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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 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)

**GENERAL MANDATE FOR THE ISSUE AND REPURCHASE
BY THE COMPANY OF ITS OWN SECURITIES,
RE-ELECTION OF DIRECTORS**

A notice convening 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 Thursday, 8 May, 2008 at 9:30 a.m. is contained in the 2007 Annual Report. A form of proxy for use at the AGM is also enclosed in the 2007 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.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: the information contained in this 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.

15 April 2008

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DEFINITIONS

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

“2007 Annual Report”	the annual report of the Company dispatched to the Shareholders on or about 15 April 2008
“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 P.R.C on Thursday, 8 May 2008 at 9:30 a.m.
“AGM Notice”	the notice convening the AGM, set out on page 78 to page 80 of the 2007 Annual Report
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	9 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD OF DIRECTORS



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)

Executive Directors:

Mr. Xu Shao Chun
Mr. Ho Ching-hua
Mr. Chen Deng Kun

Non-executive Directors:

Mr. James Ming King
Mr. Charles Po-Shun Wu

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
PRC

*Principal place of business
in Hong Kong:*

1902 MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

15 April 2008

To the Shareholders

Dear Sirs or Madams,

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

INTRODUCTION

At the AGM, the Shareholders will be asked to consider and approve: (i) the grant of general mandates to the Directors for the issue and repurchase of the securities of the Company up to 20% and 10% respectively of the aggregate nominal amount of the Company's

LETTER FROM THE BOARD OF DIRECTORS

issued share capital as at the date of passing such resolutions, and the extension of the general mandate to the Directors to issue securities to include the aggregate nominal amount of such securities repurchased under the repurchase mandate and (ii) the re-election of Directors who are due to retire at the AGM as set out in the AGM Notice.

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.

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

At the annual general meeting of the Company convened on 26 April 2007, ordinary resolutions were passed granting general mandates authorizing the Directors (i) to allot, issue and deal with the shares in the share capital of the Company not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at that date (“Issue Mandate”), and (ii) to repurchase the Shares on the Stock Exchange (“Repurchase Mandate”) not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at that date. The Issue Mandate and the Repurchase Mandate will expire at the conclusion of the AGM.

New general mandates to allot, issue and deal with the securities of the Company up to 20% (“Proposed Issue Mandate”) and to repurchase securities up to 10% (“Proposed Repurchase Mandate”) respectively of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolutions as set out in Resolutions 6(A) and 6(B) of the AGM Notice will be proposed at the AGM. A resolution authorizing the extension of the Proposed Issue Mandate (“Proposed Extension Mandate”) to include the aggregate nominal amount of such securities (if any) repurchased under the Proposed Repurchase Mandate (provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution) will be proposed as Resolution 6(C) as set out in the AGM Notice.

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 of the Company pursuant to the relevant mandates as at the date of this circular.

As at the Latest Practicable Date, the Company has 458,293,344 Shares in issue. Subject to the passing of the ordinary resolution approving the Proposed Issue Mandate and on the basis that no further Shares are issued or repurchased prior to the prior to the AGM, the Company would be allowed to issue a maximum of 91,658,668 Shares.

Subject to the passing of the ordinary resolution approving the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 45,829,334 Shares.

LETTER FROM THE BOARD OF DIRECTORS

Subject to the passing of the relevant ordinary resolutions at the AGM, the Proposed Issue Mandate and the Proposed Repurchase Mandate will continue to be in force until:

- (a) the conclusion of the first annual general meeting of the Company following the passing of the resolution at which time the Proposed Issue Mandate and the Proposed Repurchase Mandate shall lapse unless, by ordinary resolution passed at that meeting, the Proposed Issue Mandate and the Proposed Repurchase Mandate are renewed, either conditionally or subject to conditions; or
- (b) revoked or varied by ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

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 the resolution to be proposed at the AGM in relation to the Proposed Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Mr. Xu Shao Chun, Mr. Ho Ching-hua, Mr. Chen Deng Kun, Mr. James Ming King, Mr. Charles Po-Shun Wu, 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 for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meetings. 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. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat. Pursuant to Article 99 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116 of the Articles of Association.

Pursuant to Article 116 of the Articles of Association, Mr. James Ming King, Ms. Yang Zhou Nan and Mr. Gary Clark Biddle shall retire at the AGM. In addition, Mr. Charles Po-shun Wu, being a Director appointed by the Board as an additional member of the Board on 31 March 2008, will hold office only until the next following annual general meeting of the Company pursuant to Article 99 of the Articles of Association. All the retiring Directors being eligible offer themselves for re-election.

LETTER FROM THE BOARD OF DIRECTORS

Brief biographical details of the Directors due to retire and proposed to be re-elected 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 publication of the AGM Notice, 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, 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 duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (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 in the case of a corporation, by its duly authorized representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorized representative) 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 so required or demanded and, in the latter case, 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 grant of the Proposed Issue Mandate, Proposed Repurchase Mandate and Proposed Extension Mandate and re-election of Directors are each in the best interests of the Company and the 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 contains information required under Rule 10.06(1)(b) of the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in connection with the Proposed Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules provide that all repurchases of shares by a company with its primary listing on the Stock Exchange must be approved in advance by way of an ordinary resolution, either of a specific approval of particular transaction or of a general mandate to the directors of the company to make such repurchases.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$45,829,334.4 comprising 458,293,344 Shares in issue. Subject to the passing of the ordinary resolution approving the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 45,829,334 Shares, representing 10% of aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution, during the period from the date of the passing of the resolution to 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 law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting (“Proposed Repurchase Period”).

3. REASONS FOR THE REPURCHASE

The Directors believe that the Proposed Repurchase Mandate is in the best interests of the Company and the Shareholders. An exercise of the Proposed Repurchase Mandate (if approved in the AGM) may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. SOURCE OF FUNDS

Repurchases of Shares of the Company made pursuant to the Proposed Repurchase Mandate must be made out of funds which are legally available for such purpose in accordance with the memorandum and Articles of Association of the Company, the Listing Rules and the applicable laws of the Cayman Islands.

There could be adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the 2007 Annual Report for the financial year ended 31 December 2007) in the event that the Proposed Repurchase Mandate were to be exercised in full at any time during the Proposed Repurchase Period. However, the Directors do not propose to exercise the Proposed Repurchase Mandate to such an extent as would, in the

circumstances, have a material adverse effect on the working capital or the gearing position of the Company. The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve calendar months prior to the Latest Practicable Date:

	per shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2007	6.86	5.78
May 2007	7.03	6.29
June 2007	7.70	6.80
July 2007	7.80	6.95
August 2007	7.69	5.05
September 2007	7.49	6.12
October 2007	7.00	5.75
November 2007	6.32	5.51
December 2007	6.33	5.68
January 2008	5.96	4.45
February 2008	5.86	5.25
March 2008	6.33	5.40
April 2008 (up to the Latest Practice Date)	7.60	6.59

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the Proposed Repurchase Mandate in accordance with the Listing Rules, the memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved by the Shareholders.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

8. DISCLOSURE OF INTERESTS, TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under the SFO, were as follows:

Name of Shareholder	Current percentage interest in the issued share capital of the Company	Percentage interest in the issued share capital of the Company in the event the Proposed Repurchase Mandate is exercised
Xu Shao Chun	32.38%	35.97%
Oriental Gold Limited	18.24%	20.27%
Billion Ocean Limited	12.72%	14.14%

Note: Oriental Gold Limited and Billion Ocean Limited are 100% held by Mr. Xu Shao Chun.

If as a result of a repurchase of Shares pursuant to the Proposed Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, 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 Rule 26 and 32 of the Takeovers Code.

On the basis of the shareholding of the Company, to the best of the knowledge and belief of the Directors, an exercise of the Proposed Repurchase Mandate in full will result in Mr. Xu Shao Chun and parties acting in concert with him becoming obliged to make a mandatory general offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Proposed Repurchase Mandate to such extent that would give rise to an obligation of Mr. Xu Shao Chun and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code or result in the amount of Shares held by the public being reduced to less than 25% of the entire issued share capital of the Company.

9. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

LIST OF DIRECTORS FOR RE-ELECTION

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

Gary Clark BIDDLE, aged 57, an independent non-executive Director of the Company. Mr. BIDDLE is a PCCW Chair Professor, and Dean of Faculty of Business and Economics of University of Hong Kong. Mr. BIDDLE received his Ph.D. degree from University of Chicago. Mr. BIDDLE has also served as professor at University of Chicago and University of Washington, and as visiting professor at China Europe International Business School. Mr. BIDDLE is a member of American Chamber of Commerce in Hong Kong, American Institute of Certified Public Accountants, Hong Kong Society of Accountants, and Washington Society of Certified Public Accountants. Mr. BIDDLE published research articles on topics including performance measurement, valuation, and value creation were published in the world's leading journals and he has offered executive seminars around the region and world. Save as the directorship with the Company mentioned above, Mr. Biddle does not hold any positions in the Company or any of its subsidiaries. He is not connected with any Directors, senior management, substantial or controlling Shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed, Mr. BIDDLE did not hold any other directorships in any other listed public companies in the last three years.

Pursuant to the terms of a letter of appointment entered into between the Company and Mr. BIDDLE will serve as an independent non-executive Director for 2 years with effect from 1 January 2007, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Articles of Association. Mr. BIDDLE's 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 his current remuneration is HK\$100,000 per year. Mr. BIDDLE is not entitled to any bonus in respect of his role as a Director.

Save as disclosed above, Mr. BIDDLE has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any information required to be disclosed pursuant to Rule 13.51(2) (h)-(v) of the Listing Rules.

James Ming KING (金明), aged 60, a non-executive Director. As the chief consultant of strategic committee of the Board, Mr. KING provided strategic consulting, training for staff and business partner of the Company and training and consulting services for strategic clients. Mr. KING obtained a master of science degree in institutional engineering in 1973 from Mississippi State University of the U.S. Mr. KING has nearly thirty years extensive sales and marketing experiences within and outside the PRC. Prior to joining the Company, he had been the vice-president of sales and marketing for Dell Computer Asia Limited and he had been employed as the Director Sales/Country Manager by Novell, China. He had also worked with Hewlett-Packard Company for many years.

Save as the directorship with the Company mentioned above, Mr. KING does not hold any positions in the Company or any of its subsidiaries. He is not connected with any Directors, senior management, substantial or controlling Shareholders of the Company, nor does he have any interests in the Shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed, Mr. KING did not hold any other directorships in any other listed public companies in the last three years.

Pursuant to the terms of a letter of appointment entered into between the Company and Mr. KING, Mr. KING will serve as a non-executive Director for 2 years with effect from 1 January 2007, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Articles of Association. Mr. KING's 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 his current remuneration is RMB150,000 per year. Mr. KING is not entitled to any bonus in respect of his role as a Director.

Save as disclosed above, Mr. KING has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any information required to be disclosed pursuant to Rule 13.51(2) (h)-(v) of the Listing Rules.

Charles Po-Shun WU (吳寶淳), aged 52, Mr. WU is appointed as a non-executive Director of the Company on 31 March 2008. Mr. WU is a vice president of IBM and managing partner of China Investment Fund in Great China area, an expansion fund created by IBM and Lehman Brothers. He graduated from University of Houston with a Bachelor of Business Administration degree in Finance. He joined International Business Machines Corporation in the U.S. in 1978. In 1994, Mr. WU went to work in China by mission. Prior to his current position, he had been successively appointed as general manager of IBM East and Central China, general manager of e-Business Solution and Rising Enterprise department in Great China area, general manager of Software Group of IBM Greater China, and general manager of Strategy and Development department.

Mr. WU has abundant experience in areas of banking, insurance, circulating, manufacturing, medical treatment and public sectors. Mr. WU is active in civic and community service and had been served as Chairman of The American Chamber of Commerce in Shanghai etc.

Save as the directorship with the Company mentioned above, Mr WU does not hold any positions in the Company or any of its subsidiaries. He is not connected with any Directors, senior management, substantial or controlling Shareholders of the Company, nor does he have any interests in the Shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr WU is a director of China Sports & Tongfang Co. Ltd, which is not listed.

Pursuant to the terms of a letter of appointment entered into between the Company and Mr. WU, Mr. WU will serve as a non-executive Director for 2 years with effect from 31 March 2008, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the

Articles of Association. Mr. WU's 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 his current remuneration is RMB100,000 per year. Mr. WU is not entitled to any bonus in respect of her role as a Director.

Save as disclosed above, Mr. WU has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any information required to be disclosed pursuant to Rule 13.51(2) (h)-(v) of the Listing Rules.

YANG Zhou Nan (楊周南), aged 70, an independent non-executive Director of the Company, a professor of the graduate school of the Institute of Fiscal Science of the Ministry of Finance and a people's representative to the Ninth National People's Congress of the PRC. Ms. YANG graduated from Nan Kai University with a master degree in mathematics. After graduation, Ms. YANG worked in Beijing Computing Centre as a researcher. Ms. YANG has approximately 20 years of research and teaching experience in the areas of finance, accounting and taxation.

Save as the directorship with the Company mentioned above, Ms. YANG does not hold any positions in the Company or any of its subsidiaries. She is not connected with any Directors, senior management, substantial or controlling Shareholders of the Company, nor does she have any interests in the Shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed, Ms. YANG did not hold any other directorships in any other listed public companies in the last three years.

Pursuant to the terms of a letter of appointment entered into between the Company and Ms. YANG, Ms. YANG will serve as an independent non-executive Director for 2 years with effect from 1 January 2007, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Articles of Association. Ms. YANG's 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 his current remuneration is RMB150,000 per year. Ms. YANG is not entitled to any bonus in respect of her role as a Director.

Save as disclosed above, Ms. YANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any information required to be disclosed pursuant to Rule 13.51(2) (h)-(v) of the Listing Rules.

The remuneration of the Directors are determined by the Board of Directors on recommendations of the Remuneration Committee, by reference to market rate, the positions they held in the Board committees and their duties and responsibilities within the Group and their experience.