese Management Principles" into its Cloud products. In cooperation with six top-ranking universities and business schools in China, Kingdee has carried out in-depth researches on the Chinese management model for 11 consecutive years and evolved to be the services provider with the most extensive knowledge of the Chinese enterprises' management model. Currently, a number of famous brands in the world, such as Huawei, Samsung, Tencent, Haier, Coca-Cola and Yunnan Baiyao, are Kingdee's clients.

2017全年中国财务云市场占有率



数据来源: IDC

IDC report: Kingdee commanded a 43.56% share of China's SaaS Financial Cloud services market in 2017.



Kingdee captures nearly half of China's SaaS financial Cloud services market share

According to the IDC report, Kingdee captured a 43.6% share in China's SaaS financial Cloud services market in 2017, outstripping the combined market shares of the next 14 largest services providers.

Starting as a financial management software provider, Kingdee has cultivated this market for 25 years. As a result, it gained a sharp insight into the Chinese enterprises' practice in financial management. While always figuring out new ideas how to continuously enhance the financial management of clients, Kingdee has launched a number of products, including multi-organizational and multi-book accounting, Amoeba management accounting, financial co-sharing services platform and comprehensive budgeting systems, as well as co-sharing financial Cloud services platform for enterprises with the features of easy connection, integration, co-sharing and intelligent functions.

On 4 May 2018, in order to keep pace with the latest developments of financial management, Kingdee smashed the wall representing the old world for financial management and opened up the "new world for financial management". Kingdee Cloud leveraged state-of-the-art technologies (including AI, Blockchain, Cloud Computing and Big Data) to drive the transformation of financial management so that everyone can easily utilize data to "be CEO of themselves".

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About Kingdee

Kingdee International Software Group Company Limited ("Kingdee International" or "Kingdee") was established in 1993. It is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 268.HK) and headquartered in Shenzhen, the PRC. Adhering to the core values of "Acting in all Conscience, with Integrity and Righteousness", the Company is committed to serving enterprises and strives to provide them with the most trustworthy services platform.

As a leading enterprise Cloud services provider in China, Kingdee International has commanded the largest share in the ERP sector for fast-growing enterprises for 13 consecutive years and grasped the biggest share in enterprise-grade SaaS Cloud services industry. Its Cloud services and products are the most preferred choices in the market. They include Kingdee Cloud (Cloud management services for medium and large-sized enterprises), Kingdee Jingdou Cloud (one-stop Cloud services platform for micro and small-sized enterprises) and Guanyi Cloud (Cloud services for E-commerce operators). With its strengths in management software and Cloud services, it provides services and products to more than 6.8 million enterprises,



government agencies and other organizations around the world.

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