



**KINGDEE INTERNATIONAL
SOFTWARE GROUP COMPANY LIMITED
(Stock Code: 0268.HK)**

Kingdee International Releases 2023 Interim Results

**Cloud Services Continued to Develop in High Quality With ARR Achieving
36.3% Growth**

(17 August 2023, 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: 0268.HK) today announced its interim results for the six months ended 30 June 2023 (the "Reporting Period"). During the Reporting Period, Kingdee continued to advance on the transformation of Cloud subscription services, revenue from cloud services increased by 21.5% year-on-year (yoy) to approximately RMB2,039 million, accounting for approximately 79.5% of Group revenue. The Annual Recurring Revenue (ARR) of Kingdee Cloud subscription services reached approximately RMB2.54 billion, an increase of 36.3% yoy. Contract liabilities related to cloud subscription services achieved growth of 34.4% yoy.

During the Reporting Period, the Group recorded total revenue of approximately RMB2.566 billion, representing an increase of approximately 16.8% as compared to the same period in 2022. Loss attributable to owners of the Company was approximately RMB284 million,

representing a decrease of approximately 20.5%, which is mainly due to the Company's long-term development of cloud subscription business and the improvement of business quality.

As the world's leading and China's No. 1 enterprise management cloud SaaS company, Kingdee has repeatedly been recognized by renowned research institutions at home and abroad, winning multiple honors, including: 1) being selected in "The Sustainability Yearbook 2023 (China)" of S & P Global and its ESG rating ranked first among China's software companies. 2) IDC 2022 H2 SaaS EPM (Enterprise Performance Management Cloud) ranked first in the Chinese market. 3) Won the first prize of the highest national honor in the field of China's standardization, the "China Standard Innovation Contribution Award" . 4) Ranked first among Chinese vendors in Gartner's global top 10 high productivity aPaaS platforms for three consecutive years. 5) Ranked first in IDC 2022 China Manufacturing PLM Public Cloud Market. 6) Kingdee has consistently ranked first in IDC's China's growth enterprise application software market share for 18 consecutive years. 7) Kingdee Starfield Industrial Internet Platform was selected in the list of cross-industry and cross-disciplinary industrial Internet platform of the Ministry of Industry and Information Technology.

Continuously seizing the large enterprise market, Cosmic GPT leads the AI transformation of enterprise management

As the main products for high-end market, Kingdee Cloud Cosmic and Kingdee Cloud Constellation have become the best choice to help large enterprises to be benchmarked to world-class level. Kingdee Cloud Cosmic further enhances the integration and innovation of generative AI technology in data and intelligence. Kingdee Cloud Cosmic GPT is positioned as the best enterprise management AI model. It provides a complete engineering and technical solution for enterprises to utilize large model capabilities, widely accesses common LLM capabilities such as Baidu and Microsoft, and provides new assembly capabilities for intelligent task scheduling, ubiquitous embedded AI assistants, as well as new enterprise brains for creative generation, knowledge engine, and analysis insights. At the same time, Kingdee Cloud Constellation SaaS is deeply integrated with Cosmic GPT to provide rich business scenarios and to provide end-user with generative experiences in

human resources, finance and taxation, supply chain, and ecosystem applications, providing more intelligent applications for managers, professional positions, employees, and developers.

In addition, Kingdee Cloud Cosmic has currently completed the adaptation of the mainstream local technology stack. Based on the four major local systems of China Electronics Corporation, China Electronics Technology Group Corporation, Chinese Academy of Sciences, and Huawei, Kingdee has achieved compatibility, adaptation, and certification licenses with over 100 software and hardware manufacturers, as well as 300 products. Cosmic has obtained over 260 patents, 6 national awards, and participated in the formulation of multiple industry standards such as the "Maturity Assessment Model Standard of Applying Modernization Technology Capability" .

During the Reporting Period, Kingdee Cloud Cosmic and Kingdee Cloud Constellation recorded approximately RMB393 million in revenue, an increase of 38.3% yoy. Cosmic and Constellation recorded cloud subscription ARR of 95.9% yoy growth and net dollar retention (NDR) of 108%. Cosmic and Constellation signed 741 customers during the period, including 297 new customers such as China National Building Material Group, Tongwei, iFlytek, Belle Fashion, Shanxi State-owned Capital Operation, Shanxi Coking Coal, Guangdong Airport Group, Guangdong Provincial Communication Group, Shum Yip Group, Comix Group, Xi'an Aerospace Automation, Lizhong Group and other famous enterprises. As of the Reporting Period, Kingdee Cloud has helped 177 enterprises in achieving all-rounded local substitution in core ERP systems.

Consolidate the market leading position of medium-sized enterprises, and further increase the market share in specialized and new enterprises

During the Reporting Period, Kingdee Cloud Galaxy continued to expand the advantages of integration of research, production, supply and marketing and deep integration of business and finance, launched innovative applications such as IPO special projects, new finance and taxation, cost management, visual factory, dynamic inventory management, and ERP+collaborative integration, and summarized and refined solutions for twelve key

industries including high-tech electronics, equipment manufacturing, auto and auto parts, etc. Kingdee Cloud Galaxy Ultra adheres to intelligent innovation and has achieved more data application innovations in various scenarios, including intelligent business assistant, intelligent sales forecasting, intelligent monitoring of supply chain risks, big data marketplace, and intelligent supply chain replenishment, etc. Galaxy has made continuous breakthroughs in the specialized and new enterprises, and signed more than 600 new “specialized and new” enterprises to further expanding market share.

During the Reporting Period, Kingdee Cloud Galaxy achieved revenue of approximately RMB922 million, an increase of 17.3% yoy. Galaxy recorded cloud subscription ARR of 28.6% yoy expansion, and net dollar retention (NDR) was 96%. Kingdee Cloud Galaxy expanded its customer base to 34,000, and newly signed Songyang Compressor, Jiangsu Security Technology, COSCO Shipping Special Equipment Manufacturing, Sekrepu Power Battery System, Jietai New Energy, Carbon One New Energy, Haier Yingkang Life Technology, Mitsui Chemicals Compound Plastic, Wagas Catering and other clients.

Joint efforts of small and micro product innovation and ecosystem, Stellar maintained strong momentum

During the Reporting Period, Kingdee Cloud Stellar released its Ultimate version to provide integrated production, supply and marketing solutions for small and micro industrial and trade manufacturing customers. Kingdee Jingdou Cloud released the 2023 version, further strengthening intelligent finance and taxation and digital operations, while upgrading the cloud-native technology architecture to comprehensively improve product reliability, usability, and user experience. The ecosystem of small and micro partners has further developed and grown, with the number of sales channel partners exceeding 2,000.

During the Reporting Period, the financial cloud services of small and micro enterprises continued to grow rapidly and achieved a revenue of approximately RMB501 million with revenue increasing by approximately 31.8% yoy and cloud subscription ARR of 45.0% growth yoy. Within SME financial cloud business, Kingdee Cloud Stellar's revenue increased by approximately 152.9 % yoy and achieved net dollar retention (NDR) of 89%.

Win-win through opening-up, and continuous expansion of Kingdee ecosystem

During the Reporting Period, Kingdee Ecosystem continued to make efforts to reach strategic cooperation with partners, including Runjian, DHC, Alliance PKU, Dahua International, etc., and continued to deepen cooperation with KPMG, EY, iSoftStone, HAND, etc., to construct and improve the implementation ecosystem of Kingdee, promoted high-quality new industrialization. As of the reporting period, more than 2,200 ISV partners have joined Kingdee ISV ecosystem, of which 147 have built product solutions based on the Cosmic platform, connecting the business chain of “research-production-supply-marketing-service” .

Xu Shaochun WeChat Public Account as the starting point to continue honing Kingdee’ s customer success system

Xu Shaochun Public Account set a precedent in enterprise services, establishing a culture of “serving enterprises wholeheartedly” that spans the entire journey of customer experience. During the reporting period, the account received 385 commendations from customers and service complaints dropped 53% year-on-year. Meanwhile, Kingdee continued to optimize the customer success system and improved its timeliness in response to customers’ requests through a series of service innovation and reforms. This continued to contribute to its high level of customer satisfaction. Kingdee Cloud Community will become an online service platform and help more users to solve their own problems and find mutual support.

The Chairman of the Board and CEO of Kingdee Group, Xu Shaochun, stated that in

the first half of 2023, Kingdee continued to focus on cloud subscription services, achieving high-quality growth in its overall business. At the 30th anniversary of its establishment, Kingdee will embark from its heart and move towards becoming a world-class enterprise management cloud SaaS company. Kingdee will actively push forward innovation, based on the Kingdee Cloud Cosmic GPT AI model, helping enterprises build digital competitiveness in the new era of AI and constantly building world-class products,

world-class ecosystem, world-class implementation, world-class service, and world-class reputation, to promote high-quality development of Chinese enterprises through digitalization.

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About Kingdee International Software Group Company Limited

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, 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 management software and cloud services for more than 7.4 million enterprises, governments and organizations across the world.

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