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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)

**ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR
ENDED 31 DECEMBER 2025
AND
PROPOSED ADOPTION OF AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION OF
THE COMPANY**

The board (the “Board”) of directors (the “Directors”) of Kingdee International Software Group Company Limited (“Kingdee International” or the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025, together with the comparative audited consolidated figures for the year ended 31 December 2024 are as follows:

Financial highlights for the year ended 31 December 2025

- Revenue increased by approximately 12.0% compared with 2024 to approximately RMB7,006,036,000. (2024: approximately RMB6,255,684,000)
- Profit attributable to owners of the Company amounted to approximately RMB92,914,000. (2024: loss of approximately RMB142,068,000). The adjusted profit attributable to owners of the Company (Non-IFRS measure) amounted to approximately RMB231,975,000 (2024: the adjusted loss attributable to owners of the Company was approximately RMB10,151,000).
- Net cash generated from operating activities amounted to approximately RMB1,097,477,000. (2024: approximately RMB933,530,000)
- Basic earnings per share attributable to owners of the Company during the year amounted to approximately RMB2.64 cents. (2024: basic losses per share of approximately RMB4.01 cents)

BUSINESS REVIEW AND OUTLOOK

I. Financial Performance

For the twelve months ended 31 December 2025, the Group recorded revenue of approximately RMB7,006,036,000, representing an increase of approximately 12.0% as compared to the same period in 2024 (for the twelve months ended 31 December 2024: approximately RMB6,255,684,000). Cloud service revenue reached approximately RMB5,782,167,000, representing an increase of approximately 13.2% as compared to the same period in 2024 (for the twelve months ended 31 December 2024: approximately RMB5,106,725,000).

For the twelve months ended 31 December 2025, the profit attributable to owners of the Company was approximately RMB92,914,000 (2024: loss attributable to owners of the Company was approximately RMB142,068,000), primarily benefiting from the economies of scale in the cloud subscription business and efficiency improvements driven by AI. The adjusted profit attributable to owners of the Company (Non-IFRS measure) amounted to approximately RMB231,975,000 (2024: the adjusted loss attributable to owners of the Company was approximately RMB10,151,000).

Basic earnings per share attributable to owners of the Company was approximately RMB2.64 cents. (2024: basic losses per share of approximately RMB4.01cents).

Net cash inflow from operating activities of the Company was approximately RMB1,097,477,000 (2024: net cash inflow of approximately RMB933,530,000).

II. Strategy and Business Overview

Adhering to its mission of "Empower every enterprise to achieve phenomenal success," Kingdee is committed to supporting enterprises worldwide in achieving advanced management 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 drive ecosystem upgrades, business model innovation, and deep integration with AI. In 2025, Kingdee announced the comprehensive upgrade of "Kingdee Cloud" to "Kingdee AI" and launched China's first enterprise-grade AI-native super portal, "Xiao K." Through the unified Xiao K portal, AI agents are interconnected and interoperable, capable of independently addressing scenario-specific pain points while enabling cross-scenario collaboration to unlock synergistic value. This represents a true leap from fragmented AI tools to a systematic intelligent collaboration framework, providing enterprises with comprehensive AI agent solutions across all business processes.

Kingdee continues to lead the market, having empowered over 70 Fortune Global 500 companies, more than half of the China Fortune 500, and 48% of national-level "Little Giant" (specialized and sophisticated) enterprises to achieve digital and intelligent transformation, and has received extensive recognition from authoritative institutions both internationally and domestically. According to IDC reports, Kingdee ranks No. 1 in the China market across multiple sub-segments including enterprise application cloud, SaaS ERP, Financial Cloud, Treasury Management Cloud, EPM, Tax Cloud, and PLM Cloud, and has maintained the No. 1 market share in the growth enterprise application software segment for 21 consecutive years. Kingdee is the only Chinese vendor included in Gartner's Magic Quadrant for Cloud ERP as a product-centric enterprise, and has been recognized as an exemplary performer in Gartner's Voice of the Customer for Cloud ERP. In the AI domain, Kingdee was selected for the IDC Asia Pacific AI-Enabled ERP MarketScape (with the highest rating among Chinese vendors) and was honored with the First Prize of the Wu Wenjun Artificial Intelligence Science and Technology Award. Additionally, Kingdee received the MSCI ESG AAA rating (the highest level), with scores ranking first globally in the software and services industry.

1) Subscription Transformation Triumphs as Net Dollar Retention Rate Hits Three-Year High

During the Reporting Period Kingdee has successfully executed its subscription transition, with economies of scale continuing to take effect: cloud service revenue was approximately RMB5,782 million, accounting for approximately 82.5% of Group revenue, of which cloud subscription services achieved revenue of approximately RMB3,556 million, representing a year-on-year increase of approximately 20.9%. Annual Recurring Revenue (ARR) from subscription services was approximately RMB4,090 million, representing a year-on-year increase of approximately 19.2%; subscription-related contract liabilities were approximately RMB3,773 million, representing a year-on-year increase of approximately 20.7%, providing sufficient visibility for future revenue. Gross profit margin improved by approximately 2.0 percentage points year-on-year to 67.1%, while the selling and marketing expense ratio and R&D expense ratio decreased by 1.1 percentage points and 2.9 percentage points year-on-year, respectively.

In the large enterprise market, Kingdee focuses on core needs such as global operations, group-level management and control, end-to-end process optimization, and dual-layer ERP, empowering enterprises to efficiently navigate complex business scenarios. Kingdee actively responded to SASAC's initiatives to deepen the "AI+" special action program and strengthen penetrative supervision for state-owned assets, launching a penetrative supervision intelligent agent that features pre-built state-owned asset regulatory models and leverages AI technology to achieve real-time risk identification and penetrative management across "all hierarchical levels, all processes, and all elements" of enterprise operations. Meanwhile, Kingdee developed deeply AI-integrated, tailored solutions targeting core pain points in industries such as advanced manufacturing, consumer goods, and steel and metallurgy, achieving landmark client signings and rapid progression to go-live acceptance, forming a virtuous cycle of "solution leadership – benchmark validation – industry replication" that significantly strengthened its industry market leadership. During the Reporting Period, Kingdee Cloud Cosmic and Kingdee Cloud Constellation together recorded revenue growth of 28.0% year-on-year to approximately RMB1,940 million, of which cloud subscription revenue increased 35.4% year-on-year to approximately RMB528 million; the net dollar retention rate (NDR) increased by 2 percentage points year-on-year to 110%. During the period, new clients signed include State Energy, CRRC Group, China Life, Ansteel Mining, Chery Holdings, Taikang Insurance, Messer China, 7-Eleven China, and other major central SOEs, Fortune 500 companies, and leading private enterprises

In the growing enterprise market, leveraging its product strengths in integrated R&D-production-supply-sales-service and business-finance integration, Kingdee focuses on eight strategic industries including electronic high-tech, automotive components, and equipment manufacturing, becoming the preferred choice for China's most vibrant enterprise community, with a 48% market share among national-level "Little Giant" enterprises. Kingdee Cloud Galaxy achieved cloud subscription revenue of approximately RMB1,521 million, representing a year-on-year increase of approximately 19.3%, with a net dollar retention rate increased by 2 percentage points year-on-year to 97%. The customer base reached 49,000 enterprises, and 1,461 national and provincial-level "Little Giant" enterprises were newly signed, including leading high-tech companies such as Kunlun Core, Minimax, Zhipu Huazhang, BrainCo, Rokid, and SEICHI.

In the small and micro enterprise market, Kingdee consolidated its leadership position, achieving cloud subscription revenue of approximately RMB1,142 million, representing a year-on-year increase of approximately 22.7%. The net dollar retention rates for Kingdee Cloud Stellar and Kingdee Jingdou Cloud were 94% (up 1 percentage point year-on-year) and 88% (flat year-on-year), respectively, with customer bases of 98,000 and 406,000 enterprises, respectively.

2) AI Transformation Accelerates with RMB356 million in AI Contracts and Launch of "Xiao K" plus 20 AI Agents

During the Reporting Period, Kingdee continued to deepen its "AI First" strategy, with "Kingdee Cloud" comprehensively upgraded to "Kingdee AI" and accelerating AI transition. Kingdee's deep understanding of industry-specific scenarios and its enterprise-grade data assets accumulated over decades serve as both the fertile ground for AI development and the foundation for building high-quality context engineering – enabling AI to truly comprehend the business language of each individual enterprise. Leveraging this core advantage, Kingdee AI has built a complete technology stack spanning from intent recognition to agent execution, launching "Xiao K," China's first enterprise-grade AI-native super portal and releasing nearly 20 independent AI-native intelligent agents covering scenarios including financial analysis, recruitment, contract review, and ESG. Among these, TikSight has nearly 400,000 registered users and 35 enterprise clients.

During the Reporting Period, Kingdee AI achieved contract value of approximately RMB356 million, with new signings including Liuzhou Steel Group, Shenzhen Energy, Guangdong Energy, CEEG, Fuzhou Port Group, and Ningbo Water, assisting enterprises in achieving tangible cost reduction and efficiency improvement in scenarios such as ChatBI, intelligent document review and fraudulent trade screening. For the small and micro enterprise market, Kingdee AI achieved bookkeeping efficiency improvements of over 80%, invoicing efficiency improvements of 40%, and tax filing efficiency improvements of 60%, with AI assistant users exceeding 200,000. Kingdee CreditTech focuses on the credit AI domain, having built an AI-native credit decision engine and launched core applications including industrial chain mapping and tax invoice anti-fraud AI. During the period, it successfully signed China Construction Bank, Bank of Communications, and other major banks.

The Group has fully embedded AI into its R&D system, achieving a new R&D paradigm of deep collaboration between AI and engineers – during the period, 41% of newly added code was generated by AI, and AI generated code reached as high as 100% in certain scenarios. R&D delivery cycles were shortened by 21%. The Group also continued to deepen strategic partnerships with Volcano Engine, Alibaba Cloud, Huawei Cloud, and others, integrating mainstream large model capabilities into the Kingdee AI product ecosystem.

3) Global Expansion Gains Momentum as overseas New Customer Wins Reach 463

During the Reporting Period, the Group has built localized service systems in Qatar, Vietnam, Thailand, Indonesia, Malaysia, and other locations; 463 quality enterprises were successfully signed, covering core industries including modern services, equipment manufacturing, bulk commodity trading, and pharmaceuticals, with clients including Chin Hin Group Berhad, Amlogic, UGREEN, SKYWIN Energy, PT Merdeka, Momentum Industrial, and other industry leaders. During the Reporting Period, Kingdee successfully established multiple globalization benchmarks and resolved key operational challenges: building a unified data middle platform for China Aviation Oil (Singapore) Corporation to enable cross-regional digital business management; creating a digital transformation benchmark for the Southeast Asian construction industry for Chin Hin Group Berhad; completing the local tax and customs integration system for Vietnam-based NEOTEK; and winning the bid for Qatar-based Hejen Racing Committee project, demonstrating cross-domain comprehensive service capabilities. Kingdee continued to deepen partnerships with local partners such as Vietnam's FPT Group and Qatar's Malomatia, integrating AI capabilities with localized services to continuously expand its global business footprint.

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment	4	1,873,619	1,744,118
Right-of-use assets	5	224,542	188,074
Intangible assets		1,432,500	1,231,892
Investment properties	6	1,941,140	2,164,691
Investments in associates		531,791	523,449
Deferred income tax assets		126,202	102,696
Contract obtaining costs		233,083	-
Financial assets at fair value through profit or loss		847,349	872,587
Financial assets at fair value through other comprehensive income		4,463	4,463
Trade and other receivables	7	60,373	92,656
Loans to third parties	7	98,048	130,255
Long-term bank deposits		1,390,000	1,094,000
		8,763,110	8,148,881
Current assets			
Inventories		60,954	46,165
Trade and other receivables	7	412,194	416,239
Loans to third parties	7	355,721	240,862
Contract assets	3	449,265	365,707
Contract obtaining costs	3	860,530	906,426
Financial assets at fair value through profit or loss		1,277,481	575,561
Pledged bank deposits		44,936	14,472
Short-term bank deposits		666,962	1,537,000
Cash and cash equivalents		1,694,936	1,529,682
		5,822,979	5,632,114
Total assets		14,586,089	13,780,995

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Contract liabilities	3	571,337	-
Lease liabilities	5	18,896	25,961
Deferred income tax liabilities		149,627	146,435
		<u>739,860</u>	<u>172,396</u>
Current liabilities			
Trade and other payables	11	1,757,056	1,487,683
Contract liabilities	3	3,815,125	3,723,569
Bank borrowings	10	-	205,082
Lease liabilities	5	22,717	22,291
Current income tax liabilities		16,380	16,242
Deferred income		26,230	24,951
		<u>5,637,508</u>	<u>5,479,818</u>
Total liabilities		<u><u>6,377,368</u></u>	<u><u>5,652,214</u></u>
Net assets		<u><u>8,208,721</u></u>	<u><u>8,128,781</u></u>
Equity			
Equity attributable to owners of the Company			
Share capital	8	85,228	86,068
Share premium	8	5,988,205	6,174,163
Other reserves	9	1,162,810	911,387
Retained earnings		971,252	878,338
		<u>8,207,495</u>	<u>8,049,956</u>
Non-controlling interests		<u>1,226</u>	<u>78,825</u>
Total equity		<u><u>8,208,721</u></u>	<u><u>8,128,781</u></u>

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Revenue from contracts with customers	3, 12	7,006,036	6,255,684
Cost of sales	13	(2,301,828)	(2,185,012)
Gross profit		<u>4,704,208</u>	<u>4,070,672</u>
Selling and marketing expenses	13	(2,725,804)	(2,502,852)
Administrative expenses	13	(647,058)	(538,687)
Net impairment losses on financial assets and contract assets	13	(42,696)	(40,890)
Research and development costs	13	(1,494,374)	(1,514,433)
Fair value losses on investment properties	6	(79,546)	(55,170)
Other income and gains - net	14	<u>243,177</u>	<u>246,098</u>
Finance income		67,673	110,415
Finance costs		(3,993)	(16,626)
Finance income - net	15	<u>63,680</u>	<u>93,789</u>
Share of profits of associates		17,549	11,745
Profit/(loss) before income tax		<u>39,136</u>	<u>(229,728)</u>
Income tax credit	16	34,646	45,389
Profit/(loss) for the year		<u><u>73,782</u></u>	<u><u>(184,339)</u></u>
Profit/(loss) attributable to:			
Owners of the Company		92,914	(142,068)
Non-controlling interests		(19,132)	(42,271)
		<u><u>73,782</u></u>	<u><u>(184,339)</u></u>
Earnings/(losses) per share for			
profit/(loss) attributable to owners of			
the Company (expressed in RMB cents			
per share)			
- Basic	18	<u>2.64</u>	<u>(4.01)</u>
- Diluted	18	<u>2.64</u>	<u>(4.01)</u>

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit/(loss) for the year	73,782	(184,339)
Other comprehensive income:		
<i>Items that may be reclassified to income or loss:</i>		
Currency translation differences	3,953	(2,756)
<i>Items that will not be reclassified to income or loss</i>		
Revaluation gains on properties upon transfer from property, plant and equipment and right-of-use assets to investment properties, net of tax	2,254	210,301
Other comprehensive income for the year, net of tax	6,207	207,545
Total comprehensive income for the year	79,989	23,206
Total comprehensive income attributable to:		
Owners of the Company	99,121	65,477
Non-controlling interests	(19,132)	(42,271)
	79,989	23,206

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes	Attributable to owners of the Company					Non-controlling interests	Total equity	
	Share capital	Share premium	Other reserves	Retained earnings	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			RMB'000
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 year	-	-	-	(142,068)	(142,068)	(42,271)	(184,339)	
Other comprehensive income								
Currency translation differences	-	-	(2,756)	-	(2,756)	-	(2,756)	
Revaluation gains on properties upon transfer from property, plant and equipment and right-of-use assets to investment properties, net of tax	-	-	210,301	-	210,301	-	210,301	
Total comprehensive loss	-	-	207,545	(142,068)	65,477	(42,271)	23,206	
Transactions with owners								
Employees share option scheme:								
- Proceeds from shares issued	8	45	7,208	-	-	7,253	-	7,253
Share award plan:								
- Value of employee services received	8	-	85,169	-	-	85,169	-	85,169
- Transfer shares to the awardees upon vesting	8,9	-	(69,158)	69,310	-	152	-	152
- Buy-back of shares for the purpose of share award plan	9	-	-	(163,533)	-	(163,533)	-	(163,533)
Buy-back of shares for the purpose of cancellation	9	-	-	(543,618)	-	(543,618)	-	(543,618)
Cancellation of shares	8,9	(1,075)	(361,462)	362,537	-	-	-	-
Capital injection from non-controlling interests		-	-	-	-	-	18,000	18,000
Total transactions with owners, recognised directly in equity		(1,030)	(338,243)	(275,304)	-	(614,577)	18,000	(596,577)
Balance at 31 December 2024	86,068	6,174,163	911,387	878,338	8,049,956	78,825	8,128,781	

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Notes	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 2025	86,068	6,174,163	911,387	878,338	8,049,956	78,825	8,128,781
Profit for the year	-	-	-	92,914	92,914	(19,132)	73,782
Other comprehensive income							
Currency translation differences	-	-	3,953	-	3,953	-	3,953
Revaluation gains on properties upon transfer from property, plant and equipment and right-of-use assets to investment properties, net of tax	-	-	2,254	-	2,254	-	2,254
Total comprehensive income	-	-	6,207	92,914	99,121	(19,132)	79,989
Transactions with owners							
Employees share option scheme:							
- Proceeds from shares issued	8	56	10,044	-	10,100	-	10,100
Share award plan:							
- Value of employee services received	8	-	105,121	-	105,121	-	105,121
- Transfer shares to the awardees upon vesting	8,9	-	(83,659)	82,507	(1,152)	-	(1,152)
- Buy-back of shares for the purpose of share award plan	9	-	(18,372)	-	(18,372)	-	(18,372)
Buy-back of shares for the purpose of cancellation	9	-	(179)	(37,100)	(37,279)	-	(37,279)
Cancellation of shares	8,9	(896)	(217,285)	218,181	-	(4,500)	(4,500)
Capital reduction from non-controlling interests		-	-	-	-	(3,100)	(3,100)
Business combination		-	-	-	-	(50,867)	(50,867)
Total transactions with owners, recognised directly in equity		(840)	(185,958)	245,216	58,418	(58,467)	(49)
Balance at 31 December 2025	85,228	5,988,205	1,162,810	971,252	8,207,495	1,226	8,208,721

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations		1,101,610	951,584
Interest paid		(1,306)	(12,991)
Income tax paid		(2,827)	(5,063)
Net cash inflow from operating activities		<u>1,097,477</u>	<u>933,530</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(136,910)	(191,190)
Proceeds from disposals of property, plant and equipment and right-of-use assets		1,055	2,039
Purchases of intangible assets		(449,669)	(489,390)
Pledged bank deposits and short-term and long-term bank deposits withdrawn - net		543,574	83,456
Interest received		137,212	89,518
Purchases of financial assets at fair value through profit or loss		(5,214,331)	(1,812,685)
Proceeds from disposal of financial assets at fair value through profit or loss		4,532,558	1,314,851
Dividend received		11,569	19,469
Acquisition of a subsidiary, net of cash acquired		(32,289)	-
Investments in an associate		-	(90,000)
Net cash outflow from investing activities		<u>(607,231)</u>	<u>(1,073,932)</u>
Cash flows from financing activities			
Proceeds from issue of shares as a result of exercise of options	8	10,100	7,253
Capital (reduction)/injection from non-controlling interests		(3,100)	18,000
Proceeds from borrowings		-	5,082
Repayments of borrowings		(200,000)	(576,900)
Repayments of loan from third party		(2,600)	-
Principal elements of lease payments		(70,154)	(37,560)
Payments for purchase of shares for share award plan	9	(18,372)	(163,533)
Payments for buy-back of shares	9	(37,279)	(543,618)
Net cash outflow from financing activities		<u>(321,405)</u>	<u>(1,291,276)</u>
Net increase/(decrease) in cash and cash equivalents		<u>168,841</u>	<u>(1,431,678)</u>
Effects of exchange rate changes on cash and cash equivalents		(3,587)	(2,363)
Cash and cash equivalents at beginning of the year		1,529,682	2,963,723
Cash and cash equivalents at end of year		<u><u>1,694,936</u></u>	<u><u>1,529,682</u></u>

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 place of business is Kingdee Software Park, No.2 Kejinan 12 Road, South district, 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 subscription and sales of softwares and implementation, consulting maintenance services and others.

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

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated. The consolidated financial statements for the year ended 31 December 2025 have been approved for issue by the Board of Directors of the Company on 17 March 2026.

2 Material accounting policy information

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and other comprehensive income (“OCI”) and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group

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 recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet been adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These new standards and interpretations are:

		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
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 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

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive income.

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

(b) New standards and interpretations not yet been adopted (continued)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management - defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

(i) Impact on consolidated statements of comprehensive income:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Interest income derived from long-term bank deposits

The interest income derived from long-term bank deposits currently presented in the line item "other income" in operating profit will be presented below operating profit.

Foreign exchange differences

Foreign exchange differences currently presented in the line item "other gains — net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

Gain or loss of investments measured at fair value through profit or loss

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item "Other income and gains - net" in operating profit will be presented below operating profit.

(ii) Impact on consolidated statements of financial position:

The goodwill currently aggregated in the line item "intangible assets" will be presented separately.

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

(b) New standards and interpretations not yet been adopted (continued)

(iii) Impact on consolidated statements of cash flows:

The interest received currently presented in the operating activities will be presented in the investing activities.

(iv) Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3 Segment information

The chief operating decision-maker (the “CODM”) has been identified as the executive directors of the Company. The executive directors review the Group’s internal reporting to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Starting from 1 September 2025, the Group revised its internal reporting structure to separately measure and review the performance of “Subscription and softwares” and “Implementation, consulting maintenance services and others” as independent segments. Previously, softwares were included within the “Products, Implementation and Others” 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:

Subscription and softwares	- Including subscriptions and sales of softwares
Implementation, consulting maintenance services and others	- Including provision of subscriptions and softwares implementation services, software solution consulting, maintenance, upgrade and other supporting services, and others

The CODM assesses the performance of the operating segments based on the profit or loss for the year of each segment. There were no segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

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3 Segment information (continued)

The segment information for the year ended 31 December 2025 is as follows:

	Subscription and softwares	Implementation, consulting maintenance services and others	The Group total
	RMB'000	RMB'000	RMB'000
Revenue	4,230,337	2,775,699	7,006,036
Cost of sales	<u>(149,702)</u>	<u>(2,152,126)</u>	<u>(2,301,828)</u>
Gross profit	<u><u>4,080,635</u></u>	<u><u>623,573</u></u>	<u><u>4,704,208</u></u>

The segment information for the year ended 31 December 2024 is as follows (recasted):

	Subscription and softwares	Implementation, consulting maintenance services and others	The Group total
	RMB'000	RMB'000	RMB'000
Revenue	3,621,024	2,634,660	6,255,684
Cost of sales	<u>(145,797)</u>	<u>(2,039,215)</u>	<u>(2,185,012)</u>
Gross profit	<u><u>3,475,227</u></u>	<u><u>595,445</u></u>	<u><u>4,070,672</u></u>

3 Segment information (continued)

Revenue from external customers from the PRC and other locations is RMB6,905,415,000 (2024: RMB 6,185,824,000) and RMB100,621,000 (2024: RMB69,860,000), respectively, for the year ended 31 December 2025.

There was no single customer that contributed to over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

(a) Assets and liabilities related to contracts with customers

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Current contract assets relating to implementation contracts	649,642	540,991
Loss: allowance	(200,377)	(175,284)
Total	449,265	365,707
Contract obtaining costs (i)	1,093,613	906,426
Less: non-current portion (ii)	(233,083)	-
	860,530	906,426
Contract liabilities		
Contract liabilities – Subscription	3,772,505	3,126,470
Contract liabilities – Implementation, consulting maintenance services and others	613,957	597,099
	4,386,462	3,723,569
Less: non-current portion (ii)	(571,337)	-
	3,815,125	3,723,569

(i) Contract obtaining costs

Management expects the incremental costs, primarily sale commissions paid/payable, as a result of obtaining the subscription services contracts are recoverable. The Group capitalised these incremental costs and amortised them in “sales promotion” expenses when the related revenue is recognised. There was no impairment loss in relation to the costs capitalised.

3 Segment information (continued)

(a) Assets and liabilities related to contracts with customers (continued)

(ii) Beginning in 2025, contract liabilities and contract acquisition costs arising from new contracts are presented as current or non-current based on the expected timing of service delivery. This presentation reflects a change in facts and circumstances regarding the settlement of contract liabilities.

(iii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Subscription	2,225,283	1,723,334
Implementation, consulting maintenance services and others	597,099	742,960
	2,822,382	2,466,294

(iv) Unsatisfied long-term cloud services contracts

The following table shows unsatisfied performance obligations resulting from long-term fixed-price cloud services contracts.

	At 31 December	
	2025	2024
	RMB'000	RMB'000
- Aggregate amount of the transaction price allocated to long-term subscriptions contracts that are partially or fully unsatisfied as at 31 December	2,095,065	1,603,306

Management expects that approximately 49.37% of the transaction price allocated to the unsatisfied contracts as of 31 December 2025 will be recognised as revenue during the next reporting period (RMB1,034,373,000). The remaining approximately 50.63% (RMB1,060,692,000) will be recognised during the year ending 31 December 2027 and thereafter.

All other subscription and sales of softwares business contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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4 Property, plant and equipment

	Buildings RMB'000	Computer and related equipment RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction in process RMB'000	Total RMB'000
Year ended 31 December 2024							
Opening net book amount	895,131	64,702	13,262	10,968	12,944	922,491	1,919,498
Additions	-	14,052	10,203	5,292	4,797	108,516	142,860
Disposals	-	(2,374)	(316)	(214)	-	-	(2,904)
Transfer from construction in process	956,326	-	-	-	-	(956,326)	-
Transfer from investment properties	4,910	-	-	-	-	-	4,910
Transfer to investment properties (Note 6)	(238,250)	-	-	-	-	-	(238,250)
Depreciation charge	(51,126)	(18,965)	(3,522)	(2,763)	(5,620)	-	(81,996)
Closing net book amount	1,566,991	57,415	19,627	13,283	12,121	74,681	1,744,118
At 31 December 2024							
Cost	1,801,838	174,713	42,557	34,264	95,430	74,681	2,223,483
Accumulated depreciation	(234,847)	(117,298)	(22,930)	(20,981)	(83,309)	-	(479,365)
Net book amount	1,566,991	57,415	19,627	13,283	12,121	74,681	1,744,118

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4 Property, plant and equipment (continued)

	Buildings	Computer and related equipment	Office equipment	Motor vehicles	Leasehold improvements	Construction in process	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025							
Opening net book amount	1,566,991	57,415	19,627	13,283	12,121	74,681	1,744,118
Business combination (Note 36)	-	527	177	-	256	-	960
Other additions	1,260	14,658	14,104	1,394	25,847	48,797	106,060
Disposals	(1,060)	(1,501)	(399)	(26)	-	-	(2,986)
Transfer from construction in process	695	-	195	-	-	(890)	-
Transfer from investment properties	114,993	-	-	-	-	-	114,993
Transfer to investment properties (Note 6)	(736)	-	-	-	-	-	(736)
Transfer to leasehold improvements	(5,621)	-	-	-	5,621	-	-
Depreciation charge	(52,754)	(15,476)	(6,493)	(3,145)	(10,922)	-	(88,790)
Closing net book amount	1,623,768	55,623	27,211	11,506	32,923	122,588	1,873,619
At 31 December 2025							
Cost	1,912,467	179,774	56,456	35,396	127,154	122,588	2,433,835
Accumulated depreciation	(288,699)	(124,151)	(29,245)	(23,890)	(94,231)	-	(560,216)
Net book amount	1,623,768	55,623	27,211	11,506	32,923	122,588	1,873,619

Depreciation of approximately RMB5,465,000 (2024: RMB4,320,000), RMB124,000 (2024: RMB273,000), RMB73,205,000 (2024: RMB66,519,000) and RMB1,435,000 (2024: RMB1,217,000) has been charged to selling and marketing expenses, research and development costs, administrative expenses and cost of sales, respectively.

As at 31 December 2025, none of the property, plant and equipment was used as security for bank borrowings (2024: nil).

5 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:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
Land use rights (i)	162,689	135,478
Buildings	39,067	52,596
Equipment	22,786	-
	224,542	188,074
Lease liabilities		
Current	22,717	22,291
Non-current	18,896	25,961
	41,613	48,252

Additions to the right-of-use assets during the 2025 financial year were RMB61,849,000 (2024: RMB21,202,000).

- (i) The Group has land lease arrangement with Chinese Mainland government. The land use rights are located in the PRC and held on remaining leases of between 26 to 37 years, and for self-use.

(b) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Land use rights	5,353	5,543
Buildings	20,976	25,787
Equipment	5,500	-
	31,829	31,330
Interest expense (included in finance cost (Note 15))	2,318	3,311
Expense relating to short-term leases (included in cost of sales and administrative expenses)	5,738	5,577
	5,738	5,577

The total cash outflow for leases in 2025 was RMB76,236,000 (2024: RMB43,416,000).

5 Leases (continued)

(c) The Group's leasing activities and how these are accounted for

The Group leases various and equipment. Rental contracts are typically made for fixed periods of 1 to 6 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 lessor.

6 Investment properties

	2025	2024
	RMB'000	RMB'000
At fair value		
At 1 January	2,164,691	1,726,750
Transfer to property, plant and equipment and right-of-use assets	(147,475)	(5,060)
Transfer from property, plant and equipment	736	238,250
Transfer from right-of-use assets	229	1,950
Addition	-	24,303
Fair value changes recognised in profit or loss	(79,546)	(55,170)
Revaluation gains on properties upon transfer from property, plant and equipment and right-of-use assets to investment properties	2,505	233,668
At 31 December	1,941,140	2,164,691

(a) Amounts recognised in profit and loss for investment properties

	2025	2024
	RMB'000	RMB'000
Rental income (Note 14)	92,728	58,995
Direct operating expenses from property that generates rental income	(1,158)	(192)

An independent valuation of the Group's investment properties was performed by the valuer, Avista Group, to determine the fair value of the investment properties based on highest and best use as at 31 December 2025. The Group's investment properties, which comprised office buildings in the PRC, were carried at fair value and measured using significant unobservable inputs (Level 3) as at 31 December 2025 and 2024.

(b) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group required the tenants to provide deposits for the term of lease contract.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

6 Investment properties (continued)

- (c) Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss in “fair value gains and losses on investment properties”.

For a transfer from investment property carried at fair value to owner-occupied property, the property’s deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Valuation processes of the Group

The Group’s finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held among the CFO, the valuation team and the valuers at least once every six months, in line with the Group’s interim and annual reporting dates.

At the end of each reporting period the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

6 Investment properties (continued)**Valuation techniques**

For completed and construction in progress office buildings, the valuation was determined using income approach based on significant unobservable inputs. These inputs include:

Unobservable inputs	Description	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Term yields	Based on yields extracting from terms of current leases	4.5%-4.75% (2024: 4.75%)	The higher the term yields rate, the lower the fair value
Reversionary yields	Based on expected yields after expiry of any current lease	4.75%-5% (2024: 5%)	The higher the reversionary yields, the lower the fair value
Fair market rents	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts and external evidence such as current market rents for similar properties	RMB47– RMB158 per month per square meter (2024: RMB49– RMB155 per month per square meter)	The higher the rental value, the higher the fair value

There were no changes to the valuation techniques during the year.

7 Trade and other receivables, and loans to third parties

	2025	2024
	RMB'000	RMB'000
Trade receivables (a)	284,594	272,415
Less: allowance for impairment of trade receivables	<u>(116,540)</u>	<u>(131,463)</u>
Trade receivables – net	168,054	140,952
Notes receivable	64,068	40,396
Other receivables		
– Advances to employees (b)	4,651	5,816
– Prepayments	71,481	63,199
– VAT recoverable	20,034	27,600
– Interest receivables	109,336	181,565
– Receivables from related parties (c)	303	10,027
– Receivables from non-controlling shareholders	40,403	40,403
– Others	18,934	18,235
– Less: allowance for impairment of other receivables (excluding prepayments)	<u>(24,697)</u>	<u>(19,298)</u>
	472,567	508,895
Less: non-current portion	<u>(60,373)</u>	<u>(92,656)</u>
Current portion	<u>412,194</u>	<u>416,239</u>
Loans to third parties (d)		
– Current portion	355,721	240,862
– Non-current portion	<u>98,048</u>	<u>130,255</u>
	<u>453,769</u>	<u>371,117</u>

The carrying amounts of trade and other receivables approximate their fair value. The Group's trade and other receivables are mainly denominated in RMB.

- (a) Sales are generally made without prescribed credit terms in the sales contracts but customers usually take 1 to 3 months to settle the receivables. At 31 December 2025 and 2024, the aging analysis of trade receivables based on invoice date were as follows:

	2025	2024
	RMB'000	RMB'000
0 - 90 days	128,762	113,172
91 - 180 days	1,977	12,894
181 - 360 days	21,153	8,772
Over 360 days	<u>132,702</u>	<u>137,577</u>
	<u>284,594</u>	<u>272,415</u>

7 Trade and other receivables, and loans to third parties (continued)

(b) Advances to employees

The amounts advanced to employees were restricted for business purpose only, such as advances for selling expenses. Such advances were interest free, unsecured and repayable on demand. During the years ended on 31 December 2025 and 2024, the Group did not advance any cash to the directors.

(c) Receivables from related parties were unsecured, interest-free, and repayable on demand and denominated in RMB.

(d) Loans to third parties

	2025	2024
	RMB'000	RMB'000
Loans to third parties	458,353	374,866
Less: Provision for collective impairment assessment of the loans	(4,584)	(3,749)
Loans to third parties, net of provision	453,769	371,117
Less: non-current portion	(98,048)	(130,255)
Current portion	355,721	240,862

The loans to third parties represented loans made under the micro-credit business, which bear interest from 8.00% to 24.00% (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 years ended 31 December 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 years.

8 Share capital and share premium

	Number of shares (thousands)	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2024	3,631,348	87,098	6,512,406	6,599,504
Employee share option scheme				
– Exercise of share options	1,973	45	7,208	7,253
Share award plan				
– Value of services received	-	-	85,169	85,169
– Transfer shares to the awardees upon vesting	-	-	(69,158)	(69,158)
Cancellation of shares	(47,306)	(1,075)	(361,462)	(362,537)
At 31 December 2024	<u>3,586,015</u>	<u>86,068</u>	<u>6,174,163</u>	<u>6,260,231</u>
At 1 January 2025	3,586,015	86,068	6,174,163	6,260,231
Employee share option scheme				
– Exercise of share options	2,343	56	10,044	10,100
Share award plan				
– Value of services received	-	-	105,121	105,121
– Transfer shares to the awardees upon vesting	-	-	(83,659)	(83,659)
Buy-back of shares for the purpose of cancellation	-	-	(179)	(179)
Cancellation of shares	(38,889)	(896)	(217,285)	(218,181)
At 31 December 2025	<u>3,549,469</u>	<u>85,228</u>	<u>5,988,205</u>	<u>6,073,433</u>

- (a) The total authorised share capital as at 31 December 2025 was 6,000,000,000 (2024: 6,000,000,000) shares with a par value of HKD0.025 (2024: HKD0.025) per share. All issued shares were fully paid.

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9 Other reserves

	Merger reserve	Capital reserve	Statutory surplus reserve fund	Property revaluation	Shares held for share award plan	Translation	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note (b)	Note (c)	Note (d)		Note (a)			
At 1 January 2024	6,570	280,258	138,762	639,020	(210,143)	33,418	91,261	979,146
Currency translation differences	-	-	-	-	-	(2,756)	-	(2,756)
Transfer shares to the awardees upon vesting	-	-	-	-	69,310	-	-	69,310
Buy-back of shares for the purpose of share award plan (Note (a))	-	-	-	-	(163,533)	-	-	(163,533)
Buy-back of shares for the purpose of cancellation	-	-	-	-	-	-	(543,618)	(543,618)
Cancellation of shares	-	-	-	-	-	-	362,537	362,537
Revaluation gains on properties upon transfer from property, plant and equipment and right-of-use assets to investment properties, net of tax	-	-	-	210,301	-	-	-	210,301
At 31 December 2024	6,570	280,258	138,762	849,321	(304,366)	30,662	(89,820)	911,387

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9 Other reserves (continued)

	Merger reserve	Capital reserve	Statutory surplus reserve fund	Property revaluation	Shares held for share award plan	Translation	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note (b)	Note (c)	Note (d)		Note (a)			
At 1 January 2025	6,570	280,258	138,762	849,321	(304,366)	30,662	(89,820)	911,387
Currency translation differences	-	-	-	-	-	3,953	-	3,953
Transfer shares to the awardees upon vesting	-	-	-	-	82,507	-	-	82,507
Buy-back of shares for the purpose of share award plan (Note (a))	-	-	-	-	(18,372)	-	-	(18,372)
Buy-back of shares for the purpose of cancellation	-	-	-	-	-	-	(37,100)	(37,100)
Cancellation of shares	-	-	-	-	-	-	218,181	218,181
Revaluation gains on properties upon transfer from property, plant and equipment and right-of-use assets to investment properties, net of tax	-	-	-	2,254	-	-	-	2,254
At 31 December 2025	6,570	280,258	138,762	851,575	(240,231)	34,615	91,261	1,162,810

9 Other reserves (continued)

- (a) During the year ended 31 December 2025, the Company bought back a total of 7,552,000 (2024: 102,457,000) ordinary shares of the Company from the market at a total consideration of HKD59,902,000 (2024: 777,850,000) (equivalent to RMB55,472,000 (2024: 707,151,000)) of which 2,493,000 ordinary shares (2024: 21,321,000) (equivalent to RMB18,372,000 (2024: 163,533,000)) were for the purpose of share award plan under the Company's employee share award scheme and 5,059,000 (2024: 81,136,000) ordinary shares (equivalent to RMB37,100,000 (2024: 543,618,000)) were for the purpose of cancellation.
- (b) The merger reserve represented the difference between the carrying amounts of the capital of the subsidiaries at the date on which they were acquired by the Company and the nominal amounts of the Company's shares issued as consideration for the acquisitions.
- (c) The capital reserve arose mainly from the reinvestment of dividends into the PRC subsidiaries and capitalisation of reserves of certain subsidiaries.
- (d) The Company's subsidiaries in the PRC are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to allocate at least 10% of their net profits to the reserve fund until the balance of such fund has reached 50% of their registered capital. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital.

10 Bank borrowings

	2025	2024
	RMB'000	RMB'000
Non-current		
Bank borrowings- unsecured	-	200,000
Less: current portion of non-current bank borrowings	-	(200,000)
	-	-
Current		
Bank borrowings- unsecured	-	5,082
Current portion of non-current bank borrowings	-	200,000
	-	205,082

At 31 December 2025, the Group's bank borrowings were repayable as follows:

	2025	2024
	RMB'000	RMB'000
Within 1 year	-	205,082
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
	-	205,082

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

	2025	2024
	RMB'000	RMB'000
RMB	-	205,082

The Group's bank borrowings bear average interest rate of 2.25% (2024: 2.60%) per annum.

As at 31 December 2025, the bank borrowings of the Group amounts to nil. (2024: bank borrowings were at floating rates, and the exposure to interest-rate changes and the contractual repricing dates at the balance sheet dates were within 1 year).

The carrying amount of the bank borrowings approximate their fair value, as the impact of discounting using a borrowing rate is not significant.

11 Trade and other payables

	2025	2024
	RMB'000	RMB'000
Trade payables ((a) and (b))	110,423	82,595
Note payables	33,364	105,893
Salary and staff welfare payables	418,014	301,335
Deposits payable	243,455	219,659
Accrual for expenses	396,347	391,521
Unpaid consideration for acquisition of subsidiaries	4,000	4,000
Construction payables	263,862	311,275
Tax payables	43,453	38,234
Payable to non-controlling interests for capital reduction (c)	206,000	-
Others	38,138	33,171
	1,757,056	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.

(b) At 31 December 2025 and 2024, the aging analysis of the trade payables based on invoice date is as follows:

	2025	2024
	RMB'000	RMB'000
0 - 180 days	97,604	75,556
181 - 360 days	9,652	2,321
Over 360 days	3,167	4,718
	110,423	82,595

(c) Pursuant to the capital reduction agreement signed by the shareholders of CloudHub in 2025, CloudHub will pay a cash consideration of RMB206,000,000 to repurchase the 9.1743% equity interest held by Chongqing Science City Investment Co., Ltd..

12 Revenue from contracts with customers

The Group's revenue includes revenues from subscription and softwares, implementation services, consulting maintenance and other services. Revenue is stated net of applicable VAT in the PRC and comprises the following:

	2025	2024
	RMB'000	RMB'000
Subscription and softwares	4,230,337	3,621,024
-Subscription	3,556,048	2,940,529
-Softwares	674,289	680,495
Implementation, consulting maintenance services and others	2,775,699	2,634,660
-Implementation services	1,891,905	1,759,077
-Consulting maintenance and other services	883,794	875,583
	7,006,036	6,255,684

12 Revenue from contracts with customers (continued)

The Group's subscription service arrangements are non-cancellable and do not contain refund-type provisions.

The Group enters into contracts with end customers that can include combination of standard software, hardware and services which are accounted for as separate performance obligations because they are capable of being distinct and generally there is no significant modification or integration and they are not highly dependent with each other. The Group sells standard software to distributors and end customers. Both distributors and end customers are regarded as direct customers of the Group as distributors can control the software and further resell it or sell combined with other product and related services to end customers.

The transaction price is the price after discount and is a fixed amount upon signing the contract. The products cannot be returned unless significant problems found, which rarely happens. The transaction price in an arrangement is allocated to each separate performance obligation based on the relative observable standalone selling prices of the products or services being provided to the customer.

The Group recognises revenue when control of the promised products or services is transferred to the customer. The customer obtains control of a product or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that product or service.

(a) Subscription

Subscription are provided mainly in the form of fixed-price contracts. Revenue related to these services are recognised ratably over the service contract period. The Group provides subscription services directly to end customers or through its channel partners. For subscription services provided through channel partners, the Group is responsible for delivering the services, paying server fees to external cloud server vendors to ensure the services are accessible and stable, and the Group has discretion in establishing the prices for these services. The channel partners have the contractual obligation to follow the Group's pricing guidance and are not primarily obligated to the customers for the quality or performance of the services. Therefore the Group is the principal to the end customers and recognises revenue at the gross amount billed to the end customers.

(b) Software

Standard software is a right to use license because the software has standalone functionality and the customer can use the software as it is available at a point in time. Licenses are typically delivered by providing the customer an activation code with access to download the software. The Group recognises revenue for such licenses at a point in time when the customer has received licenses or the activation code and thus has control over the software and the Group has present right to payment. In case there is an update of the standard software, end customers or distributors are required to pay additional consideration to buy upgraded version.

Sales of hardware and related products are recognised at a point in time when the products are delivered and the end customers have physical possession, that is control over the hardware and related products.

12 Revenue from contracts with customers (continued)

(c) Implementation

Sometimes, customers will request customisation based on customers' demands and business operations.

Revenue of implementation contracts is recognised over the period of the contracts by reference to the progress of work performed, which is established according to the value of efforts put in each task (measured by standard man days for each task) over total value of efforts of the implementation project with support by progress reports acknowledged by the customers. The corresponding implementation costs are recognised as incurred under cost of sales.

Variations in implementation work and incentive payments are included in transaction price to the extent that would have been agreed with the customer.

(d) Consulting maintenance and other services

Consulting maintenance and other services are provided mainly in the form of fixed-price contracts. Revenue related to these services are recognised ratably over the service contract period.

(i) The Group's micro-credit business revenue derives from interest income. The Group generates interest income from providing micro-credit loans to borrowers. Interest income is recognised and accrued based on the effective interest rate agreed with each borrower over the loan period.

(e) Contract assets and liabilities

The Group recognises receivables for performance obligations satisfied over time gradually as the performance obligation is satisfied and the right to consideration is unconditional. Judgment is required in determining whether a right to consideration is unconditional and thus qualifies as a receivable. When the performance obligation satisfied over time while a right to consideration is conditional, contract asset is recognised. Contract liabilities primarily reflect invoices due or payments received in advance of revenue recognition. They are recognised as revenue upon transfer of control to the customers of the promised license, products and services.

(f) Rebates to distributors

The Group offers rebates to distributors based on the respective purchase volume of distributors. The rebate is not in the form of cash, but as a coupon to be used on future purchase order, thus it is regarded as a customer option that provides material right and be treated as a separate performance obligation. The rebate expires after 12 months from grant date.

12 Revenue from contracts with customers (continued)

(g) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised software products to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(h) Incremental costs of obtaining customer contract

Incremental costs of obtaining customer contract primarily consisting of sales commissions which are capitalised as an asset. The Group amortises assets recognised from capitalising costs to obtain a contract on a systematic basis to profit or loss, consistent with the pattern of revenue recognition to which the asset relates.

13 Expenses by nature

Expenses included in cost of sales, selling and marketing expenses, research and development costs, administrative expenses and net impairment losses on financial assets and contract assets are analysed as follows:

	2025	2024
	RMB'000	RMB'000
Research and development costs		
Amounts incurred	1,424,768	1,515,923
Less: development costs capitalised	(445,816)	(484,284)
Add: amortisation	515,422	482,794
	<u>1,494,374</u>	<u>1,514,433</u>
Employee benefit expenses	4,273,774	4,281,713
Less: amount included in development costs	(1,350,713)	(1,451,475)
	<u>2,923,061</u>	<u>2,830,238</u>
Depreciation of property, plant and equipment (Note 4)	88,790	81,996
Less: amount included in development costs	(8,561)	(9,667)
	<u>80,229</u>	<u>72,329</u>
Outsourcing services	982,267	816,799
Sales promotion and advertising	1,084,301	880,568
Cost of inventories consumed	194,549	247,095
Rental and utilities	47,041	45,327
Traveling expenses	114,489	116,282
Office expenses	33,060	32,291
Other taxes and surcharges	67,941	59,411
Training costs	7,942	9,926
Professional service fees	54,486	45,190
Depreciation of right-of-use assets (Note 5)	31,829	31,330
Amortisation of trademarks, licenses and copyrights	12,739	9,157
Amortisation of technology and related patents	1,543	-
Amortisation of computer software for own use	5,046	2,363
Amortisation of customer relationship	4,167	1,082
Auditors' remuneration	3,356	4,397
- Audit services	3,170	3,170
- Non-audit services	186	1,227
Net impairment losses on financial assets and contract assets	42,696	40,890
Others	26,644	22,766
Total	<u><u>7,211,760</u></u>	<u><u>6,781,874</u></u>

14 Other income and gains – net

	2025 RMB'000	2024 RMB'000
Other income		
VAT refund and Program research income (a)	163,203	230,781
Rental income (Note 6)	92,728	58,995
	255,931	289,776
Other gains/(losses)		
Realised and unrealised net gains/(losses) on financial assets at FVPL (b)	4,598	(45,652)
Impairment of goodwill	(21,807)	-
Net foreign exchange losses	(3,002)	(4,059)
Losses on disposal of property, plant and equipment and right-of-use assets	(997)	(865)
Others	8,454	6,898
	(12,754)	(43,678)
	243,177	246,098

(a) According to the current tax regulations in the PRC, the development and sales of computer software products are subject to VAT with an applicable rate of 16%. From 1 April 2019, according to the circular “2019 No. 39 Notice of Ministry of Finance, the General Administration of Taxation and The General Administration of Customs”, the applicable rate for software industry has been changed from 16% to 13%.

In 2011, the State Council issued a circular regarding the “Taxation Policy for Encouraging the Development of Software and Integrated Circuits Industry” (Guo Fa [2011] No.4) (the “Circular”). Pursuant to the Circular, software enterprises engaged in the sales of self-developed software in the PRC are entitled to VAT refund to the extent that the effective VAT rate of the sales of the software in the PRC exceeds 3% of the sales amounts.

(b) It mainly represented fair value changes of investments that are measured at FVPL.

15 Finance income– net

	2025	2024
	RMB'000	RMB'000
Finance income		
– Interest income- derived from cash and cash equivalents	5,069	14,862
– Interest income- derived from short-term and long- term bank deposits	62,604	95,553
	67,673	110,415
Finance costs		
– Interest on borrowings	(1,675)	(13,315)
– Interest on lease liabilities	(2,318)	(3,311)
	(3,993)	(16,626)
	63,680	93,789

16 Income tax credit

Taxation on the PRC profits is calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC.

	2025	2024
	RMB'000	RMB'000
Current income tax		
– Current tax on profits for the year	2,141	3,160
– Over-provision in prior year	807	(5,004)
Deferred income tax	(37,594)	(43,545)
	(34,646)	(45,389)

- (a) No provision for profits tax in Hong Kong has been made as the Group has no assessable profits for the years in those jurisdictions.
- (b) Based on management's assessment, it is highly probable that Kingdee China will be qualified as national key software enterprise and subject to a preferential corporate tax rate of 10%. Therefore, Kingdee China used a preferential deferred income tax rate of 10% for the year ended 31 December 2025 (2024: 10%) by applying management's critical judgement.
- (c) Kingdee Deeking was qualified as a High-tech Enterprise from 2022 to 2025 and was entitled to a preferential corporate income tax rate of 15% in 2025 (2024: 15%).

Kingdee Apusic was qualified as a High-tech Enterprise from 2023 to 2026 and was entitled to a preferential corporate income tax rate of 15% in 2025 (2024: 15%).

Guanyi was qualified as High-tech Enterprise from 2022 to 2025 and were entitled to a preferential corporate income tax rate of 15% in 2025 (2024: 15%).

Yunji was qualified as High-tech Enterprise from 2022 to 2025 and was entitled to a preferential corporate income tax rate of 15% in 2025 (2024: 15%).

Cloud Hub was qualified as High-tech Enterprise from 2022 to 2025 and was entitled to a preferential corporate income tax rate of 15% in 2025.

16 Income tax credit (continued)

- (d) The taxation on the Group's profit/(loss) before income tax differs from the theoretical amount that would have arisen using the principal rate of the PRC corporate income tax due to the following:

	2025	2024
	RMB'000	RMB'000
Profit/(loss) before income tax	39,136	(229,728)
Tax calculated at the statutory tax rate of 25% (2024: 25%)	9,784	(57,432)
Tax effects of:		
Preferential tax rates	(18,464)	(7,522)
Tax losses for which no deferred income tax asset was recognised	56,909	132,927
Expenses not deductible for tax purposes	4,058	1,963
Utilisation of tax losses not recognised in previous years	(8,426)	(7,057)
Additional deductible allowance for research and development expenses	(79,314)	(103,264)
Over-provision in prior year	807	(5,004)
	(34,646)	(45,389)

- (e) Due to the uncertainty of the announcement of the legislation in some countries and regions and the complexities in applying the legislation and calculating global income, the Group is in the process of assessing its exposure to the Pillar Two legislation. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12.
- (f) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

17 Dividends

The board of directors did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

18 Earnings/(losses) per share

(a) Basic

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased and held for share award plan.

	2025	2024
Profit/(loss) attributable to owners of the Company (RMB'000)	92,914	(142,068)
Weighted average number of ordinary shares in issue (thousands)	3,514,655	3,545,437
Basic earnings/(losses) per share (RMB cents per share)	2.64	(4.01)

(b) Diluted

Diluted earnings/(losses) 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 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 losses for the years ended 31 December 2024, the dilutive potential ordinary shares were not included in the calculation of diluted losses per share as the effect of their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the years ended 31 December 2024 was the same as basic losses per share of the respective year.

18 Earnings/(losses) per share(continued)

	2025	2024
Profit/(loss) attributable to owners of the Company (RMB'000)	92,914	(142,068)
Profit/(loss) used to determine diluted earnings per share (RMB'000)	92,914	(142,068)
Weighted average number of ordinary shares in issue (thousands)	3,514,655	3,545,437
Adjustments for:		
– Share awards (thousands)	3,598	-
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,518,253	3,545,437
Diluted earnings/(losses) per share (RMB cents per share)	2.64	(4.01)

19 Related party transactions

The Group had transactions with related parties for the year ended 31 December 2025 as follows:

(a) Transactions with related parties

	2025	2024
	RMB'000	RMB'000
Sales of products		
– Associates	8	138
– Companies controlled by Directors	880	1,908
	888	2,046
Sales of services		
– Associates	2,372	1,946
– Companies controlled by Directors	498	633
	2,870	2,579
Rental income		
– Associates	1,874	3,445
– Companies controlled by Directors	2,237	2,264
	4,111	5,709

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

19 Related party transactions (continued)

(b) Purchases of products and services

	2025	2024
	RMB'000	RMB'000
Purchases of products		
– Associates	3,204	2,657
– Companies controlled by Directors	216	19
	3,420	2,676
Purchases of services		
– Associates	45,083	62,242
– Companies controlled by Directors	-	251
	45,083	62,493

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

(c) Balances with related parties

	2025	2024
	RMB'000	RMB'000
Receivables from related parties		
– Associates	390	9,947
– Companies controlled by Directors	723	80
	1,113	10,027
Payable to related parties recorded in “Contract liabilities”		
– Associates	2,471	1,718
– Companies controlled by Directors	1,499	887
	3,970	2,605
Payable to related parties recorded in “Trade payables”		
– Associates	779	743
– Companies controlled by Directors	141	442
	920	1,185

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

19 Related party transactions (continued)

(d) Key management compensation

Key management comprise the Company's directors and senior management. The compensation paid or payable to key management for employee services is shown below.

	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	26,937	25,082
Share-based payments	35,387	23,655
	62,324	48,737

20 Subsequent events

From January 2026 to February 2026, the Company repurchased 1,500,000 ordinary shares, representing approximately 0.04% of the total number of issued shares of the Company as at 31 December 2025. The total amounts paid were approximately HKD16,527,000 (equivalent to approximately RMB14,624,000).

MANAGEMENT DISCUSSION AND ANALYSIS

1. Key Financial Information

Total Revenue

As of 31 December 2025, the Group recorded a total revenue of approximately RMB7,006,036,000, representing a year-on-year increase of approximately 12.0% (2024: approximately RMB6,255,684,000). Revenue from subscription and softwares grew by approximately 16.8% to RMB4,230,337,000 (2024: approximately RMB3,621,024,000). Revenue from implementation, consulting, operation and maintenance services and others amounted to approximately RMB2,775,699,000 (2024: approximately RMB2,634,660,000), reflecting a year-on-year increase of approximately 5.4%.

The segment information for the year ended 31 December 2025 is as follows:

	Subscription and softwares	Implementation, consulting maintenance services and others	The Group total
	RMB'000	RMB'000	RMB'000
Revenue	4,230,337	2,775,699	7,006,036
Cost of sales	(149,702)	(2,152,126)	(2,301,828)
Gross profit	<u>4,080,635</u>	<u>623,573</u>	<u>4,704,208</u>

The segment information for the year ended 31 December 2024 is as follows (recasted):

	Subscription and softwares	Implementation, consulting maintenance services and others	The Group total
	RMB'000	RMB'000	RMB'000
Revenue	3,621,024	2,634,660	6,255,684
Cost of sales	(145,797)	(2,039,215)	(2,185,012)
Gross profit	<u>3,475,227</u>	<u>595,445</u>	<u>4,070,672</u>

Gross Profit

The Group recorded a gross profit of approximately RMB4,704,208,000 (2024: approximately RMB4,070,672,000), representing a year-on-year increase of approximately 15.6%. The gross profit margin increased by 2.0 percentage points compared to 2024, reaching approximately 67.1% (2024: approximately 65.1%). The improvement in gross profit margin was primarily benefiting from the economies of scale in the cloud subscription business and efficiency improvements driven by AI.

Selling and Marketing Expenses

During the Reporting Period, the total selling and marketing expenses amounted to approximately RMB2,725,804,000 (2024: approximately RMB2,502,852,000), reflecting a year-on-year increase of approximately 8.9%. The percentage of selling and marketing expenses relative to total revenue decreased from 40.0% in 2024 to 38.9% in 2025.

Administrative Expenses

During the Reporting Period, administrative expenses amounted to approximately RMB647,058,000 (2024: approximately RMB538,687,000), representing a year-on-year increase of approximately 20.1%. The percentage of administrative expenses relative to total revenue increased from 8.6% in 2024 to 9.2% in 2025, primarily attributable to the optimisation of personnel structure and the increase in severance compensation expenses.

Research And Development Expenses

During the Reporting Period, the total R&D costs amounted to approximately RMB1,424,768,000, representing a year-on-year decrease of approximately 6.0% (2024: approximately RMB1,515,923,000). The R&D capitalization rate decreased to 31.3% (2024: 31.9%), with the capitalized amount reaching approximately RMB445,816,000, a year-on-year decrease of approximately 7.9% (2024: approximately RMB484,284,000). The amortization of R&D costs during the reporting period amounted to RMB approximately 515,422,000, reflecting a year-on-year increase of approximately 6.8% (2024: approximately RMB482,794,000), while the R&D expenses recognized in the consolidated income statement amounted to approximately RMB1,494,374,000, representing a year-on-year decrease of approximately 1.3% (2024: approximately RMB1,514,433,000). The percentage of R&D expenses relative to total revenue decreased from 24.2% in 2024 to 21.3% in 2025.

Other Income and Gains – Net

During the Reporting Period, other income and gains – net amounted to approximately RMB243,177,000, representing a year-on-year decrease of 1.2% (2024: approximately RMB246,098,000).

Finance Income – Net

During the Reporting Period, net finance income amounted to approximately RMB63,680,000, compared to net finance income of approximately RMB 93,789,000 in the same period of 2024.

Income Tax Credit

During the Reporting Period, there was an income tax credit of approximately RMB34,646,000 (2024: approximately RMB45,389,000).

Profit/(Loss) and Basic Earnings/(Loss) per Share

For the year ended 31 December 2025, the profit attributable to Owners of the Company was approximately RMB92,914,000 (2024: loss of approximately RMB142,068,000), representing a net profit margin attributable to the parent company of approximately 1.3% (2024: net loss margin of approximately 2.3%). The basic earnings per share were approximately RMB2.64 cents (2024: basic loss per share of approximately RMB4.01 cents).

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Non-IFRS Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, non-IFRS financial measure adjusted profit attributable to equity holders of the Company have been presented in this announcement. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The Company's management believes that the non-IFRS financial measures provide investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain non-cash items and certain impact of investment-related transactions.

The following tables set forth the reconciliations of the Group's non-IFRS financial measures for the years ended 31 December 2025 and 2024 to the nearest measures prepared in accordance with IFRS:

	2025	2024
	RMB'000	RMB'000
Profit/(Loss) attributable to Owners of the Company	92,914	(142,068)
Adjustment items		
Share-based compensation	105,121	85,169
Net (gains)/losses from associates	(17,549)	(11,745)
Amortization of acquisition-related intangible assets	14,398	9,770
Fair value changes of investments and impairment of goodwill	38,649	49,587
Income tax effects	(1,558)	(864)
Adjusted profit/(Loss) attributable to Owners of the Company (a non-IFRS measure)	<u>231,975</u>	<u>(10,151)</u>

Financial Assets at Fair Value through Profit or Loss

As of 31 December 2025, the Group's financial assets at fair value through profit or loss amounted to approximately RMB2,124,830,000, an increase of approximately RMB676,682,000 compared to 31 December 2024. This includes a non-current portion of approximately RMB847,349,000 (31 December 2024: approximately RMB872,587,000) and a current portion of approximately RMB1,277,481,000 (31 December 2024: approximately RMB575,561,000).

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Financial Assets Measured at FVPL Include the Following:

	2025	2024
	RMB'000	RMB'000
Investments designated at fair value through profit or loss		
Wealth management products (i)	1,190,215	480,188
Listed equity securities	87,266	95,373
Unlisted equity investments (ii)	847,349	872,587
	<u>2,124,830</u>	<u>1,448,148</u>
Less: non-current portion	(847,349)	(872,587)
	<u>1,277,481</u>	<u>575,561</u>

- (i) This represented the Group's investments in various wealth management products issued by commercial banks. These products have a term ranging from 1 month to 12 months (2024: 1 day to 12 months) with an expected annual return rate ranging from 1.45% to 2.20% (2024: 1.67% to 2.55%). 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.
- (ii) This represented the Group's investments in various unlisted investments, including companies in software industry.

Investments in Associates

	2025	2024
	RMB'000	RMB'000
At 1 January	523,449	434,461
Additions	-	90,000
Dividend received	(9,207)	(12,757)
Share of profits of associates	17,549	11,745
At 31 December	<u>531,791</u>	<u>523,449</u>

- (a) Individually immaterial associates

In the opinion of the directors, none of the associates is material to the Group. Summarised aggregate financial information of the individually immaterial associates that are accounted for using the equity method are as following:

	2025	2024
	RMB'000	RMB'000
Aggregate carrying amounts of individually immaterial associates	<u>531,791</u>	<u>523,449</u>
Aggregate amounts of the Group's share of:		
Profit for the year	17,549	11,745
Other comprehensive income	-	-
Total comprehensive income	<u>17,549</u>	<u>11,745</u>

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- (b) All the associates of the Group are unlisted and operate in Chinese Mainland. There are no significant contingent liabilities relating to liabilities of the associates for which the Group is severally liable.
- (c) Unrecognised share of losses of associates

	2025	2024
	RMB'000	RMB'000
At 1 January	42,004	40,586
Unrecognised share of losses during the year	<u>7,152</u>	<u>1,418</u>
At 31 December	<u><u>49,156</u></u>	<u><u>42,004</u></u>

Contract Assets

During the Reporting Period, as at 31 December 2025, the Group's contract assets amounted to approximately RMB449,265,000, compared with approximately RMB365,707,000 as at the same date in 2024.

Loans to Third Parties

	2025	2024
	RMB'000	RMB'000
Loans to third parties	458,353	374,866
Less: Provision for collective impairment assessment of the loans	<u>(4,584)</u>	<u>(3,749)</u>
Loans to third parties, net of provision	453,769	371,117
Less: non-current portion	<u>(98,048)</u>	<u>(130,255)</u>
Current portion	<u><u>355,721</u></u>	<u><u>240,862</u></u>

The loans to third parties represented loans made under the micro-credit business, which bear interest from 8.00% to 24.00% (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 an expected credit loss assessment of loans to third parties collectively by grouping loans with similar credit risk characteristics. During the years ended 31 December 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 years.

Contract Liabilities

During the Reporting Period, as of 31 December 2025, the Group's contract liabilities amounted to approximately RMB4,386,462,000. The corresponding contract liabilities for the same period in 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 subscription business.

Cash Flows, Financial, and Capital Resources

As of 31 December 2025, the Group recorded total cash and bank deposits of approximately RMB3,796,834,000 (the corresponding period in 2024: approximately RMB4,175,154,000). As of 31 December 2025, the Group held wealth management products amounting to approximately RMB1,190,215,000 (the corresponding period in 2024: approximately RMB480,188,000). The majority of the Group's cash, bank deposits, and asset management products are denominated in RMB, while the portion denominated in foreign currencies had an RMB equivalent of approximately RMB170,174,000 as of 31 December 2025 (the corresponding period in 2024: approximately RMB59,813,000), primarily denominated in USD and HKD.

As of 31 December 2025, the Group's net current assets amounted to approximately RMB185,471,000 (the corresponding period in 2024: approximately RMB152,296,000). The current ratio of current assets to current liabilities as of 31 December 2025 was approximately 1.03.

As of 31 December 2025, the Group had no outstanding bank borrowings (the corresponding period in 2024: approximately RMB205,082,000).

Cash Flow and Fair Value Interest Rate Risk

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

The Group currently does not use any interest rate swaps to hedge its interest rate exposure. However, if necessary, the Group will consider hedging significant interest rate exposure.

As at 31 December 2025, the Group had no bank borrowings bearing floating interest rates (2024: RMB200,000,000). As at 31 December 2025, if interest rates had been 50 basis points higher/lower and all other variables had been held constant, the Group's post-tax profit for the year ended 31 December 2025 would have been approximately RMB0 higher/lower (2024: approximately RMB900,000 higher/lower).

Foreign Exchange Risk

The functional currency of the Company and its major subsidiaries is RMB. The majority of the revenues of the Group are derived from operations in the PRC.

Foreign exchange risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business

may affect its financial position and results of operations. The foreign exchange risk facing the Group mainly comes from movements in the US dollars (“USD”)/RMB and Hong Kong dollars (“HKD”)/RMB exchange rates.

At 31 December 2025, the Group did not have any derivative financial instrument to which hedging accounting was applied.

At 31 December 2025, if the RMB had weakened/strengthened by 5% against the HKD with all other variables held constant, profit before tax for the year would have been higher/lower by approximately RMB6,177,000 (2024: loss before tax for the year would have been lower/higher by approximately RMB2,200,000), mainly as a result of foreign exchange gains/losses on translation of HKD denominated cash at bank and on hand.

At 31 December 2025, if the RMB had weakened/strengthened by 5% against the USD with all other variables held constant, profit before tax for the year would have been higher/lower by approximately RMB1,716,000 (2024: loss before tax for the year would have been lower/higher by approximately RMB437,000), mainly as a result of foreign exchange gains/losses on translation of USD denominated cash at bank and on hand.

Credit Risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at fair value through profit or loss (FVPL) and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

The management manages the credit risk of cash and cash equivalents, pledged and short-term and long-term bank deposits and wealth management products (classified as financial assets at FVPL) by transacting with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions in Chinese mainland and Hong Kong.

In relation to trade receivables and contract assets, the Group has two kinds of distribution channels, one is sales to distributors and the other is sales to end customers.

For sales to distributors, the Group has assessed the credit quality of the distributors, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The compliance with credit limits by distributors is regularly monitored by management.

For sales to end customers, the Group has no significant concentration of credit risk in trade receivables since the balance of trade receivables is composed of numerous individual small items and the exposure spreads over a large number of customers.

The Group’s investments in debt instruments, including loans to third parties, are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

For other receivables, management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an on-going basis. The directors of the Company believe that there is no material credit risk inherent in the Group’s outstanding balances of 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 possesses sufficient solvency. Through a comprehensive, reasonable, and professional evaluation mechanism, the Group has established annual and monthly fund planning, along with a set of rigorous fund management principles, enabling effective management of market risks.

In terms of budget management, the Group has established monthly, quarterly, and annual budget management systems, which are subject to approval by the Chief Financial Officer. Capital budget plans should be formulated based on the Group's business plans, project timelines, and contract payment terms to ensure accurate alignment with actual business needs.

Principal Properties

The table below provides a breakdown of the Group's properties as of 31 December 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	615,540
Shanghai Kingdee Software Park.	No. 88, Chenhui Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, China.	Office	Long term	356,480
Shenzhen Kingdee Software Park.	No. 2, 12th Road, Keji South Road, Nanshan District, Shenzhen, Guangdong Province, China.	Office	Long term	121,440
Shenzhen Kingdee Cloud Building.	No. 2, 12th Road, Keji South Road, Nanshan District, Shenzhen, Guangdong Province, China.	Office	Long term	802,920
Shenzhen W1-B	4th Floor, W1 Building, Gaoxing Industrial Village, Keji South 1st Road, Nanshan District, Shenzhen, Guangdong Province, China.	Office	Long term	44,760
				<u>1,941,140</u>

2. Employee and Remuneration Policy

During the Reporting Period, the Group had 11,294 employees. The Group adheres to the principle of "customer-centricity with long-term commitment to quality first" and continuously motivates product innovation and quality development; adheres to "people-oriented with long-term commitment to a clear and pure mind" and continues to recruit AI transformation leaders and outstanding fresh graduates, while encouraging job rotation among managers and key employees. The Group provides employees with various types of training courses including professional skills and leadership capabilities, and adopts share incentive schemes to reward employee contributions.

The Group's remuneration policy is determined based on employees' position responsibilities, work performance, outstanding contributions, years of service, and prevailing market conditions. When evaluating the remuneration of Directors and senior management, the Remuneration Committee considers factors including compensation levels of comparable companies, tenure, commitment, responsibilities, and individual performance.

3. Social Responsibility and Sustainable Development

The Group actively fulfills its corporate social responsibility and promotes sustainable development. During the Reporting Period, Kingdee was selected for the S&P Global Sustainability Yearbook (China Edition) 2025 for the third consecutive year. In talent cultivation, Kingdee has established industry-academia collaboration with 57 universities, co-developed over 60 digital practice courses with leading universities including Tongji University and Nankai University, added 75 jointly-built laboratories and training bases, and provided digital learning services to over 50,000 students. In enterprise management, Kingdee partnered with top universities and renowned enterprises to offer the "Digital Transformation Workshop" training series, empowering 611 entrepreneurs and executives throughout the year; hosted the 15th China Management Global Forum and released the "China Enterprise

Management Best Practices List" to advance research on Chinese management models. In philanthropy, Kingdee donated the "Charity Operations Management Platform" to the Liaoning Province Charity Federation; and continued to organize voluntary blood donation drives and urban environmental hiking campaigns, advocating employee participation in voluntary blood donation on World Blood Donor Day and organizing multi-city environmental hikes on World Environment Day.

4. Outlook

The most exciting era for enterprise software has arrived. As the agentic development ecosystem rapidly matures, the value of enterprise software stands to expand a thousandfold and beyond. Embrace AI or be left behind — what ultimately determines the future is not technology itself, but the people and organizations capable of harnessing it. With a legacy of serving 7.4 million+ enterprises over three decades, Kingdee possesses the industry insights, digital assets, and trusted AI engineering that have become the most coveted strategic assets in the age of AI-driven enterprise management. Three successful transformations have proven that Kingdee possesses the DNA, capabilities, and determination to embrace change. In this AI transformation, Kingdee will undergo a decisive metamorphosis — over the next five years, we will build another Kingdee with AI.

KINGDEE INTERNATIONAL SOFTWARE GROUP COMPANY LIMITED

Dividend

The Board does not recommend the declaration and payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Purchase, Sale or Redemption of Shares

Purchase of Shares

During the Reporting Period, the Company through its trustee purchased 2,493,000 shares of the Company (the "Shares") on the Stock Exchange for an aggregate consideration of approximately HK\$19,839,000 pursuant to the share award scheme as adopted by the Company on 4 December 2015.

Repurchase 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

Those 5,059,000 Shares repurchased were cancelled in February 2025.

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

Closure of Register of Members

The register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which periods no transfer of Shares will be registered. In order to be qualified to attend, participate in and vote at the annual general meeting (the “AGM”) to be held on Thursday, 28 May 2026, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Thursday, 21 May 2026.

PROPOSED ADOPTION OF THE AMENDED AND RESTATED ARTICLES

The Board proposes to make certain amendments to the articles of association of the Company (the “Articles”) or the purposes of, among other things, (i) aligning the existing Articles with the expanded paperless listing regime, the holding of hybrid and electronic meetings by listed issuers and permitting electronic voting, and the new treasury shares regime under the Listing Rules; and (ii) incorporating certain minor consequential and housekeeping amendments (the “Proposed Amendments”).

The Proposed Amendments and the adoption of the amended and restated Articles incorporating such amendments (which shall replace and supersede the existing Articles) are subject to the approval of the Shareholders by way of a special resolution at the AGM. A circular containing, among other things, further information regarding the Proposed Amendments together with the notice of the AGM will be despatched to the shareholders of the Company as soon as practicable.

Corporate Governance

The Company has applied and complied with all the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Listing Rules throughout the financial year ended 31 December 2025 except the following: during the Reporting Period, Mr. Xu Shao Chun assumed the roles of both the Chairman and Chief Executive Officer of the Company which deviated from code provision C.2.1 of the Code which specifies that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Board considers that Mr. Xu Shao Chun, as one of the main founders of the Group, has abundant knowledge of the IT industry and unique strategic perspectives. The Board believes that he can lead the Group to formulate effective strategies and react promptly to market changes. His continual service in both roles is beneficial to the stable and healthy development of the Company. However, the Board will review and make appropriate changes when necessary in order to enhance the level of corporate governance.

Audit Committee

As at 31 December 2025, the audit committee of the Company (the “Audit Committee”) comprised two independent non-executive Directors, namely Mr. Zhou Jun Xiang (Chairman) and Mr. Bo Lian Ming, and one non-executive Director, namely Mr. Gary Clark Biddle. The Audit Committee has reviewed the accounting principles and practices adopted by the Company, discussed auditing, internal control, risk management and financial reporting matters, and reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

Auditor

PricewaterhouseCoopers was appointed as the external auditor of the Company for the year of 2025, and there has been no change in the Company's auditor in any of the preceding three years. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor will be proposed at the forthcoming AGM.

Auditor's Procedures Performed on this Results Announcement

The figures in respect of the announcement of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and the related notes thereto for the year ended 31 December 2025 have been agreed to by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

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

Shenzhen, the People's Republic of China, 17 March 2026.

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.