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## THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other appropriate independent professional advisers.

**If you have sold or otherwise 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 was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.

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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)**

### **PROPOSALS FOR SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE**

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A notice convening the extraordinary 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 10:00 a.m. is contained on pages 9 to 10 of this circular. A form of proxy for use at the EGM is also enclosed in this circular. Whether or not you intend to attend the EGM, 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, Wan Chai, Hong Kong, and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM 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.

18 April 2008

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## EXPECTED TIMETABLE

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	<b>Time</b>	<b>Date (2008)</b>
Latest time from lodging forms of proxy for the EGM .....	10:00 a.m.	6 May 2008
EGM .....	10:00 a.m.	8 May 2008
Publication of further announcement for the effectiveness of the Share Subdivision .....		9 May 2008
Effective date of the Share Subdivision .....		9 May 2008
Dealings in the Subdivided Shares commence .....	9:30 a.m.	9 May 2008
Original counter for trading in existing Shares in board lots of 500 Shares temporarily closes .....	9:30 a.m.	9 May 2008
Temporary counter for trading in board lots of 2,000 Subdivided Shares (in the form of Existing Share Certificates) opens .....	9:30 a.m.	9 May 2008
First day of free exchange of Existing Share Certificate for the New Share Certificates .....		9 May 2008
Original counter for trading in Subdivided Shares in board lots of 2,000 Subdivided Shares (in the form of New Share Certificates) re-opens .....	9:30 a.m.	26 May 2008
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences .....	9:30 a.m.	26 May 2008
Temporary counter for trading in board lots of 2,000 Subdivided Shares (in the form of Existing Share Certificates) closes .....	4:00 p.m.	17 June 2008
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) ends .....	4:00 p.m.	17 June 2008
Last day for free exchange of Existing Share Certificates for New Share Certificates .....		20 June 2008

*Note: All times refer to Hong Kong local time*

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## DEFINITIONS

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

“2001 Scheme”	the share option scheme adopted by the Company on 30 January 2001
“2002 Scheme”	the share option scheme adopted by the Company on 26 April 2002
“2005 Scheme”	the share option scheme adopted by the Company on 11 July 2005
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than Saturday) on which commercial banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Company”	Kingdee International Software Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“EGM”	the extraordinary general meeting of the Company to be convened and held on 8 May 2008
“Existing Share Certificate(s)”	existing form of certificates of the Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of the Company in accordance with the Listing Rules

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## DEFINITIONS

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“Latest Practicable Date”	14 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Committee”	the listing sub-committee of the board for Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	form of certificates of the Subdivided Shares
“Old Share(s)”	old ordinary share(s) of HK\$0.1 each in the share capital of the Company before the Share Subdivision becoming effective on 8 May 2008
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company, or if the Share Subdivision is approved at the EGM, ordinary shares of HK\$0.025 each in the share capital of the Company
“Share Option Schemes”	collectively, 2001 Scheme, 2002 Scheme and 2005 Scheme
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Subdivision”	subdivision of every issued and unissued Old Share into four Shares
“Subdivided Share(s)”	ordinary share(s) of par value of HK\$0.025 each in the share capital of the Company upon completion of the Share Subdivision

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LETTER FROM THE BOARD

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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)**

*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

18 April 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR SUBDIVISION OF SHARES  
AND CHANGE OF BOARD LOT SIZE**

**INTRODUCTION**

On 31 March 2008, the Board announced the proposed Share Subdivision and the proposed change of board lot size of the Shares. The Share Subdivision is subject to, among others, the approval of the Shareholders at the EGM. The change of board lot size will take effect upon the Share Subdivision becoming effective.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information on the Share Subdivision, the change of board lot size, the associated trading arrangements and the notice of the EGM.

### **PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE**

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.1 each in the share capital of the Company be subdivided into four shares of par value of HK\$0.025 each. The Shares are currently traded in board lots of 500 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 2,000 Subdivided Shares. Based on the closing price of HK\$6 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, and the existing board lot size of 500 Shares, the prevailing board lot value is HK\$3,000. On the basis of the aforesaid closing price and the new board lot size of 2,000 Subdivided Shares, the new board lot value would be HK\$3,000. The Share Subdivision and the change of board lot size will not result in any change in the relevant rights of the Shareholders. The Shares Subdivision will not result in any odd lots other than those already exist.

The Articles of Association of the Company do not require that the proposed change of board lot size to be decided by poll at the EGM nor is the proposed change of board lot size to be subject to Shareholders' approval at EGM.

The change of board lot size is conditional, amongst other things, upon the passing of an ordinary resolution by the Shareholders at the EGM for approving the proposed Share Subdivision.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional, amongst other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Subdivision; and
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

### **Reason for the Share Subdivision**

The Board believes that the Share Subdivision will improve the liquidity in trading of the Shares, thereby enabling the Company to attract more investors and widen the Company's shareholder base. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to buy and sell the Shares. Accordingly, the Board considers the Share Subdivision to be in the best interests of the Company and its Shareholders as a whole.

Save for the costs to be incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders. The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

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## LETTER FROM THE BOARD

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### Shareholding structure

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares, of which 458,293,344 Shares are in issue and fully paid. Assuming that no further Shares will be issued or repurchased after the date of this announcement, the effect of the Share Subdivision on the share capital of the Company is set out as follows:

	<b>Before Share Subdivision (assuming no Share is issued or repurchased after the date hereof)</b>	<b>After Share Subdivision (assuming no Share is issued or repurchased after the date hereof)</b>
Par value of each share	HK\$0.1	HK\$0.025
Number of authorised shares	1,000,000,000	4,000,000,000
Authorised share capital	HK\$ 100,000,000	HK\$ 100,000,000
Number of shares in issue	458,293,344	1,833,173,376
Issued share capital	HK\$ 45,829,334.4	HK\$ 45,829,334.4
Number of unissued shares	541,706,656	2,166,826,624
Unissued share capital	HK\$ 54,170,665.6	HK\$ 54,170,665.6

The Subdivided Shares will rank *pari passu* in all respects with each other and the Share Subdivision will not result in any change in relevant rights of the Shareholders.

### Arrangement on Subdivided Shares

Subject to the Share Subdivision becoming effective, dealings in the Subdivided Shares are expected to commence on Friday, 9 May 2008. Parallel trading arrangements will be established with the Stock Exchange and will be operated from Monday, 26 May 2008 to Tuesday, 17 June 2008 (both days inclusive). Upon the Share Subdivision becoming effective, the arrangements proposed for dealings in the Subdivided Shares are expected to be as follows:

- (i) From 9 May 2008, the existing counter for trading in the existing Shares in board lots of 500 Shares will be temporarily closed. A temporary counter will be established for trading in the Subdivided Shares in board lots of 2,000 Subdivided Shares. Share certificates for the Subdivided Shares in the form of Existing Share Certificates may only be traded at the temporary counter.
- (ii) With effect from 26 May 2008, the existing counter will be re-opened for trading in the Subdivided Shares in board lots of 2,000 Subdivided Shares. Only New Share Certificates for the Subdivided Shares may be traded at the existing counter.
- (iii) From 26 May 2008 to 17 June 2008, both days inclusive, parallel trading will be permitted at the two counters mentioned in paragraphs (i) and (ii) above.



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## LETTER FROM THE BOARD

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- (iv) The temporary counter for trading in the Subdivided Shares in board lots of 2,000 Subdivided Shares (in the form of Existing Share Certificates) will be removed after the close of trading on 17 June 2008.
- (v) With effect from 9:30a.m. on Monday, 26 May 2008, trading of Subdivided Shares will only be carried out in the original counter in board lots of 2,000 Subdivided Shares (in the form of New Share Certificates).

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00p.m. on Tuesday, 17 June 2008 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for four Subdivided Shares and may be exchanged free of charge for the New Share Certificates for Subdivided Shares at any time between Friday, 9 May 2008 and Friday, 20 June 2008, and on payment of a prescribed fee of HK\$2.50 at any time after Friday, 20 June 2008 at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. It is expected that the New Share Certificates will be available for collection within a period of 10 Business Days after the submission of the Existing Share Certificates. The New Share Certificates will be light yellow in colour so as to be distinguished from the Existing Share Certificates which are light blue in colour.

### **Adjustments to share options**

As at the date of the Latest Practicable Date, there are outstanding share options for subscription of up to 57,686,964 Shares under the Share Option Schemes. The Share Subdivision may lead to adjustments to the exercise price and the number of Subdivided Shares which may fall to be issued upon exercise of the outstanding share options. The Company will ascertain the required adjustments to the share options of which will be reviewed by the auditors or independent financial advisor of the Company pursuant to Rule 17.03 (13) of the Listing Rules and the rules of the Share Option Schemes, and the holders of the share options will be informed of the required adjustments as soon as practicable.

### **THE EGM**

Details of the EGM are set out below:—

Date: 8 May 2008

Time: 10:00 a.m.

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

The notice of the EGM is set out on pages 9 to 10 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not the Shareholders intend to attend the EGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit

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## LETTER FROM THE BOARD

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it with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited as soon as possible and in any event so as to arrive not less than 48 hours before the time appointed for holding the EGM. The return of a form of proxy will not preclude the Shareholders from attending and voting in person at the EGM (or any adjournment thereof) should they so desire.

An announcement will be made by the Company following the conclusion of the EGM to inform the Shareholders of the results thereof.

### 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

- (a) the chairman of the meeting; or
- (b) 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
- (c) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised 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
- (d) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised 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.

### LISTING AND DEALING

An application will be made to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Subdivided Shares.

No part of the share capital of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal is being or is currently proposed to be sought from any other stock exchange.

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## LETTER FROM THE BOARD

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Dealings in the Subdivided Shares on the branch register of members of the Company will be subject to Hong Kong stamp duty.

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### RECOMMENDATION

Further, the Directors are of the opinion that the proposed Share Subdivision is in the best interests of the Company and recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

Yours faithfully,  
**KINGDEE INTERNATIONAL SOFTWARE  
GROUP COMPANY LIMITED**  
**Xu Shao Chun**  
*Chairman*

Hong Kong, 18 April, 2008

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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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)**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Kingdee International Software Group Company Limited (the “Company”) will be held at 4th Level, Zone B, Block W1, Hi-Tech Industrial Park, Shennan Highway, Nanshan District, Shenzhen, Guangdong Province, the PRC on 8 May 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

**ORDINARY RESOLUTION**

1. “ **THAT** subject to and conditional upon the listing sub-committee of the Stock Exchange granting or agreeing to grant the approval for the listing of, and permission to deal in, the Subdivided Shares (as defined in paragraph (a) of this resolution below):
  - (a) with effect from 9 May 2008, every one existing issued and unissued shares of HK\$0.10 each in the capital of the Company be subdivided into four shares of HK\$0.025 each (the “Subdivided Shares”) and the Subdivided Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the Articles of Association of the Company (the “Share Subdivision”); and
  - (b) any one or more of the directors of the Company be and is hereby authorised generally to do all things appropriate to effect and implement the Share Subdivision.”

On behalf of the Board  
**KINGDEE INTERNATIONAL SOFTWARE  
GROUP COMPANY LIMITED**  
**Xu Shao Chun**  
*Chairman*

Hong Kong 18 April 2008

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), must be delivered 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, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from 7 May 2008 (Wednesday) to 8 May 2008 (Thursday) (both days inclusive), during which period no transfer of Shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with 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, Wan Chai, Hong Kong not later than 4:00 p.m. on 6 May 2008 (Tuesday).

*As at the date of the notice, the Board comprises Mr. Xu Shao Chun (Chairman of the Board), Mr. Ho Ching-hua (Chief Executive Officer) and Mr. Chen Deng Kun as executive directors; Mr. James Ming King and Mr. Charles Po-shun Wu as non-executive directors; and Ms. Yang Zhou Nan, Mr. Wu Cheng, Mr. Yeung Kwok On and Mr. Gary Clark Biddle as independent non-executive directors.*