



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: 0268.HK)

**Signing with Shagang Group, the world's top 500 companies
Kingdee helps with the carbon neutral in iron and steel industry**

[30 June 2021, Hong Kong] Kingdee Software Group Company Limited ("Kingdee International", "Kingdee" or the "Company"), together with its subsidiaries, collectively referred to as the "Group"; stock code: 0268.HK) and Jiangsu Shagang Group Co., Ltd. (hereinafter referred to as "Shagang Group") officially signed a contract and held a project kick-off meeting in Zhangjiagang. Shagang Group, founded in 1975, is one of the world's leading iron and steel material manufacturers and integrated service providers. It has ranked top 500 among the world for 12 consecutive years, ranked third in China's iron and steel industry, and ranked first in private iron and steel enterprises in China. Shagang Group has five manufacturing bases, and its products are exported to more than 100 countries and regions in the world.

As the cooperation is the core content of the digital transformation plan in the 14th Five Year Plan of Shagang Group, the senior management of both sides has attached great importance to their cooperation. The senior management teams of both sides who have attended this contract signing ceremony including: Shen Bin, standing executive director of the board of directors and Party committee secretary of Shagang Group, Chen Shaohui, standing executive director and standing executive vice president of Shagang Group, Qian Wangping, chairman of Jiangsu Shagang Hi-Tech, Zhang Yong, rotating president of Kingdee China, Xu Jiaqi, general manager of Kingdee Suzhou Branch, Zhu Ning, assistant president and general manager of management department of Kingdee China, and Chen Baosheng, general manager of iron and steel industry division of Kingdee China.

Digital transformation driven by carbon neutral goal

During the 14th Five-year Plan Period, China will fully implement ultra-low emissions in the steel industry, expand new ways of energy conservation and emission reduction, and achieve green and sustainable development in the iron and steel industry. The extensive development model that previously relied on resource input and scale expansion will be difficult to sustain. Digital transformation has become one of the development strategies of iron and steel enterprises.

Shen Bin, standing executive director of the board of directors and Party committee secretary of Shagang Group, said, "during the process of achieving carbon neutral, Shagang first bears the brunt, and we are the

main force to achieve carbon neutral, which brings us both pressure and opportunity. The solution of these two major challenges is inseparable from digital transformation. The digital transformation of the iron and steel industry should go fast, well, steadily and accurately, in order to remain invincible in the future development.”

Shagang has completed the digitalization of its business very early, but switching and alternation of this kind of information system with long-time accumulated is the common problem of digital transformation faced by the iron and steel industry: the application of a single system that enterprises have invested in for a long time in the past is deep-rooted, but most of them are departmental systems, which is not able to support the digital strategy of enterprises.

In the future, the manufacturing industry will accelerate to digitization, information networking and intelligence, and the industry will obviously be oriented to data-driven, gain platform support, have value-added services and intelligence orientation. The purpose of this upgrade is to enhance the security, stability and agility of the business structure, so as to better support the complex digital strategic transformation of enterprises.

Zhang Yong, rotating president of Kingdee China, said, “the digital transformation of Shagang is a huge issue, involving all aspects of the enterprise. Since its establishment 46 years ago, Shagang has accumulated a number of application scenarios and internal management requirements. We will be customer-centered, striver-oriented, integrate internal and external resources, and will achieve business and financial integration of Shagang, and spare no effort to build a “Digital Shagang.”

The cooperation is not only a platform project of “integration of business and finance”, but also an integration of “industry, property, tax, capital, purchase and sales, and platform”. The project between Shagang and Kingdee is the core basic platform of Shagang’s digital transformation in the future, and will also be the booster of Shagang’s management reform.

Developing an industry benchmark with great significance in demonstration

Shagang and Kingdee have reached consensus to develop this project into a benchmark sample and play a demonstration effect in the industry. Shen Bin said, “Shagang has diverse sectors with complex business. We hope that through the cooperation, we can create the application results with scientific and technological contents, and change management philosophy. We believe that the operation efficiency and management process improvement of Shagang will be significantly enhanced. Shagang will take the cosmic platform as the core platform to build “Digital Shagang” and support the strategic realization of “Century Shagang” to help Shagang Group achieve high-quality development. For Kingdee, developing such a model provides it benchmarking significance with demonstration effect in the iron and steel industry.”

It is reported that this project is the most widely covered project in the current iron and steel enterprises, from the scope of finance to business, which has caused high degree of concern in the industry. Both parties of the project will together mobilize all internal and external resources to develop a benchmark for the digital transformation of the iron and steel industry in the new era.

As one of the world's top 500 enterprises, Shagang is standing at the forefront of the era, not only considering its own 5-10-year strategy, but also providing benchmarking and demonstration for the digital development of the industry. It is also the sense of social responsibility of leading enterprises with the vision of "Century Shagang".

In fact, the cooperation between Shagang and Kingdee was established ten years ago. Since 2010, Kingdee has been involved in the digital upgrade of Shagang's core business from the aspect of HR system, which has also witnessed the process of building a "Digital Shagang". Through the comprehensive upgrade of the cooperation, Kingdee and Shagang will jointly explore digital transformation in the iron and steel industry, and developing Shagang Group into a benchmark for digital transformation of China's iron and steel industry.

Following the cooperation with Hesteel Group, Delong Steel, Tianjin Rockcheck Steel and many other large iron and steel enterprises, Shagang has also gained Kingdee's benchmark position for continuous and deep digitalization of the iron and steel industry. With the formal signing of large projects such as Shagang and BGI, as well as the continuous and smooth progress of large projects such as Huawei and Yunnan Tobacco, the concept of EBC (Enterprise Business Capability), Chinese management model, and enterprise level PaaS platform + SaaS solution promoted by Kingdee are not only widely recognized by large-scale leading enterprises, but also fully implemented in various industries.

In the future, together with Shagang Hi-tech, a digital subsidiary of Shagang, Kingdee will build a digital platform for iron and steel industry with Shagang features based on Kingdee · Cosmic PaaS Platform to help Shagang Group achieve comprehensive digital transformation. As an ecological partner of Kingdee, Shagang Hi-tech will work with Kingdee to export Shagang Group's digital transformation experience and solutions to the industry, so that China's iron and steel industry and manufacturing industry can maintain leading advantages in the world.

About Kingdee International Software Group Company Limited

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: 0268.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 helping businesses achieve their growth targets and let the sun shine on every company through dedicated services. It strives to provide them with the most trusted enterprise service platform.

Through persistent efforts to explore China's Cloud enterprise service market, according to IDC, Kingdee has retained the largest share in the enterprise application software sector for fast-growing enterprises for 16 consecutive years, and has grasped the largest share in the enterprise-grade ERM SaaS (as known as Cloud ERP) and financial Cloud services industry for four consecutive year. Kingdee is currently the only SaaS cloud service provider of Chinese enterprises selected into Gartner's Global Market Guide, and has become the only Chinese company winning the 2020 IDC SaaS Customer Satisfaction Award.

Many cloud service products of Kingdee have won the favor of benchmark enterprises, including Kingdee Cloud Cosmic (provides group enterprise cloud-end ERP solution), Kingdee Cloud Galaxy (digital innovation and cloud service platform for growth enterprises), Kingdee Cloud Star (SaaS solution for medium enterprises), Kingdee Cloud Star (SaaS solution for small and micro enterprises). Kingdee has provided software management and cloud services for more than 6.8 million enterprises, governments and other organizations worldwide.

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