



Highlights

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1. Certain New Contracts Signed in Q2

Customer Name	Product	Sector
Zhenro Group	EAS	Construction & Real Estate
Porite Yangzhou Technology and Industry Co. Ltd.	EAS	Manufacturing
Guangxi Construction Engineering Group 5th Construction Engineering Co. Ltd.	EAS	Construction & Real Estate
Beijing Beijiao State Farm	K/3 WISE	Social Services
Guangzhou New Central Axis Construction Co. Ltd.	K/3 WISE	Conglomerates
Shanghai Huahong Integrated Circuit Co. Ltd.	K/3 WISE	Manufacturing
Shandong Xingmin Wheel Co., Ltd.	K/3 CLOUD	Manufacturing
Guangxi Fenglin Wood Industry Group Co. Ltd.	K/3 CLOUD	Manufacturing
Shenzhen Baoan Foreign Economic Development Co. Ltd.	K/3	Financial Services
Chongqing Power Construction Corporation	K/3	Utilities

(0268.HK) Information

Closing Price (31/07/2014)	HKD2.720
52 Wk Range	HKD1.650 – 3.690
Market Cap	HKD7.028Billion
Shares Outstanding	2.565 Billion Shares
Listing Date (Main Board)	20/07/2005

FY2013 Annual Financial Review

Revenue	(RMB' mil) 1,602
-Sales of software license	770
-Implementation	431
-Consulting, training and maintenance	352
-Sales of computers and related products	48
Gross Profit Margin	75.3%
R&D Costs of Total Revenue	14.5%
Net Profit	126
Cash and bank deposits	1,003

Contact Us

Kingdee International Software Group
Investor Relations & Securities Dept.

Branden Chen
General Manager
Email: branden_chen@kingdee.com

Summer Gan
Director
Email: summer_gan@kingdee.com

Yoriko Huang
Assistant Manager
Email: yanni_huang@kingdee.com
Tel: +86 755 86072591

PRChina Limited
Henry Chik / Terence Wong
Email: kingdee@prchina.com.hk
Tel: +852 2522 1838



Cloud Hub is a secured socializing workspace. Through micro-blogs, social networks and social applications, management can enhance corporate culture and improve operation and management efficiency.

我们致力于将这些汇集起来
人、社交、知识、数据、工作应用



Kingdee Investor Society : <http://kdweibo.com/kingdee.com/011155>
Kingdee Analyst Society : <http://kdweibo.com/kingdee.com/011426>
Kingdee Media Society : <http://kdweibo.com/kingdee.com/012417>





2. Case Studies

EAS



Peak Sport Products Co. Ltd.

Solutions:



- To build a fully integrated management platform to substantially enhance level of overall synergy
- To realize headquarters' direct supervision of stores through a multi-level distribution
- To create a member-based e-business circle
- To adapt to the needs of the present and future strategic development

Customer's comment:



- "In an organization with such complicated multi-level structures, we need an outstanding supporting system. And that is why we choose Kingdee. Kingdee is committed to grow with us. I believe Kingdee will become a key partner of Peak in the coming decades or even in the next century."

—Mr. Xu Zhihua, Chief Executive Officer

Kingdee Collaboration



China Southern Airlines

Typical Applications:



- To achieve integrated document management
- To manage big data online
- To establish a center for information across the country

Application Values:



- Kingdee's file management system can eliminate all drawbacks of paper work in manual management. It can also improve data availability, navigability and utilization level, and reduce data acquisition and management costs. Not only China Southern Airlines can reduce its operational costs, but also gain economic, managerial social benefits.





2. Successful Case Studies (Con't) K/3 WISE



Gracewell

Solution:

- Dai Saiying, Vice President of Gracewell Group said, “We hope to upgrade Gracewell’s management to a new level through informatization project. It can improve our ability in processing complex information as well as in making decisions. We will be able to reach a complete solution of information application by deepening the integrated informatization project, therefore bringing the Group’s management to a new level, and this is the purpose of our cooperation with Kingdee.”

Application Highlights:

- Achieving centralized management and information sharing; reaching balance of production, supply and marketing
- Being keen to market changes and forecasting market trends
- Achieving global inventory management to reduce inventory costs
- Standardizing the management of distributors and retail stores
- Reaching accurate distribution reconciliation as well as internal and external settlement
- Controlling process management to reduce business risk
- Realizing consistent financial and operational reporting style

Client Testimonials :

- “Through applying the system developed by Kingdee, Gracewell can get instant information of warehouses of all regions, including actual and in-transit inventory of shopping malls, which helps us achieve smart replenishment and improve inventory turnover. Also, it can help reach better coordination between production and sales and purchasing decision support, which has laid a solid foundation for realizing production planning according to sales as well as automated procurement in the future. Using the system, we are able to employ strict control of separation of powers on business process, in order to ensure the security of products and capital. Meanwhile, we are to achieve rigid production costs accounting and monitoring scheme. Kingdee’s smart reporting function has met the varied needs of business and financial management, by effectively solving the framework differences among ERP, accounting and tax. Employing Kingdee’s system has enhanced the efficiency of the Group’s operation, therefore providing solid support for the Group’s innovative marketing strategies.”

——Mr. Yang Bo, Vice president of Gracewell Group





3. Summary of Operating Activities during the Period

Kingdee Launches Cloud Hub Mobile Office Platform for New Work Model

 28th May, Kingdee International's "Cloud Hub Tour 2014" has been successfully launched at the headquarters of Vanke Group in Shenzhen, joined by over 300 corporate executives. Mr. Wang Shi, Chairman of Vanke Group has also sent from London his congratulations for the successful launch of the new version of Cloud Hub.

Robert Xu, Founder of Kingdee, said: "It took 3 years for the Cloud Hub to transform from a social working space to a mobile office platform. It is not only an important new version upgrade, but also a dual-core action to the internet sector, which will bring user a new experience and a new work model."

Song Kai, Director of Cloud Hub said: "We are focusing on three aspects of development, namely Mobile Priority, Connecting Office and Eco-platform."



Kingdee International Tops in SME Market Share for a Decade

 Recently, according to the latest report issued by International Data Corporation ("IDC"), an authoritative international research institution, Kingdee's 2013 market share of Chinese small to medium enterprises ("SME") software application market ranked No.1 for the 10th consecutive year. Kingdee has always maintained its leading position in China's SME software applications market since 2004, including enterprise resource management (ERM), customer relationship management (CRM) and supply chain management (SCM) softwares. Currently, there are over 4 million Chinese enterprisers using Kingdee's products and services.

Kingdee has engaged in the exploration and transformation of mobile Internet these years and has gained remarkable fruits. By 2013, Kingdee has over 1 million ERP customers, based on which the Company is accelerating its innovation in mobile internet ERP products. Wise note and Youshang, two products designed for small and micro businesses, recorded over 2.2 million and 0.7 million clients respectively. Currently, Kingdee Cloud Hub (www.kdweibo.com), as China's largest mobile work platform, now recorded over 1.52 million users among 100,000 enterprise customers, maintaining its leading position in China enterprise social networking market.





3. Summary of Operating Activities during the Period (cont.)

2014 China Outstanding Management Model Award Initiated, focusing Internet Transformation

 7th May, the first meeting of the council of 2014 "China Outstanding Management Model Award" was held at CEIBS (China Europe International Business School) Beijing campus. Mr. Cheng Siwei, Vice Chairman of the Standing Committee of NPC, Mr. Zhu Xiaoming, President of China Europe International Business School, Mr. Xu Shaochun, Chairman of Kingdee International, and 18 experts as well as council members attended the meeting; they are from Chinese Academy of Engineering, Peking University, Tsinghua University, Shanghai Jiaotong University, Central University of Finance and Economics, China Enterprise Confederation, National Federation of Industry and Commerce and so forth. The annual theme of the meeting was "Internet transformation", which evoked a hot discussion among the experts with wit and warm atmosphere.



The Launch of Cloud Hub Tour Brought a Revolution of Working Style

 Kingdee Shenzhen headquarters held a very special activity on 4th May, China's Youth Day. Acting as hot-blooded youth, Mr. Xu Shaochun, Chairman of the Board, delivered an impassioned speech on "New working style from here on". Through this farewell ceremony to traditional tools and methods, thousands of employees started Cloud Hub Tour activity.

Mr. Xu Shaochun smashed a PC on site, representing that traditional working style became unacceptable with the rapid development of mobile Internet. He also commented, "Three days ago, I posted a piece of microblog to solicit advice on the working style at the time of mobile Internet era as well as the traditional way of working people dislike most. The most requested is to abandon nine-to-five on duty policy, fixed office policy and to advocate environmental friendly paperless office. People are expecting a workspace not at the same geographic location but connected together all the time without paper, PC or Internet. The mission of Cloud Hub is to help China's enterprises transform from fixed office to mobile office, from process-oriented work to socialized work, and from exclusive office to shared office and even to robot work. There is no delay or prevarication and no inefficiency or injustice in this world, definitely a new way of working.





3. Summary of Operating Activities during the Period (cont.)

Kingdee Successfully Issued over RMB1 Billion Convertible Bonds for Prioritizing Enterprise Mobile Internet Business

On 8th April, Kingdee International Software Group (00268.HK) announced that it issued 5-year convertible bonds with a maximum aggregate principal amount of HK\$1,160 million with an addition of HK\$194 million, altogether worth HK\$1,354 million (equal to RMB 1,087 million) at most. Initial conversion price with coupon rate of 4.00%. is HK\$3.90, representing a premium of 34% over the closing price of HK\$2.91 on the issue day. The proceeds from the issuance of the CB with lower cost will be invested in developing mobile Internet business including expanding the research and investment of corporate mobile Internet product, strategy investment, acquisition and supplementing operating capital.

Kingdee Medical has been Granted HRP Approval, Bringing About Three Advantages of Management

At the recent lecture on the Leadership Construction of Foshan Population Health Information, Mr. Chen Dengkun, Executive Director and Senior Vice President of Kingdee International Software Group as well as General Manager of Kingdee Medical Software Technology Co. Ltd (known as "Kingdee Medical"), announced that Kingdee Medical has been granted Hospital Resource Planning of Foshan Area approval and delivered an address on Hospital Refined Management and Information Support, elaborating on the developmental trend of hospital refined management and differentiation advantages about Kingdee Medical HRP. As Foshan is the leading area of national medical healthy information, through the entry qualification of Foshan HRP, Kingdee Medical will rapidly build the sample client of Foshan Hospital HRP and definitely lead new trend of national hospital information construction from more business and less management to equal importance of both clinical business and operation management information.





4. Analyst Reports

<u>Date</u>	<u>Institutions</u>	<u>Rating</u>	<u>Target Price</u>
June 2014	Orient Securities	Overweight	HKD3.80
April 2014	Macquarie	Outperform	HKD3.75

5. Investor Conference

	<u>Date</u>	<u>Location</u>	<u>Organizer</u>
1	2014-6-19	Shen Zhen	GF Securities Overseas Investors Summer Exchange for Chinese Stocks
2	2014-5-22、23	Xiamen	SHENYIN WANGUO Investor Conference
3	2014-5-20、21	Hong Kong	BNP Paribas Asia-Pacific Investor Conference
4	2014-5-14	Hong Kong	DBS Vickers Pulse of Asia Conference
5	2014-5-7、8、9	Hong Kong	Macquarie Greater China Investor Conference
6	2014-4-2	Hong Kong	UBS Greater China Investor Conference

Company Profile:

Kingdee International Software Group Company Limited (stock code: 0268.HK) is a leading software corporation in China specialising in delivering cutting edge enterprise management software and services in the Asia Pacific region. With "Streamline your business process" as its mission, "Becoming the global leader of Cloud Management" as its vision and "Walk on ZHENGDAO (right track) and Walk by WANGDAO (noble way)" as its core values, Kingdee serves the informatisation needs of over 4 million enterprises, government and non-profit organizations around the world. Kingdee also provides innovative Cloud Management products and solutions integrating new technology of mobile Internet, social networking, and cloud computing. Kingdee was named by IDC as the leader in the SME ERP market in China for ten consecutive years in June 2014.

For additional information about Kingdee, please visit the Company's website at <http://www.kingdee.com>

Kingdee Investor Society : <http://kdweibo.com/kingdee.com/011155>

Kingdee Analyst Society : <http://kdweibo.com/kingdee.com/011426>

Kingdee Media Society : <http://kdweibo.com/kingdee.com/012417>



Apps Demo



Cloud Hub (iOS, Android)

Brief: Kingdee Cloud Hub is a highly efficient communication platform for enterprise. With a Weibo-styled interface, as well as designs of enterprise working environment, it can solve communication and efficiency problems within an enterprise. New version of Cloud Hub accents mobility, working connectivity and eco-platform.



Kingdee KIS Pro (iOS, Android)

Brief: This is a mobile app customized for "Kingdee KIS Professional Edition". Exhibiting business information by graphics, it is an ideal tool of corporate management and executives to keep abreast of latest development of the enterprises.

K/3 Cloud, An Open ERP Cloud Platform



Features:

- Social ERP designed for enterprise
- Supply chain synergy among different organizations
- Multiple accounting systems and books
- A business-driven process
- Flexible management on a variety of businesses
- Customization for different roles

Technical framework:

- Fully support Public Cloud and Private Cloud
- Advanced BOS development platform
- Leading technical language and framework
- System support with high efficiency and stability
- Support for multiple databases
- Multiple working languages

