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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  
IN RELATION TO  
THE CONSTRUCTION CONTRACT FOR  
THE CONSTRUCTION PROJECT OF  
BEIJING KINGDEE SOFTWARE PARK**

Reference is made to the announcements of the Company dated 3 and 29 April 2008.

The Board announces that on 28 April 2011, Kingdee China, a wholly-owned subsidiary of the Company, entered into the Construction Agreement with China Construction First Bureau Group Construction Development Co., Ltd. (as the Contractor) pursuant to which the Contractor is engaged to construct the Beijing Kingdee Software Park on the Central District, Mapo Area, Shunyi District, Beijing (北京市順義區新城馬坡組團中心區) as the Group's offices for its research and development, manufacturing, sale and administration functions at the Consideration of approximately RMB 360,000,000.

As applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Construction are greater than 5% but less than 25%, the Construction constitutes a discloseable transaction for the Company and is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcements of the Company dated 3 and 29 April 2011. On 29 April 2008, the Board announced that Kingdee China, a wholly-owned subsidiary of the Company, has acquired the Land in Mapo Area, Shunyi District, Beijing (北京市順義區新城馬坡組團). On 28 April 2011, Kingdee China entered into the Construction Agreement with the Contractor to construct the Beijing Kingdee Software Park as the Group's offices for research and development, manufacturing, sale and administration functionalities of the Group. The major terms of the Construction Agreement are set out below:

## **CONSTRUCTION AGREEMENT**

**Date:** 28 April 2011

### **Parties**

**Owner:** Kingdee Software (China) Co., Limited, a wholly-owned subsidiary of the Company

**Contractor:** China Construction First Bureau Group Construction Development Co., Ltd.

The Contractor is a company incorporated in China and is principally engaged in building construction business in China. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Contractor, its ultimate beneficial owners and their respective associates are Independent Third Parties and have no prior relationship with the Group nor have entered into any prior transaction with the Group. The Company and the Contractor and its associates have not entered into any transaction in the past 12 months prior to the date of this announcement that would need to be aggregated with the transaction contemplated under the Construction Agreement pursuant to Rule 14.22 of the Listing Rules.

### **Subject matter of the Construction Agreement**

The Construction Project is located in Central District, Mapo Area, Shunyi District, Beijing. The Contractor is engaged by Kingdee China to take up the project management for the construction of the Beijing Kingdee Software Park, inclusive of a Research and Development Center, an Office Building and a Functional Complex Building with a total floor area of 20,611 square meters and building area of 158,978 square meters.

### **Consideration and payment terms**

The Construction Agreement includes building, water supply, fire, ventilation, air-conditioner, thermal system, gas, electricity, external pipeline, road and lighting, forestry hydropower project. The Consideration is of a fixed unit price for the Construction Project. According to the planned volume of construction work, the Group expects that the Consideration payable will be approximately RMB 360,000,000. Kingdee China will pay the Consideration in the following manners:

1. an advance payment of 5% of the Consideration is payable to the Contractor in cash within 30 days after the signing of the Construction Agreement and no later than seven days before the agreed date of commencement of the Construction Project, whichever is later. This advance payment will be equally applied to set off the monthly progress payment payable by Kingdee China to the Contractor in six times commencing from the six months after the commencement of the Construction Project; and
2. the remaining balance shall be paid to the Contractor in accordance with the progress of completion of the Construction Project as indicated on a notice issued by the Contractor to Kingdee China on a monthly basis and subject to the examination, inspection and acceptance by Kingdee China.

The Contractor was selected by Kingdee China through tender. Kingdee China has sent out the invitation to tender to eight potential contractors (including the Contractor) and all of them have submitted their tender documents and provided quotations for the Construction Project. The Contractor was finally selected with reference to the quotations provided by and competence of various contractors. The Construction Agreement is determined after arm's length negotiations

between the parties under the normal commercial terms and is entered into in the ordinary and usual course of business

The Directors (including the independent non-executive Directors) are of the opinion that the Consideration is fair and reasonable and was determined after arm's length negotiations between the parties and is in the interests of the Company and the Shareholders as a whole.

### **Obligations of the Contractor**

Pursuant to the Construction Agreement, the Contractor shall ensure the completion of the construction works in accordance with the Construction Agreement and comply with all applicable laws and regulations in relation to labour safety or any other aspects.

### **Financial effects**

The Group currently intends to finance the Consideration partially by banks borrowing and partially by internal resources within the Group. The entering into the Construction Agreement has no immediate financial impact on the financial position of the Group.

### **Completion**

The expected commencement date of the Construction Project is 29 April 2011 and the Completion will take place on 30 August 2012.

## **REASONS FOR AND BENEFITS OF CONSTRUCTION OF BEIJING KINGDEE SOFTWARE PARK**

The Group is a leading management and IT integration solutions provider in the Asia Pacific region specializing in delivering cutting-edge enterprise management software and middle ware. The Group acquired the Land on 29 April 2008 for the purpose of construction of a software park as offices for its own research and development, manufacture, sale and administration functionalities in order to expand its research and development, manufacturing and sale activities through Kingdee China, its wholly-owned subsidiary. The Directors believe that after the Beijing Kingdee Software Park is constructed, the Group will be able to attract and retain high-end talented persons of software research and development, application management and consultation in Beijing, in order to strengthen the ability of the Group's provision of the management and IT integration solutions for its core consultation business, accelerate the Group's pace of service transformation, and enhance the Group's business competitiveness and foundation as well as its corporate image and reputation in the industry.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Construction Project are greater than 5% but less than 25%, the Construction constitutes a discloseable transaction for the Company and is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“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
“Completion”	completion of the transaction contemplated under the Construction Agreement
“Completion Date”	the date of Completion, being 30 August 2012
“Consideration”	approximately RMB 360,000,000 being the estimated consideration payable by Kingdee China to the Contractor under the Construction Agreement
“Construction Project”	the project for the construction of the Beijing Kingdee Software Park in Beijing as contemplated under the Contractor Agreement
“Construction Agreement”	the Construction Agreement dated 28 April 2011, entered into between Kingdee China and the Contractor
“Contractor”	China Construction First Bureau Group
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party or parties that is or are not connected with the Company and the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Kingdee China” or “Owner”	Kingdee Software (China) Co., Limited, a company incorporated in China with limited liability and a wholly-owned subsidiary of the Company
“Land”	a parcel of land located at Mapo Area, Shunyi District, Beijing with a total site area of approximately 142,434.0885 square metres
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Shareholders”	the holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**Kingdee International Software  
Group Company Limited**  
**Xu Shao Chun**  
*Chairman*

Shenzhen, the People’s Republic of China, 28 April 2011

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