



Kingdee IR Newsletter

Summary of Operating Activities during the Period

Kingdee's interim results bucked the market trend and saw robust growth, with Cloud Services Business revenue surging 138.3% y-o-y

On 17 August 2016, Kingdee International Software Group Company Limited ("Kingdee" or the "Group"), a leading enterprise Internet services provider, announced its interim results for the six months ended 30 June 2016 (the "Period"). During the Period, while Chinese enterprises leveraged the "Internet +" strategy to further promote business transformations, they attached greater importance to management software, and drove increasing demand for these products. The market was filled with tremendous opportunities. As the Group drove business transformations and structural optimization, reinforced the applications of advanced technologies in mobile Internet, social networking, Cloud computing and Big Data, and made relentless efforts in product and services innovation, it achieved sustainably strong business growth during the Period. Cloud services business revenue recorded significant growth of 138.3% year-on-year.



During the Period, the Group recorded revenue of RMB913,204,000, representing an increase of 20.5% year-on-year. The Cloud services business contributed RMB194,910,000 in revenue or over 20% to the Group's total revenue. Meanwhile, revenue from the enterprise resources planning ("ERP") system business increased by 6.2% year-on-year to RMB718,294,000. Profit attributable to owners of the Company surged 47.2% year-on-year to RMB134,834,000 (1H2015: RMB91,597,000). Basic earnings per share increased from RMB3.465 cents for 1H2015 to RMB4.655 cents.

Kingdee's "My Home Cloud" ushered in the Cloud Age for property management

On 25 August, Kingdee and the Guangdong Property Management Association, together with more than 150 renowned property management companies, held the Property Management Innovation Forum at the Canton Tower. The event saw the launch of the Cloud services platform for property owners by Kingdee - "My Home



Cloud", which marks the beginning of the Cloud Age for the property management industry in China. "My Home Cloud" is a genuine Cloud platform for property management in the Internet Era, which provides an ecosystem to meet the needs of property owners with innovative services. Property management companies can, according to their business requirements, offer Cloud-based payment, customer services and other property management services, thereby enhancing their service efficiency. By simply clicking on the "My Home" App, property owners can join property activities, receive notices, make payments, implement door access control, shop around the neighbourhood and enjoy other services provided by property management companies with ease. Meanwhile, the housekeeping helper App can be used to gain access to a variety of hassle-free online services. Residents can use it to report meter readings, facilitate the processing and handling of their work orders, carry out visitor management, and implement of inspections and maintenance of facilities. It provides the most necessary services to property owners and helps them to finish their work easily. Mr. Zhou Yong, the chief engineer of My Home Cloud, said that the product was developed based on an open platform. Embedded with Cloud technology, it provides customers with highly secure and reliable SaaS services.

Mengniu Dairy made use of Kingdee EAS to facilitate its global treasury management

"Ride on the Cloud: Kingdee EAS drive the implementation of 'Internet+ Enterprise', Global Treasury Management Forum at Mengniu Dairy" held at the headquarters of Mengniu Group has recently been successfully held. During the event, Ms. Chen Caixia, the group treasurer at Mengniu Dairy, said that Kingdee EAS enabled Mengniu to build a fund-sharing platform, which allowed them to gain full control of funds management to precisely achieve balanced funding and enhance capital returns in a more effective way. Through informatization of its funds management, Mengniu aims to build a Big Data network for the financial information in the business ecosystem, thereby achieving global data sharing and facilitating the collaboration of its internal EAS systems around the world. In the future, Mengniu aims to cultivate the Cloud platform to drive breakthroughs in its traditional financial model, offering online payments, online financing and online wealth management to customers.

Kingdee teamed up with CASICloud to build Internet platform for China's industries



On 23 August 2016, Kingdee Software (China) Company Limited ("Kingdee") signed a strategic cooperation agreement with CASICloud Technology Development Company Limited ("CASICloud") in Beijing. Pursuant to the agreements, the parties will carry out comprehensive cooperation on Kingdee's Cloud series of products and jointly develop the Internet platform for China's industries. In the face of a huge manufacturing sector and unprecedented opportunities brought about by business transformation of traditional

enterprises, Kingdee and CASICloud will leverage their respective advantages and combine their resources to offer integrated solutions to manufacturers of different scales, such as Cloud ERP for SMEs, Jingdou Cloud for small and micro enterprises, the integrated mobile access platform - CloudHub, E-commerce and Big Data. This strategic cooperation agreement marks the full implementation of the "Industry Internet + Cloud ERP" concept.

Kingdee launches Jingdou Cloud for millions of small and micro enterprises

(8 August 2016, Shenzhen, China) Kingdee (00268.HK) officially launched the Jingdou Cloud platform (www.fightingcloud.com) for small and micro enterprises on the day to mark the 23rd anniversary of its establishment. The platform helps customers to integrate their internal and external resources and gain access to one-stop Cloud services, including mobile office, online accounting, agency bookkeeping and financial data services. The product was launched at a spectacular ceremony in the form of wedding ceremony, which symbolizes co-development of Jingdou



Cloud and millions of small and micro enterprises. Mr. Xu Shaochun, the founder of Kingdee, commented that the Company has grown in tandem with small and micro enterprises and helped them to start up businesses over the past 23 years. There is huge growth potential for enterprise Cloud service market. Jingdou Cloud will grow together with entrepreneurs and cultivate a rich Cloud ecosystem. We aim to develop it as the top brand of Cloud services for China's small and micro enterprises and redefine the principles of management.

Kingdee remains No.1 SME application software provider for 12 consecutive years

Kingdee remained the No.1 application software provider for China's small and medium-sized enterprises ("SME") in 2015, according to the China Semi-annual Sub-Regional Enterprise Applications Tracker (2H 2015) released by IDC. The Company has retained its leadership in the market for twelve consecutive years since 2004. It maintained the leading position in a number of segments, including application software for enterprise resources management ("ERM"), customer relations management ("CRM") and supply chain management ("CRM").

Kingdee EAS chosen the top pick financial resource management software in China

Kingdee EAS has recently been picked as the most preferred financial resource management software in China, according to an award organized by CFO World magazine, the most widely circulated financial management journal in the country. This reflects the wide recognition of Kingdee EAS by financial management professionals and its customers and reaffirms the leading position of the product in financial resource management sector. With extensive experience in helping enterprises transform their businesses through informatization, Kingdee EAS offers Chinese enterprises comprehensive informatization solutions to help them enhance their core competitiveness and management standards.



The 9th APEC SME Technology Conference and Fair at Kingdee to help SMEs with business transformation



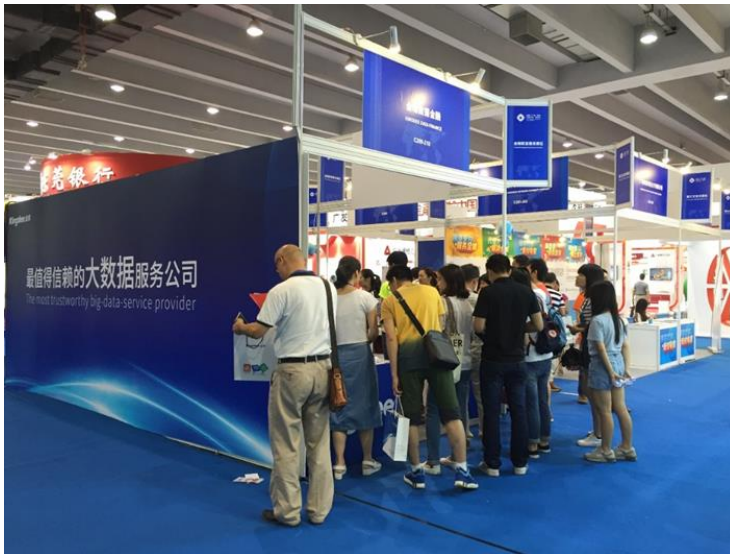
The 9th APEC Small & Medium Enterprises Technology Conference and Fair ("SMETC") was grandly held in Shenzhen on 14-16 July 2016. Unlike the past, this year's SMETC was held both in the main venue and the sub venues of four representative Shenzhen enterprises with strengths in innovation, including Kingdee. The new arrangement was aimed at showcasing the entrepreneurship of Shenzhen enterprises and their unique traits from multiple dimensions. Being a crucial part of SMETC, the event held at

Kingdee's sub-venue featuring the theme of "Ride on the Cloud" was grandly opened on 14 July. Focusing on the topics of opportunities and challenges facing SMEs and future outlook for mobile Internet, innovation and entrepreneurship, intelligent manufacturing and Cloud ERP, it attracted wide attendance from visitors.

Tangrenshen Group presented the industry award for outstanding management of shared financial service center with the help of Kingdee EAS

“2016 China CFO Annual Conference and Fortuna Gold Award – China’s Outstanding CFO Annual Award Ceremony” has recently been grandly held in Beijing. Mr. Sun Shuangsheng, CFO of Tangrenshen Group Co., was presented the “Award for Top 10 Outstanding CFO in China” for his outstanding management of the group’s financial shared service center with the help of Kingdee EAS.

Kingdee financial data services demonstrated at China (Guangzhou) International Finance Expo



The 5th China (Guangzhou) International Finance Expo (the “Expo”) was held in Guangzhou on 24-26 June, featuring the theme of “financial prudence, services innovation”. Kingdee financial data services were demonstrated at the Expo and attracted wide attention. The event attracted numerous financial institutions to attend, including traditional banks and online financial institutions.

Selected New Contracts Signed in Q3

Customer Name	Products	Industry/Sector
ANTA (China) Limited Company	EAS	Manufacturing
Rongqiao Group Co., Ltd.	EAS	Construction & Real Estate
Changcheng Property Group Co., Ltd.	EAS	Construction & Real Estate
Fujian Tian Fu Sales Co., Ltd.	EAS	Wholesale & Retail
Joyou Group Building Materials Co., Ltd.	Cloud ERP	Manufacturing
Dalian Vacuum Technologies Inc.	Cloud ERP	Manufacturing
Chongqing Haifu Health Industry Co., Ltd.	K/3 CLOUD	Conglomerate
Hainan Chunguang Food Limited	K/3 CLOUD	Manufacturing

Analyst Reports

Time	Institutions	Rating	Target Price
September 2016	CICC	Recommend	HKD4.00
August 2016	Nomura	Buy	HKD4.00
August 2016	Macquarie	Outperform	HKD3.70
August 2016	CICC	Recommend	HKD3.30

Investor Conference Calendar

Time	Organizer	Venue
6 Jul 2016	Guoyuan Securities (Hong Kong) Forum on Shenzhen-Hong Kong Stock Connect and trend of overseas asset allocation	Shenzhen
18 Aug 2016	2016 Interim Results Announcement	Guangzhou
19 Aug 2016	Road Show by CICC	Hong Kong
30-31 Aug 2016	Morgan Stanley China Internet & E-Commerce Conference	Beijing
7 Sept 2016	"Sprint for Shenzhen-Hong Kong Stock Connect" Series Strategic Meetings	Shenzhen
8-9 Sept 2016	Credit Suisse 17th Annual Asian Technology Conference	Taiwan
13 Sept 2016	Road Show by CICC	Guangzhou
14 Sept 2016	Road Show by CICC	Shenzhen
21-22 Sept 2016	23rd CLSA Investors' Forum	Hong Kong

(0268.HK) Information

Closing Price (1/11/2016)	HKD 3.28
52 Wk Range	HKD 2.32 – 4.08
Market Cap	HKD 9.66 Billion
Shares Outstanding	2.94Billion Shares
Listing Date (Main Board)	20/07/2005

2016 Interim Results Review

Revenue (RMB' mil)	913.2	% of Turnover
-ERP business	718.29	78.66%
-Cloud services business	194.91	21.34%
Gross Profit Margin	79.3%	
R&D Costs of Total Revenue	16.07%	
Net Profit	134.83	
Cash and Cash Equivalents	1,165.14	

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