



ChinaSoft International (0354.HK)

2011 Interim Investor Presentation

August 2011



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Agenda

- 1** **Company Background**
- 2** 2011 Interim Financial Highlights
- 3** Business Review and Development
- 4** Future Outlook
- 5** Appendix

Snapshot of ChinaSoft International

Service Offering (% of service revenue¹)

- IT Consulting and Solutions (40.8%)
- IT Outsourcing (55.8%)
- Others (3.4%)

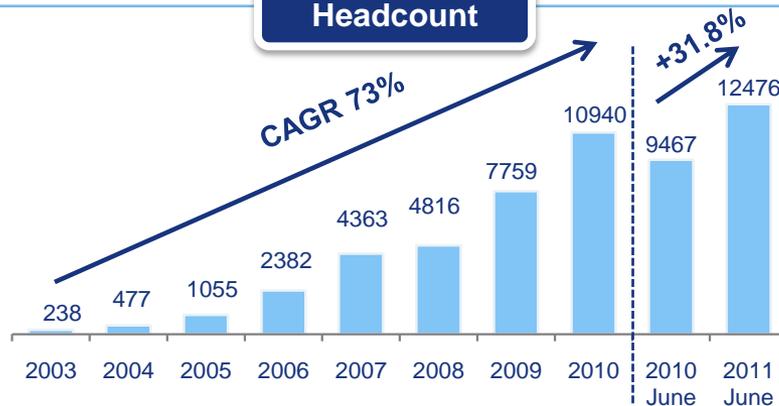
Vertical Coverage (% of service revenue¹)

- Government & Manufacturing (21.7%)
- Financial Services & Banking (19.1%)
- Telecommunications (28.6%)
- Technologies (20.9%)

Service Locations (% of service revenue¹)

- 21 cities in China (70.2%)
- US, UK, Japan and other (29.8%)

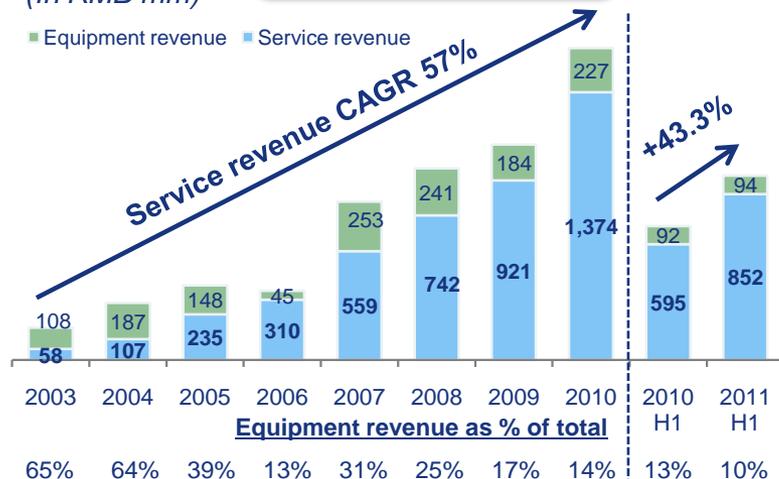
Headcount



Total Revenues

(In RMB mm)

■ Equipment revenue ■ Service revenue

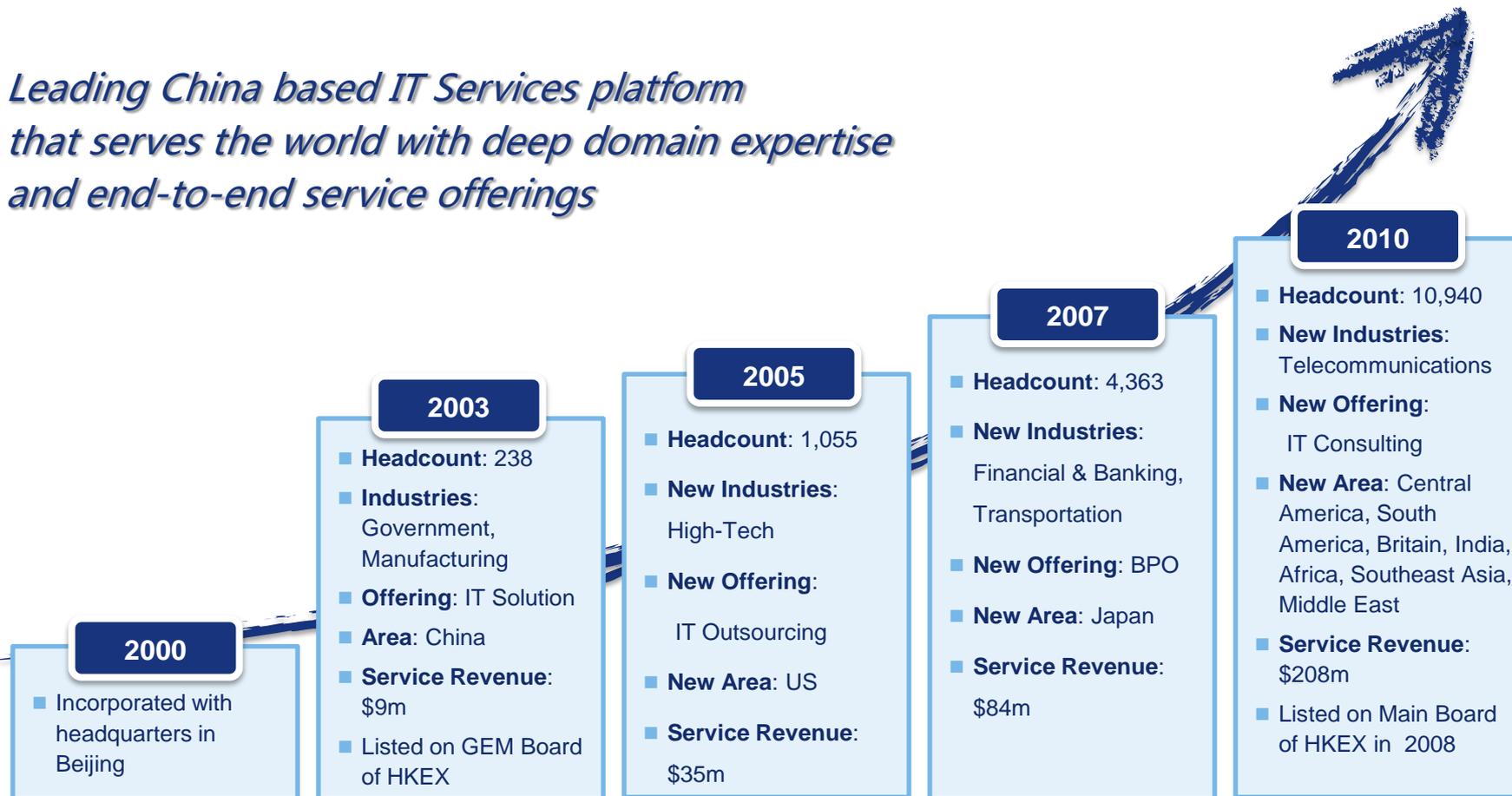


¹ For the six months ended 6/30/2011



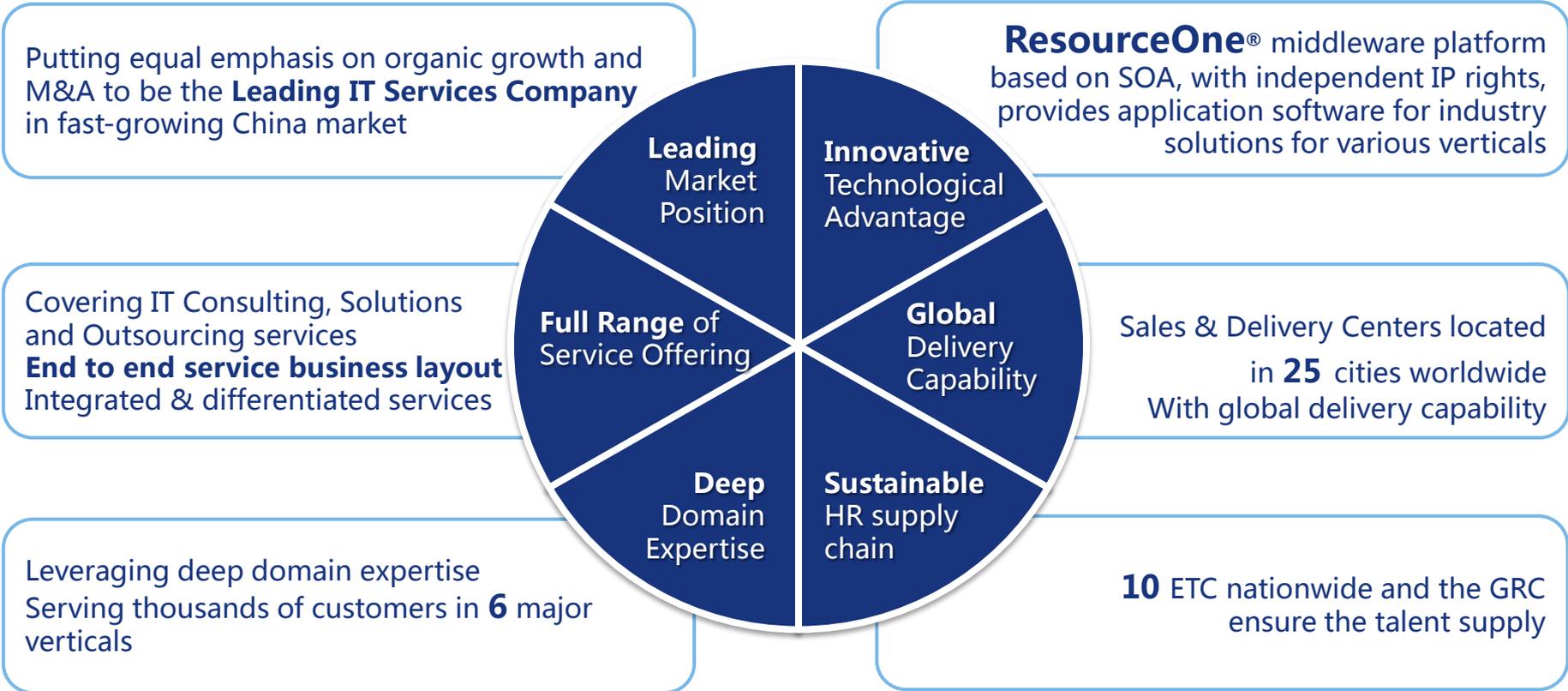
Business Development History

*Leading China based IT Services platform
that serves the world with deep domain expertise
and end-to-end service offerings*





Core Strength

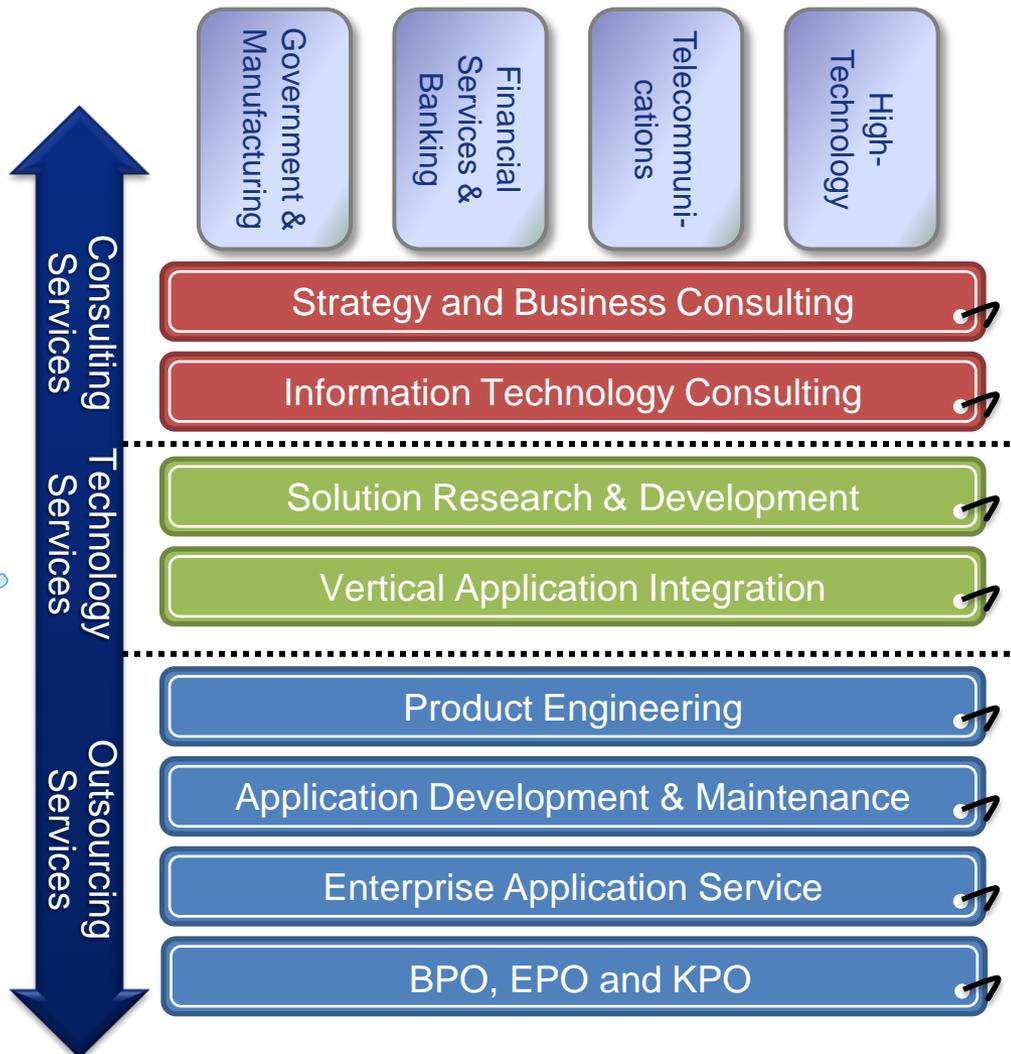
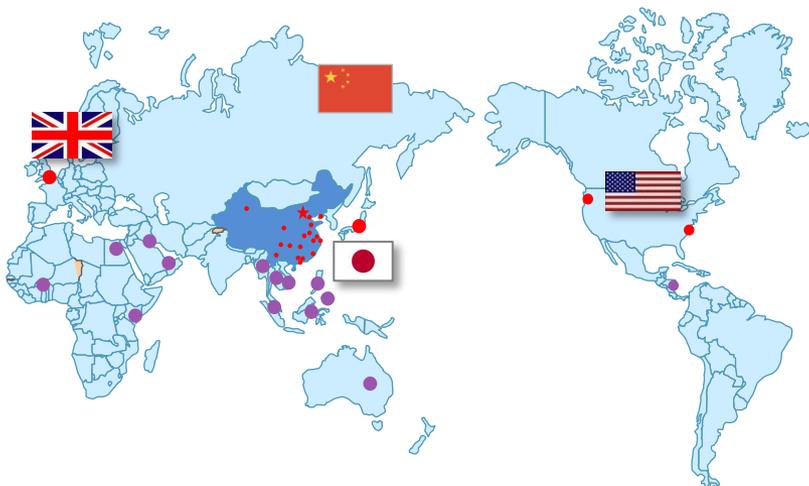




Completion of the initial overall business layout

After a decade of efforts, we have completed the initial overall layout in **vertical industries, service offering** and **service areas**.

We can expect that the company will enter a new round of rapid growth.





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Key Financial and Operating Data

RMB'000	2011 H1	2010 H1	Growth%
Revenue	945,595	686,539	37.7%
Service Revenue	852,382	594,739	43.3%
Gross Profit	308,448	207,408	48.7%
Segment Results	102,638	69,015	48.7%
EBITDA	127,262	71,081	79.0%
Non-GAAP Operating Profit*	138,740	82,314	68.5%
Non-GAAP Net Profit**	60,589	36,557	65.7%

EPS (excluding P shares valuation impact) : RMB 0.048

* Non-GAAP Operating Profit represents EBITDA excluding share option expenses, net foreign exchange loss(gain) and allowance for doubtful debts.

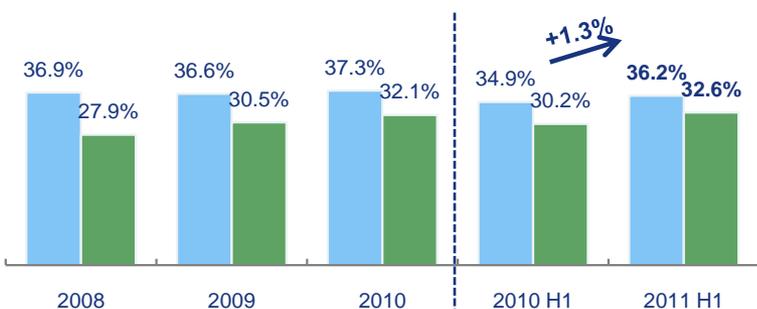
** Non-GAAP Net Profit represents net profit excluding the changes in fair value of redeemable convertible preferred shares.



Key Financial and Operating Ratio

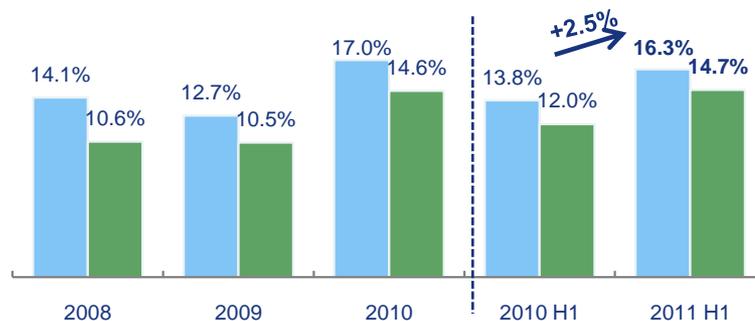
Gross Margin

Service Gross Margin Total Gross Margin



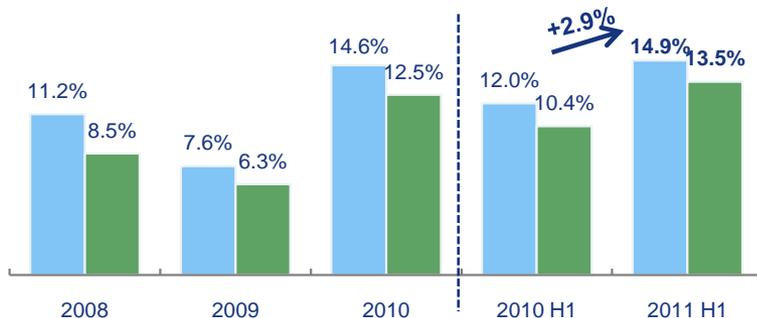
Non-GAAP Operating Margin

Service Operating Margin Total Operating Margin



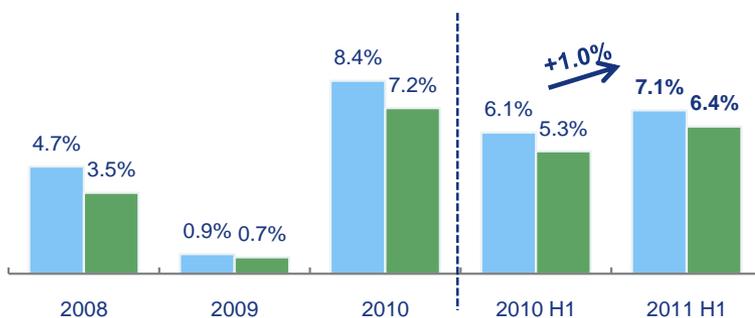
EBITDA Margin

Service EBITDA Margin Total EBITDA Margin



Non-GAAP Net Margin

Service Net Margin Total Net Margin





Financial and Operating Ratio Analysis

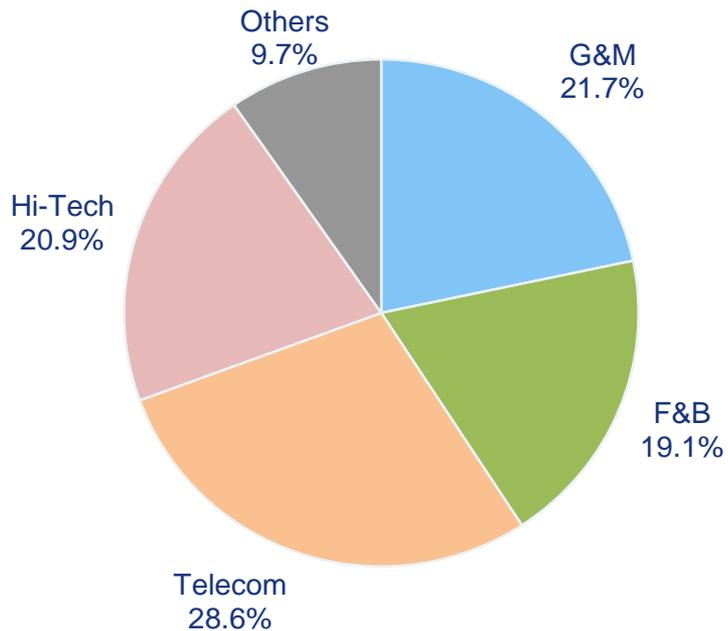
RMB' 000	2011 H1	Per Revenue%	Per Service revenue%	2010 H1	Per Revenue%	Per Service revenue%	Per Service Revenue G%	Growth%
Revenue	945,595			686,539				37.7%
<i>Service Revenue</i>	852,382			594,739				43.3%
Cost of sales	637,147	67.4%		479,131	69.8%			33.0%
— <i>Salary Costs</i>	<i>406,222</i>	<i>43.0%</i>	<i>47.7%</i>	<i>280,189</i>	<i>40.8%</i>	<i>47.1%</i>	0.5%	<i>45.0%</i>
Gross Profit	308,448	32.6%	36.2%	207,408	30.2%	34.9%	1.3%	48.7%
+Other Revenue	18,529	2.0%	2.2%	7,950	1.2%	1.3%	0.8%	133.1%
-Selling Expenses	64,654	6.8%	7.6%	38,756	5.6%	6.5%	1.1%	66.8%
-Administration Expenses	150,689	15.9%	17.7%	114,925	16.7%	19.3%	-1.6%	31.1%
-Allowance for Doubtful Debt	1,880	0.2%	0.2%	2,001	0.3%	0.3%	-0.1%	-6.0%
-Amortization of intangible assets	24,766	2.6%	2.9%	14,399	2.1%	2.4%	0.5%	72.0%
-Finance Cost	10,572	1.1%	1.2%	2,295	0.3%	0.4%	0.9%	360.7%
+Share of result of associates	1,393	0.1%	0.2%	255	0.0%	0.0%	0.1%	446.3%
Profit before taxation*	75,809	8.0%	8.9%	43,237	6.3%	7.3%	1.6%	75.3%
-Taxation	15,220	1.6%	1.8%	6,680	1.0%	1.1%	0.7%	127.8%
Non-GAAP Net Profit*	60,589	6.4%	7.1%	36,557	5.3%	6.1%	1.0%	65.7%

* Excluding the changes in fair value of redeemable convertible preferred shares.



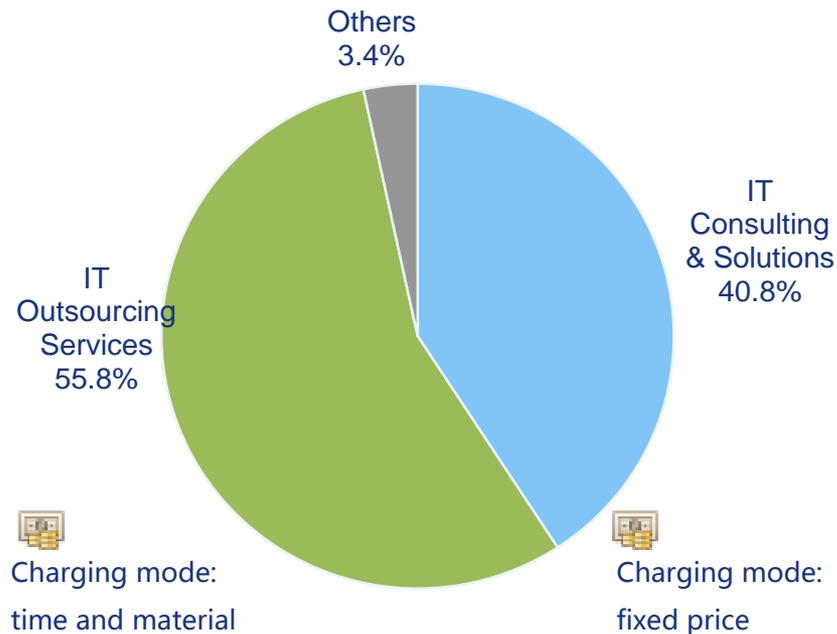
Business Distribution

Service Revenue by Industry Verticals



Total 2011H1 Service Revenue: RMB 852mm

Service Revenue by Service Type



Total 2011H1 Service Revenue: RMB 852mm



Segment Revenues and Results

RMB'000	Segment Revenue			Segment Service Revenue			Segment Results*		
	2011 H1	2010 H1	Growth	2011 H1	2010 H1	Growth	2011 H1	2010 H1	Growth
G&M	221,951	171,397	29.5%	184,610	134,058	37.7%	22,560	19,000	18.7%
F&B	218,914	178,244	22.8%	163,042	123,783	31.7%	16,514	9,896	66.9%
IT Outsourcing	475,342	315,050	50.9%	475,342	315,050	50.9%	62,362	39,670	57.2%
Training	29,388	21,848	34.5%	29,388	21,848	34.5%	1,202	449	167.7%
Total	945,595	686,539	37.7%	852,382	594,739	43.3%	102,638	69,015	48.7%

* Segment results represent the profit/loss from each segment prior to impairment loss recognized on goodwill, corporate expenses, share-based payment, gain/loss arising from fair value changes in redeemable convertible preferred shares and certain other income, gains and losses items recorded at corporate level.



Customers Analysis

Top Customers Concentration



Customer Analysis

- For the 2011 H1, the service revenue from the **top 5 customers** accounted for **38.3%** of the Group's total service revenue.
- For the 2011 H1, the service revenue from the **top 10 customers** accounted for **43.8%** of the Group's total service revenue.
- With continuous development of new customers and intensive tapping of existing customers in the vertical industries, it is expected that the top customers concentration will further decline.
- There were **628 active customers** for 2011 H1, of which **147 were new customers**.
- For 2011 H1, the Group had 17 customers from which over RMB 6,000,000 of service revenue had been derived.



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Deep Domain Expertise in China's Most Attractive Verticals

Government & Manufacturing

- **Audit:** continues to be leading vendor. The Golden Auditing Project has been reaching its peak, and our new businesses, such as “private cloud” in auditing and BPO service, had established their preferable market condition;
- **Finance:** awarded the tender from the Ministry of Finance for the government procurement management system project, and is undertaking the construction of core financial business, and businesses cover many provinces and cities in the mid and south of China.
- **Environment:** awarded the tender from the Ministry of Environmental Protection for the emission reduction application system supporting platform and system integration project, as well as the underground water environmental base condition inspection information system.
- **Tobacco:** awarded the tender for MES projects in the tobacco industry, and the leading position in the industry has been established.
- **Coal:** awarded the tender for the IT planning project of Taiyuan Branch, China Coal Technology and Engineering Group Corp to develop new industrial customers.

Financial Services & Banking

- **Bank:** The deficiency-free start-up of the new generation of Shanghai Bank credit card system and the successful start-up of the card system of Ping An Bank received high appreciation from the customers; Certain scope of outsourcing revenues were generated from HSBC, Ping An and China Union pay, indicating the rise of end-to-end service in the financial industry.
- **Insurance:** has successfully signed with CPIC Life on national data centralization project, offering support and services for the national business integration for the customer.
- **Transportation:** awarded the tender for railway traffic ticketing systems in Wuxi, Ningbo, Shanghai and Tianjin, which has successfully extended the project application and explored new cities.
- **Public Service:** has obtained the third party payment licenses from the China Central Bank with PayPass to be directly involved in the payment business, so as to achieve the transformation in the layout of the financial operating services business.



Deep Domain Expertise in China's Most Attractive Verticals

Telecommunications

- **With Telecom Operators:**
 - Has signed the contract with China Mobile on the convenience card platform construction project in a successful involvement in mobile payment platform market; following the phone wallet project by Shanghai Mobile.
 - Has signed a strategic cooperation agreement with Shanghai Mobile, to jointly promote innovation and business maturity for technology, products, and model of the mobile e-commerce industry, and strengthen market development.
- **With Telecom Equipment Providers:**
 - Continues to remain the strategic partnership with Huawei, becoming its largest supplier of Xi'an branch, and expand national market for the cooperation in the wireless city.
 - Has cooperation with Huawei, by providing RCS (Rich Communication Suite) services to a foreign telecom operator, bringing the expansion of telecommunications products into the overseas market.
 - Has become the only supplier of annual outstanding enterprises among all TD software vendors.

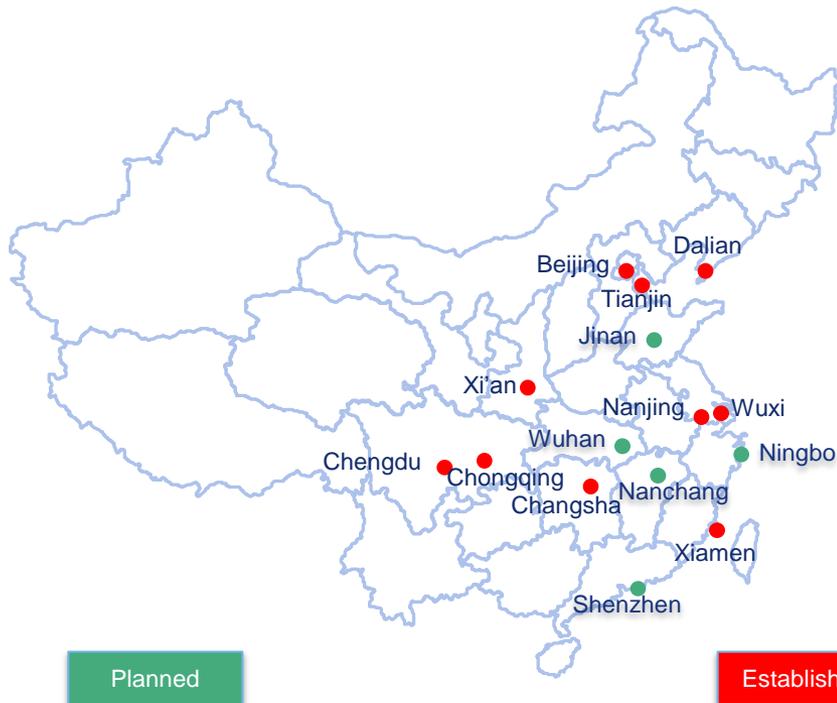
High Technology

- **Customer relationships remain stable, with sustained growth in business volume**
 - Has become the first Top 10 Microsoft MSIT supplier in the PRC, and captured a leading position in the transition of MSIT business towards China.
 - Has successfully signed with GE strategic customers a three-year Oracle ERP operation and maintenance services contract in China and the United Kingdom, achieving the layout of software development outsourcing business driving the software maintenance and operation business.
- **Continues to build high-end service capabilities, and develop new business direction and customer**
 - Has successfully developed Managed Service business, by completing the first infrastructure management services project (construction of a data center for a world-renowned financial institution), and successfully come to the negotiation of the second phase project;
 - Has successfully developed outsourcing business for a well-known ERP software vendor in China by expanding the business development in the enterprise application services (EAS).
 - Has successfully signed a contract with a Global 500 company on financial process outsourcing business, making a breakthrough in the high-end business process outsourcing in the financial field.



Strong and differentiated human supply platform

Nationwide Training Centers



Superior Talent Management

- The number of cooperated universities reached **382**. The training business achieved profitability growth as well as ensuring talents supply to the company, training more than **35,000** students annually.
- During the period, 26 new schools were signed for deep cooperation (total: 44), 18 of which were co-established schools/departments (total: 27).
- Has participated In the "Excellence Engineers Campaign" of the Ministry of Education, and developed solutions for "Engineering Practical Education Center";
- Has proactively developed the "Internet of things Lab" and "mobile internet Laboratory", and is promoting them to the universities with deep cooperation.



Recent Strategic Cooperation with Hony Capital

The Strategic Cooperation and Subscription demonstrates our strategic partner's confidence in the prospects of the Group as well as its financial commitment for future acquisitions of the Group

Highlights of the Strategic Cooperation Agreement

- CSI will become the integration platform for Hony Capital's future investments in the IT domain
- Jointly analyze the industry and search, select, invest and integrate different IT service specialist companies on a global basis
- CSI will be recommended as the major IT service provider in the entities in which Hony Capital has invested
- Hony Capital Strategic Partner will participate in the Company's strategic and corporate development management

Highlights of the Subscription Agreement

- CSI issued 150 million new shares at the price of HK\$1.86 per share to Keen Insight, and the net proceeds of HK\$278 million will be used as general working capital
- Hony Capital also bought over 120 million shares in the market

Background of Hony Capital and Keen Insight

- Hony Capital is a China-focused private equity firm which is sponsored by Legend Holdings.
- It has over US\$4.4 billion AUM, and its past investments include Lenovo Mobile, Digital China etc.
- Keen Insight is a direct wholly-owned subsidiary of Hony Capital

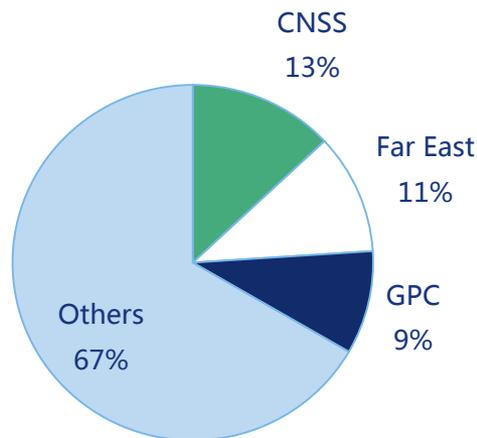
(1) The Strategic Cooperation Agreement was entered on 27 May 2011
(2) The Subscription Agreement was signed on 7 June 2011



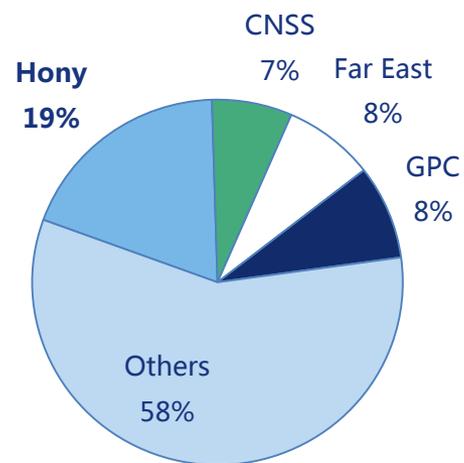
Changes in shareholding structure

	BEFORE		AFTER ¹	
	Number of shares (000 shares)	% of total shares	Number of shares (000 shares)	% of total shares
Hony	-	0.00%	271,480	18.96%
CNSS	165,320	13.02%	100,320	7.01%
Far East	138,990	10.95%	113,990	7.96%
GPC	119,270	9.39%	119,270	8.33%
Others	846,100	66.64%	826,470	57.73%
Total	1,269,680	100.00%	1,431,530	100.00%

BEFORE



AFTER



¹ As of 6/30/2011



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Driving Revenue Growth

Vertical

- **Government and Manufacturing:** Fast growth driven by government's 5-year-plan (2011-2015) which promotes IT Services in areas such as Social Security, Insurance, Agriculture, Power, High-speed Railway, Airport, Smart City, etc
- **Telecom & High-Tech:** Increasing IT Services need driven by mobile internet user growth; strategic partner to China Mobile on its mobile internet applications such as Instant Messaging, mobile SNS, application store and mobile payment
- **Financial & Banking:** Growth of real-time financial information services such as Xinhua 08 (China's Bloomberg) for which ChinaSoft International is the core service provider

Service

- Benefit from multiple revenue growth drivers
- Leverage cross-selling opportunities
- A new service offering, Managed Service, to be offered using cloud computing and SaaS
- Development of high-end BPO service that utilizes a Shared-Service-Center model

Geography

- Building delivery capacity in Southeast Asia, to support MNCs moving Asia Pacific HQ to China
- Expand into South and Central America as well as Middle East by partnering with Huawei and selling our products and solutions to Huawei's customers

M&A

- Continue to acquire right targets that help vertical expansion, enlarge solution base, increase revenue and expand margin



Driving Margin Expansion

Gross Profit

- **Focus more on consulting and solution** : Increasing of reusability of solutions for both Lines of Business, we can increase the Gross Margin of the whole Group around 1%.
- **Focus on high margin customers** : As to increase the weighting of Mobile Internet related business which enjoy a much higher Profit Margin, our whole group GM can improve around 0.8%; we will have a much bigger room for further growth in the next forthcoming year as to further increase the portion of Mobile Internet related business weighting.
- **Reduce direct cost by moving delivery centers to tier-three cities** : By switching our offshore delivery centers(ODCs) for total solution from Tier one city to Tier Three Cities, commencing from the Line of Business of Government and Manufacturing, we can increase our GM by 0.5% in 2011. We can further increase our GM% in the forthcoming year which is Y2012 as we enjoy the "economies of scale" for ODC delivery centre in Tier Three cities.

Operating margin

- Streamline operation and management (ERP on HR, Finance, etc.) to reduce G&A expense
- Consolidate regional delivery capabilities to reduce management overhead
- Increase cross-selling to reduce sales and marketing cost



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THANK YOU



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Deep Domain Expertise in China's Most Attractive Verticals

Industry Solution	Government	<ul style="list-style-type: none"> Social Security Management Auditing & Supervision Management Agricultural Management 	<ul style="list-style-type: none"> Food and Drug Management Execution Permission Management Portal Website Sets 	<ul style="list-style-type: none"> Business Intelligence Office Automation
	Manufacturing	<ul style="list-style-type: none"> Goods Digital Tracking Safety Management Asset Management 	<ul style="list-style-type: none"> Intelligent Automobile Management ERP Manufacturing Execution System Logistics Execution System 	<ul style="list-style-type: none"> CRM Office Automation / Portal Business Intelligence Enterprise Application Integration
	Financial & Banking	<ul style="list-style-type: none"> Financial Switch & clearing platform Bank Card System Personal Credit Management 	<ul style="list-style-type: none"> Collection System for Credit Consumption Invoice Modern Payment for Foreign Bank 	<ul style="list-style-type: none"> Network Payment Platform for E-Commerce Stadium Ticketing TOPlink / TSA
	Telecom & High-tech	<ul style="list-style-type: none"> Mobile Payment Mobile IM/SNS Mobile App-Store 	<ul style="list-style-type: none"> Push-to-talk Embedded Browser 	<ul style="list-style-type: none"> Mobile Advertising Platform Enterprise Mobile Marketing and CRM System
	Transportation & Logistics	<ul style="list-style-type: none"> City One card Solution Rail way Auto Ticketing (AFC) Intelligent Transportation Solution 	<ul style="list-style-type: none"> Railway Transportation One Ticket Exchange & Fare Settlement Application (ACC) 	<ul style="list-style-type: none"> Airport Construction Goods Digital Tracking
Core Product		<p><u>ResourceOne® (R1) middleware platform based on Service Oriented Architecture</u></p> <ul style="list-style-type: none"> Widely used in government, manufacturing, social welfare, etc Ranked No. 1 Brand in e-government sector for 5 consecutive years by CCID (a China research firm) 		

51 standardized vertical solutions, and over 200 software copyrights and certificates



Case Study: Government – The Nationwide Auditing Program

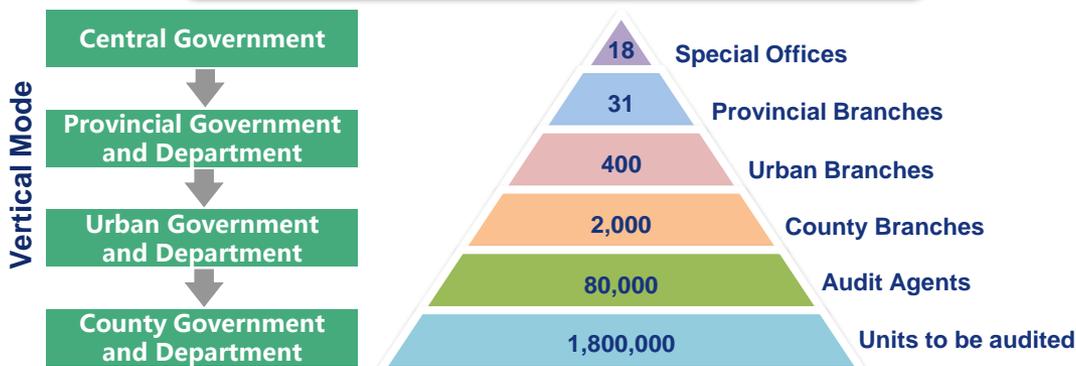
Our Position

- The only Strategic Partner
- Total solution provider
- Core application developer
- 9 Years of relationship

Achievements

- Implementation of national audit office system (80,000 on-site installation)
- Application expanded to finance, social security, enterprise internal audit and other extensive government audit industries

National Auditing Office



Vertical Characteristics

- Strong central policy setting and administration
- Dynamic requirements and strong needs for help
- Lack of trust in foreign suppliers, and long time needed in building trust with domestic suppliers
- Very loyal to existing partners

Capabilities

- Developing business and penetrating this vertical in government's centrally controlled environment
- Consulting-driven services
- Large-scale project management and implementation
- Standard and replicable technology platform
- Brand name building and recognition

Case Study: Manufacturing – Nationwide Tobacco Program

Our Position

- Only Strategic Partner
- 7 Years of relationship

Achievements

- Business & Decision System, Management Execution System, Logistics Execution System, Warehouse Management System, ERP, RFID, etc
- Nationwide service network: 31 capital cities and 60+ non-capital cities, 800+ organizations
- Complete industry workflow application, including agriculture, production, and sales & distribution
- 100% coverage of top 100 cigarettes brands
- Setting standards of the manufacturing system



Vertical Characteristics

- Diversified requirements from different operations
- Complicated system in workflow and geographic span
- Customer satisfaction is key in winning new business
- High barrier of entry to new players

Capabilities

- 3P model to grow business: Project → Program → Partnership
- Setting standard for the industry application
- Dominant platform as entry point for other vendors and applications (i.e., SAP, Oracle, IBM, Siemens, etc)



Case Study: Financial & Banking – China UnionPay

Our Position

- Only domestic provider for the switching system
- Total system integrator, and core application software developer
- 7 Years of relationship

Achievements

- Implementation of China's largest real-time financial exchange system for settlement and clearing
- System processing capacity above 10,000 transactions per second, daily volume above 15 million, with over 40% annual business growth
- Core technologies also deployed for China Post, ICBC, CCB, CITIC Bank, Payment Pass, Expo ticket, etc

90 Nations and Areas



Top5 International Card Organizations



121 Member Banks, 1.35M Merchants, 2.11M POS Terminals, 180,000 ATMs

Vertical Characteristics

- Only working with proven technology and leading brands
- High demand on system capacity, processing power, and reliability, with no tolerance to failure
- More business opportunity if providing the core platform

Capabilities

- Deep understanding of banking industry
- Large-scale and high-efficiency technology platform design and development
- Standard solutions replicable to other industries

Case Study: Telecom – China Mobile

Our Position

- Strategic partner at North Base for Mobile Payment and at South Base for Mobile Internet
- Strategic partner with Beijing Branch and Shanghai Branch

Achievements

- Joint mobile IT Service with China Mobile targeting multiple industries: Audit, agriculture, tobacco, social security, quality control, pharmaceutical, banking, transportation, state-owned enterprises
- Key supplier to China Mobile's strategic services, Instant Messaging (Fetion), Application Store (Mobile Market), Social Networking (139.com), and Mobile Payment (World Expo. Cell Phone Ticket).

Multiple cooperation areas with China Mobile

	Mobile Music	Mobile Application Store	Mobile Read	
Mobile IM	Fetion Mobile Music	Mobile Market	Mobile Read Cooperated with Xinhua News Agency	Mobile Search
Mobile SNS	139 SNS Mobile TV	中国移动通信 CHINA MOBILE	Moternet Internet	Mobile Portal
Mobile TV	Mobile Wallet	Mobile Game	139 邮箱 139 mail Mobile Video	Mobile Video
	Mobile Payment	Mobile Game	Mobile Mail	

Vertical Characteristics

- High growth on data services and mobile internet applications
- High spending in building these services to avoid becoming a pipe provider
- High reliance on service know-how and operation capability
- Difficult to switch vendor or platform when services grow and subscribers increase

Capabilities

- Expert and know-how on mobile internet services and applications
- Consumer oriented service design
- On-going service operation and management support
- Leading innovated technologies with proprietary IP



Case Study: Transportation & Logistics – Smart Card Solution

Our Position

- Leading solution provider
- 7 Years of relationship
- No 1. Market share in one card pass solution nationwide, dominate in Beijing and Shanghai

Achievements

- Solution for public transportation in subway, bus, rental, parking, highway, as automatic fare collection (AFC) and one-ticket transfer
- Mobile payment and mobile wallet
- Serving over 100 million cards, in 25 cities
- Shanghai Subway: 11 lines, 245 stations and 6,500 gates. Daily average flow rate of 4.5 million people (support capacity of 16.3 million people). 40 million transaction data settled within 8 hours
- Solution successfully deployed for public transportation in Guatemala



Vertical Characteristics

- Many local requirements on technology
- Complicated interaction among different government bureaus
- Quick market expansion favoring the first mover

Capabilities

- Technology innovation
- Quick entry and penetration into new high growth market
- Leveraging various government agencies
- Exporting solutions to overseas market



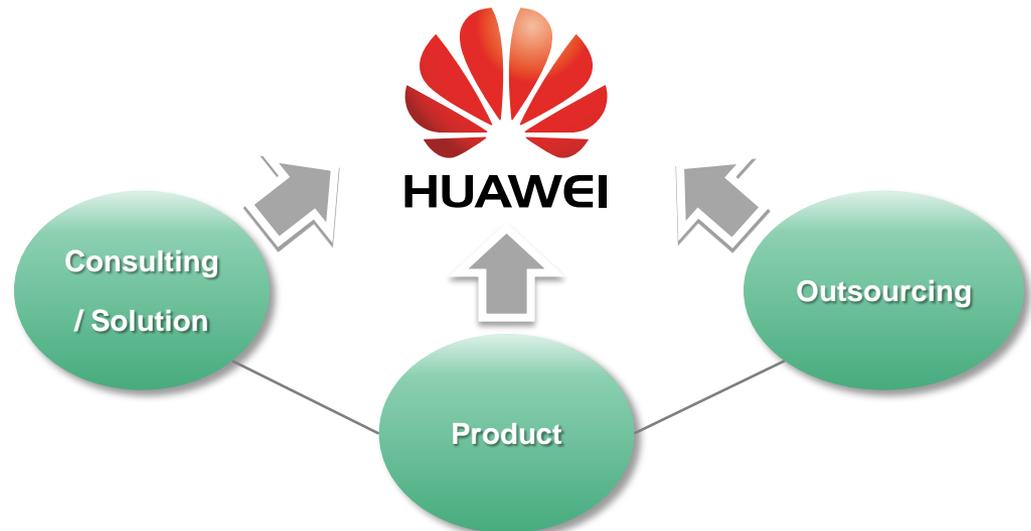
Case Study: Huawei – we are one of top three suppliers in ITO

Our Position

- One of top three suppliers in IT outsourcing
- Comprehensive cooperation in consulting and solutions, as well as ITO

Achievements

- Huawei manages its suppliers in outsourcing, solutions, and products. We are Huawei's supplier in all three categories
- 3,500 people serving Huawei, up from 500 in 2008
- 1st place in market share of Huawei Software ITO service, increased from 18% in 2009 to 25% in 2010 (estimated by Huawei)
- Ranked No. 1 for 4 consecutive years in service quality, out ranking our peers
- Revenue grew from US\$5.7mm in 2008 to US\$41mm in 2010



Characteristics

- High growth in its own business and more outsourcing opportunities
- High standard on service quality
- Increasing demands for products and solutions

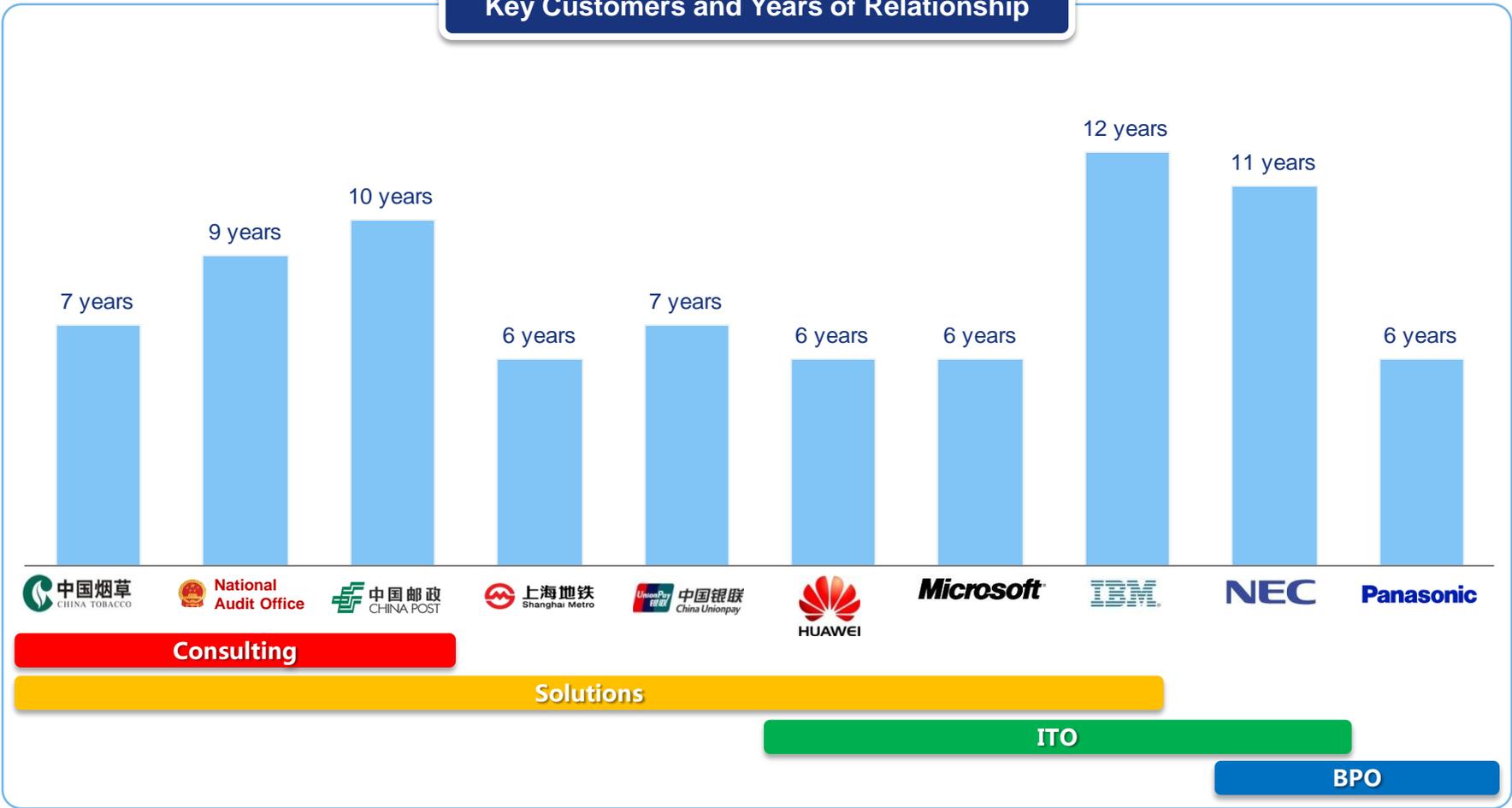
Capabilities

- End-to-end service offering to form a multi-dimensional relationship
- Competing advantage with service quality coupled with solutions
- Helping Huawei winning business with our solutions and selling our solutions to Huawei's clients (i.e. Pakistan, South Africa and Singapore)



Serving Blue-chip Clients (cont'd)

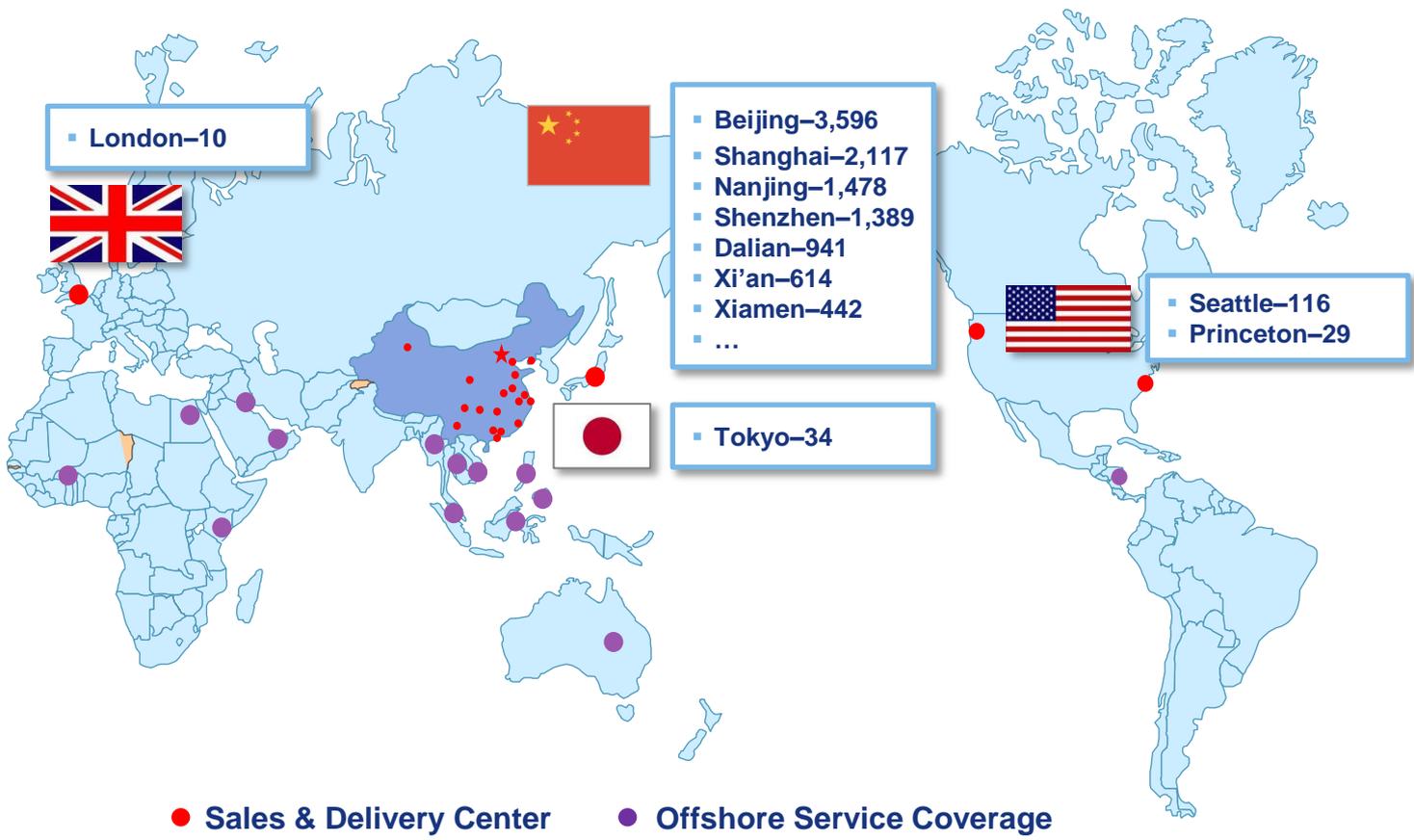
Key Customers and Years of Relationship





Global Delivery Capability

Supporting global customers with China-based delivery centers (city and headcount)





Case Study: Microsoft

Our Position

- Top 10 global Microsoft strategic vendor among 3,500 vendors worldwide
- The only Microsoft Global Premier Vendor in China

Achievements

- Multiple services including development, testing, localization, and daily operation.
- Global delivery capability in China, US and UK with 900+ engineers working in 3 locations for Microsoft outsourcing projects, up from 200 in 2005
- 360° Relationship (Premier Outsourcing Partner, Sell-in & Sell-through Partner, Go-to-Market Partner, Training Partner)
- Revenue grew from US\$4.9mm in 2005 to US\$23mm in 2010,

Microsoft®

360° Relationship

Seattle
Delivery
Center

China
Based
Delivery
Center

London
Delivery
Center

Characteristics

- Multiple locations in different countries and time zones with seamless service standards
- High quality requirements with reasonable cost structure
- Favoring 360° partnership

Capabilities

- Global delivery in distributed locations
- Comprehensive services (development, testing, localization, daily operation)
- High quality to meet requirements from global blue-chip firms

Case Study: Pfizer

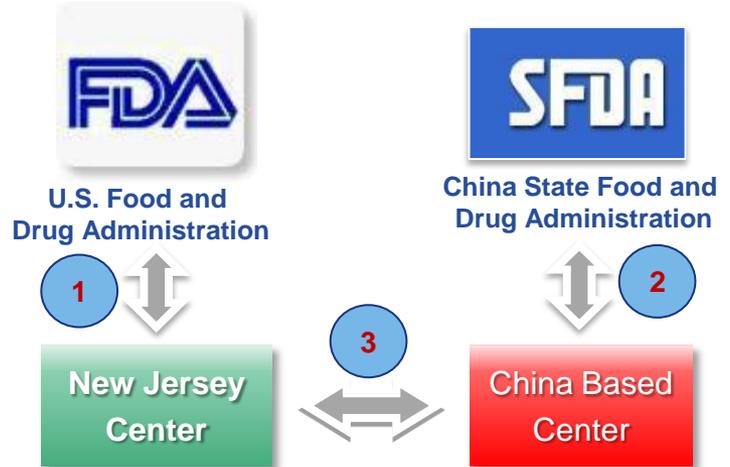
Our Position

- Major supplier of Pfizer
- Close relation with U.S. Food and Drug Administration (FDA)
- Strategic partner of China's State Food and Drug Administration (SFDA)

Achievements

- Managing Pfizer's enterprise R&D Electronic Document Management Systems and FDA application with service center in US
- Leveraged knowledge learned from serving Pfizer and FDA and won China SFDA
- Winning more business from Pfizer due to delivery capability and capacity in both US and China (winning bid for long term Documentum support contract over Indian suppliers)

Pfizer, GSK
and Other
Pharmaceutical
Companies



Characteristics

- Global customers' requirements for both on-shore and off-shore services
- High service quality requirements
- Global customers' increasing needs for local partners to go to market in China

Capabilities

- Global delivery capability to meet global customer needs
- Domestic delivery capability to expand global delivery capacity while reducing cost
- Quick learning from global customer experience to help win domestic business



Leading IT Services Company :

Putting equal emphasis on organic growth and M&A (1)

Verticals	Vertical /Services	Targets	Background and Contribution	Acquisition Details	Year	Upon Acquisition		Year 2010		CAGR%
		(24)				Head count	Service Revenue	Head count	Service Revenue	
Acquisition of Companies and Teams (21 in total)										
G&M	Tobacco	Team	Develop strategic customers in tobacco industry	Acquisition of tobacco IT team of Beijing Golden Leaf Tobacco Software Technology Development Co., Ltd.	2004	200	18m RMB	591	190m RMB	48%
				Acquisition of tobacco IT team of Anhui Hefei Yujia						
				Acquisition of tobacco IT team of Kunming Fangyuanli						
	Tobacco	Company	Strengthen and integrate the resources and service capability in tobacco industry	Acquisition of tobacco IT team of Beijing Ryan IT Co., Ltd.	2009	110	25.5m RMB			
				Acquisition of 100% equity of Zhongkejiuhui Automation Ltd.	2008	83	6.31m RMB	147	20.25m RMB	79%
Agriculture	Company	Enhance service capability in agricultural information	Acquisition of 100% equity of Beijing Guangyuqimin Information Technology Ltd.	2009	25	3.63m RMB	45	16.92m RMB	115%	
Consulting	Company	Strengthen Consulting service capacity	Acquisition of 51% equity of Han consulting Ltd.	2010	168	34.39m RMB	150	N/A	N/A	
T&T	Telecom-Huawei outsourcing	Company	Expand into Telecom industry Strengthen ITO service capacity	Acquisition of 100% equity of Shenzhen Jinhuaeye Software Ltd.	2009	669	33.4m RMB	3500	260m RMB	179%
	Telecom-Huawei outsourcing	Team	Expand into Telecom industry Strengthen ITO service capacity	Acquisition of Huawei business and team of Global Data Solutions Ltd.	2009					
	Telecom-Mobile Internet	Company	Expand into Telecom industry Strengthen operating service capacity in mobile internet area	Acquisition of 100% equity of MMIM	2010	256	94.68m RMB	300	N/A	N/A
F&B/BPO	Financial, BPO	Company	Expand into new strategic industry - Financial & Banking Expand into Japan BPO services	Acquisition of 97.35% equity of HGR	2007	1117	180m RMB	2375	400m RMB	30%



Leading IT Services Company :

Putting equal emphasis on organic growth and M&A (2)

Verticals	Vertical /Services	Targets	Background and Contribution	Acquisition Details	Year	Upon Acquisition		Year 2010		CAGR%
		(24)				Head count	Service Revenue	Head count	Service Revenue	
Acquisition of Companies and Teams (21 in total)										
ODC	outsourcing-ODC	Company	Develop ITO service in Europe and USA market	Acquisition of 26% equity of Cyber Resources	2004	350	47.68m RMB	2343	290m RMB	33%
				Acquisition of 50% equity of Cyber Resources	2006					
				Acquisition of 51% equity of Beijing ChinaSoft Resources	2005	332	69.20m RMB			
				Acquisition of remaining 49% equity of Beijing ChinaSoft Resources	2005					
				Acquisition of the entire equity of Chinasoft Resource (International) Limited	2006					
				Increase 20% equity shareholdings in Shanghai ChinaSoft Resources	2008					
		Team	Strengthen and integrate the serving capability and resources for Microsoft	Acquisition of the Microsoft IT outsourcing team of Beijing Zhengchen Technology Development Co., Ltd	2006	65	12.34m RMB			
			Develop Japan ITO business	Acquisition of the Japan outsourcing team of Powerise International	2006	108	13.15m RMB			
Company	Strengthen Japan outsourcing business	Acquisition of 100% equity of Japan Powerise	2007							
ETC	Training	Company	Develop IT training business	Acquisition of 100% equity of ChinaSoft computer training centers	2004	35	6.30m RMB	293	54.40m RMB	43%
Investment (3 in total)						Investment amount	Shareholder 's equity	Return		
G&M	Tobacco	Investment	Strengthen and integrate the resources and service capability in tobacco industry	Acquisition of 20% equity of China Tobacco Information Technology Co., Ltd. from Beijing China Tobacco Materials	2005	2.0m RMB	5.24m RMB	162%		
				Joint establishment of ChinaSoft International Wuhan. (46% equity shareholding)		4.6m RMB	12.72m RMB	177%		
				Joint establishment of ChinaSoft Haisheng Information Technology Co., Ltd. (51% equity shareholding)	2006	15.35m RMB	29.0m RMB	89%		



Reconciliations of “Non-GAAP Net Profit” to “Non-GAAP Operating Profit”

RMB' 000	2011 H1	Per Revenue %	Per Service revenue %	2010 H1	Per Revenue %	Per Service revenue %	Per Service Revenue G%	Growth%
Non-GAAP Net Profit*	60,589	6.4%	7.1%	36,557	5.3%	6.1%	1.0%	65.7%
+Taxation	15,220	1.6%	1.8%	6,680	1.0%	1.1%	0.7%	127.8%
+Finance cost	10,572	1.1%	1.2%	2,295	0.3%	0.4%	0.9%	360.7%
+Depreciation	17,508	1.9%	2.1%	11,405	1.7%	1.9%	0.1%	53.5%
+Amortization of intangible assets	24,766	2.6%	2.9%	14,399	2.1%	2.4%	0.5%	72.0%
-Share of result of associates	1,393	0.1%	0.2%	255	0.0%	0.0%	0.1%	446.3%
EBITDA	127,262	13.5%	14.9%	71,081	10.4%	12.0%	2.9%	79.0%
+Share option expense	9,235	1.0%	1.1%	9,232	1.3%	1.6%	-0.5%	0.0%
+Net foreign exchange loss (gain)	363	0.0%	0.0%	0	0.0%	0.0%	0.0%	NA
+Allowance of doubtful debts	1,880	0.2%	0.2%	2,001	0.3%	0.3%	-0.1%	-6.0%
Non-GAAP Operating Profit**	138,740	14.7%	16.3%	82,314	12.0%	13.8%	2.5%	68.5%

* Non-GAAP Net Profit represents net profit excluding the changes in fair value of redeemable convertible preferred shares.

** Non-GAAP Operating Profit represents EBITDA excluding share option expenses, net foreign exchange loss(gain) and allowance for doubtful debts.

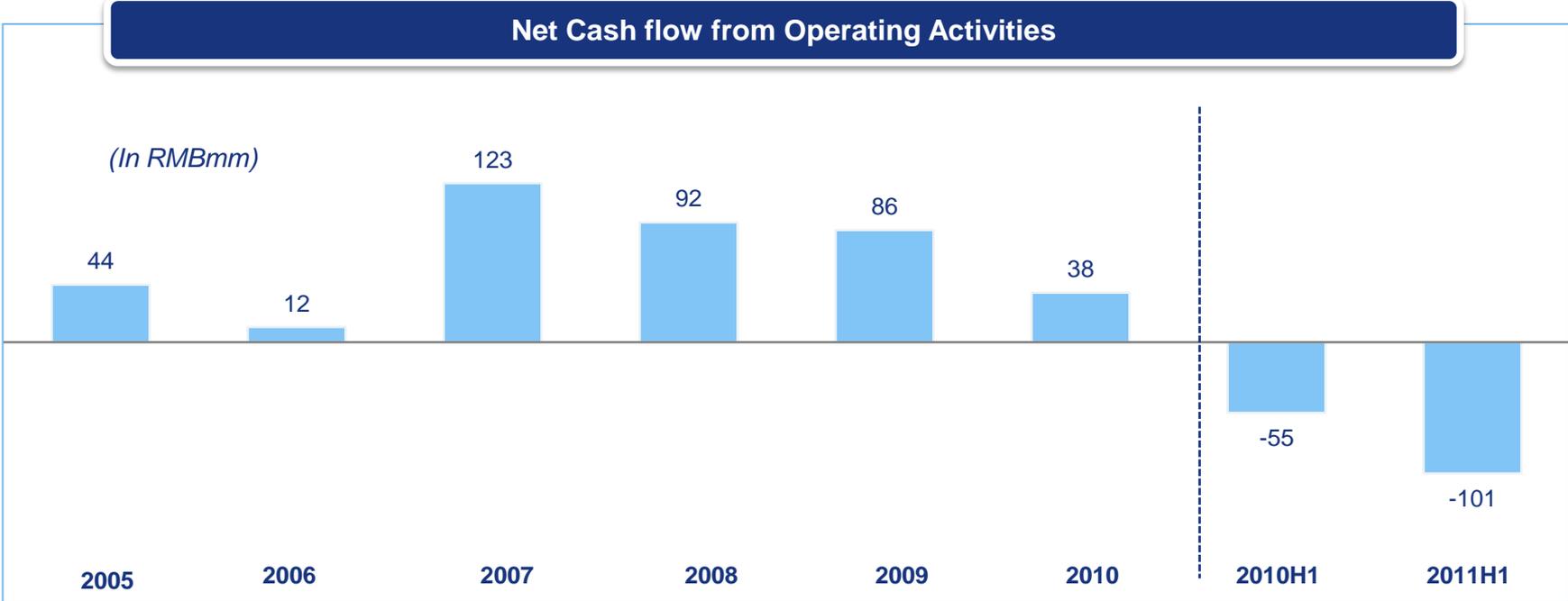


Service Revenue by Contract Model

RMB'000	2011 H1		2010 H1		Growth
Fixed Price	422,101	49.5%	293,366	49.3%	43.9%
T&M	398,310	46.7%	270,902	45.6%	47.0%
Volume Base	31,971	3.8%	30,471	5.1%	4.9%
Total	852,382	100%	594,739	100%	43.3%



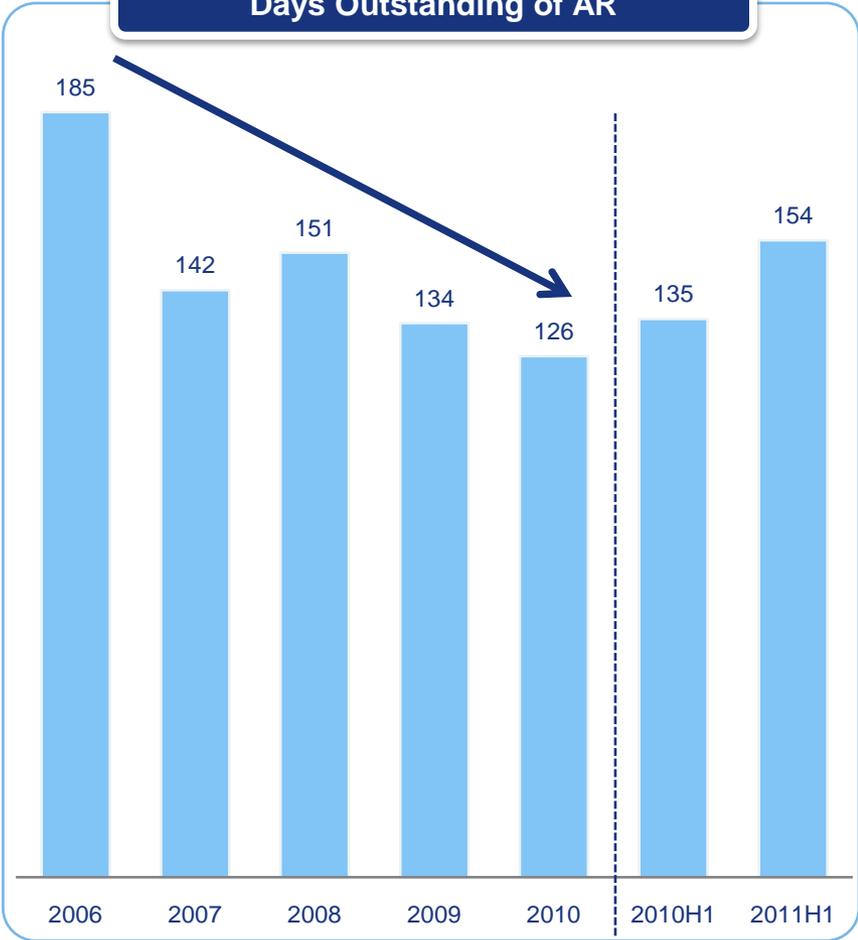
Operating Cash flow



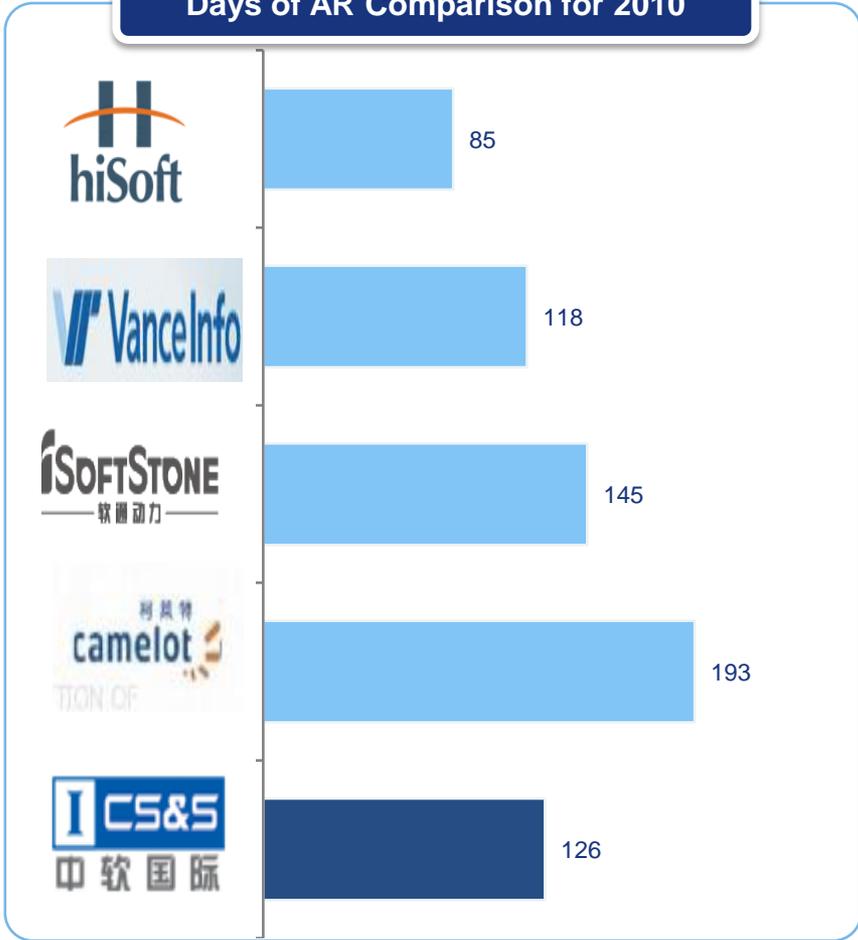


Days Receivable Comparison with Peers

Days Outstanding of AR



Days of AR Comparison for 2010





Aging Analysis of Accounts Receivables

RMB'000	(Unaudited)	%	(Audited)	%	2011 Jun versus 2010 Dec	
	30 Jun,2011		31 Dec,2010			
Within 90 days	417,148	66.70%	370,973	81.50%	46,175	12%
Between 91-180 days	103,223	16.50%	40,565	8.90%	62,658	154%
Between 181-365 days	71,466	11.40%	16,347	3.60%	55,119	337%
Between 1-2 years	28,484	4.60%	26,073	5.70%	2,411	9%
Over 2 years	4,778	0.80%	1,053	0.20%	3,725	354%
Billed AR	625,099	68.50%	455,011	64.40%	170,088	37%
Unbilled AR	288,018	31.50%	251,278	35.60%	36,740	15%
Total AR	913,117	100%	706,289	100%	206,828	29%