



KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED
(Incorporated in Cayman Islands with limited liability)
(Stock Code: 268)

Kingdee International Announces FY2023 Results Continuous high-quality growth for Cloud Services business

(18 March 2024, Hong Kong) Kingdee International Software Group Co., Ltd. ("Kingdee International", "Kingdee" or the "Company", together with its subsidiaries collectively referred to as the "Group"; Stock Code: 268.HK) is pleased to announce the audited consolidated results of the Company for the year ended 31 December 2023 (the "Reporting Period"). During the reporting period, the Group recorded total revenue of RMB5,679 million, representing an increase of approximately 16.7% year-on-year (yoy). The Group continued to advance on the transformation of cloud subscription services, with the Cloud Services revenue increasing by 21.3% yoy. Cloud Services accounted for 79.3% of the Group revenue. The Annual Recurring Revenue (ARR) of Kingdee Cloud subscription services reached approximately RMB2.86 billion, representing an increase of 33.1% yoy. Loss attributable to owners of the Group was approximately RMB210 million, representing a decrease of approximately 46.1% yoy. Net cash flow from operating activities of the Group was approximately RMB653 million, representing an increase of approximately 74.5% yoy.

During the reporting period, Kingdee was recognized by 30 domestic and international organizations, including selected as one of the S&P Global "Sustainability Yearbook (China Edition) 2023", with ESG score ranking first among software enterprises; IDC 2023 Global Customer Satisfaction Award for Financial SaaS; ranked No.1 by IDC in 2023 H1 ERM SaaS and Financial SaaS market; the only Chinese vendor ranked among the top 10 Gartner's high-productivity aPaaS platform vendors for three consecutive years, as well as the only Chinese vendor entered into IDC's Asia Pacific SaaS and Cloud-based SMB ERP Applications 2023 Vendor Assessment; ranked No.1 by IDC in China's growing enterprise application software market share for 19

consecutive years; won the first prize of the "China Standard Innovation Contribution Award", the highest national honor in China's standardization field.

Rapidly penetrating the large enterprise market, with AI-driven digital governance at the forefront of transformation

During the reporting period, Kingdee unveiled its enterprise-level large model capability platform, Kingdee Cloud Cosmic GPT, which integrates with Large Language Models (LLMs) such as Baidu and Microsoft, enabling enterprises to build rich intelligent applications in complex management scenarios. Based on Kingdee Cloud Cosmic GPT, Kingdee launched China's first financial LLM, encapsulating Kingdee's 30 years of financial knowledge and customer practices of serving over 7.4 million customers, which can provide enterprises with comprehensive analysis and forecasting, expert support, report generation and interpretation services. And these products have already demonstrated their effectiveness and utility in model clients such as C&D Property and Hisense Group.

Kingdee Clouds Constellation continued to improve and expand product capabilities, achieving a more advanced platform, superior quality, smarter applications, and richer scenarios. High-end financial modules continued to take the lead, Supply chain and Manufacturing further enriched the application scenarios of top 500 enterprises, and filled the gap of domestic intelligent manufacturing in large-scale equipment manufacturing industry. Constellation HR continued to build world-class HR products, and helped large enterprises such as Huawei, Shanxi State-owned Capital Operation, China Construction Bank, Geely Automobile, Dongfeng Motor, Xiangyu Group, and Belle Group to realize independently controllable HR digital transformation. Constellation has built a comprehensive globalization platform (language, deployment, privacy, etc.) and business capabilities (global sharing, global employment, international tax, etc.), which have been verified by the application practices of a number of large international enterprises, such as China Merchants, Hisense, Huawei, HAECO, etc.

During the reporting period, Kingdee Cloud Cosmic and Kingdee Cloud Constellation recorded cloud service revenue of approximately RMB981 million, with 40.9% yoy growth ; The subscription ARR increased by

approximately 48.7% yoy, and the Net Dollar Retention ("NDR") rate was 105.3%. During the period, 1,458 customers were signed, of which 647 were new customers, including well-known enterprises such as Sinochem, China National Building Material, Dongfeng Motor, Tongwei, China National Petroleum International, Shijiazhuang Siyao Pharmaceuticals, Fuyao Glass, Mercedes-Benz China, Hongtong Gas, etc. As of the reporting period, Kingdee has helped 221 enterprises to complete localization substitution.

Continuously leading in the Specialized and New fields, further solidifying leadership in the medium-size enterprise market

Kingdee Cloud Galaxy Enterprise Edition continued to expand the advantages of R&D, production, supply chain and marketing integration and the deep integration of business and finance. Galaxy introduced features such as the electronic invoice pool and refined manufacturing role-based workstations to continuously enhance user experience. Kingdee Cloud Galaxy Ultra Edition completed the coverage of finance, supply chain and manufacturing scenarios and realized AI intelligence in multiple scenarios. Galaxy Ultra steadily promoted the "all online mode", and the verifications of online implementation service processes were completed for the first batch of customers, which can significantly improve the implementation quality and reduce the implementation costs. The "co-creation business model" was realized in the fields of pharmaceuticals and hi-tech, laying the foundation for the deep and rapid expansion of the industry.

During the reporting period, Kingdee Cloud Galaxy signed more than 1,400 national and provincial specialized and new enterprises, and the market share of national specialized and new "small giants" reached 43%, further consolidating the leading position in the market. Kingdee Cloud Galaxy revenue increased by 16.2% yoy to approximately RMB1,952 million; Galaxy cloud subscription ARR increased by approximately 29.2% yoy, with a Net Dollar Retention ("NDR") rate of 97.2% and a customer base of approximately 39,000. Newly signed customers such as REPT Power Battery System, Jietai Solar, Lexin Medical, Higo Technology, Greater Bay Technology, Subway China, SK Automation Technology, Haini Biotech and Laifen Technology.

Small and Micro Finance Cloud maintaining high growth, with win-win cooperation with partners

During the reporting period, Kingdee Cloud Stellar Ultra was released, providing integrated production, supply and marketing solutions for small and micro manufacturing and trade enterprises. Kingdee Jingdou Cloud further strengthened intelligent tax and digital operation, and upgraded the cloud-native technology architecture to comprehensively improve product reliability, ease of use and user experience. SME partner ecosystem was further developed and expanded, with the number of marketing service partners exceeding 1,900.

During the period, SME finance cloud revenue continued to grow rapidly, increasing by 25.4% yoy to approximately RMB1,080 million, and the subscription ARR increased by approximately 45.6% yoy; among which, Kingdee Cloud Stellar revenue increased by approximately 108.6% yoy, and the NDR was 90.8%.

Deepening business cooperation ecosystem and expanding the digital future together

During the reporting period, the Group entered into new strategic cooperation with cloud service vendors such as CTYun, Baidu and Microsoft, continued to deepen cooperation with strategic consulting and delivery partners such as KPMG, iSoftStone, Ernst & Young, Deloitte and HAND Information, and entered into strategic cooperation with five partners such as DHC and MOORE. As of the reporting period, nearly 200 ISV partners have built digital products based on Cosmic and formed joint industry solutions by integrating with Kingdee's standard products, covering 19 major industries and linking up the business chain of "research, production, supply, marketing and service".

Maintaining optimization of the customer success system to continuously enhance customer satisfaction

During the reporting period, the Group achieved a significant improvement in the timeliness of response and handling of customer feedback through a series of service innovations and changes; and established a world-class global service operation system based on a new generation of full-journey experience with a customer success methodology. Among them, Xu Shao Chun WeChat Public Account received 879 customer commendations, increasing by 121%

yoy. The overall number of customer complaints dropped by 45% yoy.

Mr. Xu Shao Chun, Chairman of the Board and CEO of the Group, noted that 2024 marks the beginning of Kingdee's strategy towards world-class excellence. Kingdee will uphold our mission of "wholeheartedly serving enterprises and growing together with all users", continue to deepen the cloud transformation, advance our core strategy of "Subscription priority, AI priority", enhance the added value of digital management for Chinese enterprises, and help enterprises accelerate the construction of new-quality productivity and realize high-quality development.

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About Kingdee International Software Group Limited

Kingdee International Software Group Company Limited ("Kingdee International" or "Kingdee") was established in 1993. Kingdee, a globally renowned enterprise management cloud SaaS company, is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0268.HK) and headquartered in Shenzhen, China. Adhering to the core values of "Acting in all Conscience, with Integrity and Righteousness", the Company takes the mission of "serving the enterprise wholeheartedly and growing together with users around the world." Kingdee is committed to becoming the "most trustworthy enterprise service platform".

Kingdee's major cloud service products have been selected by industry lighthouse customers, including Kingdee Cloud Cosmic (packageable enterprise-grade PaaS platform), Kingdee Cloud Constellation (large enterprise SaaS management solution), Kingdee Cloud Galaxy (high-growth enterprise SaaS management solution), Kingdee Cloud Stellar (small and micro enterprise SaaS management solution). Kingdee has provided enterprise management cloud products and services for more than 7.4 million enterprises, governments and organizations across the world.

This press release is issued on behalf of **Kingdee International Software Group Co., Ltd.** by **Wonderful Sky Financial Group Ltd.**

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