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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 the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DISCLOSEABLE TRANSACTION
PROPOSED ACQUISITION OF LAND-USE RIGHTS**

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.

24 April 2007

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DEFINITIONS

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

“2002 Scheme”	The share option scheme of the Company adopted on 26 April 2002
“Board”	the board of Directors
“Company”	Kingdee International Software Group Company Limited. 金蝶國際軟件集團有限公司, 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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries;
“Independent Third Party”	A person who is independent of and not connected with the Company and the connected persons of the Company
“Kingdee China”	Kingdee Software (China) Co., Ltd, a company incorporated in the PRC with limited liability
“Land”	The parcel of land located at Mapo Area, Shunyi District, Beijing (北京市順義區新城馬坡組團)
“Land-use Rights”	The land-use rights in respect of the Land for a term of 40 years, from the date of the Land-use Rights Transfer Agreement
“Land-use Rights Transfer Agreement”	The land-use rights transfer agreement to be entered into between the Beijing Shun’ao Investment Centre (北京順奧投資中心) and the Company in relation to the transfer of the Land-use Rights
“Latest Practicable Date”	16 April 2008
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
“Mu”	Chinese Mu, the measurement unit for area of land, 1 Mu approximately equals 666.6 square meters.

DEFINITIONS

“Owner”	Beijing Shun’ao Investment Centre (北京順奧投資中心), owner of the Land-use Rights, an entity set up by the Beijing Shunyi Management Committee of Olympic Venues (北京市順義區奧運場館管理委員會), which in turn was set up by the government of Shunyi District, Beijing (北京市順義區人民政府). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Owner is an Independent Third Party
“Project Agreement”	The Project Agreement dated 3 April, 2008 entered into between the Regulatory Commission and the Company.
“PRC”	The People’s Republic of China
“Regulatory Commission”	Beijing Shunyi New City Regulatory Commission (北京市順義區新城建設管理委員會), was set up by the government of Shunyi District, Beijing (北京市順義區人民政府)
“RMB”	Renminbi, the lawful currency of the PRC
“Share Option Scheme”	The share option scheme of the Company adopted on 11 July 2005
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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 (*Chairman*)
Mr. Ho Ching-hua (*Chief Executive Officer*)
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

24 April 2008

To the Shareholders

Dear Sirs or Madams,

**DISCLOSEABLE TRANSACTION:
PROPOSED ACQUISITION OF LAND-USE RIGHTS**

INTRODUCTION

The Board announced on 3 April 2008 that the Company, through Kingdee China (a wholly-owned subsidiary of the Company), entered into the Project Agreement on 3 April 2008 with

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the Regulatory Commission. Pursuant to the Project Agreement, Kingdee China will enter into a Land-use Rights Transfer Agreement under which Kingdee China will acquire the Land-use Rights of the Land with an area of approximately 213.6725 Mu (142,434.0885 square meters) from the Owner in consideration of RMB70,511,809.95 in cash by Kingdee China. The Land is currently vacant.

Since (i) the value of the total assets to be acquired represents more than 5% but less than 25% of the consolidated total assets of the Company, and (ii) the value of the Consideration represents more than 5% but less than 25% of the market capitalisation of the Company, the entering into of the Project Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

THE PROJECT AGREEMENT

Date

3 April 2008

Parties

The Regulatory Commission and Kingdee China.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Regulatory Commission is a third party independent of the Company and connected persons of the Company.

Details of the acquisition

Kingdee China entered into a Project Agreement on 3 April 2008 with the Regulatory Commission. Pursuant to the Project Agreement, Kingdee China will enter into the Land-use Rights Transfer Agreement under which Kingdee China will acquire the Land-use Rights in respect of a parcel of land located at Mapo Area, Shunyi District, Beijing (北京市順義區新城馬坡組團) with an approximate area of 213.6725 Mu (142,434.0885 square meter) for a term of 40 years, from the date of the Land-use Rights Transfer Agreement.

Consideration and payment terms

The consideration for the transfer of the Land-use Rights is RMB70,511,809.95 (the "Consideration") and is payable by Kingdee China in accordance with the terms set forth in the Land-use Rights Transfer Agreement.

The Consideration was set by the Regulatory Committee and the Owner and was arrived at after arm's length negotiations between Kingdee China, the Regulatory Commission and the Owner. Having considered various quotations of land of similar size in the vicinity and the incentives offered by the Regulatory Commission, including assisting and facilitating reallocation of professionals and existing offices of the Group in central Beijing to Shunyi District, the Board is of the view that the Consideration is fair and reasonable and is to the benefit of the Group and its shareholders.

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The Consideration will be satisfied in cash from the Group's internal resources.

As at the Latest Practicable Date, Kingdee China had been negotiating with the Owner on the payment terms. The Directors expected that such will be concluded when the Owner and Kingdee China enter into the Land-use Rights Transfer Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is mainly engaged in the development and marketing of enterprise management software and e-commerce application software, and in providing middleware for the management software, e-commerce and e-government platforms of enterprises and government departments. The Group also provides management consultation, implementation and technical support services in relation to software products for its customers around the world.

The acquisition of the Land-use Rights will enable the Group to establish "Beijing Kingdee Software Park (北京金蝶軟件園)" on the Land. The construction of Beijing Kingdee Software Park has been the core part of the Group's long term strategic development plan. As Beijing is the political, economic, cultural and high quality talent centre of the PRC, the new Beijing Kingdee Software Park will allow the Group to provide a workplace which is, in terms of location, more convenient to our staff and thus the Group can attract and retain professionals specializing in high-end software development and application management consultation around Beijing. This avails the Group to have closer and more frequent interaction with our business partners in the northern part of China. Meanwhile, Beijing Kingdee Software Park will be for the Group's own use and it will integrate the Group's existing branches, divisions and resources in Beijing and lower our existing leasing and operating cost. To conclude, the Beijing Kingdee Software Park will create more value to our customers and shareholders.

The directors of the Company consider that the terms of the Project Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group.

The Regulatory Commission is under the direct jurisdiction of the government of Shunyi District, Beijing and is responsible for the development and construction management of New City of Shunyi District, and attracting investment into Shunyi District.

The Directors consider that the Consideration payable for acquisition of the Land-use Rights and the terms and conditions of the Project Agreement are in ordinary business, on normal commercial terms and fair and reasonable and are in the interests of the Shareholders and the Company as a whole.

EFFECT OF THE ACQUISITION ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE COMPANY

The acquisition of the Land-use Rights is not expected to have any material impact on the net assets of the Group as the increase in real assets following the acquisition will be offset by a decrease in bank balances and cash as a result of payment of the Consideration which is funded by internal resources of the Group. The Land is not and will not be under lease thus the acquisition is not expected to have any impact on the earnings of the Group immediately.

LETTER FROM THE BOARD

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapters 14.06(2) of the Listing Rules, which is subject to the notification and publication requirements.

Your attention is also drawn to the general information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
Kingdee International Software Group Company Limited
Xu Shao Chun
Chairman

1. Responsibility Statement

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.

2. Disclosure of Interests

Directors' and chief executive's interests or short positions in the shares, underlying shares or debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, were as follows:

Long positions in shares/ underlying shares of the Company

Name of Directors	Number of Shares/ underlying shares (where appropriate)	Capacity	Percentage of issued share capital
Xu Shao Chun	141,916,250	Interests of controlled corporation (<i>Note 1</i>)	
	6,462,880	Beneficial owner	
	8,900,000	Other/ Share option (<i>Note 2</i>)	
<i>Aggregate:</i>	157,279,130		34.31%
Ho Ching Hua	4,400,000	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	4,400,000		0.96%
Chen Deng Kun	2,710,154	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	2,710,154		0.59%
James Ming King	100,000	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	100,000		0.02%
Gary Clark Biddle	100,000	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	100,000		0.02%
Yang Kwok On	100,000	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	100,000		0.02%
Yang Zhou Nan	100,000	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	100,000		0.02%
Hugo Shong (resigned on 31 March 2008)	100,000	Other/ Share Option (<i>Note 2</i>)	
<i>Aggregate:</i>	100,000		0.02%

Notes:

1. Of the 141,916,250 shares, 83,606,250 shares were held through Oriental Gold Limited and 58,310,000 shares were held through Billion Ocean Limited.
2. Details of the share options are set out in the paragraph headed "Directors' Rights to Acquire Shares or Debentures" below.

Save as disclosed in this paragraph, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) , which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

Directors' Rights to Acquire Shares or Debentures

As at the Latest Practicable Date, details of the outstanding options held by the Directors are as follows:

Name of Director	Number of Options held	Exercise price HK\$	Grant date
Xu Shao Chun	1,900,000	2.625	22/06/2006 ⁽⁵⁾
	3,000,000	1.55	21/04/2005 ⁽³⁾
	4,000,000	3.18	23/03/2004 ⁽¹⁾
Chen Deng Kun	680,000	7.23	08/06/2007 ⁽⁵⁾
	1,900,000	2.63	04/05/2006 ⁽⁵⁾
	130,154	2.65	01/06/2004 ⁽²⁾
Ho Ching Hua	4,400,000	3.74	23/01/2007 ⁽⁵⁾
Non-executive directors	500,000	7.23	08/06/2007 ⁽⁴⁾

Note:

- (1) 2002 Scheme. All of these options have duration of 10 years from 23 March 2004, provided that the options may not be exercised in respect of more than 50% of the options prior to the date of 31 December 2004.

- (2) 2002 Scheme. All of these options have duration of 10 years from the date of grant, provided that:
- (i) the options cannot be exercised within 1 year from the date of grant;
 - (ii) the number of options that can be exercised within the 2 years from the date of grant cannot be more than 25% of the revenue ratio for the financial year of 2004;
 - (iii) the number of options that can be exercised within the 3 years from the date of grant cannot be more than 25% of the aggregate revenue ratios for the financial years of 2004 and 2005;
 - (iv) the number of options that can be exercised within the 4 years from the date of grant cannot be more than 25% of the aggregate revenue ratios for the financial years of 2004, 2005 and 2006; and
 - (v) the number of options that can be exercised after 4 years from the date of grant cannot be more than 25% of the aggregate revenue ratios for the financial years of 2004, 2005, 2006 and 2007;

“Revenue ratio” shall equal to the actual revenue of the Group divided by the estimated revenue of the Group as determined by the Board for a particular financial year.

- (3) 2002 Scheme. All of these options have duration of 5 years from the date of grant and the options can be exercised from the date of grant.
- (4) Share Option Scheme. All of these options have duration of 10 years from the date of grant, provided that the options may not be exercised within 12 months from the date of grant and that the options may not be exercised in respect of more than 25%, 50% and 75% of the options within 12 months, 24 months and 36 months respectively from 1 year after the date of grant.
- (5) Share Option Scheme. All of these options have duration of 10 years from the date of grant, and the options can be exercised upon the conditions.

Save as disclosed above, none of the Directors or their respective associates (as defined under the Listing Rules) was granted by the Company, or any of its subsidiaries to any rights or options to acquire shares or debentures in the Company as at the Latest Practicable Date.

Substantial shareholders' and other persons' interests and short positions in the shares, underlying shares and debentures

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, the following persons had interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in shares/ underlying shares of the Company

Name	Number of Shares/ underlying shares (where appropriate)	Capacity	Percentage of issued share capital
Oriental Gold Limited	83,606,250	Beneficial owner	18.24%
Billion Ocean Limited	58,310,000	Beneficial owner	12.72%

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, no persons had interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

3. Competing Interest

None of the Directors or their respective associates (as defined in the Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

4. Service Contracts

Mr. Xu Shao Chun had entered into a service contract with the Company in relation to his appointment as an executive Directors on 1 January 2007 for a term of three years.

Mr. Ho Ching Hua had entered into a service contract as an executive director with the Company for a term of two years with effect from 30 March 2007.

Mr. Charles Po-Shun Wu had entered into a service contract as a non-executive Director with the Company for a term of two years with effect from 31 March 2008.

Each of Ms. Yang Zhou Nan, Mr. Wu Cheng, Mr. Yeung Kwok On and Mr. Gary Clark Biddle had entered into a service contract with the Company respectively on 1 January 2007 for a term of two years.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has entered into or proposes to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. Litigation

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

6. Miscellaneous

(a) Company Secretary

The company secretary of the Company is Ms. NGAN Lin Chun, Esther (顏連珍). Ms. NGAN is a fellow member of the Hong Kong Institute of Company Secretaries.

(b) Qualified Accountant

The qualified accountant of the Company is Mr. HO, Ka Man Barry (何嘉文). Mr. HO is a member of the U.S. Institute of Chartered Financial Analysts, the Hong Kong Institute of Financial Planners, the Hong Kong Institute of Certified Public Accountants, Hong Kong Securities Institute and the Australian Institute of Banking and Finance.