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KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

金蝶國際軟件集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 268)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Directors”) of Kingdee International Software Group Company Limited (“Kingdee” or the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 are as follows:

Financial highlights for the six months ended 30 June 2025

- Revenue increased by approximately 11.2% compared to the same period in 2024 to approximately RMB3,192,499,000
- Gross profit increased by approximately 15.4% year-on-year, while gross profit margin improved by approximately 2.4 percentage points
- As of 30 June 2025, Loss attributable to owners of the Company amounted to approximately RMB 97,738,000, narrowing by approximately 55.1% year-on-year compared to a loss of approximately RMB217,851,000 in the same period in 2024
- Net operating cash flow was an outflow of approximately RMB18,215,000, representing an improvement of approximately 89.0% year-on-year compared to an outflow of approximately RMB166,292,000 in the same period in 2024
- Basic loss per share attributable to owners of the Company amounted to approximately RMB2.78 cents for 1H 2025 (1H 2024: basic loss per share of approximately RMB6.12 cents)

BUSINESS REVIEW AND OUTLOOK

1. Financial Results

For the six months ended 30 June 2025, the Group recorded revenue of approximately RMB3,192,499,000, representing an increase of approximately 11.2% as compared to the same period in 2024 (for the six months ended 30 June 2024: approximately RMB2,870,025,000). Cloud services revenue was approximately RMB2,672,918,000, representing a year-on-year increase of approximately 11.9% (for the six months ended 30 June 2024: approximately RMB2,389,247,000).

For the six months ended 30 June 2025, the loss attributable to owners of the Company was approximately RMB97,738,000 (for the six months ended 30 June 2024: loss attributable to owners of the Company was approximately RMB217,851,000), representing a year-on-year decrease in loss of approximately 55.1%, primarily attributable to the economies of scale in the cloud subscription business and efficiency gains brought by AI.

Basic loss per share attributable to owners of the Company for the period was approximately RMB2.78 cents (for the six months ended 30 June 2024: basic loss per share of approximately RMB6.12 cents).

Net cash flow from operating activities was an outflow of approximately RMB18,215,000 (for the six months ended 30 June 2024: net cash outflow of approximately RMB166,292,000).

2. Strategy Review and Business Highlights

Adhering to its mission of “Empower every enterprise to achieve phenomenal success”, Kingdee is committed to supporting the digital and intelligent transformation of enterprises worldwide through high-quality products and continuously innovative solutions. The Group strives to become “the most trustworthy AI platform for enterprise management”, and advances its strategic themes of “AI First, Subscription First, and Globalization” to achieve high-quality transformation across its ecosystem, business model, and AI capabilities.

As a global leader in Enterprise Management Cloud SaaS solutions, Kingdee has been widely recognized by professional institutions across various sectors. According to the latest enterprise application market tracking reports published by IDC, Kingdee ranked No. 1 in the China market across multiple segments, including SaaS ERP, Financial Cloud, Financial & Accounting Application Cloud, Treasury Management Cloud, EPM, Tax, and PLM Cloud. Notably, Kingdee has maintained the No. 1 market share in IDC China’s SME enterprise application software segment for 21 consecutive years.

Meanwhile, Kingdee became the first and only Chinese vendor included in Gartner’s Market Guide for Discrete Manufacturing PLM Software. In Gartner’s report on high-productivity aPaaS platforms, Kingdee ranked first in China and was the only Asia-Pacific vendor listed among the global top 10. Kingdee was also named among the Top 10 Generative AI Model Vendors in the China market by Gartner and remains the only Chinese enterprise management software company recognized in Gartner’s report on AI Code Assistants.

In addition, Kingdee was honored with the First Prize of the Wu Wenjun Artificial Intelligence Science and Technology Award, the highest award in the field of artificial intelligence in China, further demonstrating the Group’s excellence in AI technological innovation.

(1) Cloud Subscriptions Leading the Industry with Continued High-Quality Growth

During the Reporting Period, Kingdee continued to advance its “Subscription First” strategy by focusing on industry-specific application scenarios and functional demands, and consistently enhancing product performance and service quality. The Group’s cloud subscription revenue increased from approximately RMB1,380 million in the same period of 2024 to approximately RMB1,684 million, representing a year-on-year growth of approximately 22.1%, and accounting for approximately 52.8% of the Group’s total revenue. Cloud subscription ARR (annualized recurring revenue) amounted to approximately RMB3,730 million, representing a yoy growth of 18.5%. The contract liabilities of the cloud subscription business amounted to approximately RMB3,378 million, representing a year-on-year increase of approximately 24.7%.

Kingdee Cloud Cosmic and Kingdee Cloud Constellation have become the preferred choices for numerous SOEs and Top 500 companies, achieving significant breakthroughs in key areas such as high-value domestic substitution in the large enterprise market, dual-layer ERP for group enterprises, and penetrative supervision and treasury management for central SOEs. During the period, 304 new customers were signed, including leading enterprises such as Geely Holding, Mengniu Group, Moutai Tech Development, China Meheco Group, China Paper, Jianlibao, and Longxin Mining. Key projects including AirChina Group, Dongfeng Motor, Yunnan Energy Investment, and Shanxi Coking Coal were successfully implemented, assisting customers in building world-class management systems. During the Reporting Period, Kingdee Cloud Cosmic and Kingdee Cloud Constellation together recorded revenue of approximately RMB845 million, representing a year-on-year increase of approximately 34.3%. Among this, cloud subscription revenue was approximately RMB276 million, up approximately 41.1% year-on-year. The Net Dollar Retention rate (NDR) was 108%.

Kingdee Cloud Galaxy continued to lead the growing enterprise market, serving over 46,000 customers, representing a year-on-year increase of approximately 9.5%. Newly signed 518 customers included national and provincial-level “Little Giant” enterprises and industry leaders such as Hytera, Lao Pu Gold, Tsingteng Micro, Zelos Technology, Sechi Technologies, and Fourier Intelligence. Galaxy Ultra has enabled seamless collaboration across R&D and production, manufacturing and sales, and supply chains. With PLM as the innovation engine, ERP as the central scheduler, and SRM as the supply bridge, it has formed a digital community linking customers, enterprises, and suppliers. This significantly enhanced the manufacturing capabilities across a broader spectrum of industries, particularly demonstrating strong competitiveness in meeting the digital and intelligent manufacturing needs of specialized and sophisticated “Little Giant” enterprises. During the period, Kingdee Cloud Galaxy recorded cloud subscription revenue of approximately RMB740 million, representing a year-on-year growth of approximately 19.0%. The Net Dollar Retention rate (NDR) was 94%.

Kingdee Cloud Stellar and Kingdee Jingdou Cloud maintained rapid growth, with the number of customers reaching 85,000 and 386,000 respectively, representing year-on-year growth of 35.1% and 15.0%, further consolidating their leadership in the SME market. Kingdee Cloud Stellar continued to promote scenario-based innovation, expanding product use cases around core needs such as cost reduction, efficiency enhancement, revenue growth, compliance, and industry adaptation. In response to the production process management needs of small manufacturing clients, Kingdee Cloud Stellar launched associated production and workshop management applications, further improving closed-loop production management. The combined cloud subscription revenue from SME products amounted to approximately RMB537 million, representing a year-on-year increase of approximately 23.8%. The Net Dollar Retention rates (NDR) of Kingdee Cloud Stellar and Kingdee Jingdou Cloud were 93% and 88%, respectively.

(2) AI-Driven Technological Innovation Accelerating Scenario-Based Deployment of Intelligent Agents

Guided by the “AI First” strategy, Kingdee has continued to deeply embed AI technologies across all its SaaS products, services, and operational processes, reconstructing enterprise management through AI. During the Reporting Period, AI contract value exceeded RMB150 million. The Group launched the Cosmic AI Agent Platform 2.0, along with a series of native AI agents such as GoldenKey Financial Report Assistant, ChatBI (Conversational Data Intelligence Agent), Travel Agent, Recruitment Agent, BOSS Assistant, and Quotation Agent. Key clients such as Hisense Group, Tongwei, China Jinmao, and CRRC Tangshan signed up to explore the deep integration of AI with core business operations.

Notably, Kingdee and HBIS Group jointly established the “AI + Management Innovation Center” to develop an intelligent management platform, accelerating the company’s transition to an intelligent management model characterized by real-time perception, smart decision-making, and precise execution. BTMT adopted the “BOSS Assistant + Indicator Platform” AI suite from Kingdee Cloud Galaxy to build a new data-driven + intelligent decision-making model based on the Amoeba Management concept. The system enabled real-time identification of root causes behind operational anomalies, reducing diagnostic time from 2–3 person-days to instant insights, thereby doubling decision-making efficiency.

Kingdee also focused on tax and financial management scenarios for small and micro enterprises—including data collection, bookkeeping, tax filing, compliance, and analysis—realizing end-to-end intelligent support. The AI Assistant has reached an active user base of 170,000 enterprises. Kingdee Cloud Stellar launched AI-powered tax and financial applications, helping thousands of SMEs improve overall bookkeeping efficiency by 80%, invoicing efficiency by 40%, and tax filing efficiency by 60%. Kingdee CreditTech continued to build AI capabilities in enterprise credit assessment, integrating its solutions into multiple fintech scenarios. With its distinctive “Data + Scenario” approach, it successfully signed major financial institutions including China Construction Bank and Bank of Communications. Its “Intelligent Financial Risk Control Foundation Model” was recognized with the First Prize in the Digital China Innovation Competition.

Furthermore, Kingdee strengthened AI collaboration with strategic partners such as Volcano Engine, Alibaba Cloud, and Huawei Cloud to enhance R&D efficiency and large model inference performance, jointly creating applied AI use cases.

(3) Accelerating Global Expansion and Building an Overseas Ecosystem of Partners

Kingdee actively advanced its globalization strategy during the Reporting Period, with strong expansion into overseas markets such as Southeast Asia and the Middle East. Kingdee Cloud Galaxy signed 259 customers which are Chinese enterprises going global and local overseas companies, including Amlogic, UGREEN, SKYWIN Energy, and PT WAL SIN EVERISING, spanning industries such as modern services, equipment manufacturing, and electronic high-tech. Notably, Kingdee provided Singapore-based enterprise SKYWIN with a digital foundation tailored to the bulk commodity trading industry, enabling full-process collaboration between spot and futures transactions, intelligent monitoring and early warning, and centralized global cash management.

Amid the wave of Chinese enterprises expanding globally, Kingdee enhanced its capabilities in standards alignment and data privacy compliance, and established a unified overseas delivery resource pool. This includes the Kingdee online implementation center, the Southeast Asia implementation center, and the overseas implementation ecosystem. Through partnerships in countries such as Malaysia, Philippines, Thailand, and Vietnam, Kingdee has further strengthened its capacity to support successful overseas project implementation. Kingdee has added localized financial & tax applications and language packages for regions and countries including Singapore, Vietnam and Middle East. At the same time, Kingdee introduced global banking partners including Standard Chartered, HSBC, and Deutsche Bank to deepen cooperation in intelligent treasury services, cross-border payments, and fintech innovation, empowering Chinese enterprises in their globalization journey.

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	6	1,730,141	1,744,118
Right-of-use assets	7	208,178	188,074
Intangible assets	6	1,227,297	1,231,892
Investment properties		2,164,691	2,164,691
Investments in associates	8	530,575	523,449
Deferred income tax assets		123,249	102,696
Financial assets at fair value through profit or loss	9	862,307	872,587
Financial assets at fair value through other comprehensive income		4,463	4,463
Trade and other receivables	10	76,497	92,656
Loans to third parties	10	138,393	130,255
Long-term bank deposits		<u>1,094,000</u>	<u>1,094,000</u>
		<u>8,159,791</u>	<u>8,148,881</u>
Current assets			
Inventories		41,683	46,165
Trade and other receivables	10	437,440	416,239
Loans to third parties	10	266,332	240,862
Contract assets		373,880	365,707
Contract obtaining costs		1,022,010	906,426
Financial assets at fair value through profit or loss	9	710,437	575,561
Pledged bank deposits		19,377	14,472
Short-term bank deposits		751,677	1,537,000
Cash and cash equivalents		<u>1,673,106</u>	<u>1,529,682</u>
		<u>5,295,942</u>	<u>5,632,114</u>
Total assets		<u>13,455,733</u>	<u>13,780,995</u>

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	13	-	-
Lease liabilities	7	21,123	25,961
Deferred income tax liabilities		142,400	146,435
		163,523	172,396
Current liabilities			
Trade and other payables	12	1,197,220	1,487,683
Contract liabilities		3,991,174	3,723,569
Borrowings	13	-	205,082
Lease liabilities	7	26,381	22,291
Current income tax liabilities		15,380	16,242
Deferred income		32,812	24,951
		5,262,967	5,479,818
Total liabilities		5,426,490	5,652,214
Net assets		8,029,243	8,128,781
Equity			
Equity attributable to owners of the Company			
Share capital	11	85,228	86,068
Share premium	11	5,934,432	6,174,163
Other reserves		1,161,525	911,387
Retained earnings		780,600	878,338
		7,961,785	8,049,956
Non-controlling interests		67,458	78,825
Total equity		8,029,243	8,128,781

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Notes	2025	2024
		RMB'000	RMB'000
Revenue from contracts with customers	14	3,192,499	2,870,025
Cost of sales	15	<u>(1,097,158)</u>	<u>(1,054,838)</u>
Gross profit		<u>2,095,341</u>	<u>1,815,187</u>
Selling and marketing expenses	15	(1,263,898)	(1,224,514)
Administrative expenses	15	(346,049)	(249,036)
Net impairment losses on financial assets and contract assets	15	(20,792)	(23,941)
Research and development costs	15	(775,514)	(806,695)
Other income and gains - net	16	136,223	171,939
Finance income		36,627	58,138
Finance costs		<u>(2,627)</u>	<u>(10,416)</u>
Finance income - net		34,000	47,722
Share of profits of associates – net	8	<u>7,126</u>	<u>6,053</u>
Loss before income tax		(133,563)	(263,285)
Income tax credit	17	<u>24,458</u>	<u>24,707</u>
Loss for the period		<u>(109,105)</u>	<u>(238,578)</u>
Loss attributable to:			
Owners of the Company		(97,738)	(217,851)
Non-controlling interests		<u>(11,367)</u>	<u>(20,727)</u>
		<u>(109,105)</u>	<u>(238,578)</u>
Loss per share for loss attributable to owners of the Company (expressed in RMB cents per share)			
– Basic	18	<u>(2.78)</u>	<u>(6.12)</u>
– Diluted	18	<u>(2.78)</u>	<u>(6.12)</u>

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Loss for the period	<u>(109,105)</u>	<u>(238,578)</u>
Items that may be reclassified to profit or loss		
- Currency translation differences	<u>4,922</u>	<u>(3,526)</u>
Other comprehensive income/(loss) for the period	<u>4,922</u>	<u>(3,526)</u>
Total comprehensive loss for the period	<u>(104,183)</u>	<u>(242,104)</u>
Total comprehensive loss attributable to:		
- Owners of the Company	(92,816)	(221,377)
- Non-controlling interests	<u>(11,367)</u>	<u>(20,727)</u>
	<u><u>(104,183)</u></u>	<u><u>(242,104)</u></u>

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited						
		Attributable to owners of the Company					Non-	
		Share	Share	Other	Retained		controlling	Total
Notes		capital	premium	reserves	earnings	Total	interests	equity
Balance at 1 January 2025		86,068	6,174,163	911,387	878,338	8,049,956	78,825	8,128,781
Loss for the period		-	-	-	(97,738)	(97,738)	(11,367)	(109,105)
Other comprehensive loss								
Currency translation differences		-	-	4,922	-	4,922	-	4,922
Total comprehensive loss		-	-	4,922	(97,738)	(92,816)	(11,367)	(104,183)
Transactions with owners								
Employees share option scheme:								
- Proceeds from shares issued	11	56	10,044	-	-	10,100	-	10,100
Share award plan:								
- Value of employee services received	11	-	51,169	-	-	51,169	-	51,169
- Transfer shares to the awardees upon vesting	11	-	(83,659)	82,507	-	(1,152)	-	(1,152)
- Shares purchased for share award plan		-	-	(18,372)	-	(18,372)	-	(18,372)
Buy-back of shares		-	-	(37,100)	-	(37,100)	-	(37,100)
Cancellation of shares	11	(896)	(217,285)	218,181	-	-	-	-
Total transactions with owners		(840)	(239,731)	245,216	-	4,645	-	4,645
Balance at 30 June 2025		85,228	5,934,432	1,161,525	780,600	7,961,785	67,458	8,029,243

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited						
		Attributable to owners of the Company				Non-		
	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	Total equity
Balance at 1 January 2024		87,098	6,512,406	979,146	1,020,406	8,599,056	103,096	8,702,152
Loss for the period		-	-	-	(217,851)	(217,851)	(20,727)	(238,578)
Other comprehensive loss								
Currency translation differences		-	-	(3,526)	-	(3,526)	-	(3,526)
Total comprehensive loss		-	-	(3,526)	(217,851)	(221,377)	(20,727)	(242,104)
Transactions with owners								
Employees share option scheme:								
- Proceeds from shares issued	11	40	6,259	-	-	6,299	-	6,299
Share award plan:								
- Value of employee services received	11	-	43,205	-	-	43,205	-	43,205
- Transfer shares to the awardees upon vesting	11	-	(69,158)	69,310	-	152	-	152
- Shares purchased for share award plan		-	-	(120,992)	-	(120,992)	-	(120,992)
Buy-back of shares		-	-	(359,589)	-	(359,589)	-	(359,589)
Cancellation of shares	11	(878)	(298,841)	299,719	-	-	-	-
Equity transactions with non-controlling interests		-	-	-	-	-	18,000	18,000
Total transactions with owners		(838)	(318,535)	(111,552)	-	(430,925)	18,000	(412,925)
Balance at 30 June 2024		86,260	6,193,871	864,068	802,555	7,946,754	100,369	8,047,123

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cash flows from operating activities:		
Cash generated from operations	(15,899)	(153,311)
Interest paid	(1,306)	(9,080)
Income tax paid	(1,010)	(3,901)
Net cash outflow from operating activities	(18,215)	(166,292)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(54,928)	(136,756)
Proceeds from disposals of property, plant and equipment	71	932
Purchases of intangible assets	(262,704)	(288,419)
Pledged and short-term bank and long-term bank deposits withdrawn/(placed) - net	780,418	(203,884)
Interest received	108,088	59,555
Purchases of financial assets at fair value through profit or loss	(2,448,100)	(86,996)
Proceeds from disposal of financial assets at fair value through profit or loss	2,333,230	4,762
Net cash inflow/(outflow) from investing activities	456,075	(650,806)
Cash flows from financing activities:		
Proceeds from share options exercised	10,100	6,299
Transaction with non-controlling interests	-	18,000
Proceeds from borrowings	-	3,684
Repayments of borrowings	(200,000)	(417,300)
Principal elements of lease payments	(47,373)	(18,803)
Payments for purchase of shares for share award plan	(18,372)	(120,992)
Payments for buy-back of shares	(37,100)	(359,589)
Net cash outflow from financing activities	(292,745)	(888,701)
Net increase/ (decrease) in cash and cash equivalents	145,115	(1,705,799)
Effects of exchange rate changes on cash and cash equivalents	(1,691)	574
Cash and cash equivalents at beginning of the period	1,529,682	2,963,723
Cash and cash equivalents at end of the period	1,673,106	1,258,498

Notes to the condensed consolidated interim financial information

1. General information

Kingdee International Software Group Company Limited (the “Company”) was incorporated in the Cayman Islands in 1999 as an exempted company with limited liability. The address of its office is Kingdee Software Park, 2 Keji 12th Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People’s Republic of China (the “PRC”).

The Company is an investment holding company. The Company and its subsidiaries (together the “Group”) are principally engaged in the Cloud Subscriptions, which encompass Cloud Subscription; and Products, Implementation and Others, including the sales of software and hardware products, provision of software implementation, software solution consulting, maintenance, upgrade and other supporting services, and others.

The Company has its primary listing on the Stock Exchange of Hong Kong Limited since 15 February 2001.

These unaudited condensed consolidated interim financial statements are presented in thousands of Renminbi (RMB’000), unless otherwise stated. These unaudited condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 11 August 2025.

This condensed consolidated interim financial information has not been audited.

2. Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34, ‘Interim financial reporting’. The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3. Significant accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for below stated.

- (a) The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2025

- Lack of Exchangeability — Amendments to IAS 21

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Notes to the condensed consolidated interim financial information**3. Significant accounting policies (continued)**

(b) New standards and interpretations not yet been adopted

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards–Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
FRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate	To be determined

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the six months ended 30 June 2025 and have not been early adopted by the Group. The Group has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18 which will impact the presentation of profit and loss statements. The Group is still in progress of evaluating the impact of IFRS 18.

Taxes on income for the interim period are accrued using the tax rates that would be applicable to expected total annual assessable profits.

4. Estimates

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5. Segment information

The chief operating decision-maker has been identified as executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Notes to the condensed consolidated interim financial information**5. Segment information (continued)**

Starting from 2025, the Group has revised its internal reporting structure to separately measure and review the performance of Cloud Subscriptions and Products, Implementation and Others as independent segments. Previously, both Cloud Subscriptions and Products, Implementation and Others were included within the Cloud Services, ERP and Investment segments for segment results measurement. Accordingly, the Group has identified the following operating segments and has recasted the comparative segment information to align with the updated segment structure.

The Group has identified the following operating segments:

Cloud Subscriptions	—	Including cloud subscriptions
Products, Implementation and Others	—	Including sales of software and hardware products, provision of software implementation, software solution consulting, maintenance, upgrade and other supporting services, and others

The chief operating decision-maker assesses the performance of the operating segments based on the gross profit for the period of each segment. There were no segment assets and segment liabilities information provided to the chief operating decision-maker, as chief operating decision-maker does not use this information to allocate resources or to evaluate the performance of the operating segments.

The unaudited segment information for the six months ended 30 June 2025 is as follows:

	Cloud Subscriptions	Products, Implementation and Others	The Group Total
	RMB'000	RMB'000	RMB'000
Revenue	1,684,262	1,508,237	3,192,499
Cost of sales	(63,666)	(1,033,492)	(1,097,158)
Gross profit	1,620,596	474,745	2,095,341

The unaudited segment information for the six months ended 30 June 2024 is as follows:

	Cloud Subscriptions	Products, Implementation and Others	The Group Total
	RMB'000	RMB'000	RMB'000
Revenue	1,379,747	1,490,278	2,870,025
Cost of sales	(65,515)	(989,323)	(1,054,838)
Gross profit	1,314,232	500,955	1,815,187

Notes to the condensed consolidated interim financial information**5. Segment information (continued)**

Revenue from external customers from the PRC and other locations is RMB3,150,889,000 (the same period in 2024: RMB2,847,927,000) and RMB41,610,000 (the same period in 2024: RMB22,098,000), respectively for the six months period ended 30 June 2025.

There is no single customer that contributed to over 10% of the Group's revenue for the six months period ended 30 June 2025 and 30 June 2024.

6. Property, plant, equipment and intangible assets**(a) Property, plant and equipment**

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening net book amount at 1 January	1,744,118	1,919,498
Additions	39,464	135,167
Disposals	(2,693)	(2,305)
Depreciation	(50,748)	(28,784)
Closing net book amount at 30 June	1,730,141	2,023,576

(b) Intangible assets

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening net book amount at 1 January	1,231,892	1,231,955
Additions	262,863	289,181
Amortisation	(267,458)	(247,409)
Closing net book amount at 30 June	1,227,297	1,273,727

Notes to the condensed consolidated interim financial information**7. Leases**

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Right-of-use assets		
Land use rights (i)	133,206	135,478
Buildings	47,472	52,596
Others	27,500	-
	208,178	188,074
Lease liabilities		
Current	26,381	22,291
Non-current	21,123	25,961
	47,504	48,252

Additions to the right-of-use assets during the six months ended 30 June 2025 were RMB40,791,000.

- (i) The Group has land lease arrangement with mainland China government. The land use rights are located in the PRC and held on leases of between 27 to 38 years, and for self-use.

(b) Amounts recognised in the statement of profit or loss

The income statement shows the following amounts relating to leases:

	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets		
Land	2,777	2,781
Buildings	16,108	14,103
Others	786	-
	19,671	16,884
Interest expense (included in finance cost)	1,315	1,826
Expense relating to short-term leases	2,566	2,654

The total cash outflow for leases in six months ended 30 June 2025 was RMB50,067,000 (the six months ended 30 June 2024: RMB21,590,000).

Notes to the condensed consolidated interim financial information**7. Leases (continued)****(c) The Group's leasing activities and how these are accounted for**

The Group leases various offices. Rental contracts are typically made for fixed periods of 1 to 8 years, but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(d) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

8. Investments in associates

The carrying amount of equity-accounted investments has changed as follows for the six months ended 30 June 2025:

	Unaudited Six months ended 30 June 2025 RMB'000
At 1 January	523,449
Additions	-
Disposal	-
Share of profit of associates - net	<u>7,126</u>
At 30 June	<u>530,575</u>

All the associates of the Group are unlisted and operate in Mainland China. There are no significant contingent liabilities relating to liabilities of the associates for which the Group is severally liable.

Notes to the condensed consolidated interim financial information**9. Financial assets at fair value through profit or loss****(a) Classification of financial assets at fair value through profit or loss**

For the six months ended 30 June 2025, the Group classifies the following financial assets at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

Financial assets measured at FVPL include the following:

	Unaudited			
	Level 1(i) RMB'000	Level 2(i) RMB'000	Level 3(i) RMB'000	Total RMB'000
At 30 June 2025				
Financial assets at fair value through profit or loss				
Wealth management products(ii)	-	-	602,544	602,544
Listed equity securities	107,893	-	-	107,893
Unlisted equity investment	-	-	862,307	862,307
	107,893	-	1,464,851	1,572,744
Less: non-current portion	-	-	(862,307)	(862,307)
Current portion	107,893	-	602,544	710,437
	Audited			
	Level 1(i) RMB'000	Level 2(i) RMB'000	Level 3(i) RMB'000	Total RMB'000
At 31 December 2024				
Financial assets at fair value through profit or loss				
Wealth management products(ii)	-	-	480,188	480,188
Listed equity securities	95,373	-	-	95,373
Unlisted equity investment	-	-	872,587	872,587
	95,373	-	1,352,775	1,448,148
Less: non-current portion	-	-	(872,587)	(872,587)
Current portion	95,373	-	480,188	575,561

Notes to the condensed consolidated interim financial information**9. Financial assets at fair value through profit or loss (continued)**

(i) The table analyses the Group's financial instruments carried at fair value as at 30 June 2025 and 31 December 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Discounted cash flow analysis.

(ii) This represented the Group's investments in various wealth management products issued by commercial banks and state-owned financial institutions. These products have a term ranging from 1 month to 12 months. They have an expected return rate ranging from 0.50% to 2.85%. No single wealth management product investment accounted for over 5% of the Group's total assets. The fair values of these investments were determined based on income approach.

(b) The following table presents the changes in level 3 instruments for the six months ended 30 June 2025.

	Unaudited Financial assets at fair value through profit or loss RMB'000
At 1 January 2025	1,352,775
Additions	2,448,100
Disposals	(2,333,230)
Gains recognised in profit or loss	(2,794)
At 30 June 2025	1,464,851
Changes in unrealised gains for the period included in profit or loss at the end of the period	(2,794)

Notes to the condensed consolidated interim financial information**9. Financial assets at fair value through profit or loss (continued)****(b) The following table presents the changes in level 3 instruments for the six months ended 30 June 2025. (continued)**

	Unaudited Financial assets at fair value through profit or loss RMB'000
At 1 January 2024	970,748
Additions	87,000
Disposals	(6,000)
Gains recognised in profit or loss	194
At 30 June 2024	<u>1,051,942</u>
Changes in unrealised gains for the period included in profit or loss at the end of the period	<u>194</u>

10. Trade and other receivables and loans to third parties

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables (a)	307,993	272,415
Less: allowance for impairment of trade receivables	<u>(128,308)</u>	<u>(131,463)</u>
Trade receivables - net	179,685	140,952
Notes receivable	61,684	40,396
Advances to employees	6,598	5,816
Prepayments	83,540	63,199
VAT recoverable	24,150	27,600
Interest receivables	106,518	181,565
Receivables from related parties (Note 20(c))	10,292	10,027
Receivables from non-controlling interests	40,403	40,403
Others	24,285	18,235
Less: allowance for impairment of other receivables (excluding prepayments)	<u>(23,218)</u>	<u>(19,298)</u>
	513,937	508,895
Less: non-current portion	<u>(76,497)</u>	<u>(92,656)</u>
Current portion	<u>437,440</u>	<u>416,239</u>
Loans to third parties (b)		
- Current portion	266,332	240,862
-Non-current portion	<u>138,393</u>	<u>130,255</u>
	<u>404,725</u>	<u>371,117</u>

Notes to the condensed consolidated interim financial information**10. Trade and other receivables and loans to third parties (Continued)**

- (a) Sales are generally made without prescribed credit terms in the sales contracts but customers usually take one to three months to settle the receivables. The aging analysis of trade receivables were as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
0-90 days	133,962	113,172
91-180 days	11,139	12,894
181- 360 days	28,087	8,772
Over 360 days	134,805	137,577
	307,993	272,415

(b) The loans to third parties

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Loans to third parties	408,813	374,866
Less: Provisions for collective impairment assessment of the loans	(4,088)	(3,749)
Loans to third parties, net of provision	404,725	371,117
Less: non-current portion	(138,393)	(130,255)
Current portion	266,332	240,862

The loans to third parties represented loans made under the micro-credit business, which bear interest from 8.00% to 24.00% (31 December 2024: 4.28% to 24.00%) per annum and are repayable with fixed terms agreed with the customers, and all denominated in RMB.

The fair values of the loans to third parties approximated their carrying amounts. The interest accrued was due within 12 months and presented in interest receivables.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

The Group performed expected credit loss assessment of loans to third parties collectively by grouping loans with similar credit risk characteristics. During the six months ended 30 June 2025 and 2024, the majority of the loans were in stage 1 and there was no significant change in credit quality for loans for both periods.

Notes to the condensed consolidated interim financial information

11. Share capital and share premium

	Unaudited			
	Number of shares (thousands)	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2025	3,586,015	86,068	6,174,163	6,260,231
Employee share option scheme				
- Proceeds from shares issued	2,344	56	10,044	10,100
Share award plan				
- Value of services received	-	-	51,169	51,169
- Transfer shares to the awardees upon vesting	-	-	(83,659)	(83,659)
Cancellation of shares	(38,889)	(896)	(217,285)	(218,181)
At 30 June 2025	3,549,470	85,228	5,934,432	6,019,660
At 1 January 2024	3,631,348	87,098	6,512,406	6,599,504
Employee share option scheme				
- Proceeds from shares issued	1,708	40	6,259	6,299
Share award plan				
- Value of services received	-	-	43,205	43,205
- Transfer shares to the awardees upon vesting	-	-	(69,158)	(69,158)
Cancellation of shares	(38,695)	(878)	(298,841)	(299,719)
At 30 June 2024	3,594,361	86,260	6,193,871	6,280,131

12. Trade and other payables

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade payables ((a) and (b))	75,358	82,595
Note payables	33,445	105,893
Salary and staff welfare payables	176,344	301,335
Deposits payable	209,808	219,659
Accrual for expenses	355,687	391,521
Construction payables (c)	290,030	311,275
Unpaid business acquisition consideration	4,000	4,000
Others	52,548	71,405
	1,197,220	1,487,683

- (a) The fair values of trade and other payables approximate their carrying amounts. The carrying amounts of the Group's trade and other payables are mainly denominated in RMB.

Notes to the condensed consolidated interim financial information**12. Trade and other payables (continued)**

(b) As at 30 June 2025 and 31 December 2024, the aging analysis of trade payables is as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
0-180 days	67,981	75,556
181- 360 days	3,328	2,321
Over 360 days	4,049	4,718
	<u>75,358</u>	<u>82,595</u>

(c) It mainly represents the Group's payables to the construction company for the construction costs incurred relating to Kingdee Cloud Building.

13. Borrowings

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Non-current		
Bank borrowings- unsecured	-	200,000
Less: current portion of long-term bank borrowings	-	(200,000)
	<u>-</u>	<u>-</u>
Current		
Bank borrowings- unsecured	-	5,082
Current portion of long-term bank borrowings	-	200,000
	<u>-</u>	<u>205,082</u>

As at 30 June 2025 and 31 December 2024, the Group's bank borrowings were repayable as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Within 1 year	-	205,082
	<u>-</u>	<u>205,082</u>

Notes to the condensed consolidated interim financial information**13. Borrowings (continued)**

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
RMB	<u>-</u>	<u>205,082</u>

The Group's bank borrowings bear average interest rate of 2.25% .

As at 30 June 2025, the Group has no outstanding bank borrowings (At 31 December 2024: Bank borrowings are at floating rates and the exposure of the Group's bank borrowings to interest-rate changes and the contractual repricing dates at the balance sheet dates are within 1 year).

14. Revenue from contracts with customers

	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Cloud Subscriptions	1,684,262	1,379,747
Products, Implementation and Others	<u>1,508,237</u>	<u>1,490,278</u>
	<u>3,192,499</u>	<u>2,870,025</u>

Notes to the condensed consolidated interim financial information**15. Expenses by nature**

Significant expense items are analysed as follows:

	Unaudited	
	Six months ended 30	
	June	
	2025	2024
	RMB'000	RMB'000
Research and development costs		
Amounts incurred	778,822	852,021
Less: development costs capitalised	(260,865)	(286,399)
Add: amortisation	257,557	241,073
	775,514	806,695
Employee benefit expenses (excluding research and development costs)	1,395,342	1,583,044
Outsourcing services	261,134	249,049
Cost of inventories consumed and rental cost of cloud server	115,098	96,627
Depreciation of property, plant and equipment (Note 6(a))	50,748	28,784
Depreciation of right-of-use assets (Note 7(b))	19,671	16,884
Amortisation of trademarks, computer software, licenses, copyrights and customer relationship	9,901	6,336
Net impairment losses on financial assets and contract assets	20,792	23,941

16. Other income and gains – net

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Other income		
VAT refund and Program research income	82,859	135,283
Rental income	39,604	27,137
	122,463	162,420
Other gains		
Realised and unrealised net gains/ (losses) on financial assets at FVPL	9,697	6,853
Net foreign exchange (losses) /gains	(1,842)	126
Others	5,905	2,540
	13,760	9,519
	136,223	171,939

Notes to the condensed consolidated interim financial information

17. Income tax credit

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax	130	(2,906)
Deferred income tax	(24,588)	(21,801)
	<u>(24,458)</u>	<u>(24,707)</u>

- (a) No provision for profits tax in the Cayman Islands and Hong Kong has been made as the Group has no assessable profits for the period in those jurisdictions.
- (b) According to regulation (Fa Gai Gao Ji [2025] No.385) issued by the National Development and Reform Commission, the entity can register for the National Important Software Enterprise (“NISE”) in tax bureau if the entity complies with relevant requirements with a tax rate of 10%. Based on management’s assessment, it is highly probable that Kingdee China will meet those requirements. Therefore, Kingdee China used a preferential deferred income tax rate of 10% for the six months ended 30 June 2025. The application of preferential tax rate stated above is subject to critical estimates of the management of the Group.
- (c) Kingdee Deeking Cloud Computing Co., Ltd., Kingdee Apusic Cloud Computing Co.,Ltd., Shanghai Guanyi Cloud Computing Software Co., Ltd., Beijing Kingdee Yunji Technology Co., Ltd. were each qualified as a High-tech Enterprise and were entitled to a preferential tax rate of 15% for the period ended 30 June 2025.
- (d) According to the relevant requirements of the “Notice of the State Council on Printing and Distributing Several Policies for Promoting the Highquality Development of the Integrated Circuit Industry and Software Industry in the New Era” (Guo Fa [2020] No. 8), the entity can register for the National Important Software Enterprise (“NISE”) in tax bureau if the entity complies with relevant requirements with a tax exemption. Based on management’s assessment, it is highly probable that Kingdee Cloud Technology will meet those requirements. Therefore, Kingdee Cloud Technology used a preferential corporate income tax exemption for the six months ended 30 June 2025. The application of preferential tax rate stated above is subject to critical estimates of the management of the Group.

Notes to the condensed consolidated interim financial information**18. Losses per share****(a) Basic**

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased and held for share award plan.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	(97,738)	(217,851)
Weighted average number of ordinary shares in issue (thousands)	3,512,972	3,562,560
Basic loss per share (RMB cents per share)	(2.78)	(6.12)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and share awards. For the share options and share awards, the number of shares that could have been issued upon the exercise of all dilutive share options and share awards less the number of shares that could have been issued at fair value (determined as the average annual market share price of the Company's shares) for the same total proceeds is added to the denominator as the number of ordinary shares issued for no consideration.

As the Group incurred loss for the six months ended 30 June 2025 and 2024, the potential share options and share awards were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2025 and 2024 was the same as basic loss per share of the respective period.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	(97,738)	(217,851)
Loss used to determine diluted loss per share (RMB'000)	(97,738)	(217,851)
Weighted average number of ordinary shares in issue (thousands)	3,512,972	3,562,560
Adjustment for:		
- share options (thousands)	-	-
- share awards (thousands)	-	-
Weighted average number of ordinary shares for diluted loss per share (thousands)	3,512,972	3,562,560
Diluted loss per share(RMB cents per share)	(2.78)	(6.12)

Notes to the condensed consolidated interim financial information**19. Dividends**

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (the six months ended 30 June 2024: Nil).

20. Related party transactions

The Group had transactions with related parties for the period ended 30 June 2025 as follows:

(a) Transactions with related parties

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Sales of products		
– Associates	-	139
– Companies controlled by Directors	<u>521</u>	<u>1,321</u>
	<u>521</u>	<u>1,460</u>
Sales of services		
– Associates	1,452	917
– Companies controlled by Directors	<u>194</u>	<u>178</u>
	<u>1,646</u>	<u>1,095</u>
Rental income		
– Associates	1,035	1,455
– Companies controlled by Directors	<u>1,119</u>	<u>1,132</u>
	<u>2,154</u>	<u>2,587</u>

Products and services are sold based on the terms agreed with the counterparties in the ordinary course of business, and the rental rates and interest rates are determined in the same way.

(b) Purchase of products and services

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Purchase of products		
– Associates	1,154	1,136
– Companies controlled by Directors	<u>11</u>	<u>-</u>
	<u>1,165</u>	<u>1,136</u>
Purchase of services		
– Associates	26,504	23,433
– Companies controlled by Directors	<u>41</u>	<u>-</u>
	<u>26,545</u>	<u>23,433</u>

Products and services are purchased from associates and companies controlled by Directors are carried out on terms agreed with the counterparties in the ordinary course of business.

Notes to the condensed consolidated interim financial information**20. Related party transactions (continued)****(c) Balances with related parties**

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Payable to related parties recorded in “Contract Liabilities”	2,132	1,718
– Associates	1,503	887
– Companies controlled by Directors	3,635	2,605
Payable to related parties recorded in “Trade payables”		
– Associates	5,071	743
– Companies controlled by Directors	152	442
	5,223	1,185
Receivables from related parties (Note10)		
– Associates	10,212	9,947
– Companies controlled by Directors	80	80
	10,292	10,027

The above balances with related parties were interest free, unsecured and repayable on demand.

MANAGEMENT DISCUSSION & ANALYSIS

1. Key Financial Information

Revenue

For the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB3,192,499,000, representing a year-on-year increase of approximately 11.2% (for the same period in 2024: approximately RMB 2,870,025,000). Revenue from the cloud subscription business increased by approximately 22.1% year-on-year to approximately RMB1,684,262,000 (for the same period in 2024: approximately RMB 1,379,747,000). Revenue from products, implementation and others amounted to approximately RMB1,508,237,000 (for the same period in 2024: approximately RMB 1,490,278,000), representing a year-on-year increase of approximately 1.2%.

The unaudited segment information for the six months ended 30 June 2025 is as follows:

	Cloud Subscriptions	Products, Implementatin and Others	The Group Total
	RMB'000	RMB'000	RMB'000
Revenue	1,684,262	1,508,237	3,192,499
Cost of sales	(63,666)	(1,033,492)	(1,097,158)
Gross profit	<u>1,620,596</u>	<u>474,745</u>	<u>2,095,341</u>

The unaudited segment information for the six months ended 30 June 2024 is as follows:

	Cloud Subscriptions	Products, Implementatin and Others	The Group Total
	RMB'000	RMB'000	RMB'000
Revenue	1,379,747	1,490,278	2,870,025
Cost of sales	<u>(65,515)</u>	<u>(989,323)</u>	<u>(1,054,838)</u>
Gross profit	<u>1,314,232</u>	<u>500,955</u>	<u>1,815,187</u>

Gross profit

The Group recorded a gross profit of approximately RMB2,095,341,000 (for the same period in 2024: approximately RMB1,815,187,000), representing a year-on-year increase of approximately 15.4%. The gross profit margin improved by 2.4 percentage points to approximately 65.6% (for the same period in 2024: approximately 63.2%), primarily attributable to a higher proportion of revenue contributed by the cloud subscription business.

Selling and marketing expenses

During the Reporting Period, selling and marketing expenses amounted to approximately RMB1,263,898,000 (for the same period in 2024: approximately RMB1,224,514,000), representing a year-on-year increase of approximately 3.2%. As a percentage of total revenue, selling and marketing expenses decreased from 42.7% in the first half of 2024 to 39.6% in the first half of 2025.

Administrative expenses

During the Reporting Period, administrative expenses were approximately RMB346,049,000, representing a year-on-year increase of approximately 39.0% (for the same period in 2024: RMB 249,036,000). As a percentage of total revenue, administrative expenses increased from 8.7% in the first half of 2024 to 10.8% in the first half of 2025, primarily due to an increase in termination benefits resulting from headcount optimisation initiatives undertaken during the Reporting Period.

Research and development expenses

During the Reporting Period, the total R&D costs amounted to approximately RMB778,822,000, representing a year-on-year decrease of approximately 8.6% (the same period in 2024: approximately RMB852,021,000). The R&D capitalization rate decreased to 33.5% (the same period in 2024: 33.6%), with the capitalized amount reaching approximately RMB260,865,000, representing a year-on-year decrease of 8.9% (the same period in 2024: RMB286,399,000). The amortization of R&D costs during the reporting period was approximately RMB257,557,000, representing a year-on-year increase of 6.8% (the same period in 2024: approximately RMB241,073,000). The R&D costs recognized in the consolidated income statement amounted to approximately RMB775,514,000, representing a year-on-year decrease of approximately 3.9% (the same period in 2024: approximately RMB806,695,000). The percentage of R&D expenses relative to total revenue decreased from 28.1% in the first half of 2024 to 24.3% in the first half of 2025.

Other Income and Gains – Net

During the Reporting Period, other income and gains - net amounted to approximately RMB136,223,000, representing a year-on-year decrease of approximately 20.8% (the same period in 2024: approximately RMB171,939,000).

Finance Income - Net

During the Reporting Period, net finance income amounted to approximately RMB34,000,000, compared to net finance income of approximately RMB47,722,000 in the same period of 2024.

Income Tax Credit

During the Reporting Period, there was an income tax credit of approximately RMB24,458,000 (the same period in 2024: income tax credit of approximately RMB24,707,000).

Loss and Basic Loss per Share

For the six months ended 30 June 2025, the loss attributable to owners of the Group for 1H 2025 was approximately RMB97,738,000 (the same period in 2024: loss of approximately RMB217,851,000), representing a net loss margin attributable to the parent company of approximately 3.1% (the same period in 2024: net loss margin of approximately 7.6%). The basic loss per share was approximately RMB2.78 cents (the same period in 2024: basic loss of RMB6.12 cents per share).

Financial Assets at Fair Value through Profit or Loss

As of 30 June 2025, the Group's financial assets measured at fair value through profit or loss amounted to approximately RMB1,572,744,000, representing an increase of RMB124,596,000 as compared to 31 December 2024. This includes a non-current portion of approximately RMB862,307,000 (31 December 2024: approximately RMB872,587,000) and a current portion of approximately RMB710,437,000 (31 December 2024: approximately RMB575,561,000).

Financial assets measured at FVPL include the following:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Financial assets at fair value through profit or loss		
Wealth management products (i)	602,544	480,188
Listed equity securities	107,893	95,373
Unlisted equity investments	862,307	872,587
	1,572,744	1,448,148
Less: non-current portion	(862,307)	(872,587)
	710,437	575,561

- (i) This represented the Group's investments in various wealth management products issued by commercial banks and state-owned financial institutions. These products have a term ranging from 1 month to 12 months with an expected annual return rate ranging from 0.50% to 2.85%. No single wealth management product investment accounted for over 5% of the Group's total assets. The fair value of these investments is determined based on the income approach.

Investments in Associates

As of 30 June 2025, the book value of investments in associates changed as follows:

	Unaudited Six months ended 30 June 2025 RMB'000
At 1 January	523,449
Additions	-
Disposals	-
Share of profits of associates - net	<u>7,126</u>
At 30 June	<u>530,575</u>

All the associates of the Group are unlisted and operate in Mainland China. There are no significant contingent liabilities relating to liabilities of the associates for which the Group is severally liable.

Contract Assets

During the Reporting Period, as of 30 June 2025, the Group's contract assets amounted to approximately RMB373,880,000, compared to the corresponding contract assets of approximately RMB365,707,000 as of 31 December 2024.

Loans to Third Parties

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Loans to third parties	408,813	374,866
Less: provision for collective impairment assessment of the loans	(4,088)	(3,749)
Loans to third parties, net of provision	404,725	371,117
Less: non-current portion	(138,393)	(130,255)
Current portion	<u>266,332</u>	<u>240,862</u>

The loans to third parties represented loans made under the micro-credit business, which bear interest from 8.00% to 24.00% (31 December 2024: 4.28% to 24.00%) per annual and are repayable with fixed terms agreed with the customers, and all denominated in RMB.

The fair values of the loans to third parties approximated their carrying amounts. The interest accrued was due within 12 months and presented in interest receivables.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Contract Liabilities

During the Reporting Period, as of 30 June 2025, the Group's contract liabilities amounted to approximately RMB3,991,174,000. The corresponding contract liabilities as of 31 December 2024, were approximately RMB3,723,569,000. The increase in contract liabilities during the reporting period was primarily due to the growth in the Group's cloud subscriptions.

Liquidity, Financial and Capital Resources

As at 30 June 2025, the Group recorded a total cash and bank deposits of RMB3,538,160,000 (31 December 2024: RMB4,175,154,000). As at 30 June 2025, the Group held asset management products of RMB602,544,000 (31 December 2024: RMB480,188,000). A substantial part of the Group's cash, bank deposit and wealth management products were denominated in RMB and the RMB-equivalent of the part denominated in foreign currencies were approximately RMB157,802,000 as at 30 June 2025 (31 December 2024: RMB59,813,000), which were mainly denominated in US dollar and Hong Kong dollar.

As at 30 June 2025, the net current assets of the Group amounted to approximately RMB32,975,000 (31 December 2024: RMB152,296,000). As at 30 June 2025, the current ratio of current assets over current liabilities was approximately 1.01.

As at 30 June 2025, the Group has no outstanding bank borrowings. (31 December 2024: RMB205,082,000).

Cash Flow and Fair Value Interest Rate Risk

The Group's exposure to interest rate risk primarily arises from its borrowings. Borrowings at variable interest rates expose the Group to cash flow interest rate risk, whereas borrowings at fixed interest rates expose the Group to fair value interest rate risk.

Currently, the Group does not use any interest rate swaps to hedge against its interest rate risk exposure. However, the Group will consider hedging significant interest rate exposures when necessary.

Foreign Exchange Risk

The functional currency of the Company and its major subsidiaries is Renminbi ("RMB"). The Group derives a majority of its revenue from operations in the People's Republic of China.

Foreign exchange risk refers to the risk of loss resulting from changes in foreign currency exchange rates. The Group's financial condition and operating results may be affected by fluctuations in exchange rates between RMB and other currencies. The Group is primarily exposed to exchange rate risks arising from USD/RMB and HKD/RMB currency pairs.

The Group does not currently adopt a formal foreign currency hedging policy. Nevertheless, management monitors foreign exchange risk and will implement hedging strategies for material foreign currency exposures as and when appropriate.

Credit Risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments measured at amortised cost and at fair value through profit or loss, bank deposits, and credit exposures to customers, including outstanding receivables.

To manage credit risk associated with cash and cash equivalents, pledged deposits, short-term and long-term bank deposits, and wealth management products (classified as financial assets at fair value through profit or loss), the Group transacts only with state-owned or reputable financial institutions in Mainland China and Hong Kong.

For accounts receivable and contract assets, the Group operates through two sales channels: one involves sales to distributors, and the other involves direct sales to end customers.

For sales to distributors, the Group assesses credit quality based on financial standing, credit history, and other relevant factors. Credit limits are set based on the results of such assessments. Management also implements monitoring procedures to ensure distributors operate within approved credit limits.

For sales to end customers, the accounts receivables are dispersed among a large number of individual consumers. As a result, the Group does not have significant concentrations of credit risk in relation to these receivables.

The Group's debt investments—including loans to third parties, are assessed to be of low credit risk. Credit ratings of such investments are closely monitored to guard against credit deterioration.

For other receivables, management assesses the probability of default at initial recognition and whether there has been a significant increase in credit risk on an ongoing basis. The Directors are of the view that there is no significant inherent credit risk associated with the Group's other receivables.

Funds and Working Capital Management

The management of funds and liquidity is centrally handled by the Treasury Department. The Treasury Department is generally responsible for the overall management and implementation of funds, which includes formulating the Group's fund management policies, guiding, coordinating, and standardizing the fund management of regional companies, establishing annual fund plans, reviewing and summarizing annual capital budgets, as well as supervising and evaluating the fund management of regional companies. The finance departments of regional companies are committed to implementing the fund management policies established by the headquarters and are responsible for formulating fund plans and executing fund operations at the subsidiary level. The Group also adopts a meticulous fund management policy and implements a set of fund management rules and guidelines, such as the "Group Fund Basic Internal Control Management Measures" and the "Branch Fund Settlement Management Measures", to enhance the effectiveness and efficiency of fund management. This ensures financial security and reduces funding costs.

To manage idle cash in inventory, the Group purchases and redeems wealth management products to create a "cash pool," from which cash can be obtained when needed, yielding higher returns than bank deposits. The financial assets related to the wealth management products invested in by the Group mainly include low-risk wealth management products issued by financial institutions. The purchase amount will be determined based on surplus funds. The Group uses the "Fund Wealth Management Measures" as the primary financial policy for fund management. The Group's process of purchasing wealth management products and managing related departments consistently adheres to financial policies in conducting business, accounting and filing procedures.

The Group is committed to safeguarding overall financial security and maintaining a strong cash position and a healthy debt profile with strong repayment ability. By adopting a full, reasonable and professional assessment mechanism, preparing annual and monthly funding plans, the Group has established disciplined fund management principal, which allows us to efficiently manage market risks.

For budget management, the Group establishes a monthly, quarterly and annual budget management system, then seeks approval from our chief financial officer. The capital budget plans should be made based on the objective basis of the Group's business plans, project schedules and contractual payment terms to ensure that the plan accurately matches the actual business needs.

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Major properties

The table below sets forth a breakdown of the Group's properties as at 30 June 2025.

Property Name	Location	Current Usage	Lease Term	Total Appraised Value RMB'000
Beijing Kingdee Software Park.	Fuxing 4th Street, Mapo Town, Shunyi District, Beijing, China.	Office	Long term	647,836
Shanghai Kingdee Software Park.	No. 88, Chenhui Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, China.	Office	Long term	368,940
Shenzhen Kingdee Software Park	No. 2, 12th Road, Keji South Road, Nanshan District, Shenzhen, Guangdong Province, China.	Office	Long term	270,105
Kingdee Cloud Building	No. 2, 12th Road, Keji South Road, Nanshan District, Shenzhen, Guangdong Province, China.	Office	Long term	828,370
Shenzhen W1-B	B1, 4th Floor, W1 Building, Gaoxing Industrial Village, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, China.	Office	Long term	49,440
				2,164,691

2. Employees and Remuneration Policy

During the Reporting Period, the Group had a total of 11,043 employees. Adhering to the principles of “Customer-Centricity and Long-Term Commitment to Quality”, the Group continued to promote product innovation and quality excellence, while advancing initiatives in organizational development, talent cultivation, cultural integration, and leadership enhancement. The Group also upheld the philosophy of “Strivers-oriented and Long-term Adherence to Clarity and Purity of Heart”, continuing to attract top AI transformation leaders and outstanding fresh graduates. Managerial staff and key employees were encouraged to engage in cross-functional rotations to foster operational and innovative capabilities and invigorate organizational vitality.

The Group provided employees with a wide array of training programs covering professional skills and leadership development. In addition, several share-based schemes have been implemented to incentivise and reward employees for their contributions. For further details, please refer to the Company's Environmental, Social and Governance Report, as well as the sections titled “Share Option Scheme” and “Share Award Scheme” in the Annual Report.

The Group's remuneration policy is determined primarily based on each employee's job responsibilities, work performance, significant contributions, length of service, and prevailing market conditions. When assessing the remuneration of Directors and senior management, the Remuneration Committee of the Company also takes into consideration various factors, including the compensation offered by peer companies, the tenure, level of engagement, scope of responsibilities, and individual performance of the Directors and senior management, as applicable.

3. Social Responsibility

The Group actively fulfills its corporate social responsibilities and promotes sustainable development. During the Reporting Period, Kingdee was included in the S&P Global Sustainability Yearbook (China Edition) 2024, marking the third consecutive year it has received this international recognition for its excellence in ESG practices.

In terms of talent development, Kingdee collaborated with universities to initiate 78 industry-academia cooperative education projects and 6 employment-oriented education projects during the Reporting Period. It also established new collaborative education partnerships with 51 universities. In cooperation with leading institutions such as Southeast University, Xi'an Jiaotong University, and Renmin University of China, Kingdee launched over 50 practical digital capability courses, and jointly established 29 new laboratories and training bases, delivering digital learning and hands-on teaching services to over 20,000 students and more than 500 university faculty members.

In enterprise management, Kingdee offered Digital Transformation Workshop Series through its Digital Academy for entrepreneurs and senior executives, empowering 200 executives in the first half of 2025. The Group also hosted nearly 200 DBA/EMBA participants from prestigious institutions such as Tsinghua University, Peking University, Cheung Kong Graduate School of Business, and Southern University of Science and Technology, supporting Chinese enterprises in embracing AI and accelerating digital and intelligent transformation. In 2025, Kingdee, in collaboration with China Management Model 50+, launched the China Best Practices in Enterprise Management Ranking, and hosted the China Management Global Forum to promote research in Chinese management models. These efforts have brought together scholars, entrepreneurs, and stakeholders from all sectors to advance the progress of enterprise management in China.

In the area of public welfare, Kingdee continued to actively participate in various charitable initiatives, including poverty alleviation through education, voluntary blood donation, and urban environmental protection campaigns. Kingdee sponsored the fourth phase of the Siyuan Foundation project – the “4th Kingdee Educational Migration Class”, helping underprivileged students in Ya'an complete their high school education. On World Blood Donor Day, Kingdee encouraged staff to participate in voluntary blood donation campaigns to support life-saving efforts. On World Environment Day, Kingdee organized eco-hiking activities in Shenzhen, Shanghai, Ningbo, Zhuhai, Changsha, Hohhot, and other cities, raising public awareness about environmental protection.

4. Outlook

AI+SaaS is reshaping the industry landscape, unlocking unprecedented possibilities in enterprise management, and injecting strong growth momentum into Kingdee. Looking ahead, the Group will move forward with greater confidence, remaining firmly committed to its core strategies of “AI First, Subscription First, and Globalization.” By integrating AI technologies with management intelligence, Kingdee aspires to empower every enterprise and individual around the world, driving the global rise of Chinese management models. The Group is firmly on track to becoming a globally leading enterprise management AI company by 2030.

REPORT OF DIRECTORS

Share Option Scheme

At the AGM of the Company convened on 8 May 2015, the Company adopted a new share option scheme (the “2015 Scheme”) with a validity period of ten years. The 2015 Scheme has expired in May 2025, and no new share options will be granted thereunder. Since the adoption of the 2015 Scheme, the total number of share options granted is 40,000,000, of which 27,345,000 share options have been exercised and 12,655,000 share options have lapsed. As at 30 June 2025, no share options remained outstanding. During the Reporting Period, 2,343,500 share options were exercised and 610,000 share options lapsed.

The 2015 Scheme was adopted by the Company to encourage and reward the contribution of eligible persons to the Company. Eligible persons include employees, directors, partners, consultants, suppliers and customers of the Group.

The terms of the 2015 Scheme do not specify the period within which the share option may be exercised by the grantee or the vesting period, but specify that the Board may, at their absolute discretion, fix the period within which a share option may be exercised, the vesting period, any performance targets that must be achieved and any other conditions that must be fulfilled before the share options can be exercised.

The exercise price of the share options is determined by the Board, but may not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five (5) trading days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

Details of the movements of the share options pursuant to the 2015 Scheme during the Reporting Period are as follows:

Name or category of participants	Date of grant	Exercise period (Note 1)	Exercise price per share (HKD)	Options held at 31 December 2024	Closing price		Options exercised during the Reporting Period	Options lapsed during the Reporting Period	Options held at 30 June 2025
					Options granted during the Reporting Period	of the Options immediately before the date of grant (HKD)			
Employees	12/05/2015	12/05/2015 TO 11/05/2025	4.6	2,953,500	-	4.75	2,343,500	610,000	0
TOTAL				2,953,500			2,343,500	610,000	0

Notes:

- (1) The vesting period of the share options granted was four (4) years, and all of the options had been vested.
- (2) The weighted average closing price prior to exercise of share options by the employees of the Group was approximately HK\$13.58.
- (3) During the Reporting Period, no share option was cancelled.

Share Award Schemes

2015 Share Award Scheme

The 2015 Share Award Scheme was adopted by the Company on 4 December 2015 to provide incentives and reward the contributions of key employees and directors of the Group. The 2015 Share Award Scheme shall be valid and effective for a period of 10 years commencing from the adoption date and it has been terminated on 21 January 2025. No further award Shares can be granted under the 2015 Share Award Scheme. Prior to its termination, the Board may, from time to time, in its absolute discretion select the participants, including (i) employees (whether full-time or part-time and including any executive director), consultants or advisers of or to the Group (subject to compliance with Chapter 17 of the Listing Rules), and (ii) any non-executive directors (including independent non-executive directors) of the Group, after taking into various factors as they deem appropriate and determine the number of award Shares to be awarded to each of the selected participants.

The award Shares will comprise Shares subscribed for or purchased by the trustee out of cash arranged by the Company out of the Company's funds to the trustee and be held on trust for the selected participants until such Shares are vested with the selected participants in accordance with the provisions of the 2015 Share Award Scheme. As at the date of this announcement, the award Shares granted under the 2015 Share Award Scheme involve only existing Shares. No consideration is required to be paid for the acceptance or vesting of the award shares.

The terms of the 2015 Share Award Scheme do not specify (i) any period for an award to be vested; (ii) any amount required to be paid on acceptance of an award nor the payment period; and (iii) any basis of determining the purchase price (if any) of award Shares. A selected participant shall be entitled to receive the award Shares held by the trustee appointed by the Company for the purpose of the 2015 Share Award Scheme in accordance with the vesting schedule upon satisfaction of the vesting criteria and conditions specified by the Board in the offer of the grant of the relevant award Shares.

The Board shall not make any further award of award Shares which will result in the nominal value of the Shares awarded by the Board under the 2015 Share Award Scheme exceeding 3% of the issued share capital of the Company from time to time. For the avoidance of doubt, the 3% limit provided above shall exclude any Shares which have been vested. The maximum number of Shares which may be awarded to a selected participant under the 2015 Share Award Scheme in any twelve (12)-month period shall not exceed 1% of the issued share capital of the Company from time to time. As disclosed above, the 2015 Share Award Scheme was terminated on 21 January 2025, and thus no new award Shares could be granted thereunder, and the above limitation on number of grant was no longer applicable after the termination.

For details of the 2015 Share Award Scheme, please refer to the announcement of the Company dated 18 December 2015.

2025 Share Award Scheme

The Company adopted a new share award scheme on 21 January 2025 (the “2025 Share Award Scheme”) to provide incentives and reward the contributions of key employees, directors and external professional consultants of the Group. The 2025 Share Award Scheme shall be valid and effective for a period of 10 years commencing from the adoption date. The remaining life of the 2025 Share Award Scheme as at the date of this announcement is approximately 9 years and 5 months. The Board may, from time to time, in its absolute discretion select the participants, including (i) employees (whether full-time or part-time and including any executive directors), (ii) any non-executive directors (including independent non-executive directors) of the Group, and (iii) any external professional consultant who provides strategic planning or guidance to any member of the Group in various area of business or business development, after taking into factors as it deems appropriate and grant such number of award Shares to any selected participant.

The Company may cause to be paid to the trust (from which award Shares may be granted to selected participants) cash from the Group’s internal resources for the purchase of award Shares on the market by the trustee, and/or instruct the trustee to accept the transfer of Shares from any Shareholders or any designated party of the Company. Once purchased or transferred, the Shares are to be held by the trustee for the benefit of the selected participants and subject to the terms and conditions of the scheme. The 2025 Share Award Scheme will be funded solely by existing Shares. No consideration is required to be paid for the acceptance or vesting of the award shares.

The terms of the 2025 Share Award Scheme do not specify (i) any period for an award to be vested; (ii) any amount required to be paid on acceptance of an award nor the payment period; and (iii) any basis of determining the purchase price (if any) of award Shares. A selected participant shall be entitled to receive the award Shares held by the trustee appointed by the Company for the purpose of the 2025 Share Award Scheme in accordance with the vesting schedule upon satisfaction of the vesting criteria and conditions specified by the Board in the offer of the grant of the relevant award Shares.

The Board shall not make any further award of award Shares which will result in the number of Shares awarded by the Board under the 2025 Share Award Scheme exceeding 5% of the total number of Shares in issue (excluding treasury Shares) as at the date of adoption of the scheme (i.e. 179,301,213 Shares). For the avoidance of doubt, the 5% limit provided above shall exclude any award Shares that have lapsed. The maximum number of Shares which may be awarded to a selected participant under the 2025 Share Award Scheme in any twelve (12)-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury Shares).

For details of the 2025 Share Award Scheme, please refer to the announcement of the Company dated 24 January 2025.

The number of award Shares available for grant under the 2015 Share Award Scheme at the beginning of the Reporting Period was 83,054,853 and at the end of the Reporting Period was nil as the 2015 Share Award Scheme was terminated in January 2025, whereas the number of award Shares available for grant under the 2025 Share Award Scheme at the beginning of the Reporting Period was nil and at the end of the Reporting Period was 166,797,833.

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During the Reporting Period, the Company had granted 12,503,380 award Shares pursuant to the 2025 Share Award Scheme, with details of the movements of the outstanding award Shares under the two share award schemes during the Reporting Period as follows:

Name or the categories of the grantee	Date of grant	Number of Award Shares not yet vested as at 31 December 2024	Granted during the Reporting Period	Closing price of the Shares immediately before the date of grant (HKD)	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of Award Shares not yet vested as at 30 June 2025
Directors							
Xu Shao Chun	20/5/2021	50,000	-	26.05	50,000	-	-
	28/3/2022	75,000	-	16.74	37,500	-	37,500
	20/3/2023	75,000	-	16.30	25,000	-	50,000
Sub-total		200,000	-		112,500	-	87,500
Lin Bo	20/5/2021	37,500	-	26.05	37,500	-	-
	28/3/2022	75,000	-	16.74	37,500	-	37,500
	20/3/2023	75,000	-	16.30	25,000	-	50,000
	8/5/2024	150,000	-	9.21	37,500	-	112,500
	16/4/2025	-	100,000	11.34	-	-	100,000
Sub-total		337,500	100,000		137,500	-	300,000
Other employees	13/4/2021	1,487,875	-	23.70	1,203,000	284,875	-
	6/12/2021	240,000	-	22.10	182,500	57,500	-
	21/3/2022	3,403,750	-	16.38	1,521,875	180,000	1,701,875
	28/11/2022	100,000	-	12.52	10,000	40,000	50,000
	31/5/2023	5,022,750	-	10.56	1,556,625	117,625	3,348,500
	5/10/2023	142,500	-	8.92	47,500	-	95,000
	19/4/2024	12,231,280	-	7.72	5,210,945	976,875	6,043,460
	3/6/2024	440,000	-	8.00	110,000	-	330,000
	16/9/2024	100,000	-	5.42	25,000	-	75,000
	17/12/2024	819,920	-	9.03	90,191	-	729,729
	7/4/2025	-	12,403,380	10.42	-	-	12,403,380
Sub-total		23,988,075	12,403,380		9,957,636	1,656,875	24,776,944
Total		24,525,575	12,503,380		10,207,636	1,656,875	25,164,444

Notes:

- (1) The vesting period of the award Shares is four (4) years.
- (2) No consideration is required to be paid for the acceptance or vesting of the award shares.
- (3) The weighted average fair value of the award Shares granted during the Reporting Period was HK\$10.43 per share. The fair value of the award shares granted during the Reporting Period was calculated based on the market value of the Shares on the respective grant dates, and expected dividends during the vesting period have been considered in the assessment of the fair value of the award shares.
- (4) The weighted average closing price of the Shares was approximately HK\$13.12 immediately before the date of (i.e. 31 March 2025) of the vesting of the award Shares onto Mr. Xu Shao Chun, Mr. Lin Bo and other employees during the Reporting Period.
- (5) Performance targets for each grant include the Company's financial performance indicators and the individual performance indicators of the selected participants.
- (6) During the Reporting Period, no award Share was cancelled.

During the Reporting Period, the number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company, including the 2015 Scheme, the 2015 Share Award Scheme and the 2025 Share Award Scheme, divided by the weighted average number of Shares of the relevant class in issue (excluding treasury Shares) for the Reporting Period is 0%, as no option was granted during the Reporting Period, and the award Shares granted thus far relate to existing Shares only.

Since 1 January 2024, unless separately approved by the Shareholders in general meeting (with the relevant eligible participant and such eligible participant's close associates (with the meaning ascribed thereto under the Listing Rules) (or such eligible participant's associates if such eligible participant is a connected person of the Company) abstaining from voting), no eligible participant shall be granted a share option or award if such grant will result in the total number of Shares issued and to be issued in respect of all share options and awards granted (excluding any lapsed share options and awards) to such eligible participant in the 12-month period up to and including the date of such grant would in aggregate exceed 1% of the total number of issued Shares. The maximum number of Shares which may be awarded to a Director in any twelve (12)-month period shall not exceed 0.1% of the issued Share capital from time to time. Any award of Shares to a Director in excess of 0.1% of the issued share capital of the Company is subject to the issue of a circular by the Company and the approval of the Shareholders in advance at a general meeting. The Director, his/her associates and all other core connected persons of the Company must abstain from voting at such general meeting.

Equity-linked agreement

2023 subscription of new Shares

On 10 December 2023, the Company and Al-Rayyan Holdings LLC (the "Subscriber") entered into the subscription agreement (the "Subscription Agreement"), pursuant to which the Subscriber subscribed for 154,627,000 new Shares (the "Subscription Shares") at the price of HK\$10.10 per Subscription Share (the "Subscription Price") under the general mandate granted to the Board at the AGM held on 18 May 2023 (the "Subscription").

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The Company completed the Subscription on 14 December 2023. The Subscription Price was determined on an arm's length basis between the Company and the Subscriber with reference to the then prevailing market price of the Shares. The closing price per Share on 8 December 2023 as quoted on the Stock Exchange was HK\$10.38, being the trading date preceding the date of signing of the Subscription Agreement. The aggregate nominal value of the Subscription Shares is HK\$3,865,675. The Directors considered the reasons for the Subscription were that the Subscription would further support the Company's international strategy and optimize the capital structure of the Company, and the Subscription is in the interests of the Group and the Shareholders as a whole. The gross proceeds and net proceeds (after deducting all applicable costs and expenses) from the Subscription amounted to approximately HK\$1,561,732,700 and approximately HK\$1,560,982,700, respectively. The net price per Subscription Share was approximately HK\$10.095. The intended and actual use of proceeds from the Subscription up to 30 June 2025 are set out as follows:

	Proceeds from the Subscription HK\$'000	Proceeds utilized during the Reporting Period HK\$'000	Proceeds utilized up to 30 June 2025 HK\$'000	Unutilized funds as at 30 June 2025 HK\$'000	Expected timeline for utilizing unutilized funds (Note)
Potential capital market transactions (80.0%)	1,248,786	59,902	960,220	288,566	December 2025
General operation and working capital (20.0%)	312,197	0	312,197	0	-

Note:

The expected timeline for utilizing the unutilized funds is based on the best estimation of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

Save as disclose above, there was no equity-linked agreement being entered into during the Reporting Period or subsisting at the end of the Reporting Period.

Directors' and Chief Executive's Interests or Short Positions in the Shares, Underlying Shares or Debentures

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which would be required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix C3 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

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Interests in the Shares/ underlying Shares

Name of Directors	Number of shares/ underlying shares (where appropriate)	Capacity	Percentage of total number of issued Shares (approximate)
Xu Shao Chun	682,198,624(L)	Interests of controlled corporation (Note 1)	
	87,500(L)	Beneficiary of a trust (Note 2)	
	20,968,375(L)	Beneficial owner	
Aggregate:	703,254,499		19.81%
Lin Bo	1,852,717(L)	Beneficial owner	
	300,000(L)	Beneficiary of a trust (Note 3)	
Aggregate:	2,152,717		0.06%
Gary Clark Biddle	1,230,000(L)	Beneficial owner	
Aggregate:	1,230,000		0.03%
Dong Ming Zhu	280,000(L)	Beneficial owner	
Aggregate:	280,000		0.01%

Notes:

The percentage represents the total number of the Shares interested divided by the total number of issued Shares of 3,549,468,771 as at 30 June 2025.

- (1) Of the 682,198,624 Shares, 386,312,000 Shares were held through Oriental Tao Limited and 295,886,624 Shares were held through Billion Tao Limited. Oriental Tao Limited and Billion Tao Limited are wholly owned by Easy Key Holdings Limited, which is in turn wholly owned by Mr. Xu Shao Chun. Therefore, Mr. Xu Shao Chun is deemed to be interested in those 682,198,624 Shares.
- (2) The 87,500 award Shares granted to Mr. Xu Shao Chun under the 2015 Share Award Scheme and held by the trustee BOCI Trustee (Hong Kong) Limited. Details of the award Shares are set out in the section headed “Share Award Schemes” of this announcement.
- (3) The 200,000 and 100,000 award Shares granted to Mr. Lin Bo under the 2015 Share Award Scheme and 2025 Share Award Scheme, respectively, are held by the trustee, BOCI Trustee (Hong Kong) Limited. Details of the award Shares are set out in the section headed “Share Award Schemes” of this announcement.
- (4) (L) denotes long position.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which would be required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors’ Rights to Acquire Shares or Debentures

Save as disclosed in the section headed “Share Option Scheme” above, none of the Directors or their respective associates (as defined under the Listing Rules) was granted by the Company, or any of its subsidiaries, any rights or options to acquire Shares or debentures in the Company during the Reporting Period.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 30 June 2025, as far as the Directors were aware, the following persons (other than the Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Part XV of the SFO and required to be recorded in the register required to be kept under section 336 of the SFO:

Long positions in Shares/ underlying Shares

Name	Number of Shares/ underlying Shares (where appropriate)	Capacity	Percentage of total number of issued Shares (approximate)
Easy Key Holdings Limited (Note 1)	682,198,624 (L)	Interests of controlled corporation	19.22%
Oriental Tao Limited (Note 1)	386,312,000 (L)	Beneficial owner	10.88%
Billion Tao Limited (Note 1)	295,886,624(L)	Beneficial owner	8.34%
BlackRock, Inc. (Note 2)	189,172,437 (L) 10,096,000 (S)	Interests of controlled corporation	5.33%

Notes:

The percentage represents the total number of the Shares interested or short positions divided by the total number of issued Shares of 3,549,468,771 as at 30 June 2025.

- (1) Oriental Tao Limited and Billion Tao Limited are wholly owned by Easy Key Holdings Limited, which is in turn wholly owned by Mr. Xu Shao Chun.
- (2) According to the disclosure of interests form filed by BlackRock, Inc. on 27 June 2025 regarding the relevant event which took place on 24 June 2025:

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a) BlackRock, Inc. was deemed to be interested in the Shares as follows:

Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Number of Shares
BlackRock Finance, Inc.	BlackRock, Inc.	100	N	189,172,437 (L) 10,096,000 (S)
Trident Merger, LLC	BlackRock Finance, Inc.	100	N	63,200 (L)
BlackRock Investment Management, LLC	Trident Merger, LLC	100	N	28,200 (L)
BlackRock Investment Management, LLC	Trident Merger, LLC	100	Y	35,000 (L)
BlackRock Holdco 2, Inc.	BlackRock Finance, Inc.	100	N	189,109,237 (L) 10,096,000 (S)
BlackRock Financial Management, Inc.	BlackRock Holdco 2, Inc.	100	N	187,668,237 (L) 3,221,000 (S)
BlackRock Financial Management, Inc.	BlackRock Holdco 2, Inc.	100	Y	1,441,000 (L) 6,875,000 (S)
BlackRock Holdco 4, LLC	BlackRock Financial Management, Inc.	100	N	82,889,000 (L) 1,694,000 (S)
BlackRock Holdco 6, LLC	BlackRock Holdco 4, LLC	90	N	82,889,000 (L) 1,694,000 (S)
BlackRock Delaware Holdings Inc.	BlackRock Holdco 6, LLC	100	N	82,889,000 (L) 1,694,000 (S)
BlackRock Institutional Trust Company, National Association	BlackRock Delaware Holdings Inc.	100	Y	28,035,000 (L) 1,694,000 (S)
BlackRock Fund Advisors	BlackRock Delaware Holdings Inc.	100	Y	54,854,000 (L)
BlackRock Capital Holdings, Inc.	BlackRock Financial Management, Inc.	100	N	1,005,000 (S)
BlackRock Advisors, LLC	BlackRock Capital Holdings, Inc.	100	Y	1,005,000 (S)
BlackRock International Holdings, Inc.	BlackRock Financial Management, Inc.	100	N	104,779,237 (L) 522,000 (S)
BR Jersey International Holdings L.P.	BlackRock International Holdings, Inc.	86	N	101,440,237 (L) 522,000 (S)
BlackRock Lux Finco S.à r.l.	BlackRock HK Holdco Limited	100	N	3,396,000 (L)
BlackRock Japan Holdings GK	BlackRock Lux Finco S.à r.l.	100	N	3,396,000 (L)
BlackRock Japan Co., Ltd.	BlackRock Japan Holdings GK	100	Y	3,396,000 (L)
BlackRock Holdco 3, LLC	BR Jersey International Holdings L.P.	100	N	65,800,884 (L) 522,000 (S)
BlackRock Canada Holdings ULC	BlackRock International Holdings, Inc.	100	N	3,339,000 (L)
BlackRock Asset Management Canada Limited	BlackRock Canada Holdings ULC	100	Y	3,339,000 (L)
BlackRock Australia Holdco Pty. Ltd.	BR Jersey International Holdings L.P.	100	N	1,446,400 (L)
BlackRock Investment Management (Australia) Limited	BlackRock Australia Holdco Pty. Ltd.	100	Y	1,446,400 (L)
BlackRock (Singapore) Holdco Pte. Ltd.	BR Jersey International Holdings L.P.	100	N	34,192,953 (L)
BlackRock HK Holdco Limited	BlackRock (Singapore) Holdco Pte. Ltd.	100	N	32,899,030 (L)
BlackRock Asset Management North Asia Limited	BlackRock HK Holdco Limited	100	Y	29,503,030 (L)
BlackRock Cayman 1 LP	BlackRock Holdco 3, LLC	100	N	65,800,884 (L) 522,000 (S)
BlackRock Cayman West Bay Finco Limited	BlackRock Cayman 1 LP	100	N	65,800,884 (L) 522,000 (S)
BlackRock Cayman West Bay IV Limited	BlackRock Cayman West Bay Finco Limited	100	N	65,800,884 (L) 522,000 (S)
BlackRock Group Limited	BlackRock Cayman West Bay IV Limited	90	N	65,800,884 (L) 522,000 (S)
BlackRock Finance Europe Limited	BlackRock Group Limited	100	N	10,998,029 (L)
BlackRock (Netherlands) B.V.	BlackRock Finance Europe Limited	100	Y	2,427,000 (L)
BlackRock International Limited	BlackRock Group Limited	100	N	24,000 (L)
	BlackRock Group Limited	100	N	54,778,855 (L)

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Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Number of Shares
BlackRock Group Limited-Luxembourg Branch				522,000 (S)
BlackRock Luxembourg Holdco Sà r.l.	BlackRock Group Limited-Luxembourg Branch	100	N	54,778,855 (L) 522,000 (S)
BlackRock Investment Management Ireland Holdings Unlimited Company	BlackRock Luxembourg Holdco S.à r.l.	100	N	35,493,855 (L)
BlackRock Asset Management Ireland Limited	BlackRock Investment Management Ireland Holdings Unlimited Company	100	Y	35,493,855 (L)
BLACKROCK (Luxembourg) S.A.	BlackRock Luxembourg Holdco S.à r.l.	100	Y	19,242,000 (L) 522,000 (S)
BlackRock Investment Management (UK) Limited	BlackRock Finance Europe Limited	100	N	6,315,278 (L)
BlackRock Investment Management (UK) Limited	BlackRock Finance Europe Limited	100	Y	2,255,751 (L)
BlackRock Fund Managers Limited	BlackRock Investment Management (UK) Limited	100	Y	6,315,278 (L)
BlackRock Life Limited	BlackRock International Limited	100	Y	24,000 (L)
BlackRock (Singapore) Limited	BlackRock (Singapore) Holdco Pte. Ltd.	100	Y	1,293,923 (L)
BlackRock UK Holdco Limited	BlackRock Luxembourg Holdco S.à r.l.	100	N	43,000 (L)
BlackRock Asset Management Schweiz AG	BlackRock UK Holdco Limited	100	Y	43,000 (L)
EG Holdings Blocker, LLC	BlackRock Investment Management, LLC	100	N	28,200 (L)
Amethyst Intermediate, LLC	BlackRock Investment Management, LLC	100	N	28,200 (L)
Aperio Holdings, LLC	Amethyst Intermediate, LLC	60	N	28,200 (L)
Aperio Holdings, LLC	EG Holdings Blocker, LLC	40	N	28,200 (L)
Aperio Group, LLC	Aperio Holdings, LLC	100	Y	28,200 (L)

and b) details of BlackRock, Inc.'s derivatives interests are as follows:

- Unlisted derivatives – Cash settled: 225,000 (L) and 8,495,000 (S)

(3) (L) denotes long position and (S) denotes short position.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest and short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

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Purchase, Sale or Redemption of Shares

Redemption of Shares

During the Reporting Period, the Company had repurchased the following Shares on the Stock Exchange:

Trading day	Number of Shares repurchased	Highest Price Paid (HK\$)	Lowest Price Paid (HK\$)	Aggregate Price Paid (HK\$)
02/01/2025	167,000	8.08	8.08	1,349,360.00
03/01/2025	1,192,000	8.08	7.99	9,549,740.00
06/01/2025	1,500,000	8.00	7.89	11,909,220.00
08/01/2025	1,000,000	7.80	7.79	7,799,730.00
10/01/2025	700,000	7.91	7.80	5,496,170.00
13/01/2025	500,000	7.75	7.75	3,875,000.00
TOTAL	5,059,000			39,979,220.00

The above 5,059,000 repurchased Shares were cancelled on 24 February 2025.

Save as disclosed above, neither the Company, nor any of its subsidiaries, had repurchased, sold or redeemed any of its listed securities.

Material Acquisitions And Disposals Of Subsidiaries, Significant Investments Held And Future Plans For Material Investments Or Capital Assets Acquisitions

Save as otherwise disclosed in this announcement, in particular, the disclosure in relation to the Group's investment properties operating business, (i) during the Reporting Period, the Group had not made any other significant investment, nor material acquisitions or disposals of subsidiaries, associates and joint ventures; and (ii) as at 30 June 2025, the Group did not hold any other significant investments with a value that accounted for more than 5% of the Group's total assets as at 30 June 2025; nor had future plans for material investments or capital assets acquisitions.

Change of Information of Directors

Mr. Gary Clark Biddle, a non-executive Director, has ceased to act as an independent non-executive director of Shui On Land Limited (a company listed on the Main Board of the Stock Exchange with stock code: 0272) since 16 May 2025.

Ms. Katherine Rong Xin, an independent non-executive Director, has ceased to act as an independent non-executive director of Fosun Tourism Group (a company which was listed on the Main Board of the Stock Exchange with stock code: 1992) since 20 March 2025.

Save as disclosed above, during the Reporting Period, there was no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance

The Company had complied with all the code provisions of the Corporate Governance Code (the "**Code**") (applicable to the Reporting Period) as set out in Appendix C1 to the Listing Rules throughout the Reporting Period, except for the deviation in respect of the roles of chairman and chief executive officer under code provision C.2.1 of the Code. During the Reporting Period, Mr. Xu Shao Chun assumed the roles of both the Chairman and the chief executive officer of the Company. The Board considers that Mr. Xu Shao Chun, as one of the main founders of the Company, has abundant knowledge of the information technology industry and possesses a unique strategic perspective. The Board believes that he can lead the Company to formulate effective strategies and react promptly to market changes. His continuous service in both roles is beneficial to the stable and healthy development of the Company. However, the Board will review from time to time and make appropriate changes when necessary in order to enhance the level of corporate governance of the Company.

The Board is always committed to improving its level of corporate governance. Besides publishing a series of management systems, the Company also, from time to time, arranges trainings for Directors, senior management, and related employees in relation to duties of the Directors, continuing professional development, and other aspects of compliance with the Listing Rules as well as other relevant laws and regulations, so that the Directors and the employees of the Company will always be equipped with the necessary knowledge and skills to perform their duties in a better way.

The Company will continue to comply with the Listing Rules and other relevant laws and regulations as amended from time to time; further enhance its level of corporate governance; improve and enhance its internal control in respect of disclosure of required information; and enhance its communication with its investors and other stakeholders.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transaction on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry to each of the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the Reporting Period.

Audit Committee

The audit committee of the Company had reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters. The audit committee had also reviewed the Group's unaudited consolidated results for the Reporting Period and this announcement. The audit committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

Interim Dividend

The Board did not declare an interim dividend for the Reporting Period (six months ended 30 June 2024: nil).

Appreciation

On behalf of the Board, I would like to express our sincere thanks to all our management and staff for their dedication during the Reporting Period. Also, I would like to thank our Shareholders for their continuous support to the Group.

By order of the Board
Kingdee International Software Group Company Limited
Chairman
Xu Shao Chun

Shenzhen, the People's Republic of China

11 August 2025

As at the date of this announcement, the Board comprises Mr. Xu Shao Chun (Chairman of the Board and Chief Executive Officer) and Mr. Lin Bo (Chief Financial Officer) as executive Directors; Ms. Dong Ming Zhu and Mr. Gary Clark Biddle as non-executive Directors; and Mr. Zhou Jun Xiang, Ms. Katherine Rong Xin and Mr. Bo Lian Ming, as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.