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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: 268)

**GENERAL MANDATE FOR THE ISSUE AND REPURCHASE
BY THE COMPANY OF ITS OWN SECURITIES,
RE-ELECTION OF DIRECTORS,
AND REFRESHMENT OF SCHEME LIMIT UNDER
THE SHARE OPTION SCHEME**

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, 26 April 2007 at 4:00 p.m. is contained in the 2006 Annual Report. A form of proxy for use at the AGM is also enclosed in the 2006 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.

4 April 2007

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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 30 January 2001 which was terminated and replaced by the 2002 Scheme
“2002 Scheme”	the share option scheme adopted by the Company on 26 April 2002 which was terminated and replaced by the Share Option Scheme
“2006 Annual Report”	the annual report of the Company dispatched to the Shareholders on or about 4 April 2007
“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, 26 April 2007 at 4:00 p.m.
“AGM Notice”	the notice convening the AGM, set out on page 74 to page 76 of the 2006 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”	31 March 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overall Limit”	the maximum number of Shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company, being not exceeding 30% of the Shares in issue from time to time
“PRC”	The People’s Republic of China
“Scheme Limit”	the total 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 schemes of the Company, being in aggregate not exceeding 10% of the Shares in issue as at the date of approval of the Share Option Scheme
“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)
“Share Option Scheme”	the share option scheme adopted by the Company on 11 July 2005
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

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: 268)

Executive Directors:

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

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
PRC

*Principal place of business
in Hong Kong:*

1902 MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

4 April 2007

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,
AND REFRESHMENT OF SCHEME LIMIT UNDER
THE SHARE OPTION SCHEME**

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 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

LETTER FROM THE BOARD OF DIRECTORS

amount of such securities repurchased under the repurchase mandate; (ii) the re-election of Directors who are due to retire at the AGM; and (iii) the refreshment of the Scheme Limit as set out as Resolution 6(D) 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 28 April 2006, 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 authorising 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 452,631,844 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 AGM, the Company would be allowed to issue a maximum of 90,526,368 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 45,263,184 Shares.

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.

LETTER FROM THE BOARD OF DIRECTORS

RE-ELECTION OF DIRECTORS

The Board currently consists of ten Directors, namely Mr. Xu Shao Chun, Mr. HO Ching-hua, Mr. Chen Deng Kun, Mr. James Ming King, Mr. Zhao Yong, Mr. Hugo Shong, 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. Hugo Shong, Mr. Wu Cheng and Mr. Yeung Kwok On shall retire at the AGM. In addition, Mr. HO Ching-hua, being a Director appointed by the Board as an additional member of the Board on 30 March 2007, 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.

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.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme on 11 July 2005. Under the rules of the Share Option Scheme, the total 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 schemes must not in aggregate exceed the Scheme Limit, which was 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The Scheme Limit may be refreshed from time to time pursuant to the rules of the Share Option Scheme.

LETTER FROM THE BOARD OF DIRECTORS

The Company may seek approval from the Shareholders in a general meeting for refreshing the Scheme Limit so that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall be re-set at 10% of the Shares of the Company in issue as at the date of the approval of refreshment of the Scheme Limit.

Pursuant to the Share Option Scheme, the Company was authorized to grant options to subscribe for up to 44,328,540 Shares, representing 10% of the total number of Shares in issue at the date of approval of the Share Option Scheme. As at the Latest Practicable Date, the Company has only granted options subscribing for 42,200,000 Shares. Therefore, the Company could only make a further grant of options to subscribe for 2,128,540 Shares under the Share Option Scheme, representing approximately 0.47% of the total number of Shares in issue as at the Latest Practicable Date.

Based on 452,631,844 Shares in issue as at the Latest Practicable Date and assuming that there are no Shares issued or repurchased during the period from the Latest Practicable Date to the date of the AGM, upon the approval of the refreshment of the Scheme Limit, the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company under the Scheme Limit as “refreshed” will be 45,263,184, being 10% of the Shares then in issue at the date of the AGM.

The Directors confirmed that:

- (1) the Company had granted options to subscribe for an aggregate of 1,720,000 Shares pursuant to the 2001 Scheme (of which options to subscribe for 717,500 Shares have lapsed, 797,500 exercised and 205,000 remaining outstanding pursuant to the rules of the Share Option Scheme);
- (2) the Company had granted options to subscribe for an aggregate of 48,462,500 Shares pursuant to the 2002 Scheme (of which options to subscribe for 20,149,000 Shares have lapsed, 10,722,436 exercised and 17,591,064 remaining outstanding pursuant to the rules of the Share Option Scheme);
- (3) the Company had granted options to subscribe for an aggregate of 42,200,000 Shares pursuant to the Share Option Scheme (of which options to subscribe for no Share has lapsed and exercised and 42,200,000 remaining outstanding pursuant to the rules of the Share Option Scheme).

As at the Latest Practicable Date, options granted to subscribe for 93,683,500 Shares (representing approximately 21.13% of the Shares in issue of the Company as at the approval of the Share Option Scheme) pursuant to the 2001 Scheme, 2002 Scheme and the Share Option Scheme were outstanding. The total number of Shares for subscription under such outstanding options does not exceed the Overall Limit.

LETTER FROM THE BOARD OF DIRECTORS

The purpose of the Share Option Scheme is to allow more flexibility in providing additional incentives or rewards to eligible participants for their contribution to the Group and/or to recruit and retain high-caliber employees and attract human resources that are valuable to the Group. In view of the growth of the Group contemplated, and given the existing Scheme Limit is near depletion, the Share Option Scheme cannot continue to serve its intended purpose for the benefits of the Group and the Shareholders unless the Scheme Limit is refreshed in accordance with the rules of the Share Option Scheme.

The Directors consider that it will be for the benefit of the Company and its Shareholders as a whole that eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options under the Share Option Scheme. This will motivate the eligible participants to contribute further to the success of the Group. For these reasons, pursuant to paras. 17.03(3) and 17.06 of the Listing Rules and rule 9.2 of the Share Option Scheme, the Directors will propose the refreshment of the Scheme Limit as set out in Resolution 6(D) in the AGM Notice.

Application will be made to the Stock Exchange for granting approval of the listing of, and permission to deal in, the new Shares up to the refreshed Scheme Limit, being 10% of the Shares in issue at the date of the approval of the refreshment of Scheme Limit under the Share Option Scheme (which is expected to be the date of the AGM) which may be issued upon the exercise of the options to be granted under the Share Option Scheme.

Under the rules of the Share Option Scheme:

- (i) the maximum numbers of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes (excluding those options that have already been granted by the Company prior to the date of approval of the Share Option Scheme and those Options that have lapsed in accordance with the terms of the Share Option Scheme) shall not, in aggregate, exceed the Scheme Mandate Limit; and
- (ii) the maximum numbers of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes shall not, in any event and in aggregate, exceed 30 per cent of the Shares in issue from time to time.

The Directors confirmed that they will ensure that the requirements under Chapter 17 of the Listing Rules will be fully complied with.

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

LETTER FROM THE BOARD OF DIRECTORS

- (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 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
- (iv) 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.

RECOMMENDATION

The Directors believe that the grant of the Proposed Issue Mandate, Proposed Repurchase Mandate and Proposed Extension Mandate, re-election of Directors and refreshment of Scheme Limit under the Share Option Scheme 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\$45,263,184.4 comprising 452,631,844 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 45,263,184 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 2006 Annual Report for the financial year ended 31 December 2006) 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 HK\$	Lowest HK\$
April 2006	2.85	2.40
May 2006	3.20	2.60
June 2006	3.025	2.50
July 2006	3.15	2.70
August 2006	3.86	3.05
September 2006	3.95	3.50
October 2006	4.20	3.50
November 2006	4.20	3.65
December 2006	4.30	3.69
January 2007	4.30	3.62
February 2007	5.60	4.26
March 2007 (up to the Latest Practicable Date)	5.92	4.40

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	32.45%	36.06%
Oriental Gold Limited	18.47% <i>Note</i>	20.52%
Billion Ocean Limited	12.88% <i>Note</i>	14.31%
Zhao Yong	11.05%	12.28%

Note: Oriental Gold Limited and Billion Ocean Limited are owned as to 100% by 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.

Mr. HO Ching-hua (何經華), aged 50, an executive director. Mr. HO graduated from National Taiwan University in political science and obtained Master of Arts from National Chenchi University of Taiwan and Master of Science from University of Maryland of the United States. Prior to joining the Company, Mr. HO had been the major account director of Sybase Inc., the technical sales director of Oracle East Central Europe Limited, the managing director of Oracle Taiwan Inc, the chief executive officer of UFIDA Software Co. Ltd. and the vice president and general manager of Greater China & East Asia of Siebel Systems Inc.. Mr. HO has abundant experience in sales channel operation and management of international and domestic well-known information technology enterprises.

Mr. HO is an independent non-executive director of Xia Men Tsann Kuen Corporation Limited, a company listed on the Shenzhen Stock Exchange, Taiwan Securities Exchange, and Nasdaq of U.S.A; Jess-Link Products Corporation Limited, a company listed on the Gre Tai Securities Market of Japan and Taiwan Securities Exchange and Camelot Information System (China) Corporation Limited.

Save as the directorship with the Company mentioned above, Mr. HO 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.

Pursuant to the terms of a letter of appointment entered into between the Company and Mr. HO, Mr. HO will serve as an executive Director for 2 years with effect from 30 March 2007, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Articles of Association. Mr. HO'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 RMB50,000 per year. Mr. HO is not entitled to any bonus in respect of his role as a Director.

Save as disclosed above, Mr. HO 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.

Mr. Hugo SHONG (熊曉鵬), aged 51, a non-executive Director of the Company, senior vice-president of IDG, president of IDG Asia, Inc and vice-chairman of IDGVC. Mr. Shong graduated from Hunan University majoring in English in 1981 and obtained a master degree in journalism from Boston University of the U.S. in 1987. Mr. Shong also completed the Advanced Management Program, the International Senior Managers' Program organized by the Graduate School of Business Administration of Harvard University in 1996.

Save as the directorship with the Company mentioned above, Mr. SHONG 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. Shong is an the non-executive director of Mei Ah Entertainment Group Limited, which is listed on the Hong Kong Stock Exchange, and the chairman of board of China Finance Online Co. Limited, which is listed on the Nasdaq of U.S.A.

Pursuant to the terms of a letter of appointment entered into between the Company and Mr. Shong, Mr. Shong will serve as an non-executive Director for 2 years with effect from 1 January 2005, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Articles of Association. Mr. Shong'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 RMB50,000 per year. Mr. Shong is not entitled to any bonus in respect of his role as a Director.

Save as disclosed above, Mr. Shong 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.

Mr. WU Cheng (吳澄), aged 67, an independent non-executive Director of the Company, a professor of the Department of Automation, Tsinghua University, and an academician of Chinese Academy of Engineering. Mr. Wu is also the director of State CIMS Engineering Technical Research Center. Mr. Wu graduated from the Department of Electrical Engineering, Tsinghua University with a bachelor degree in 1963 and a master degree in 1967. Mr. Wu has participated in CIMS projects of 863 Programme, and was appointed as the leader of CIMS expert group and chief scientist in the automation field. He received a number of awards for his contributions to the technology development in the PRC.

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 an independent non-executive director of Aerospace Information Corporation Limited and SANY Heavy Industry Corporation Limited respectively, which are both listed on the Shanghai Stock Exchange.

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 1 January 2005, 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 RMB50,000 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.

Mr. YEUNG Kwok On (楊國安), aged 46, an independent non-executive Director of the Company, a professor of business administration and executive director of organizational effectiveness lab at the Ross School of Business at the University of Michigan, and also a professor of China Europe International Business School. Mr. Yeung received Ph.D. of Business Administration from University of Michigan in 1990. Mr. Yeung worked in Acer Inc. as Chief Learning Officer and Chief Human Resources Officer from early 1999 to June 2002. During the same period of time, he simultaneously served as the president of Aspire Academy under Acer Foundation. Mr. Yeung is a member of editorial advisory board of Harvard Business Review (China) and an associate editor of Human Resource Management Journal of America. Mr. Yeung is experienced in enterprises organizational construction, human resources strategy and human resources training. Mr. Yeung was awarded the "2002 China Human Resources Annual Person" by SmartFortune Magazine of China and the "2004 China Human Resources Outstanding Achievement Award" jointly by Asian-Pacific Human Resources Research Association and SmartFortune Magazine (China) Co., Ltd.

Save as the directorship with the Company mentioned above, Mr. Yeung 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. Yeung 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. Yeung, Mr. Yeung will serve as an independent non-executive Director for 2 years with effect from 1 January 2005, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Articles of Association. Mr. Yeung'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. Yeung is not entitled to any bonus in respect of her role as a Director.

Save as disclosed above, Mr. Yeung 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.