



Kingdee Cloud ERP upgraded to Kingdee Cloud, turning the traditional ERP concept upside down

On 4 May 2017, Kingdee announced the launch of Kingdee Cloud at Peking University, where the "May Fourth Movement" began. At the launch ceremony, Mr. Robert Xu, the founder of Kingdee, together with Professor Chen Chunhua at the National School of Development of Peking University and other guests smashed the "ERP" and the chairs which symbolized enterprise owners and the identity of the CEO.



The fast-growing Kingdee Cloud ERP product line will be officially upgraded to Kingdee Cloud (<http://www.ik3cloud.com>). The new Kingdee Cloud services incorporate financial Cloud, supply chain Cloud, human resources Cloud, omni-channel marketing Cloud, manufacturing Cloud and Big Data Cloud. Clients can gain access to all of these Cloud services through CloudHub, thereby achieving the mobility, decentralization and socialization of these services. Kingdee Cloud is no longer a complicated process system. Instead, it has become convenient and reliable to use, similar to how water and electricity are consumed. It is an enterprise Big Data system which helps enterprises to greatly enhance their data analytics capabilities. With the mantra of "The sky is the limit", Kingdee believes that everyone can think like a CEO.



Kingdee Jingdou Cloud Launches APP, Taps into the Mobile Cloud Service Market for Micro and Small-sized Enterprises

On 19 May, Kingdee Jingdou Cloud (www.jdy.com) App, which allows customers to "manage business at their fingertips", was officially launched. Integrating the enterprise management services provided by Jingdou Cloud with the real-time communication and mobile office services offered by CloudHub (China's leading mobile office platform), this



App helps micro and small-sized enterprises to deal with the management challenges arising from digitalization and to enhance internal and external communication. More than 20,000 downloads were recorded on the first day of its launch.



The second anniversary meeting for strategic cooperation between Kingdee and Amazon AWS China is successfully concluded



On 18 April 2017, the second anniversary meeting for the strategic cooperation between Kingdee ("Amazon AWS China") was held in Shenzhen. A number of prominent figures in the market, including Mr. Sun Yanfei, President of Kingdee China; Mr. Zhang Haijun,

Cloud ERP Business Unit General Manager of Kingdee China; and Mr. Rong Yongkang, Global Vice president of Amazon, attended it. Both companies reviewed progress in their cooperation over the past two years at the meeting and looked forward to continued close cooperation in technology, talents and international market development. In the past two years, Kingdee achieved impressive results through cooperation with Amazon AWS China. According to Kingdee's 2016 annual results, its annual income from Kingdee Cloud ERP exceeded RMB200 million. Many world-class enterprises, such as Huawei, Tencent and Jaguar Land Rover, have become the users of Kingdee Cloud ERP.



Kingdee unveils the secret to successful transformation of traditional enterprises in the 2017 China International Big Data Expo: "Intelligent New Retail"

The 2017 China International Big Data Expo officially opened and attracted wide attention. With the advancement of data collection and storage technology, the retail industry has gradually developed its own Big Data system. Addressing the question of how to use these data to create business value and to drive more innovations, Kingdee offered the notion of "Being Digital and Restructuring" and put forth new solution: "Intelligent New Retail". It offers omni-channel, customer profiling, precision marketing, intelligent supply chain services to traditional enterprises and help them to seize opportunities arising from transformation.



Kingdee forges closer cooperation with Advantech to actively develop intelligent manufacturing and IoT businesses

On 13 April 2017, Kingdee signed a strategic cooperation agreement with Advantech, thereby leveraging their respective strengths in "Software + Hardware" and "ERP + Internet of Things (IoT)" to jointly provide "Intelligent Manufacturing" and "Intelligent Factory" solutions under "Industry 4.0" framework. The partnership is aimed at ensuring a smooth



Kingdee forges closer cooperation with Advantech to actively develop intelligent manufacturing and IoT businesses (Cont'd)

upgrade of Chinese manufacturers from traditional manufacturing to intelligent manufacturing promoted by the “Made in China 2025” initiative amid a rapid changing environment. Senior management from both sides, including Mr. Sun Yanfei, President of Kingdee China; Mr. Lin Feng, Senior Vice President of Kingdee; and Mr. Cai Qinan, General Manager of China IoT Business Group of Advantech, attended the signing ceremony.



Kingdee Cloud ERP ensures smooth operation of Tencent’s financial E-commerce supply chain

In the afternoon of 13 April 2017, the “meeting for implementation of Kingdee Cloud ERP project by Tencent” was held at Tencent Building. Mr. Zeng Minhong, CFO of Tencent Financial Shared Services Management Center, and Mr. Zhang Haijun, General Manager of Kingdee Cloud ERP business division, attended the meeting. In early 2016, Tencent Technology Co., Ltd. signed a formal agreement with Kingdee for procurement of its Cloud ERP supply chain and financial modules. The excellent project execution team from Kingdee Software Shenzhen Branch followed up its implementation.

While commenting on the reasons of choosing Kingdee Cloud ERP, Mr. Zeng Minhong said, “Tencent needs an efficient and effective system to support the rapid growth of our product sales. Therefore, we deliberately picked Kingdee Cloud ERP because it has a short deployment time and high expansion flexibility without the need for hardware investment. Furthermore, Kingdee Cloud ERP enables us to reduce IT staffing. In view of these benefits, we believe that this more flexible system meets our requirements for the development of new businesses.” Last but not least, Mr. Zeng Minhong expressed his expectations about Kingdee Cloud ERP, “The selection of Kingdee Cloud ERP allows Tencent to make a new attempt by tapping into SaaS field. This is just a start. We hope that Kingdee will continue to maintain close cooperation with Tencent’s users after the project acceptance, and attach great importance to customer value. Kingdee is a reliable partner and we look forward to more cooperation with it in the future.”



Xu Shaochun addresses IT Leaders Summit: Cloud services make our lives better

On 2 April 2017, a forum featuring “Enterprise Cloud Computing and Digitalization” was held during China (Shenzhen) IT Leaders Summit. IT gurus such as Mr. Xu Shaochun, the founder of Kingdee; Mr. Zhang Chen, CTO of JD Group;



Mr. Zhang Wenlin, President of Strategic Department of Huawei; and Mr. Huo Jinjie, President of IDC China, exchanged views with each other on the ways to help Chinese enterprises implement digital transformation under the trend of Cloud services. Mr. Xu suggested that artificial intelligence is incomparable with humanity as our creativity cannot be replaced by AI. In the Cloud era, the essence of management is to “activate” our creativity.

Kingdee Showcases at Zhisland Annual Conference how Cloud services redefine management philosophy in the Digital Age

On 11 June 2017, the three-day Zhisland Changemaker Summit and the 5th Annual Conference of Zhisland in Beijing came to a close. 3,500 entrepreneurs and senior executives got together at Jiuhua Resort in Beijing and held in-depth discussions on the topic of "Reconnection". Kingdee displayed its two enterprise-grade Cloud products (i.e. Kingdee Cloud for medium and large-sized enterprises management and CloudHub for mobile office) at the conference. The company's innovative product concepts received positive feedback from the participants. Mr. Wu Xiaobo, a well-known financial writer; Mr. Xu Shaochun, the founder of Kingdee; and Mr. Jiang Xipei, Chairman of the Board at Far East Holding Group, attended the closing forum and delivered keynote speeches. In his speech,



Mr. Xu Shaochun noted that the great Digital Age has come and our management philosophy has to be redefined accordingly. According to him, the fundamental of Chinese management model lies in conscience, while the philosophy of digitized management will lead to the restructuring of enterprises' "governance system, incentive system, assessment system and information system". In Mr. Xu's view, the fundamental of business will remain unchanged. The primary purpose of business is to enable people to benefit from exchanges. The only purpose is to maximize people's potential. In the age of digitized management, we should reflect on the very nature of business and build heart-to-heart connections from different aspects such as business models, products and management.

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Successful conclusion of the first "Kingdee Cup - Yuanjiang, China Rowing Masters 2017"



The first "Kingdee Cup - Yuanjiang China Rowing Masters 2017", organized by the Chinese Rowing Association and hosted by Kingdee, was held in Yuanjiang, Hunan in 16-17 June. The management of the General Administration of Sport of China, together with Mr. Wang Shi, chairman of Asian Rowing Federation and Vanke; Mr. Xu Shaochun, vice chairman of the Chinese

Rowing Association, chairman of Chinese Rowing Club Alliance and the founder of Kingdee, and hundreds of political and business elites passionate about rowing gathered in Yuanjiang. More than 30 top rowing clubs throughout the country joined the competition. The rowers fiercely competed and shared the rowing spirit and culture with each other in the two-day event.

Selected New Contracts Signed in Q2

Customers	Products	Industry / Sector
Shenzhen Jucheng Corp.	EAS	Finance
Xiamen Culiangwang Beverage Technology Co., Ltd.	EAS	Manufacturing
Guangzhou Wanbao Group Co., Ltd	EAS	Conglomerate
Shanghai Haixin Group Co., Ltd	EAS	Construction & Real Estate
Shanghai Dasheng Sign Co.,Ltd,	Kingdee Cloud	Manufacturing
Yijun Food & Beverage Management (Shanghai) Co., Ltd	Kingdee Cloud	Others
Suzhou Linktron Systems Co. Ltd	Kingdee Cloud	Others
Daishu (Shanghai) E-Commerce Co., Ltd	Kingdee Cloud	Wholesale & Retail Trade
Yantai Darbond Technology Co., Ltd	K/3 WISE	Manufacturing

Analyst Reports

Date	Institutions	Rating	Target Price
April, 2017	MACQUARIE	Outperform	HKD3.50
May, 2017	CICC	Buy	HKD4.00
June, 2017	HaiTong Securities	Buy	HKD3.97
June, 2017	Industrial Securities	Buy	HKD3.71

Investor Conference Calendar

Date	Organizer	Venue
24-25 Apr 2017	Macquarie Greater China Conference	Hong Kong
26 Apr 2017	China Merchants Securities Tech Stock Conference	Hong Kong
08 May 2017	Corporate Day - Visit a Typical Customer of Cloud ERP-Bliss Cake	Shenzhen
11 May 2017	HSBC Greater China Investor Conference	Shenzhen
16-17 May 2017	CLSA China Forum	Tianjin
17 May 2017	Orient Securities Investor Conference	Shanghai
18-19 May 017	Shenwan Hongyuan Investor Conference	Xiamen
22 May 2017	CICC TMT Conference	Hong Kong
23 May 2017	BNP Paribas 8th Asia Pacific TMT Conference	Hong Kong
24 May 2017	Goldman Sachs TechNet Conference	Hong Kong
25-26 May 2017	CITIC Securities Investor Conference	Chengdu
01-02 Jun 2017	Morgan Stanley Third Annual China Summit	Beijing
01 Jun 2017	"Good Fortune" Series Investor Summit	Shenzhen
05-06 Jun 2017	Haitong Securities Roadshow	Shanghai

Investor Conference Calendar (Cont'd)

Date	Organizer	Venue
15 Jun 2017	Everbright Securities Investor Strategy Conference	Beijing
15-16 Jun 2017	Stock Connect Onshore Corporate Access Day	Shanghai
20 Jun 2017	Essence International Investor Strategy Conference	Shenzhen
21 Jun 2017	CICC Investor Strategy Conference	Shanghai
22 Jun 2017	Industrial Securities Investor Strategy Conference	Shanghai
29 Jun 2017	Citi Greater Bay Area Corporate Day 2017	Hong Kong

(0268.HK) Information

Closing Price (20/07/2017)	HKD 3.46
52 Week Range	HKD 2.330 - 3.560
Market Cap	HKD 10.078 Billion
Shares Outstanding	2.913Billion Shares
Listing Date (Main Board)	20/07/2005

2016 Annual Results Review

Revenue (RMB' mil)	1,862.21	% of Turnover
-ERP business	1,521.38	81.69%
-Cloud services business	340.82	18.31%
Gross Profit Margin	81.3%	
R&D Costs of Total Revenue	15.23%	
Net Profit	288.23	
Cash and Cash Equivalents	1,464.77	

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