

## Kingdee International Announces 2013 Annual Results

### ***Mobile Internet Transformation Strategy Showed Significant Success***

(17 March 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, announced its audited annual results for the twelve months ended 31 December 2013 (the “Reporting Period”).

#### **Achieved Profit Turnaround as Operating Net Cash Flow Increased Significantly**

During the Reporting Period, the Group recorded total revenue of approximately RMB1,602.1 million and profit attributable to equity holders of approximately RMB126.4 million. With the effective execution of 5 major strategies, the Group witnessed rapid growth in Cloud Management and significant success in a business transition toward the Internet. During the Reporting Period, total expenses decreased by approximately 24.1% year-on-year and net profit margin was 7.9%. Net operating cash flow was RMB415.1 million. With the Group having returned to profitability, the management is certain in its strategic direction and is confident regarding its future prospects.

#### **“The No. 1 Market Share Leader in China’s SME Market” for Nine Straight Years**

The Group received high-level recognitions from international authorities. In May 2013, the Group was honored as “The No. 1 Market Share Leader in China’s SME Market” for the ninth straight year in the *IDC’s China Enterprise Application Software Market Analysis Report*.

#### **Effective Mobile Internet Transformation Earned Kingdee First-Mover Advantages**

With more and more ERP applications turning into mobile, and the acceleration the evolvement of “B2B2C” strategy, the number of paying terminals increased by nearly 5 times as compared to the same period in 2012, representing a 90% growth in Mobile Apps income.

Kingdee K/3 Cloud pioneered the ERP Cloud service, offering 3 different types of deployment, namely Public Cloud, Private Cloud and local installation. The service was successfully verified and recognized by customers including Filtronic China and Joyou.

Kingdee’s enterprise social network platform Cloud Hub achieved rapid growth in Chinese enterprise markets, with over 80,000 registered companies and over 1 million users. Cloud Hub was highly recognized by large corporations such as Haier Group, Vanke and New World Group.

Kingdee successfully launched the BizChat Mobile Platform, and vigorously developed Mobile Apps based on it. More and more enterprises realized the improved efficiency of internal collaboration and communication driven by Mobile Technology. Enterprises are convinced that paid mobile subscription model is more flexible and efficient for their IT systems.

Kingdee Wise Note is China’s largest management app by user volume, providing offline bookkeeping services for 40 million small and micro businesses in China. The number of customers of Wise Note is over 2 million and value-added service income achieved 100% plus growths, continued to lead in the micro and small business market.

#### **Alliances with Large Internet Companies**

Seeing the increasing adoption of e-commerce platform by small and medium-sized businesses, the Group timely released the KIS E-commerce flagship version for Alibaba and other e-commerce platforms. The new version, which substantially enhances management efficiency of e-commerce business and seamlessly collects data systems of Taobao and Tmall, has been well-received by the market.

Kingdee's Kuaidi100, popular among consumers, began to collaborate with other projects on Baidu Open Platform, spanning mobile search, open platforms for mobile applications and Aladdin data, among others. During the "Double Eleven", a total of 467 million inquiries were generated by Kuaidi100 on the Baidu WebApp Platform, covering 40% of the internet users in China.

**2014: "Dual-core drivers, Accelerating transformation to Mobile Internet strategy"**

Following the wave of Mobile Internet industry, Kingdee's 2014 strategy is "Dual-core drivers, Accelerating transformation to Mobile Internet". The "Dual-Cores", of which one is ERP and the other core driver is Mobile Internet era's user experience. ERP will thrive and capitalize on the continuous evolvement of Mobile Internet, which enlarges the enterprise IT market. At the same time, Kingdee will continue to innovate new Enterprise Internet business model, create ultimate users experience, and work closely and grow together with customers.

Mr. Xu Shaochun, Chairman of Board of Directors of Kingdee International, said, "Mobile Internet extremely enriches imagination of today's era, undermining the traditional business model with a strong force. This has also completely changed the way people work as the IT market is undergoing major reforms. China has become the world's largest Mobile Internet market. With enterprise Internet services market entering a golden development period, Kingdee will leverage its first-mover advantages in the Mobile Internet transformation, Kingdee aspires to become the largest work and business platform in China in the next 3-5 years and gain a significant presence in the global Cloud Computing market in the future."

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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, “Becoming the global leader of Cloud Management” as its vision 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 one million corporates 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](http://www.kingdee.com).

### **Investor and Media Enquiries:**

Branden Chen  
Kingdee International Software Group Co., Ltd.  
Tel: 852-2155 3721  
Email: [branden\\_chen@kingdee.com](mailto:branden_chen@kingdee.com)

Henry Chik  
PRChina Limited  
Tel: 852-2522 1368  
Email: [hchik@prchina.com.hk](mailto:hchik@prchina.com.hk)

Summer Gan  
Kingdee International Software Group Co., Ltd.  
Tel: 86-755-8607 2596  
Email: [summer\\_gan@kingdee.com](mailto:summer_gan@kingdee.com)

Karl Cheung  
PRChina Limited  
Tel: 852-2522 2823  
Email: [kcheung@prchina.com.hk](mailto:kcheung@prchina.com.hk)

Yanni Huang  
Kingdee International Software Group Co., Ltd.  
Tel: 86-755-8607 2591  
Email: [yanni\\_huang@kingdee.com](mailto:yanni_huang@kingdee.com)

David Shiu  
PRChina Limited  
Tel: 852-2522 1838  
Email: [dshiu@prchina.com.hk](mailto:dshiu@prchina.com.hk)