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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)

**CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF EQUITY INTEREST IN CLOUDHUB**

Financial Adviser to the Company



The Acquisition

On 15 September 2025, Diechuang Holdings as seller and Hongjin Investment (a controlled structured entity in the Group's consolidated financial statements) as purchaser entered into the Equity Transfer Agreement, pursuant to which Diechuang Holdings conditionally agreed to sell, and Hongjin Investment conditionally agreed to purchase, the Target Equity Interest (being 62.764% of the equity interest in CloudHub) at a cash consideration of RMB68,250,000.

Listing Rules Implications

As Mr. Xu, an executive Director, the Chairman of the Board and Chief Executive Officer and the substantial shareholder of the Company, is interested in 99% of the equity interest of the Seller, the Seller is an associate of Mr. Xu and therefore a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition calculated in accordance with the Listing Rules is more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of Listing Rules.

EQUITY TRANSFER AGREEMENT

The major terms of the Equity Transfer Agreement are set out as follows:

Date 15 September 2025

Parties

- (i) Diechuang Holdings (as seller);
- (ii) Hongjin Investment (a controlled structured entity in the Group's consolidated financial statements) (as purchaser);
and
- (iii) CloudHub

Subject Matter

Pursuant to the Equity Transfer Agreement, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Target Equity Interest (being 62.764% of the equity interest in CloudHub).

Upon completion of the Acquisition, the Group's equity interest in CloudHub will increase from the current 7.5373% to 70.3013% and CloudHub will become a subsidiary of the Company.

Consideration

The total consideration for the Acquisition is RMB68,250,000 and will be paid by the Purchaser to the Seller in cash within 15 working days from the Completion Day.

The consideration was determined after arm's length negotiations among the parties to the Equity Transfer Agreement taking into account a number of factors including but not limited to the valuation of the Target Company of RMB108,745,000 as at 30 April 2025 as appraised by the Independent Valuer using the market approach, and the commercial benefits to the Company as mentioned in the section headed "Reasons for and Benefits of the Acquisition" in this announcement.

Conditions Precedent

Completion of the Acquisition under the Equity Transfer Agreement is subject to the satisfaction (or waiver in writing by the Purchaser) of the following conditions, among others:

- (a) there are no legal or judicial requirements or rulings that restrict or prohibit the Acquisition and there are no pending or potential litigations or rulings which restricts or prohibits the Acquisition;
- (b) the board of directors and shareholders of Seller and the Target Company (as the case may be) have resolved: (i) to approve the transactions contemplated under the Equity Transfer Agreement and the signing and execution of the transaction documents; (ii) that the shareholders of the Target Company agrees to waive their pre-emptive rights in respect of the Acquisition and other rights that may affect the transaction; (iii) to approve the change of the Target Company's director(s) and supervisor to the candidates nominated by the Purchaser;
- (c) the Company, Seller and the Target Company have obtained all third-party licenses and permissions to execute and perform the transactions contemplated under the Equity Transfer Agreement, including that the execution and performance of these transactions by the Company comply with all applicable Listing Rules;
- (d) the parties have completed the signing of all transaction documents;
- (e) all representations and warranties given by the Seller under the Equity Transfer Agreement remaining true, complete and accurate in all material respects;
- (f) no event has occurred that has, or is reasonably foreseeable to have, a material adverse effect on (i) the Target Company's assets, financial structure and liabilities; (ii) the validity or enforceability of any transaction documents, and/or (iii) the ability of the parties to perform its obligations under the transaction documents.
- (g) the Target Company having completed the registration and filing with the competent authority and the Purchaser has been registered as a shareholder holding 70.3013% of the equity interests of the Target Company;
- (h) the Purchaser having completed, and are satisfied with, the due diligence on the Target Company; and
- (i) the Seller has issued a letter confirming the fulfillment of the conditions precedent in the form set out in the Equity Transfer Agreement.

REDEMPTION CONFIRMATION LETTER

On 28 October 2022, Chongqing Science City, the Target Company and its then shareholders (including the Seller and the Purchaser) entered into a capital contribution agreement, pursuant to which, among other things, Chongqing Science City agreed to subscribe for the additional registered capital of RMB1,369,329.4 of the Target Company at a consideration of RMB200 million (the “**Previous Capital Contribution Agreement**”). Under the Previous Capital Contribution Agreement, if the Target Company were not able to achieve a qualified listing (which refers to the Target Company’s shares being publicly listed and traded on a securities exchange within the PRC or on other internationally reputable securities exchanges recognized by Chongqing Science City and Diechuang Holdings, but does not include listing on The National Equities Exchange and Quotations (NEEQ)) within 5 years from the relevant completion date, then Chongqing Science City would have the right to require the Target Company to repurchase the equity interests then held by Chongqing Science City at the same consideration (i.e. RMB200 million) plus an interest of 6% per annum.

On 15 September 2025, the Target Company, the Purchaser (as an existing shareholder of the Target Company) and Chongqing Science City signed a confirmation letter confirming that, among other things:

- (i) Within 5 business days after the completion of the Acquisition, the Target Company and Chongqing Science City agreed that the Target Company will initiate the process to repurchase the 9.1743% equity interest (the “**Redemption Interests**”) in the Target Company held by Chongqing Science City at the consideration of RMB206 million (the “**Potential Redemption Payment**”) (the “**Redemption**”);
- (ii) the Purchaser and Chongqing Science City will approve the relevant resolution(s) approving the Redemption; and
- (iii) the Purchaser will use its best endeavours to ensure that the Target Company has sufficient funds to make the Potential Redemption Payment to Chongqing Science City. Should the Target Company’s own funds be insufficient to pay the Potential Redemption Payment, the Purchaser will provide the necessary funding support to the Target Company in the form of a shareholder’s loan (subject to compliance with applicable laws and regulations and regulatory policies) for the purpose of completing the Redemption.

As CloudHub's business will transition from a relatively standalone operation to an integrated part of the Group following the Acquisition for the reasons set out in the section headed "Reasons for and benefits of the Acquisition" in this Announcement, the qualified listing of Cloudhub as initially anticipated under the Previous Capital Contribution Agreement will unlikely be pursued within the period contemplated thereunder. Following amicable arms-length negotiations, the relevant parties intend to proceed with the Redemption, which will be earlier than the redemption contemplated under the Previous Contribution Agreement, with an agreed interest amount of RMB6 million, which represents approximately 1.5% effective annual interest rate.

VALUATION

According to the valuation report dated 15 September 2025 issued by the Independent Valuer, as at the Valuation Reference Date (i.e. 30 April 2025), the appraised value of entire equity interests of the Target Company, valued using the market approach, is RMB108,745,000 (after taking into account, and deducting as a debt, the repurchase obligation of RMB206 million contemplated under the Previous Capital Contribution Agreement).

Valuation approaches and reasons for selecting the approach

In arriving at the appraised value of the Target Company, the Independent Valuer has considered three generally accepted approaches, namely, asset-based approach, income approach and market approach.

The asset-based approach measures the value of a business by reference to the value of individual assets and liabilities. It is considered not appropriate for the current appraisal as it assumes the assets and liabilities of the Target Company are separable and can be sold separately and this is not the case in respect of the business of the Target Company. Besides, it fails to consider an adequate return on the assets used in the business. Thus, the asset-based approach is not adopted by the Independent Valuer.

The income approach provides an indication of value calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The income approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projections of the Target Company, and the assumptions are unobservable and subjective. Given that improper assumptions will impose a significant impact on the fair value, the income approach is not adopted by the Independent Valuer.

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset. Under the market approach, the guideline public company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sale and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. Given no recent comparable transaction can be identified by the Independent Valuer, the guideline public company method is adopted for this valuation.

In applying the guideline public company method, the Independent Valuer has considered price-to-book (“**P/B**”), price-to-sales (“**P/S**”), enterprise value/sales (“**EV/S**”), price-to-earnings (“**P/E**”) and enterprise value/earnings before interests, taxes, depreciation and amortization (“**EV/EBITDA**”) multiples.

P/B multiple is considered not appropriate for this valuation because book value captures only the tangible assets of a company and the intangible company-specific competencies and advantages are not captured in the P/B multiple. As such, the P/B multiple is not a good measurement of the fair value of a company and is not adopted in this valuation.

P/E and EV/EBITDA multiples relate the market value of the equity interest to earnings, an important driver of shareholders’ value. Since the Target Company was loss-making as of the Valuation Reference Date, no meaningful result can be derived based on P/E and EV/EBITDA multiples.

P/S multiple is not adopted as it does not eliminate differences in financial leverage and related risk features across the companies.

EV/S multiple is based on the sales amount of a company, which is always positive, less subject to manipulation, and is a representative indicator of the business scale. It has also eliminated the differences in capital structure. Therefore, the Independent Valuer has adopted EV/S multiple for this valuation.

Valuation Assumptions

The major assumptions made by the Independent Valuer for this valuation are listed below.

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company; and
- It is assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, the Independent Valuer assumes no responsibility for changes in market conditions after the Valuation Reference Date.

Selection of Comparable Companies

In determining the EV/S multiple, a list of guideline public company was identified. The guideline public companies were selected with reference to the following selection criteria:

- The primary industry of the companies is in the industry of Application Software, under Global Industry Classification Standard, as extracted from S&P Capital IQ;
- The principal business of the companies is engaged in the provision of collaboration software or enterprise collaboration solutions;
- The companies are listed on the Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, or major stock exchanges in the US; and
- The financial information of the companies is available to the public.

A list of guideline public companies satisfying the above criteria was obtained. The business descriptions of the guideline public companies are listed as follows:

#	Company Name	Stock Code	Business Description
1	Beijing Seeyon Internet Software Corp. (“ Beijing Seeyon ”)	SHSE:688369	Beijing Seeyon provides collaborative management software, solutions, platforms, and cloud services for organizational customers in the PRC.
2	Weaver Network Technology Co., Ltd. (“ Weaver Network ”)	SHSE:603039	Weaver Network Technology engages in the research and development, sale, and service of collaborative management and mobile office software products in the PRC.
3	Box, Inc. (“ Box ”)	NYSE:BOX	Box provides cloud content management platform that enables organizations of various sizes to manage and share their content from anywhere on any device in the United States and Japan.
4	Atlassian Corporation (“ Atlassian ”)	NasdaqGS:TEAM	Atlassian designs, develops, and maintains software products that support collaboration, project management, and software development for teams worldwide.
5	Asana, Inc. (“ Asana ”)	NYSE:ASAN	Asana operates a work management software platform for individuals, team leads, and executives in the United States and internationally.

Key financial information of the guideline public companies is listed below.

#	Company Name	Stock Code	Reporting Currency	Trailing 12-months (“LTM”) Financials		
				Net Profits/ (Losses)		
				available to		Net Asset
				Common		Value
				Sales	Shareholders	(“NAV”)
1	Beijing Seeyon	SHSE:688369	RMB’mn	847	(236)	1,064
2	Weaver Network	SHSE:603039	RMB’mn	2,362	203	2,161
3	Box	NYSE:BOX	USD’mn	1,090	202	197
4	Atlassian	NasdaqGS:TEAM	USD’mn	4,963	(430)	1,369
5	Asana	NYSE:ASAN	USD’mn	724	(256)	228

EV/S Multiples of the guideline public companies is listed below.

#	Company Name	Stock Code	Reporting Currency	Market Capitalization as of the Valuation Reference Date	Enterprise Value as of the Valuation Reference Date	LTM Sales	Unadjusted EV/S Multiples
1	Beijing Seeyon	SHSE:688369	RMB’mn	3,460	2,711	847	3.2x
2	Weaver Network	SHSE:603039	RMB’mn	18,498	16,940	2,362	7.2x
3	Box	NYSE:BOX	USD’mn	4,489	4,814	1,090	4.4x
4	Atlassian	NasdaqGS:TEAM	USD’mn	59,817	58,073	4,963	11.7x
5	Asana	NYSE:ASAN	USD’mn	3,762	3,558	724	4.9x

Note: The market data and financial information presented in the tables above is based on the latest available data of the guideline public companies as of the Valuation Reference Date from Bloomberg and the financial reports of respective companies.

Due to the geographic diversity of the guideline public companies, they are subject to varying macroeconomic and market risks. Furthermore, these guideline public companies often differ significantly in size from the Target Company. Typically, larger firms exhibit lower expected returns, which translate into higher values. In contrast, smaller companies are generally perceived as riskier in terms of operational and financial performance; consequently, they tend to have higher expected returns, resulting in lower valuation multiples. To account for these differences in characteristics between the guideline public companies and the Target Company, the base multiples have been adjusted accordingly.

The Independent Valuer referenced a formula from the widely recognized textbook “*Financial Valuation: Applications and Models (2017)*” by James R. Hitchner, a distinguished valuation expert in the United States, to perform the benchmark multiple adjustments. The adjustment on the EV/S multiple is calculated by using the following formula:

$$\text{Adjusted EV/S Multiple} = 1/((1/M) + \theta * \varepsilon * \alpha)$$

where:

1. M is the base multiple. The rationale underlying the adjustments to the market multiples is that the value of invested capital is determined by dividing the expected net cash flow to invested capital by the invested capital capitalization rate. In this valuation context, the base enterprise value multiple is adopted, and the invested capital capitalization rate, in turn, is derived from the weighted average cost of capital (“WACC”). Thus, the reciprocal of the base EV/S multiple (i.e. 1/M) is interpreted as the WACC applicable to the enterprise value.
2. θ represents the risk adjustment for differences in size and regions, which is calculated as the sum of size premium differential and equity risk premium differential. The parameter θ was employed to effectuate an adjustment that captures the differences in characteristics between the guideline public companies and the Target Company. Reference to the “Cost of Capital Navigator 2024”, published by Kroll, LLC (formerly Duff & Phelps, a leading independent risk and financial advisory solutions firm), guided the adoption of size premium differentials ((a) in the table below) based on the market capitalization of each guideline public company, thereby addressing the size disparity between these entities and the Target. Furthermore, the equity risk premium differentials ((b) in the table below) were adopted with reference to the “Country Default Spreads and Risk Premiums Study” issued and last updated by Aswath Damodaran, the professor of finance at the Stern School of Business at New York University, in January 2025. The detailed calculations are as below:

	Size Premium	Size Premium Differential (a)	Equity Risk Premium	Equity Risk Premium Differential (b)	Total Risk Premium Differential ($\theta = (a) + (b)$)
The Target	3.06%		5.27%		
Beijing Seeyon	1.73%	1.33%	5.27%	0.00%	1.33%
Weaver Network	1.00%	2.06%	5.27%	0.00%	2.06%
Box	0.74%	2.32%	4.33%	0.94%	3.26%
Atlassian	-0.01%	3.07%	4.33%	0.94%	4.01%
Asana	1.00%	2.06%	4.33%	0.94%	3.00%

3. ε represents the weighting factor and the ratio of market capitalization to enterprise value is utilized. Given that the risk premium differentials (θ) apply solely to the equity portion, where for a publicly listed company, market capitalization reflects the market value of its equity, this adjustment will only affect the equity component of the capitalization rate within the market multiple adjustment formula. ε was employed to appropriately weight the parameter θ , ensuring that the capitalization rate is adjusted exclusively concerning the equity portion. In essence, this ratio accounts for the differing capital structures among the guideline public companies.
4. α represents the scale factor which converts the base measure of the benefits to an alternative measure of the benefits for the guideline public companies. Net operating profits after tax (“NOPAT”) is deemed as the base measurement of the benefits for evaluating enterprise value. As the EV/S multiple is adopted in this valuation, where sales serve as an alternative measure of the benefits for enterprise value as opposed to NOPAT, α is used as a scale factor to convert the base measure of benefits to a variant measure. The ratio of sales to NOPAT was utilized to derive the scale factor α . Given that majority of guideline public companies reported losses as of the Valuation Reference Date, forward sales and forward NOPAT, both sourced from Bloomberg, were adopted for deriving the scale factor. The detailed calculations are as below:

	Reporting Currency	Forward Sales	Forward NOPAT	Scale Factor (α)
Beijing Seeyon	RMB'mn	902	(99)	NM
Weaver Network	RMB'mn	2,562	269	9.53
Box	USD'mn	1,152	324	3.55
Atlassian	USD'mn	5,186	1,250	4.15
Asana	USD'mn	781	40	19.73

Note: The forward NOPAT of Beijing Seeyon as of the Valuation Reference Date was negative and therefore, no meaningful scale factor can be determined.

The adjustment to the base EV/S multiples of guideline public companies are summarized as follows:

#	Company Name	Stock Code	Reporting Currency	Unadjusted	Total Risk	Weighting Factor	Scale Factor	Adjusted
				EV/S Multiples (M)	Premium Differential (%)			EV/S Multiples
1	Beijing Seeyon	SHSE:688369	RMB'mn	3.2x	1.33%	1.28	NM	NM
2	Weaver Network	SHSE:603039	RMB'mn	7.2x	2.06%	1.09	9.53	2.8x
3	Box	NYSE:BOX	USD'mn	4.4x	3.26%	0.93	3.55	3.0x
4	Atlassian	NasdaqGS:TEAM	USD'mn	11.7x	4.01%	1.03	4.15	3.9x
5	Asana	NYSE:ASAN	USD'mn	4.9x	3.00%	1.06	19.73	1.2x
							Median	2.9x

The estimated enterprise value of the Target Company (the “**Estimated Enterprise Value**”, being RMB308.092 million) is derived by multiplying (i) the Target Company’s revenue for the 12 months ended 30 April 2025 (being RMB105.946 million), by (ii) the median of the adjusted EV/S multiples of comparable companies (being 2.9x).

The appraised value of the 100% equity of the Target Company of RMB108,745,000 is determined having taken into account the following key adjustments to the Estimated Enterprise Value: (i) adding the Target Company’s cash and cash equivalents, (ii) deducting the debts (including, for the purpose of the valuation, the redemption liabilities of RMB206 million, which represents the Potential Redemption Payment), and (iii) making customary adjustments of applying a discount for lack of marketability (reflecting the fact that there is no readily available market for the shares as compared to publicly listed companies) and applying a control premium (reflecting the acquisition of a controlling interest).

INFORMATION ON THE RELEVANT PARTIES

The Group and the Purchaser

The Group is principally engaged in the business of corporate management software and cloud services markets.

The Purchaser is an investment holding company and is regarded as a controlled structured entity in the Group's consolidated financial statements.

The Seller

The Seller, a company established under the laws of the PRC with limited liability, is principally engaged in investment holding, and is directly owned by Mr. Xu and Mr. Wen Ran as to 99% and 1%, respectively.

Chongqing Science City

Chongqing Science City is a company established under the laws of the PRC with limited liability and is principally engaged in equity investment, and is owned by Chongqing Xiyong Comprehensive Bonded Zone Management Committee, which is an administrative unit under the Chongqing Municipal Government.

The Target Company

The Target Company was established under the laws of the PRC with limited liability and is principally engaged in the provision of mobile Internet enterprise services through a mobile office platform offered to registered enterprises and organizations.

As at the date of this announcement, (i) the registered capital of the Target Company is RMB14,925,690.47; and (ii) the shareholders of the Target Company and their respective percentage of equity interests are set out below:

Shareholders	Percentage of equity interests in the Target Company		
	As at the date of this announcement	Immediately after the completion of the Acquisition	After the Redemption
The Seller	62.764%	–	–
The Purchaser	7.5373%	70.3013%	77.4025%
Chongqing Science City	9.1743%	9.1743%	–
Other third-party shareholders, which are not connected persons of the Company	20.5244%	20.5244%	22.5975%
Total:	100%	100%	100%

Set out below is the financial information of the Target Company for the two years ended 31 December 2023 and 2024 and the 4 months ended 30 April 2025 in accordance with the PRC generally accepted accounting principles:

	Audited year ended 31 December 2023 RMB'000	Audited year ended 31 December 2024 RMB'000	Unaudited 4 months ended 30 April 2025 RMB'000
Profit/(Loss) before taxation	(32,671)	(11,710)	4,706
Profit/(Loss) after taxation	(33,939)	(12,638)	4,660

The net liabilities of the Target Company as at 31 December 2024 and 30 April 2025 was RMB67,701,249.33 and RMB63,041,593.78, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition

Adhering to the development strategy of “Subscription First, AI First”, Kingdee strives to create “the most trustworthy AI platform for enterprise management”. The Directors believe that the Acquisition is in line with the Company’s core strategy, accelerating the Company’s AI transformation and promoting long term growth and creates value for shareholders.

CloudHub, a leading corporate social and collaborative cloud-native platform incubated from the Kingdee ecosystem more than a decade ago, has always shared the same unwavering vision of Kingdee to relentlessly pursue the digital and intelligent transformation of enterprises success. The addition of CloudHub to the Kingdee portfolio is expected to unlock significant potential synergistic value through seamless integration, both culturally and operationally.

Through strategic integration, CloudHub will become the core collaboration platform of Kingdee’s “Subscription First, AI First” ecosystem, providing a unified AI and collaboration portal for Kingdee’s entire line of SaaS products. Customers can complete the entire process of financial accounting, supply chain management, knowledge Q&A, task collaboration, and other operations on the same platform, significantly improving the overall efficiency of digital transformation.

(i) Deepen the AI First strategy with one unified AI portal

Through joint efforts by Kingdee and CloudHub on AI investments, CloudHub will be upgraded into an AI-empowered collaboration platform. CloudHub has developed mature products in natural language processing, intelligent approval, and AI office assistant “Xiaoyun”. Integrating these technologies with Kingdee’s existing AI engine will unify the AI entry point and build an AI portal covering the entire business chain, including finance, supply chain, and operations, thereby improving intelligent decision-making and automation levels. The acquisition of CloudHub will strengthen the penetration of AI capabilities throughout the entire enterprise management process and accelerate Kingdee’s high-quality transformation into an “AI platform for enterprise management”.

As Kingdee’s unified AI mobile gateway, CloudHub delivers superior mobile experience with its intelligent interface and significantly enhanced operational efficiency, disrupting traditional OA systems. CloudHub offers a comprehensive mobile enterprise portal that integrates corporate access, information, workflows and applications into a unified digital workplace, creating superior mobile-first user experience. Combining the advantages of CloudHub’s mobile platform, Kingdee will achieve lightweight, scenario-based deployment of AI applications to enhance the user experience.

In addition, CloudHub’s enterprise knowledge intelligence can help customers master industry-specific knowledge, break down data silos and business rules within the enterprise, answer professional questions at any time, and flexibly call on other intelligent agents such as conversational data agent, financial analysis agent, and travel agent to work together. CloudHub offers features such as an enterprise knowledge base, instant communication, task collaboration, and intelligent Q&A, enabling Kingdee customers to achieve “Information-as-a-Service” within their business processes, break down information silos, and enhance product stickiness and customer loyalty.

The two parties will integrate their R&D resources in areas such as natural language processing, knowledge graphs, and generative AI into a unified platform, forming a unified AI portal to provide enterprises with “one-stop” intelligent solutions, significantly improving the automation and accuracy of core scenarios such as financial analysis, supply chain optimization, and business forecasting. Particularly for existing Kingdee cloud ERP customers, CloudHub’s capabilities in mobile collaboration fill crucial gaps in last-mile digital transformation. The integration of Kingdee and CloudHub will empower enterprises to seamlessly transition core ERP business functions to mobile platforms through CloudHub, creating truly portable “ERP in your pocket” user experience in the mobile-cloud era.

Enterprises in China today require more intelligent, efficient and flexible collaboration tools to navigate evolving market dynamics, address growing operational complexities, and enhance organizational productivity. Guided by the “AI First” strategy, Kingdee has continued to deeply embed AI technologies across all its products, services, and operational processes, reconstructing enterprise management through AI. The acquisition of CloudHub provides Kingdee with the necessary AI mobile gateway to build an “AI platform for enterprise management”. Leveraging a unified data hub, knowledge graphs, intelligent workflows and generative AI, Kingdee has evolved from a single business management system into an AI-driven full-process operational platform, which has helped Kingdee establish a differentiated technological barrier, accelerate its ecosystem expansion, and lay a solid foundation for future industrial upgrades and enhanced capital market value, driving Kingdee’s leapfrog development in the AI-driven enterprise services market.

(ii) Strengthen the subscription (SaaS) ecosystem and Subscription First strategy

Since its inception, CloudHub has adopted a subscription-based pricing model, featuring a comprehensive billing, renewal, value-added services, and Customer Success system. After this acquisition, CloudHub’s subscription platform will be integrated into Kingdee’s unified SaaS billing system, creating a complete subscription ecosystem that combines “management + collaboration + AI”, helping customers achieve sustained business use and value growth.

CloudHub's subscription billing, user operations, and renewal systems will be deeply integrated with Kingdee's existing SaaS billing platform, forming a unified "Subscription First" operational framework. This initiative will enhance customer life cycle value, reduce customer acquisition costs, and make the revenue structure of the Company more stable.

(iii) Synergistic full-suite offerings for Kingdee's customers

Built on cloud-native architecture, CloudHub delivers seamless integration with Kingdee's robust ERP and enterprise cloud solutions. As the core component of Kingdee's Intelligent Collaboration Cloud strategy, CloudHub serves as an integrated platform for internal collaboration, external connectivity, and mobile portal functions. The integration will further strengthen a seamless, end-to-end cloud ecosystem for the Company. CloudHub can establish a closed-loop data flow with Kingdee's cloud applications, reinforcing one-stop user experience and significantly enhancing the Company's customer retention and loyalty.

CloudHub's best-in-class collaborative office software creates powerful synergies with Kingdee's existing product portfolio, and the strategic integration of two parties will create a powerful and complementary offering that delivers complementary value propositions to Kingdee's customers and significantly increases lifetime value for large and high-growth enterprise customers. Kingdee provides a comprehensive range of cloud ERP solutions to help enterprises manage their business functions, covering financial accounting, supply chain, group procurement, tax and invoice management, etc. CloudHub's mature enterprise knowledge base, instant communication, task collaboration, and intelligent Q&A functions will be embedded in Kingdee Cloud ERP products such as Kingdee Cloud Cosmic, Kingdee Cloud Constellation, and Kingdee Cloud Galaxy, providing customers with a closed-loop of business data, knowledge, and communication, which will help enterprises quickly break down information silos and build product competitive barriers that are difficult to replicate. The Company can further deliver a seamless digital transformation experience that bridges core business management functions with next-generation workplace productivity.

Kingdee and CloudHub demonstrate strong alignment in target key account customers, primarily focusing on large and middle-sized enterprises across diverse industries. A large part of CloudHub's enterprise customers already use Kingdee cloud ERP systems, demonstrating natural synergy in addressing enterprises' dual needs for business management and smart collaboration.

Kingdee disposed CloudHub in 2016. It was disclosed in the announcement of the Company dated 28 July 2016 that CloudHub had incurred unaudited consolidated after-tax losses in each of the two financial years prior to the disposal by virtue of its business model and operational stage at that time. At that time, the Company believed the disposal would alleviate financial pressure on the Group as CloudHub had been loss making and incurred unaudited consolidated financial losses in the two years prior to the disposal and that the unaudited consolidated after-tax losses had increased over the two years.

Since the disposal in 2016, CloudHub's business has gradually transitioned from an incubation growth phase into a more mature development stage, with product capabilities and market reputation continuously improving, and the paying customer base being steadily expanded. Through sustained development in recent years, CloudHub's financial position has progressively improved, with unaudited consolidated after-tax profit reaching RMB4,660 thousand for the four month ended 30 April 2025. In light of the improved financial performance of CloudHub and its synergy with the Group's core strategy, CloudHub will no longer impose a significant strain on the Group's financial resources when compared to 2016.

Furthermore, CloudHub's business model has undergone multiple iterations and upgrades, evolving from a mobile social software to an AI-powered mobile collaborative office platform, deeply integrating with Kingdee's ERP and other business systems, achieving the core advantages of "collaborative office + business operations". With the transformation and upgrading of the business model, CloudHub's earning capacity has become more stable, showing a healthy trend in business operation.

Recently, through the deep application of AI in the products and operations, CloudHub has introduced multiple AI-driven technologies and capability modules, including natural language processing, intelligent approval and AI office assistant "Xiaoyun", further enhancing customer retention, willingness to pay and operating efficiency. Currently, serving as an AI mobile gateway and core collaboration platform, CloudHub closely aligns with Kingdee's "AI-first" strategy, which will assist the Group in achieving vertical integration of its two core businesses: "enterprise collaboration/social platform" and "enterprise management/ERP", forming an AI differentiation competitive barrier.

Kingdee has always adhered to its mission of “Empower every enterprise to achieve phenomenal success” and is committed to supporting the digital and intelligent transformation of enterprises worldwide through high-quality products and services based on “AI First, Subscription First, and Globalization”. The acquisition of CloudHub is a key step in achieving the “AI First, Subscription First” strategy of the Company, providing a solid foundation for building differentiated technological barriers, accelerating the development of the SaaS ecosystem, driving breakthrough growth in the enterprise services market, and creating greater value for all shareholders.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As Mr. Xu, an executive Director, the Chairman of the Board and Chief Executive Officer and the substantial shareholder of the Company, is interested in 99% of the equity interest of the Seller, the Seller is an associate of Mr. Xu and therefore a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under the Listing Rules.

Mr. Xu is considered to have a material interest in the Acquisition. Mr. Xu has abstained from voting at the relevant Board meeting on the resolutions approving the Acquisition. Other than Mr. Xu, none of the other directors had a material interest in the Acquisition.

As the highest applicable percentage ratio in respect of the Acquisition calculated in accordance with the Listing Rules is more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Equity Interest pursuant to the terms of the Equity Transfer Agreement
“AI”	artificial intelligence
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Chongqing Science City”	重慶科學城投資控股有限公司(Chongqing Science City Investment Co., Ltd.*), a company incorporated in the PRC and held 9.1743% equity interests in the Target Company as at the date of this announcement
“Company”	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liabilities, whose shares are listed on the Stock Exchange (Stock Code: 268)
“Completion Day”	the day on which all conditions precedent under the Equity Transfer Agreement has been satisfied or waived in writing by the Purchaser
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement dated 15 September 2025 entered into between the Seller and the Purchaser in relation to the Acquisition
“ERP”	enterprise resource planning
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic China
“Independent Valuer”	AVISTA Valuation Advisory Limited
“Kingdee China”	金蝶軟件(中國)有限公司(Kingdee Software (China) Co., Ltd*), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Xu”	Mr. Xu Shao Chun, an executive Director, the Chairman of the Board, Chief Executive Officer and the substantial shareholder of the Company holding 19.82% interests in the Company as at the date of this announcement

“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Potential Redemption Payment”	has the meaning as defined in the section headed “Redemption Confirmation Letter” in this announcement
“Previous Capital Contribution Agreement”	a capital contribution agreement entered into between Chongqing Science City, the Target Company and its then shareholders on 28 October 2022, pursuant to which Chongqing Science City agreed to subscribe for the additional registered capital of RMB1,369,329.4 of the Target Company at a consideration of RMB200 million
“Purchaser”, or “Hongjin Investment”	深圳市弘金投資有限公司 (Shenzhen Hongjin Investment Company Limited*), a company established under the laws of the PRC, the equity interest of which is held as to 99% by Mr. Bao Huangkui and as to 1% by Mr. Wang Yibo, and is regarded as a controlled structured entity in the Group’s consolidated financial statements through certain contractual arrangements entered into among Kingdee China, the equity holders of the Purchaser and the Purchaser
“Redemption”	has the meaning as defined in the section headed “Redemption Confirmation Letter” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SaaS”	Software as a Service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted and accessed online via a subscription

“Seller” or “Diechuang Holdings”	蝶創控股有限公司 (Diechuang Holdings Limited*), a company established under the laws of the PRC with limited liability and is directly owned as to 99% by Mr. Xu
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “CloudHub”	雲之家網絡(重慶)有限公司 (CloudHub Network (Chongqing) Co., Ltd.*) (formerly known as 深圳雲之家網絡有限公司 (Shenzhen CloudHub Network Co., Ltd.*)), a company established under the laws of the PRC with limited liability, further information of which is disclosed in the section headed “Information on the relevant parties - The Target Company” in this announcement
“Target Equity Interest”	equity interest representing approximately 62.764% of the registered capital of the Target Company
“Valuation Reference Date”	30 April 2025
“%”	per cent

On behalf of the Board
Kingdee International Software Group Company Limited
Lin Bo
Director

Shenzhen, the People’s Republic of China, 15 September 2025

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.

* For identification purposes only