

[Press Release]
For immediate release

Empower Your Digital Capacity – Kingdee Helped Chinese Enterprises Rise up to Challenges

On 10 September, **Kingdee International Software Group Company Limited** (“Kingdee” or the “Group”; stock code: 00268.HK) proposed to “empower enterprises’ digital capacity” at Kingdee Cloud Digital Transformation Forum (Chongqing), an answer to the question of “how Chinese enterprises break the deadlock and rise up to challenges in 2020”. Following the release of the *Smart Growth Plan for Micro, Small and Medium Businesses*, Kingdee brought a new driver to Chinese enterprises. At the forum, Zhu Hongren, Standing Vice President and Director General of China Enterprise Confederation/ China Enterprise Directors Association, Zhao Gang, a Party member and Chief Engineer of the Economy and Informatization Commission of Chongqing City, **Robert Xu, Chairman and CEO of Kingdee**, and more than 700 enterprise managers and millions of online audiences participated in the event and discussed the growth of enterprises under an uncertain context.

Robert Xu pointed out that the core competitiveness for every enterprise to win the critical battle derives from its digital capacity when facing the severe health crisis of COVID-19, China-US trade war, technology decoupling, industrial Internet, digital transformation and EBC trend. The digital capacity empowerment of enterprises is an update of Enterprise Business Capability (EBC) shared by Kingdee in 2019 during the crisis. As the business environment changes and challenges escalate, enterprises must reflect on the situation from the perspective of “fighting”.



The digital capacity empowerment of enterprises refers to the capacity to collect, store, process, analyze and transfer data in each value chain and scenario, which brings additional strength and competitive edge for enterprises. Through 5 major platforms, enterprises can rebuild 5 capacities to develop and enhance their digital businesses, namely, the capacity to connect customers, such as full-link marketing and OMO trade (Customer Experience Platform), the capacity to connect employees, such as smart collaboration, smart operation and smart management (Information System Platform), the capacity to connect partners, such as major platform of industrial chain and industrial cluster platform (Ecosystem Platform), the capacity to connect things, such as connections to materials, equipment and products (IoT Platform), and the data-driven capacity, such as observation, prediction and risk management (Data Analysis Platform).

At present, a number of enterprises are exploring and building the capacity of digital businesses. Despite the COVID-19 pandemic in early 2020, those enterprises with strong will and positive motivation have empowered their digital capacity through EBC to successfully deal with the crisis. For example, Jointown Pharmaceutical made accurate allocation of medical supplies within 2 hours with the help of digital platform and assisted Wuhan Red Cross in efficient material management; Bliss Cake made use of the online and offline dual-channel business model to ensure stable operation during the pandemic and continue to provide services for customers. Huawei Marine, included in the entity list, reconstructed 4 core business processes such as LTC, PTP, ITR and IPD with Kingdee, replaced 184 systems and created a legend in the industry with on-time launch in 68 days, hence building new, independent and controllable digital capacity. These ambitious enterprises gave full scope to digitalization, seized opportunities in crisis and opened a new chapter in changes.

Having replaced ERP with EBC, Kingdee released the ecological strategy centered on the Cosmic platform at the Cosmic Summit in May to enhance the business capacity of enterprises and continuously improve products and services while helping them prevail over difficulties. As China's

first local cloud-native platform solution, Kingdee Cloud Cosmic was selected into Gartner's High-Productivity PaaS global vendor list. In response to the demand of domestic alternative, Kingdee Cloud Cosmic completed the compatibility check with the full-stack technology of Huawei Kunpeng Ecosystem. In the first half of 2020, Cosmic became the common choice of large enterprises including SPIC, TravelSky Technology, CRRC Tangshan and ENN Energy, and won a number of localization projects such as Hisense and China United Cement Corporation. In addition, Kingdee Cloud Galaxy, Jingdou Cloud and other products continued to facilitate Chinese SMEs to build competitiveness.

Zhu Hongren, Executive Vice President and Director of China Enterprise Directors Association and China Enterprise Confederation, said, "The strategic position and leading role of digital technology for the development of enterprises is worth our re-consideration. It is a great challenge for many enterprises to re-construct their business logic or operation model to fit in the digital economy, by adapting to a deep understanding of overall business development and digital transformation. "Zhao Gang, the Chief Engineer and fellow member of Chongqing Municipal Commission of Economy and Informatization, also said, "It is expected to speed up the transformation of manufacturing process which becomes more digitalized, networked and intelligent."

The theme of this summit is "Reconstructing the Digital Power of Enterprises". Robert Xu mentioned that challenges give a chance for us to surpass. On July 31, 2020, China's BeiDou-3 Navigation Satellite System was launched, which indicates China's characteristics of independent innovation, being open-minded, integration, unity, and pursuit of excellence. It also demonstrates our spirit of innovation in the face of changes and crises. At the conference, companies such as FuLing ZhaCai and China Mobile Internet of Things also shared their own innovative practices happening in the era of digital economy.

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About Kingdee

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, Kingdee has retained

the largest share in the enterprise application software sector for fast-growing enterprises for 16 consecutive years, and has grasped the biggest share in the enterprise-grade SaaS Cloud services industry for the third year , held the largest market share in SaaS ERM (Cloud ERP) and Financial Cloud for four consecutive years. Kingdee is currently the only SaaS cloud service provider of Chinese enterprises selected into Gartner's market guide , and was selected into Gartner's Global High-Productivity PaaS vendor list and HCM (Human Capital Management) Market guide.

In addition, Kingdee's diverse Cloud services and products are the preferred choices of leading enterprises. They include "Kingdee Cloud Cosmic" (a Cloud service platform for large enterprises), "Kingdee Cloud Galaxy" (a digital innovative Cloud service platform for medium and large enterprises and fast-growing enterprises), "Kingdee Jingdou Cloud" (one-stop Cloud services platform for micro and small-sized enterprises), "Cloud-Hub" (intelligent Cloud office), "Guanyi Cloud" (Cloud services for E-commerce operators). With its strengths in management software and Cloud services, Kingdee provides services and products to more than 6.8 million enterprises, government agencies and other organizations around the world.

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