Kingdee

Press Release
(For Immediate Release)

Kingdee International Announces 2014 Interim Results
Profit Surged In 1H 2014 and Internet Business Grew Rapidly

(13 August 2014, Hong Kong) Kingdee International Software Group Corporation Limited ("Kingdee International" or the "Group"; Stock Code: 00268.HK), a leading Cloud Management services provider in Asia Pacific region, today announced its unaudited interim results for the six months ended 30 June 2014 (the "Reporting Period").

Surge in profit for 1H 2014

During the Reporting Period, the gross profit margin of the Group increased from 74.7% to 80.9% and net profit increased from RMB 8,614,000 to RMB 81,457,000 compared to the same period of 2013, net profit margin increased from 1.2% to 10.9% compared to the same period of 2013. Despite some ERP businesses shifted from direct sales to indirect sales strategy, our total revenue grew by 0.7% y/y and our software shipment posted a double-digit increase. Cloud services business again recorded a rapid growth of 125.0% y/y, accounting for 5.4% of the Group's total revenue. The increase of Cloud services business represented a remarkable result in the Group's mobile Internet transformation.

No.1 Market Share in China's application software for SMEs for ten conservative years

IDC, an authoritative international survey organization, once again ranked Kingdee No.1 Market Share in China's application software for SMEs in 2013 for ten conservative years.

During the reporting period, the revenue from KIS products, which are tailor-made for small businesses, increased by 29.6% from the same period of last year, driven by the substantial growth of KIS Professional edition and expansion of distribution coverage. K/3 WISE, which are tailor-made for medium sized businesses, were sold only through indirect sales. While the revenue from K/3 WISE slightly decreased by 1.7% y/y, the software shipment posted a double-digit increase. Large enterprises faced increasing demands for industry transformation and upgrade. The Group signed contracts with Daqo Group, Sunac and other renowned corporations.

Continuous and rapid growth in Cloud Services Business

During the reporting period, K/3 Cloud, ERP Cloud service product, achieved high growth with revenue increased by nearly three times. Running on highest standard of information security with features such as "Instant Connect and Ready to Use", K/3 Cloud can help users instantly connect with their suppliers, customers, end-users and staff via mobile Internet technologies.

During the reporting period, Cloud Hub grew rapidly in the Chinese enterprise market, registered enterprise and registered users exceeded 100,000 and 2 million, respectively. The Group launched Kingdee mobile work platform "Cloud Hub" V4.0, a new way to work with mobile technologies and helped clients such as Vanke, Haier, Hong Kong New World, Hopson Development and Zhongsheng Group, etc., to accelerate their enterprise mobile transformation.

During the reporting period, the revenue and number of customers of Youshang online SaaS increased by 72% and 52%, respectively compared with 2013 1H, while the retention rate of paying customers was over 80%.

During the reporting period, the number of Kuaidi100 express queries exceeded 2 billion searches and revenue increased by 136% compared with 2013 1H. The Group timely introduced the mobile technology website (m.kuaidi100.com) and maintained as the China's largest third-party express and logistics information service platform.

During the reporting period. Kingdee Medical pioneered and introduced comprehensive mobile Internet hospital solutions, which included innovative patient mobile and payment services. Middleware business leveraged reliable smart cloud platform product development to transform from a traditional middleware manufacturer into a cloud platform provider.

2014 2H: Dual-core drivers, Accelerate Mobile Internet transformation

The Group has gained the first-mover advantages in the China's enterprise Cloud services market. The essence of work revolution advocated since the first half of 2014 is to redefine people's work style, build open mobile work platform and solve the difficulties in the corporate mobile applications. Meanwhile, Kingdee ERP Cloud services provide the most convenient, safest and best quality ERP Cloud services for enterprises and help them to build innovated business model in the Internet era.

Mr. Xu Shaochun, Chairman of Board of Directors of Kingdee International, said, "Over the past two and half years, The Group's Mobile Internet transformation achieved significant results, which prove our direction is correct. However, there is still distance from the ideal goals. We will continue to reinforce our faith. On the one hand, we will apply Internet thinking to transform and upgrade ERP, and expand market size. On the other hand, we will create the ultimate Internet user experience, grow Cloud service usages and help China enterprises to achieve Mobile Internet transformation and upgrade. The Group will create greater value for shareholders and customers, promote staff development, create a win-win for partners, grow together with customers and deliver fair returns to shareholders.

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About Kingdee International Software Group Corporation Limited
Kingdee International Software Group Company Limited ("Kingdee" or the "Group"; Stock Code: 00268.HK) was founded in 1993 and headquartered in Shenzhen, PRC. With "Streamline your business process" as its mission and "Walk on ZHENGDAO (right track) and Walk by WANGDAO (noble way)" as its core values, the Group is providing Cloud Management products and services for over four million corporate and government organizations worldwide with the aim to become the world's leading Cloud Management service provider. The Group consists of Kingdee Software (China) Co., Ltd. with a focus on corporate management software and internet services markets, Shenzhen Kingdee Middleware Co., Ltd. with a focus on middleware business, Kingdee Medical Software Company Ltd. which provides IT integrated solutions provider for medical and health organizations, as well as Kingdee International Software Group (H.K.) Co., Ltd. which focuses on APAC ex-China and overseas markets.

For further information about Kingdee International, please visit the Group's website at www.kingdee.com.

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