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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: 8133)

ANNOUNCEMENT

PROPOSED LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF INTRODUCTION

PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Directors would like to announce that the Company plans to list the Shares on the Main Board by way of introduction. An advance booking form for the Proposed Listing was submitted to the Stock Exchange today. The Directors also informed the Stock Exchange of their intention to implement the Proposed Withdrawal that will be conditional upon, among other things, the approval by the Shareholders for the Proposed Withdrawal and the approval by the Stock Exchange of the application for the Proposed Listing. There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Listing.

Shareholders and potential investors should be aware that the implementation of the Proposed Listing and the Proposed Withdrawal are subject to certain conditions to be fulfilled and thus may or may not become effective. The Proposed Listing and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

INTRODUCTION

The Directors would like to announce that DBS Asia Capital Limited, acting as the sponsor to the Proposed Listing, submitted an advance booking form today to the Stock Exchange for the Proposed Listing. The Directors also informed the Stock Exchange of their intention to implement the Proposed Withdrawal. Nevertheless, the Directors would like to emphasise that both the Proposed Listing and the Proposed Withdrawal are at a preliminary stage and that an accurate timetable for the Proposed Listing and the Proposed Withdrawal has yet to be finalised.

REASONS FOR THE PROPOSED LISTING

The Company has been listed on GEM since 15 February 2001.

The track record of the Group for the latest three financial years ended 31 December 2003 already met the minimum profit requirement as stipulated in the Listing Rules. With the anticipated continuous economic development in the PRC and the rapid development of the software market in the PRC, the Directors believe that the business of the Group will continue to grow further and listing on the Main Board will enhance the profile of the Group, resulting in more research coverage from industry analysts that will lead to more trading liquidity of the Shares. All of these will benefit the Group's future business development and increase its financial flexibility.

The Group will continue to pursue its current business of developing and providing enterprise application software and related services in the PRC.

CONDITIONS OF THE PROPOSED WITHDRAWAL

If the Company proceeds with the Proposed Listing, the Proposed Withdrawal will be conditional upon, among other things:

- (i) the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting to approve the Proposed Withdrawal;
- (ii) the publication of a notice of the Proposed Withdrawal as required by GEM Listing Rules following obtaining the approval of the Shareholders at the Extraordinary General Meeting for the Proposed Withdrawal; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares and any Shares which may be described in the listing document to be issued by the Company for the Proposed Listing.

In this regard, if the Company proceeds with the Proposed Listing, the Extraordinary General Meeting will be convened at an appropriate time to seek the approval of the Shareholders on, among other things the Proposed Withdrawal.

GENERAL INFORMATION

If the Company proceeds with the Proposed Listing, a circular containing, among other things, further details of the Proposed Listing and the Proposed Withdrawal, the expected timetable and a notice convening the Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable. A listing document in relation to the Proposed Listing will also be despatched to the Shareholders for their information following the receipt from the Listing Committee of the Stock Exchange a preliminary indication of the approval for the Proposed Listing.

The Company has submitted an application for a waiver from strict compliance with the minimum three-month notice period for the Proposed Withdrawal as required under Rule 9.19(3) of the GEM Listing Rules.

The Company will make further announcements to keep the Shareholders informed on the latest progress of the Proposed Listing and the Proposed Withdrawal.

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Listing. Shareholders and potential investors should be aware that the implementation of the Proposed Listing and the Proposed Withdrawal are subject to certain conditions to be fulfilled and thus may or may not become effective. Accordingly, the Proposed Listing and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the use of capitalised terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liability
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened to approve, among other things, the Proposed Withdrawal
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Proposed Listing”	the proposed listing of the Shares on the Main Board by way of introduction pursuant to Chapter 7 of the Listing Rules

“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing status of the Shares on GEM
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	Share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 23 September 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date of this announcement, the Board comprises of the executive Directors namely Mr. XU Shao Chun (Chairman), Mr. James Ming KING and Mr. Luo Ming XING; the non-executive Directors namely Mr. ZHAO Yong and Mr. Hugo SHONG; and the independent non-executive Directors namely Ms. YANG Zhou Nan, Mr. WU Cheng and Mr. YEUNG Kwok On.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the day of its posting and on the website of the Company at www.kingdee.com.