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

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

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)

REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

A notice convening the AGM of Kingdee International Software Group Company Limited 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 27th April 2005 at 2:00 p.m. at which, among other things, an ordinary resolution will be proposed for the purpose of considering and, if thought fit, approving the refreshment of the Scheme Mandate Limit is set out on pages 74 to 76 of the 2004 Annual Report. A form of proxy for use at the AGM is also enclosed in the 2004 Annual Report. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy and return it 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 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment if 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.

4th April 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:

“2001 Scheme”	the share option scheme adopted by the Company on 30th January 2001 which was terminated and replaced by the Share Option Scheme
“2004 Annual Report”	the annual report of the Company despatched to the Shareholders on or about 31st March 2005
“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, 27th April 2005 at 2:00 p.m.
“AGM Notice”	the notice convening the AGM
“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”	31st March 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Options”	options to subscribe for the Shares granted to the grantees of the 2001 Scheme and the Share Option Scheme
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	the shareholders of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 26th April 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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)

Executive Directors:

Mr. Xu Shao Chun

Mr. Luo Ming Xing

Non-executive Directors:

Mr. James Ming King

Mr. Zhao Yong

Mr. Hugo Shong

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 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

4th April 2005

To the Shareholders

Dear Sir or Madam,

REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

INTRODUCTION

At the AGM, Shareholders will be asked to consider and approve the refreshment of the Scheme Mandate Limit as set out as Resolution 5(D) in the AGM Notice which is enclosed in the 2004 Annual Report. The purpose of this circular is to provide you with further information regarding the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

Under the existing Scheme Mandate Limit, the Directors were only authorised to grant options to subscribe for up to 44,088,690 Shares under the Share Option Scheme and any other schemes of the Company, i.e. 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. In this connection, the Company could only make a further grant of options to subscribe for 6,114,190 Shares to the eligible persons under the Share Option Scheme as at the Latest Practicable Date.

Given the growth in size of the Group, the number of employees of over 3,000 as at the Latest Practicable Date as compared with approximately 2,000 employees when the Share Option Scheme was adopted and the fact that approximately 86.13% of the current Scheme Mandate Limit has been used up by the previous option grants under the Share Option Scheme and any other schemes of the Company, the Directors wish to retain the flexibility to be able to make new grants of options under the Share Option Scheme to the eligible persons going forward. Accordingly, the Board wishes to take this opportunity to seek the approval of the Shareholders at the AGM to refresh the Scheme Mandate Limit. The Board considers that it is in the best interests of the Company to refresh the Scheme Mandate Limit.

Assuming that no further Shares are issued or repurchased prior to the date of the AGM, upon the approval of the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company under the Scheme Mandate Limit as “refreshed” will be 44,328,340 Shares, being 10% of the Shares then in issue at the date of the AGM. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

Application will be made to the Stock Exchange for granting the approval of the listing of and permission to deal in the Shares (up to the refreshed Scheme Mandate Limit) which may be issued pursuant to the exercise of the options under the Share Option Scheme.

As mentioned in the announcement and the circular of the Company dated 13th January 2005 and 17th January 2005 respectively, the Board had proposed to refresh the Scheme Mandate Limit (“January Refreshment”). On 7th February 2005, the Board announced that the extraordinary general meeting to approve, among other things, the January Refreshment was postponed until a further date to be fixed by the Board. The Board now intends to replace the January Refreshment by the refreshment of the Scheme Mandate Limit to be proposed at the AGM as mentioned in this circular and the AGM Notice.

LETTER FROM THE BOARD

CURRENT STATUS OF THE OPTIONS OF THE COMPANY

As at the Latest Practicable Date, there were options to subscribe for 29,498,000 Shares granted and yet to be exercised under the 2001 Scheme and the Share Option Scheme which represents approximately 6.65% of the issued share capital of 443,283,408 Shares as at the Latest Practicable Date and did not exceed 30 per cent of the issued share capital of the Company from time to time under the GEM Listing Rules. The Directors confirm that (i) the Company had issued options to subscribe for an aggregate of 1,720,000 Shares under the 2001 Scheme, and (ii) as at the Latest Practicable Date the Company had issued options to subscribe for an aggregate of 49,222,500 Shares under the Share Option Scheme (of which options to subscribe for 11,248,000 Shares have lapsed pursuant to the terms of the Share Option Scheme), which did not exceed 10 per cent of the issued share capital of the Company of 440,886,908 Shares as at the date of adoption of the Share Option Scheme, i.e. 26th April 2002. Particulars of the options granted under the 2001 Scheme and the Share Option Scheme since their respective dates of adoption are as follows:

	(A) Total number of underlying Shares in respect of the options granted	(B) Total number of underlying Shares in respect of the options exercised	(C) Total number of underlying Shares in respect of the options lapsed	(D) Total number of underlying Shares in respect of the options voluntarily given up by the grantees	(E)=(A-B-C-D) Total number of underlying Shares in respect of the remaining unexercised options
2001 Scheme	1,720,000	385,000	542,500	0	792,500
Share Option Scheme	49,222,500	1,786,500	11,248,000	7,482,500	28,705,500
Total:	<u>50,942,500</u>	<u>2,171,500</u>	<u>11,790,500</u>	<u>7,482,500</u>	<u>29,498,000</u>

The Directors confirmed that no option had been cancelled under the 2001 Scheme and the Share Option Scheme as at the Latest Practicable Date.

REQUIREMENTS UNDER THE SHARE OPTION SCHEME AND THE GEM LISTING RULES

Pursuant to Clause 8.03 of the Share Option Scheme and Note 1 of Rule 23.03 of the GEM Listing Rules, the Company is required to seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit.

AGM

The Company will convene the AGM for considering and, if thought fit, passing the resolutions including, inter alia, the refreshment of the Scheme Mandate Limit by the Shareholders. The AGM notice which contains, among other things, the proposed ordinary resolution in relation to the refreshment of the Scheme Mandate Limited is set out on pages 74 to 76 of the 2004 Annual Report.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is also enclosed in the 2004 Annual Report. Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy and return it 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 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment if you so wish.

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.

RECOMMENDATION

The Directors believe that the refreshment of Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole and, accordingly, recommend the Shareholders to vote in favour of the ordinary resolution approving the refreshment of the Scheme Mandate Limited to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Kingdee International Software Group Company Limited
Xu Shao Chun
Chairman