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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)**

### **PROPOSED BONUS ISSUE OF SHARES**

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The Board proposed a Bonus Issue to Qualifying Shareholders (other than Excepted Shareholders). The Bonus Issue is proposed to be made on the basis of two Bonus Shares for every ten existing Shares held by the Qualifying Shareholders (other than Excepted Shareholders) whose names appear on the register of members of the Company on the Record Date. The Bonus Issue will be credited as fully paid by way of capitalisation of an amount in the share premium account of the Company. The register of members of the Company will be closed from Monday, 18 April 2011 to Wednesday, 20 April 2011, both days inclusive, to ascertain the entitlement of the Shareholders under the Bonus Issue. Holders of the Options must lodge the Options exercise form together with a remittance in cash for the amount of the exercise price for the respective Shares no later than 4:30 p.m. on Friday, 15 April 2011 in order to be qualified for the Bonus Issue.

Application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Bonus Shares.

#### **GENERAL**

A circular containing, among other things, details of the Bonus Issue, will be despatched to the Shareholders as soon as practicable.

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#### **Basis of Bonus Issue**

Subject to the conditions as set out under the heading "Conditions of Bonus Issue" below, the Bonus Shares will be issued and credited as fully paid at par on the basis of two Bonus Shares for every ten existing Shares held on the Record Date by the Qualifying Shareholders.

On the basis of 2,091,356,870 existing Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or repurchased before the Record Date, it is anticipated that 418,271,374 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount in the share premium account of the Company. After the completion of the Bonus Issue, there will be a total of 2,509,628,244 Shares in issue as enlarged by the Bonus Issue.

### **Record Date and closure of register of members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Excepted Shareholders are further elaborated below under the heading "Overseas Shareholders".

The register of members of the Company will be closed from 18 April 2011, Monday to 20 April 2011, Wednesday (both days inclusive), during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue.

Holders of the Options must lodge the Option exercise form together with a remittance in cash for the amount of the exercise price for the respective Shares no later than 4:30 p.m. Friday, 15 April 2011 in order to be qualified for the Bonus Issue.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 April 2011.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until after the Record Date.

### **Reasons for the proposed Bonus Issue**

In 2011, the Company has been listing on the Stock Exchange for ten years. To celebrate and thank the Shareholders for their continual support, the Board decides to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will allow the Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account and enhance the liquidity of the Shares in the market and thereby enlarging the Shareholder and capital base of the Company.

### **Overseas Shareholders**

For those Overseas Shareholders, enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Excepted Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and remittances therefore will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

### **Status of Bonus Shares**

The Bonus Shares, upon issued, will rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on

or after the date of allotment and issue of those Bonus Shares.

### **Conditions of Bonus Issue**

The completion of Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the AGM; and
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the Articles of Association to effect the Bonus Issue.

Application will be made to the Listing Committee of the Stock Exchange in respect of such approval for the listings of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares.

### **Adjustments to Options**

As at the date of this announcement, there are 213,342,867 Options outstanding. The Bonus Issue may lead to adjustment to the exercise price and/or the number of Shares which may fall to be issued upon exercise of Options. In view that the exact number of the Bonus Shares will not be determined until the Record Date, the Company will make further announcement for the aforesaid adjustments to the Options.

Save for the Options, the Company has no outstanding options, warrants or convertible securities to subscribe for any securities of the Company.

### **Certificates for Bonus Shares**

It is expected that certificates for the Bonus Shares will be posted on or before Friday, 29 April 2011 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on Wednesday, 4 May 2011.

### **Expected timetable**

Set out below is the expected timetable of the Bonus Issue:

	<i><b>Date (2011)</b></i>
Dispatch of circular and notice of the AGM. . . . .	Monday, 21 March
Last day of dealings in Shares cum-entitlements to the Bonus Shares . . . . .	Wednesday, 13 April
First day of dealings in Shares ex-entitlements to the Bonus Shares . . . . .	Thursday, 14 April
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue . . . . .	4:30 p.m. on Friday, 15 April
Latest time for holders of Options to lodge the Option exercise form together with a remittance in cash for the amount of the exercise price for the respective Shares in order to be qualified for the Bonus Issue . . . . .	4:30 p.m. on Friday, 15 April

Closure of Register of Members . . . . .	Monday, 18 April - Wednesday, 20 April (both days inclusive)
Latest time to return form of proxy for the AGM . . . . .	9:30 a.m. on Monday, 18 April
Date and time of AGM . . . . .	9:30 a.m. on Wednesday, 20 April
Record Date for determination of entitlement to the Bonus Shares . . . . .	Wednesday, 20 April
Register of Members re-opens . . . . .	Thursday, 21 April
Certificates for the Bonus Shares expected to be dispatched . . . . .	On or before Friday, 29 April
Dealing in Bonus Share commence . . . . .	Wednesday, 4 May

*Note: All times refer to Hong Kong local time in this announcement.*

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

## **GENERAL**

A circular containing, among others, details of the Bonus Issue, will be despatched to the Shareholders as soon as practicable.

No Shareholder is required to abstain from voting on the ordinary resolution to approve the Bonus Issue at the AGM.

## **DEFINITIONS**

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

"AGM"	the annual general meeting of the Company to be convened and held to approve, inter alia, the Bonus Issue
"Board"	the board of Directors from time to time
"Bonus Issue"	the proposed allotment and issue of Bonus Shares on the basis of two bonus Shares for every ten existing Shares held by the Qualifying Shareholders
"Bonus Shares"	the new Shares to be issued under the Bonus Issue
"business day"	a day (excluding Saturday, Sunday and public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Company"	Kingdee International Software Group Company

	Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company from time to time
"Excepted Shareholders"	Overseas Shareholders who are excluded from the Bonus Issue and as defined and more particularly described in the section headed "Overseas Shareholders" in this announcement
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Option(s)"	share option(s) granted or to be granted under the 2001 Scheme, 2002 Scheme and the 2005 Scheme
"Qualifying Shareholders"	holders of Shares, not being Excepted Shareholders, who are entitled to the Bonus Issue
"Overseas Shareholders"	holders of Shares whose addresses as shown on the register of members on the Record Date are outside Hong Kong
"Record Date"	Wednesday, 20 April 2011, being the record date for determination of entitlements to the Bonus Issue
"Registrar"	Computershare Hong Kong Investor Services Limited, Hong Kong branch share registrar and transfer office of the Company at 1712-1716, 17 <sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Shareholders"	holders of the Shares from time to time
"Shares"	ordinary share(s) of HK\$0.025 each in the share capital of the Company
"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 2005 Scheme
"2005 Scheme"	the share option scheme adopted by the Company on 11 July 2005

"Stock Exchange"

The Stock Exchange of Hong Kong Limited

By order of the Board  
**KINGDEE INTERNATIONAL SOFTWARE  
GROUP COMPANY LIMITED**  
**Xu Shao Chun**  
*Chairman*

Shenzhen, the PRC, 15 March, 2011

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