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If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Kingdee International Software Group Company Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

Kingdee

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)

GENERAL MANDATES FOR THE ISSUE AND THE REPURCHASE BY THE COMPANY OF ITS OWN SHARES AND RE-ELECTION OF DIRECTORS

A notice convening the AGM to be held at 4th Level, Zone B, Block W1, Hi-Tech Industrial Park, Shennan Highway, Nanshan District, Shenzhen, Guangdong Province, The People's Republic of China on Wednesday, 27 April 2005 at 2:00 p.m. is contained in the 2004 Annual Report. A form of proxy for use at the AGM is also enclosed at the 2004 Annual Report. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy enclosed with the 2004 Annual Report in accordance with the instructions printed thereon as soon as possible to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

This circular, 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 Kingdee International Software Group Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: the information contained in this circular is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this circular misleading; and all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the "Latest Company Announcements" page of GEM Website of the Stock Exchange at www.hkgem.com for at least 7 days from the date of posting and the website of the Company at www.kingdee.com.

31 March 2005

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CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 4th Level, Zone B, Block W1, Hi-Tech Industrial Park, Shennan Highway, Nanshan District, Shenzhen, Guangdong Province, the PRC on Wednesday, 27 April 2005 at 2:00 p.m.
“AGM Notice”	the notice convening the AGM
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liability and which shares are listed on the GEM
“Director(s)”	director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	30 March 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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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)

Executive Directors:

Mr. Xu Shao Chun
Mr. Luo Ming Xing

Non-executive Directors:

Mr. Zhao Yong
Mr. Hugo Shong
Mr. James Ming King

Independent non-executive Directors:

Ms. Yang Zhou Nan
Mr. Wu Cheng
Mr. Yeung Kwok On
Mr. Gary Clark Biddle

Registered office:

Ugland House
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

*Head office and principal place
of business in the People's Republic
of China ("PRC"):*

4th Level, Zone B, Block W1
Hi-Tech Industrial Park
Shennan Highway, Nanshan District
Shenzhen, Guangdong Province,
The PRC

Principal place of business in Hong Kong:
37th Floor, Two International Finance Centre
8 Finance Street,
Central
Hong Kong

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES FOR THE ISSUE AND THE REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND RE-ELECTION OF DIRECTORS**

INTRODUCTION

At the AGM, Shareholders will be asked to consider and approve: (i) the grant of general mandates to the Directors to exercise all the powers of the Company to issue and repurchase its own securities; and (ii) the re-election of retiring Directors.

The purpose of this circular is to provide you details regarding each of the matters referred to above, to set out information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions and to convene the AGM at which such resolutions will be proposed.

LETTER FROM THE BOARD OF DIRECTORS

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

At the annual general meeting of the Company convened on 16th April 2004, the Directors were granted general mandates authorising the Directors (i) to allot, issue and deal with the Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at that date ("**Issue Mandate**"), and (ii) to repurchase the Shares on the GEM of the Stock Exchange ("**Repurchase Mandate**") not exceeding 10% of the issued share capital of the Company at that date. The Issue Mandate and the Repurchase Mandate will expire at the conclusion of the AGM. At the AGM, resolutions will be proposed to renew the Issue Mandate and the Repurchase Mandate to enable the Directors to issue and repurchase the Company's securities.

New general mandates to allot, issue and deal with the securities of the Company up to 20 per cent. and to repurchase securities up to 10 per cent respectively of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolutions as set out in Resolutions numbered 5(A) and 5(B) respectively of the AGM Notice will be proposed at the AGM. Resolution authorising the extension of the general mandate to the Directors to issue securities to include the aggregate nominal amount of such securities (if any) repurchased under the repurchase mandate as set out in Resolution numbered 5(C) of the AGM Notice will be proposed at the AGM.

With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue or repurchase any securities pursuant to the relevant mandates.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against Resolution numbered 5(B) to be proposed at the AGM in relation to the proposed general mandate to repurchase securities is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Mr. Xu Shao Chun, Mr. Luo Ming Xing, Mr. James Ming King, Mr. Zhao Yong, Mr. Hugo Shong, Ms. Yang Zhou Nan, Mr. Wu Cheng, Mr. Yeung Kwok On and Mr. Gary Clark Biddle.

According to Article 116 of the Articles of Association, at each annual general meeting, one third of the Directors (other than the managing director or joint managing director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election. Pursuant to Article 99 of the Articles of Association, the Board

LETTER FROM THE BOARD OF DIRECTORS

shall have power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Pursuant to Article 116 of the Articles of Association, Mr. Wu Cheng and Mr. Hugo Shong shall retire at the AGM. In addition, Mr. Gary Clark Biddle, being a Director appointed by the Board after the Company's annual general meeting held on 16 April 2004, will hold office only until the AGM pursuant to Article 99 of the Articles of Association. All the retiring Directors are eligible for re-election.

A brief biographical details of the retiring Directors are set out in Appendix II to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

RIGHT TO DEMAND A POLL

Pursuant to article 80 of the articles of association of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting;
- (ii) at least five Shareholders present in person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Unless a poll is duly demanded and not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect made in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

LETTER FROM THE BOARD OF DIRECTORS

RECOMMENDATION

The Directors believe that the grant of general mandates to issue and repurchase securities of the Company and re-election of Directors are each in the best interests of the Company and Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of these resolutions to be proposed at the AGM.

Yours faithfully,
On behalf of the Board
Xu Shao Chun
Chairman

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on GEM subject to certain restrictions, the more important of which are summarized below. The Company is empowered by its memorandum and articles of association to repurchase its own shares.

Source of funds

Repurchase must be funded out of funds that are legally available for the purpose and in accordance with the memorandum and articles of association of the Company and the Companies Law (Revised) of the Cayman Islands ("**Companies Law**"). A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, a company may repurchase its shares out of the proceed of a fresh issue of shares made for the purpose. Any amount of premium payable on a repurchase over the par value of the shares may be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account. Capital can be used if the Company will be solvent following such payment.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she/it has a present intention to sell any shares to the Company or has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorized to make purchase of shares.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 443,283,408 Shares of HK\$0.10 each.

Subject to the passing of the Repurchase Resolution and on the basis that no Shares are issued or repurchased by the Company prior to the annual general meeting, the Company will be allowed under the repurchase mandate to repurchase a maximum of 44,328,340 Shares of HK\$0.10 each, being 10% of the issued share capital of the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable laws or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

3. REASONS FOR THE REPURCHASE

The Directors believe that the proposed Repurchase Mandate is in the best interests of the Company and Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company, the GEM Listing Rules and the applicable laws of the Cayman Islands. A company may not repurchase its shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the Companies Law for the purpose.

In the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period, it could have a material adverse impact on the working capital and gearing position of the Company as compared with the position disclosed in its most recent published audited accounts for the period ended 31st December 2004. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM during each of the previous twelve calendar months were as follows:

	SHARES	
	Highest HK\$	Lowest HK\$
March 2004	3.450	2.925
April 2004	3.350	2.800
May 2004	2.950	2.125
June 2004	2.800	2.500
July 2004	2.650	2.325
August 2004	2.400	2.200
September 2004	2.375	1.920
October 2004	2.225	1.980
November 2004	2.325	2.150
December 2004	2.275	1.930
January 2005	2.175	2.000
February 2005	2.050	1.840
March 2005 (up to the Latest Practicable Date)	1.980	1.330

6. DISCLOSURE OF INTERESTS, THE CODE AND MINIMUM PUBLIC HOLDING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any associates of the Directors currently intends to sell any Shares to the Company in the event that the proposal is approved by Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands and in accordance with the memorandum and articles of association of the Company.

Assuming that the substantial Shareholders do not dispose of their Shares, if the Repurchase Mandate were exercised in full, the percentage shareholdings of the substantial Shareholders before and after such repurchase would be as follows:

Substantial Shareholders	Before repurchase	After repurchase
Xu Shao Chun (<i>Note</i>)	33.56%	37.29%
Oriental Gold Limited (<i>Note</i>)	18.86%	20.75%
Billion Ocean Limited (<i>Note</i>)	13.15%	14.47%
Zhao Yong	12.39%	13.63%

Note: Oriental Gold Limited and Billion Ocean Limited are wholly-owned companies of Xu Shao Chun, who is deemed to be interested in the Shares held by these two companies.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Code**"). As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

As at the Latest Practicable Date, Mr. Xu Shao Chun was directly and indirectly interested in an aggregate of 33.56% of the issued share capital of the Company. Based on such interests and assuming no further Shares are issued or repurchased prior to the AGM and in the event that the Directors exercise in full the power to repurchase the Shares under the proposed repurchase mandate as set out as Resolution 5(B) of the AGM Notice, the interests of Mr. Xu Shao Chun will be increased to 37.29% of the issued share capital of the Company. To the best of the knowledge and belief of the Directors, an increase in the interest of Mr. Xu Shao Chun will result in Mr. Xu Shao Chun and Oriental Gold Limited and Billion Ocean Limited, being parties acting in concert with Mr. Xu Shao Chun, incurring an obligation to make a mandatory general offer under Rule 26 of the Code. The Directors have no present intention to repurchase Shares to the extent that it will trigger the obligation of Mr. Xu Shao Chun and parties acting in concert with him to make a mandatory offer.

If the Directors exercise the Repurchase Mandate (whether in whole or in part), they will not exercise it to the extent which would result in the number of shares being held by the public falling below the relevant minimum prescribed percentage of the Company as required by the Stock Exchange, which is currently 20% of the entire issued share capital of the Company.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on GEM or otherwise) during the previous six months.

LIST OF DIRECTORS FOR RE-ELECTION

The biographical details of the Directors eligible for re-election, at the AGM are set out below in alphabetical order.

Gary Clark Biddle, aged 54, Independent Non-executive Director of the Company. Mr. Biddle is Head and Professor of the Department of Accounting, Associate Dean of the School of Business and Management, and Council Member of Hong Kong University of Science and Technology. He earned his Ph.D. degree from University of Chicago. He also served as professor at University of Chicago and University of Washington, and as visiting professor at University of Glasgow and China Europe International Business School. He is a member of American Accounting Association, American Chamber of Commerce of Hong Kong, American Institute of Certified Public Accountants, Hong Kong Institute of Certified Public Accountants, and Washington Society of Certified Public Accountants, and he is President and co-founding Council member of the Hong Kong Academic Accounting Association. His research on performance measurement, valuation, and value creation appears in the world's leading journals and financial press, and he offered related executive and research seminars on these topics around the region and world. As at the Latest Practicable Date, Mr. Biddle had no relationships with any other Directors, senior management or substantial or controlling shareholders nor had he any interests in shares or underlying shares of the Company. His ordinary remuneration is fixed from time to time in accordance with the Articles of Association by the Shareholders at the Company's general meetings and the current remuneration is HK\$100,000 per year. Subject to re-election, Mr. Biddle has been appointed for a term of 2 years.

Hugo Shong, aged 49, Non-executive Director. Mr. Shong is senior vice-President and Asian President of IDG. He graduated from Hunnan University majored in Foreign Language in 1982, and achieved a Master degree of Mass-communication of Boston University of America in 1987. In 1996, Mr. Shong joined IDG leading the business regarding info technology issue, marketing research and trade expo. He is also a director of IDG Technology Venture Investment, Inc. As at the Latest Practicable Date, Mr. Shong had no relationships with any other Directors, senior management or substantial or controlling shareholders nor had he any interests in shares or underlying shares of the Company. His ordinary remuneration is fixed from time to time in accordance with the Articles of Association by the shareholders at the Company's general meetings and the current remuneration is RMB50,000 per year. Subject to re-election, Mr. Shong has been appointed for a term of 2 years.

Wu Cheng, aged 65, Independent Non-executive Director. Professor Wu is a professor and Ph.D. supervisor of Department of Automation, Tsinghua University, and an academician of Chinese Academy of Engineering. Professor Wu is also the director of State CIMS Engineering Technical Research Centre. He graduated from the Department of Electrical Engineering, Tsinghua University with a master degree. Since 1986, Professor Wu has been participating in and leading the development strategy planning and implementation of automation and CIMS projects of 863 Programme, and appointed as the director of CIMS expert group and the chief scientist in automation field. He received plenty of national awards for his outstanding research. As at the Latest Practicable Date, Professor Wu had no relationships with any other Directors, senior management or substantial or controlling shareholders nor had he any interests in shares or underlying shares of the Company. His ordinary remuneration is fixed from time to time in accordance with the Articles of Association by the shareholders at the Company's general meetings and the current remuneration is RMB50,000 per year. Subject to re-election, Professor Wu has been appointed for a term of 2 years.