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KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

金蝶國際軟件集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 268)

**SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

Sole Financial Adviser to the Company



On 10 December 2023, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$10.10 for each Subscription Share.

The number of Subscription Shares represents approximately 4.45% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.26% of the enlarged issued share capital of the Company immediately following completion of the Subscription (assuming there is no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription other than the allotment and issue of the Subscription Shares).

The Subscription Price of HK\$10.10 per Subscription Share was determined on an arm's length basis between the Company and the Subscriber and represents (a) discount of approximately 2.70% to the closing price of HK\$10.38 per Share as quoted on the Stock Exchange on the last trading day immediately preceding the date of the Subscription Agreement; and (b) discount of approximately 3.00% to the average closing price of HK\$10.41 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Shares are to be allotted and issued under the General Mandate. As such, the allotment and issue of the Subscription Shares are not subject to additional Shareholders' approval.

Upon completion of the Subscription, the gross proceeds to be raised from the Subscription will be approximately HK\$1,561,732,700 and the net proceeds (after deducting all applicable costs and expenses), arising from the Subscription are estimated to be approximately HK\$1,560,982,700. On this basis, the net price per Subscription Share will be approximately HK\$10.095.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares. The Subscription is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares).

As completion of the Subscription is subject to the satisfaction of the Condition, the Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION AGREEMENT

Date

10 December 2023

Parties

Issuer: The Company

Subscriber: Al-Rayyan Holding LLC

Information of the Subscriber

The Subscriber, Al-Rayyan Holding LLC, is a limited liability company established under the regulations of the Qatar Financial Centre Authority in the State of Qatar, and is a subsidiary of Qatar Investment Authority, the sovereign wealth fund of the State of Qatar.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscriber is a third party independent of the Company and its connected persons. It is expected that the Subscriber will not become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately upon Completion.

Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$10.10 for each Subscription Share.

Number of Subscription Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription (other than the allotment and issue of the Subscription Shares), the number of Subscription Shares under the Subscription represents (i) approximately 4.45% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares under the Subscription will be HK\$3,865,675.

Subscription Price

The Subscription Price is HK\$10.10 per Subscription Share, which represents:

- (a) a discount of approximately 2.70% to the closing price of HK\$10.38 per Share as quoted on the Stock Exchange on the last trading day immediately preceding the date of the Subscription Agreement; and
- (b) a discount of approximately 3.00% to the average closing price of HK\$10.41 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was determined on an arm's length basis between the Company and the Subscriber and with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable based on the current market conditions and in the interest of the Company and the Shareholders as a whole. The aggregate Subscription Price for the Subscription Shares is HK\$1,561,732,700, which shall be satisfied by the Subscriber by payment to the Company in cash.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Board at the AGM held on 18 May 2023, pursuant to which the Board is authorised to allot, issue and deal with up to 347,599,327 Shares. As at the date of this announcement, the Company has not utilised the General Mandate and the Subscription Shares under the Subscription represent approximately 44.48% of the entire General Mandate.

The allotment and issue of the Subscription Shares are not subject to any additional Shareholders' approval.

Ranking of the Subscription Shares

The Subscription Shares will be allotted and issued fully paid and rank pari passu in all respects with the existing Shares in issue on the date of allotment and issue of the Subscription Shares.

Application for listing of the Subscription Shares

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Condition precedent

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares) (the "**Condition**").

If the above Condition is not fulfilled at or prior to 8:00 a.m. (Hong Kong time) on the day that is 10 Business Days after the date of the Subscription Agreement (or such other time and date as the parties to the Subscription Agreement may agree in writing), the Subscriber and the Company shall have no obligations or liabilities to each other under the Subscription and none of the parties to the Subscription Agreement shall have any claim against the other in respect of any matter arising out of or in connection with the Subscription Agreement except for any antecedent breach.

Completion

Subject to the satisfaction of the Condition, completion of the Subscription will take place on the second Business Day which is also a business day in Qatar after the Condition is satisfied or at such other time and/or on such other date as the Subscriber and the Company may agree in writing (the “**Completion Date**”).

Lock-up Undertaking

The Subscriber shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Company, (i) offer, sell, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) by the Subscriber, directly or indirectly, any Subscription Shares, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Subscription Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of the Subscription Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Subscription Agreement and ending on the date which is 180 days after the Completion Date. The foregoing shall not apply to the deposit of the Subscription Shares into the CCASS or any transfer of any Subscription Share by the Subscriber to its Affiliate(s), provided that prior to such transfer, such Affiliate(s) gives a written undertaking to the Company agreeing to, and the Subscriber gives a written undertaking to the Company to procure such Affiliate(s) to agree to, be bound by the same undertaking under the Subscription Agreement. The foregoing shall also not apply to any Shares (other than the Subscription Shares) which the Subscriber may from time to time acquire or purchase, whether on-market or off-market, or any scrip dividend which may be received from the Company in respect of the Subscription Shares, after the completion of the Subscription.

CICC is acting for the Company as its sole financial adviser in relation to the Subscription.

REASONS FOR THE SUBSCRIPITON AND USE OF PROCEEDS

The Directors consider that the Subscription demonstrates the leading position of the Company in the digital management industry of Chinese enterprises and would further support the Company's international strategy and optimize the capital structure of the Company, and the Subscription is in the interests of the Group and the Shareholders as a whole.

The estimated gross proceeds and net proceeds (after deducting all applicable costs and expenses) from the Subscription will amount to approximately HK\$1,561,732,700 and approximately HK\$1,560,982,700 respectively. The net price per Subscription Share will be approximately HK\$10.095.

The Company intends to apply the net proceeds from the Subscription as follows:

- (i) approximately 80% of the net proceeds from the Subscription towards potential capital market transactions including (without limitation) potential acquisitions, potential share buy-backs etc.; and
- (ii) the remaining amounts towards general operation and working capital of the Group.

The Directors are of the view that the terms of the Subscription Agreement are fair and reasonable, and the Subscription will strengthen the Group's financial position, broaden the Company's shareholder base and is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Subscription (assuming there is no change in the share capital of the Company from the date of this announcement up to the completion of the Subscription other than the allotment and issue of the Subscription Shares) are set out as follows:

Shareholders	(i) As at the date of this announcement		(ii) Immediately upon completion of the Subscription	
	Number of Shares held	Approximate% of total issued Shares	Number of Shares held	Approximate% of total issued Shares
Xu Shao Chun (<i>Note 1</i>)	703,419,807	20.23	703,419,807	19.37
Directors (<i>Note 2</i>)	3,683,265	0.11	3,683,265	0.10
Public				
– The Subscriber	–	–	154,627,000	4.26
– Other Public Shareholders	2,769,442,699	79.66	2,769,442,699	76.27
Total	<u>3,476,545,771</u>	<u>100.00</u>	<u>3,631,172,771</u>	<u>100.00</u>

Notes:

- (1) Of the 703,419,807 Shares, 20,833,683 Shares are held directly by Mr. Xu Shao Chun, 386,312,000 Shares are held through Oriental Tao Limited and 295,886,624 Shares are held through Billion Tao Limited, and 387,500 Shares are the awarded shares granted to Mr. Xu Shao Chun under the Share Award Scheme and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited. Oriental Tao Limited and Billion Tao Limited are wholly owned by Easy Key Holdings Limited which is in turn wholly owned by Mr. Xu Shao Chun.
- (2) Such 3,683,265 Shares comprise 2,053,265 Shares in which Mr. Lin Bo is deemed to be interested, 1,230,000 Shares held by Mr. Gary Clark Biddle and 400,000 Shares held by Ms. Dong Mingzhu.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the twelve (12) months immediately preceding from the date of this announcement.

As completion of the Subscription is subject to the satisfaction of the Condition, the Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“Affiliate”	in relation to any person, any other person that directly or indirectly controls, is controlled by, or is under common control with, that person
“AGM”	the annual general meeting of the Company held on 18 May 2023
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“CCASS”	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, the sole financial adviser to the Company in relation to the Subscription

“Company”	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange (Stock Code: 268)
“Condition”	has the meaning ascribed thereto under the section headed “The Subscription Agreement – Condition precedent” in this announcement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM to allot, issue and deal with up to 10% of the then issued Shares (i.e., 347,599,327 Shares) as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares with par value of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Award Scheme”	the share award scheme adopted by the Company on 4 December 2015

“Subscription”	the subscription of the Subscription Shares by the Subscriber in accordance with the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 10 December 2023 in relation to the Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Al-Rayyan Holding LLC, a limited liability company established under the regulations of the Qatar Financial Centre Authority in the State of Qatar, and is a subsidiary of Qatar Investment Authority, the sovereign wealth fund of the State of Qatar, and a third party independent of the Company and its connected persons
“Subscription Price”	HK\$10.10 per Subscription Share
“Subscription Shares”	154,627,000 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“%”	per cent.

By order of the Board
**Kingdee International Software
Group Company Limited**
Xu Shao Chun
Chairman

Shenzhen, the People’s Republic of China, 10 December 2023

As at the date of this announcement, the Board comprises Mr. Xu Shao Chun (Chairman of the Board and Chief Executive Officer) and Mr. Lin Bo (Chief Financial Officer) as executive Directors; Ms. Dong Ming Zhu and Mr. Gary Clark Biddle as non-executive Directors; and Mr. Zhou Jun Xiang, Ms. Katherine Rong Xin and Mr. Bo Lian Ming as independent non-executive Directors.