

**ChinaSoft  
International**  
(0354.HK)

**Investor Presentation**  
Second Quarter 2013

变革  
建设  
超越

# Disclaimer

- **These presentations and/or other documents have been written and presented by Chinasoft International Limited (“ChinaSoft International” or “the Company”).**
- **The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.**
- **Neither the presentation nor any of the information contained therein constitutes an offer to sell or issue or the solicitation of an offer to buy or acquire or invitation to purchases or subscribe for any securities of the Company in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied upon in connection with any contract, commitment or investment decision whatsoever.**

# Background Info

- 1 **Background Info**
- 2 Deep domain expertise in China's most attractive verticals
- 3 Comprehensive end-to-end service offerings with superior consulting and solution capabilities
- 4 Serving blue-chip clients with strong China presence and global delivery capabilities
- 5 Strategic Partnerships and Growth Strategies
- 6 Financials

# Snapshot of ChinaSoft International

Service Offering  
(% of service revenue<sup>1</sup>)

- Professional Services (48.4%)
- Outsourcing Services (47.9%)
- Training (3.7%)

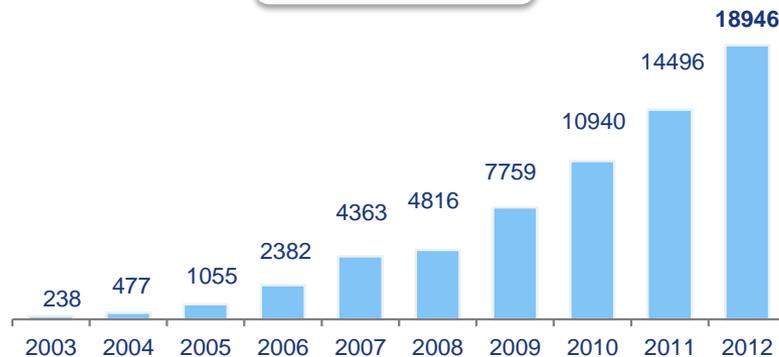
Vertical Coverage  
(% of service revenue<sup>1</sup>)

- Government & Manufacturing (24.2%)
- BFSI (17.3%)
- Public Services (9.4%)
- Telecommunications (28.6%)
- Technologies (16.0%)

Service Locations  
(% of service revenue<sup>1</sup>)

- 21 cities in China (77.5%)
- US, UK, Japan and other (22.5%)

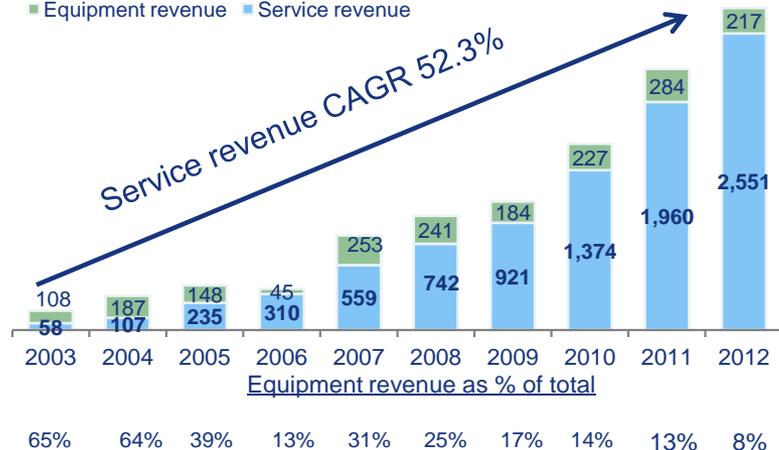
## Headcount



## Total Revenues

(In RMB mm)

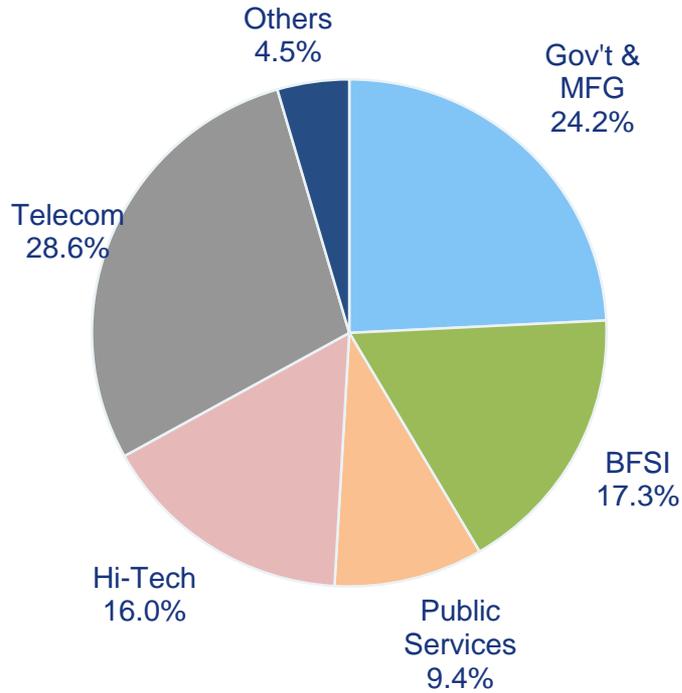
■ Equipment revenue ■ Service revenue



<sup>1</sup> For the 12 months ended 12/31/2012

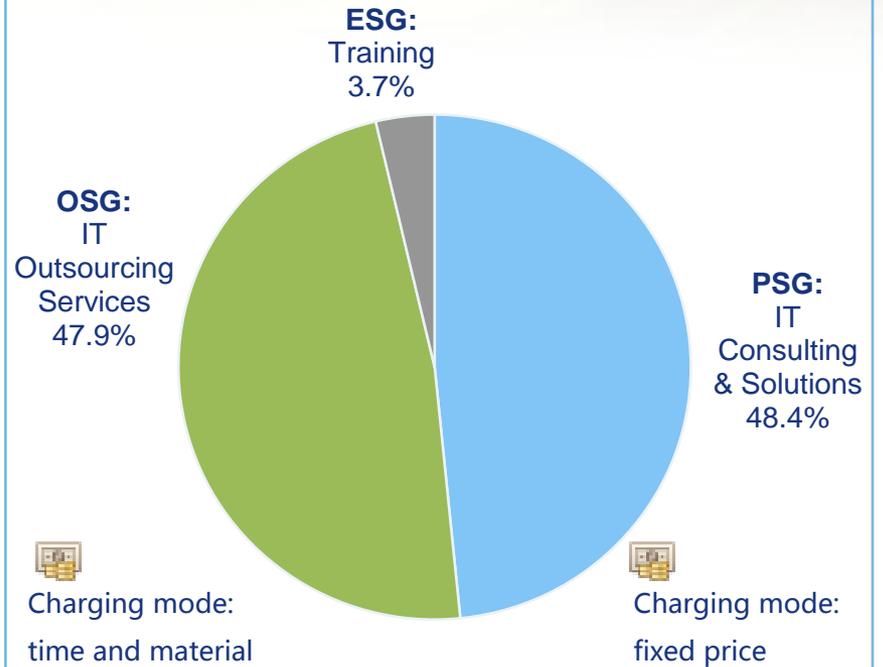
# Business Distribution

Service Revenue by Industry Verticals



Total 2012 Service Revenue: RMB 2,551mm

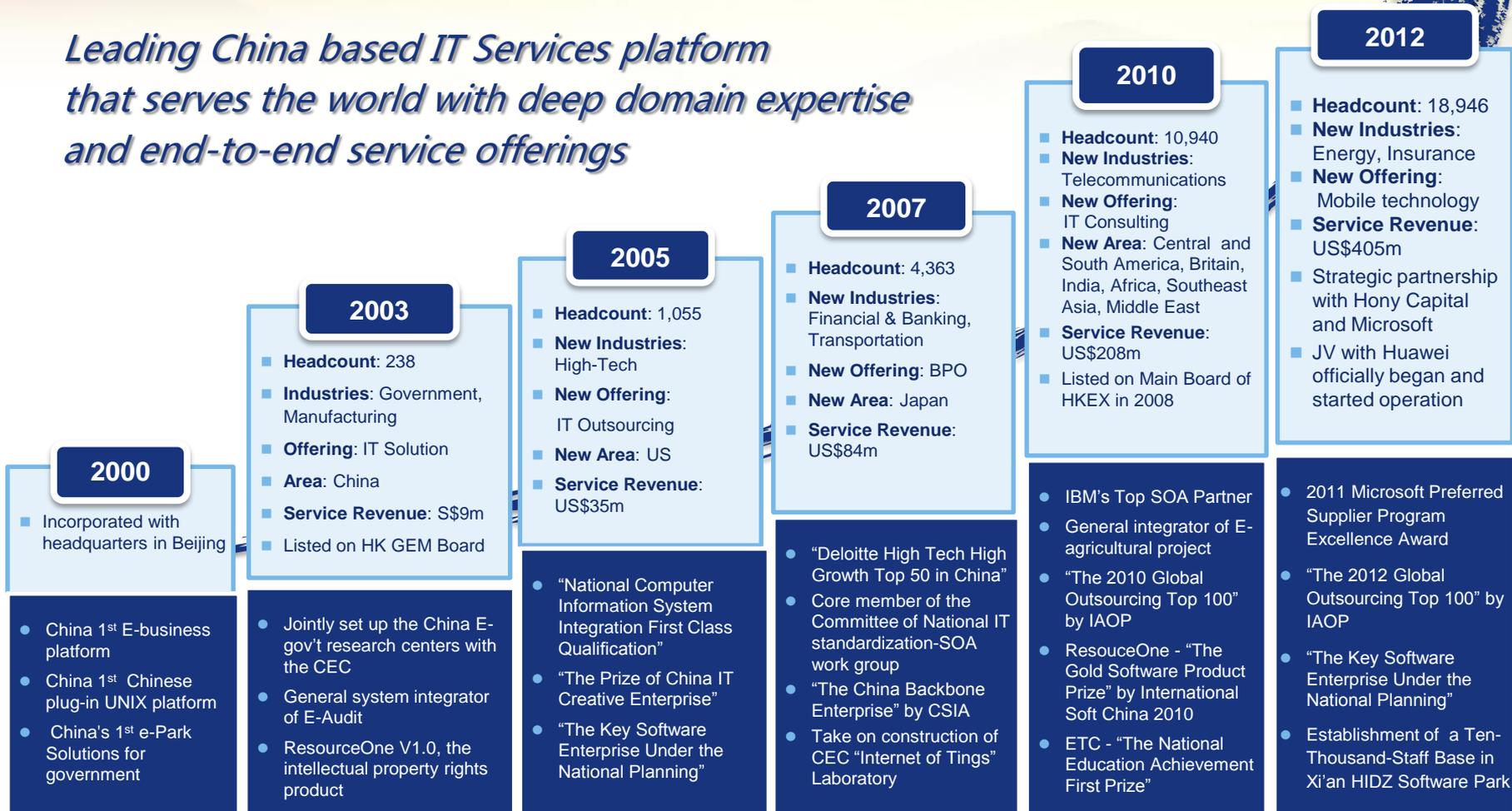
Service Revenue by Service Type



Total 2012 Service Revenue: RMB 2,551mm

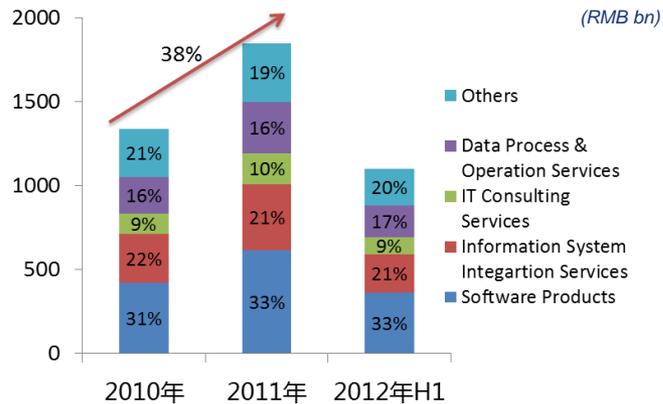
# Business Development History

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

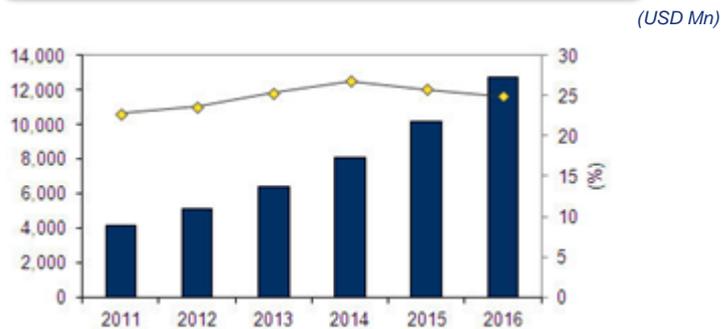


# Leading IT Services Company in Fast-Growing Chinese Market

## China Domestic Software Industry Market<sup>①</sup>



## Global IT Outsourcing to China<sup>②</sup>



①China Software Industry Economic Operation Data from Ministry of Industry and Information Technology

②IDC China-based Offshores Software Development 2012-2016 Forecast & Analysis

## Leadership in China IT Services

- Ranked Top 2 by IDC in IT Outsourcing for Americas and Europe in 2007-2011
- Ranked Top 3 by IDC in Consulting & Solutions for Government industry vertical in 2007-2011

## New Opportunities in 12th Five Year Planning Period

- In 12<sup>th</sup> five year planning period, China will focus on fostering knowledge-intensive service industries with a core of new generation information industry<sup>1</sup>. Market scale of China's software and IT services will grow from 1.12 trillion in 2010 to more than 3 trillion in 2015<sup>2</sup>.
- The scales of following strategic emerging industries are expected to reach<sup>2</sup>:
  - Government: USD 1.6 billion in 2012
  - Banking and insurance: USD 2.2 billion in 2012
  - Telecommunications: USD 3.0 billion in 2012
  - Manufacturing: USD 3.5 billion in 2012
  - Mobile Internet: USD 35.0 billion in 2012
  - Internet of Things: USD 700 billion in 2015
- 2012-2015, total investment plan of China's top 40 large state-owned enterprises(SOE) in the IT services will be more than USD 1200 billion.(30 billion per each SOE in average)

<sup>1</sup> Quote from "the CPC Central Committee proposed 12th Five-Year Plan", "the State Council decision on accelerating the development of strategic emerging industries".

<sup>2</sup> Data Source: CCID, IDC, Analysis International, CCW Research

# Deep Domain Expertise

- 1 Background Info
- 2 **Deep domain expertise in China's most attractive verticals**
- 3 Comprehensive end-to-end service offerings with superior consulting and solution capabilities
- 4 Serving blue-chip clients with strong China presence and global delivery capabilities
- 5 Strategic Partnerships and Growth Strategies
- 6 Financials

# Deep Domain Expertise in China's Most Attractive Verticals

## Industry Solutions

### Government

- Auditing & Supervision Management
- Social Security and Welfare Management
- State-owned Assets Supervision
- Food and Drug Management
- Meteorology and Scourge Warning
- Executive Permission Management
- Decision Support System
- Online Application and Approval
- Office Automation
- Portal Website Sets

### Manufacturing & Distribution

- Enterprise Resource Planning(ERP)
- Customer Relationship Management(CRM)
- Manufacturing Execution System
- Logistics Execution System
- Safety Production Management
- Warehouse Management System
- Enterprise Application Integration
- Goods Digital Tracking and Tracing

### Banking & Insurance

- Payment & Clearing System
- Collection System
- Credit Management
- Bank Card System
- Credit Card System
- Risk Control System
- E-marketing
- Supply Chain Finance
- Insurance Business System
- Insurance E-Commerce System
- Insurance Exhibition Industry Support System
- Reinsurance Business System
- Image Management System
- Insurance Sales Management System
- Insurance Task Quality Analysis & Monitoring System
- Insurance Audit System

### Public Service

- Smart Card Solution
- Automatic Fare Collection (AFC) System
- AFC Clearing Center(ACC)
- Intelligent Transportation Solution
- Airport Operating Management System

### Telecom

- Mobile Payment
- Mobile IM
- Mobile SNS
- Enterprise Microblog
- Mobile App-store
- Push-to-talk
- Embedded Browser
- Mobile Advertising Platform

### Electric Power

- Power Materials Management Solutions
- Power Marketing Management Solutions

## General Solutions

- CRM
- Office Automation ( OA )
- Business Intelligence ( BI )
- Portal Website Sets
- Radio-frequency Identification ( RFID )
- Geographic Information System ( GIS )
- Auto Ticketing

## Core Products

### ResourceOne® (R1) middleware platform based on SOA

- widely used in government, manufacturing, etc
- Ranked No. 1 Brand in e-gov sector for 5 consecutive years by CCID

### TopLink/TSA+Platform

- used in general China Unionpay center and national and provincial bank card switching centers
- support cross-bank and cross-area online bank cards businesses

# Case Study: Government – The Nationwide Auditing Program

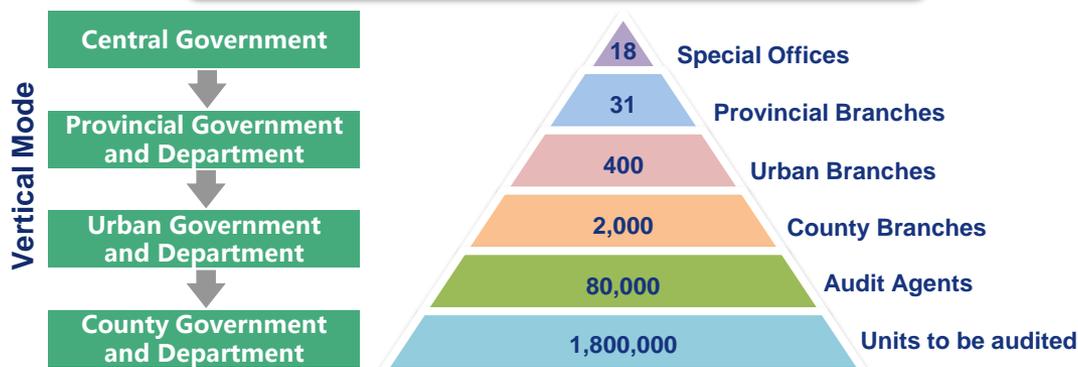
## Our Position

- The only Strategic Partner
- Total solution provider
- Core application developer
- 11 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
- 9 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: Banking & Insurance– China UnionPay

## Our Position

- Only domestic provider for the switching system
- Total system integrator, and core application software developer
- 9 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 such as Wireless City
- 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, Wireless City, 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	Mobile Music Fetion	Mobile Market	Mobile Read Cooperated with Xinhua News Agency	Mobile Search
Mobile Game	Mobile Game Mobile TV	中国移动通信 CHINA MOBILE	Moternet Internet	Mobile Portal
Mobile TV	Mobile Wallet	Wireless City	139 邮箱 139 mail Mobile Video	Mobile Video
	Mobile Payment	Wireless City	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 such as Wireless City services and applications
- Consumer oriented service design
- On-going service operation and management support
- Leading innovated technologies with proprietary IP

# Proprietary Advantage : ResourceOne<sup>®</sup> middleware platform

## Product Positioning

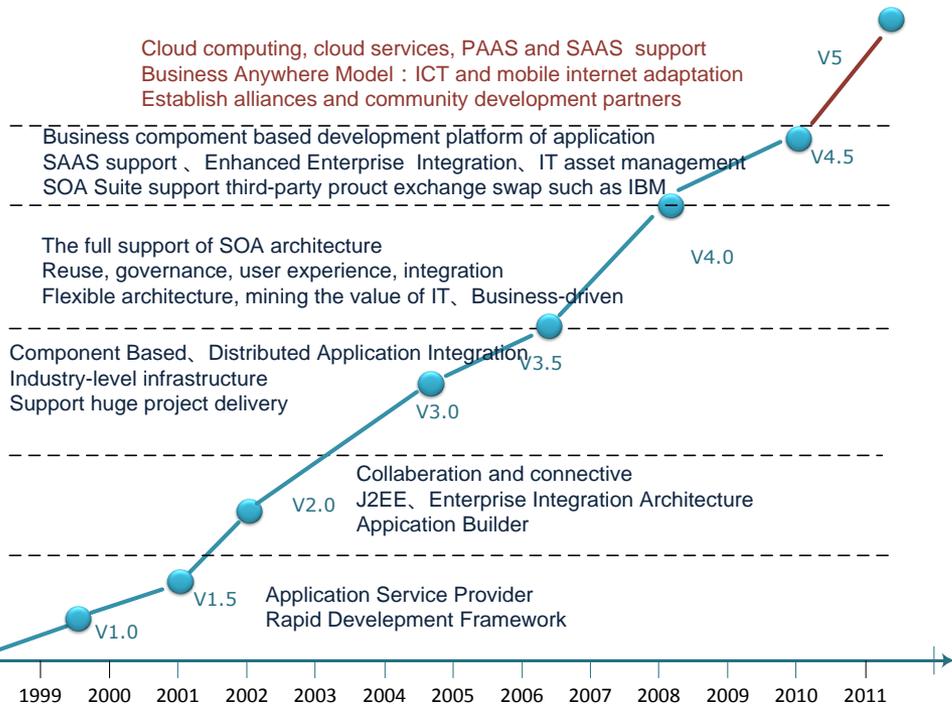
- Middleware platform based on SOA and components to support rapid application development, application integration and engineering project management and control
- Production and migration tools for cloud applications
- Assets governance and integration tools for cloud applications
- Integration of ICT and cloud service aggregation capability

## Ability

- Integration : construct integrate skeleton, provide the ability of function management, integration, interaction in whole company even entire industry; integration solution of user, interactive access, component, process and data.
- Develop, assembly of business component: based on SOA architecture provide component-based development and management for application, implement solution for common or special requirements rapidly, such as business process, approval report in, data collection, data analysis, decision-making support.
- Quality control , Delivery and project management: realize macro-control for project, by means of develop, submit, integrate from mult-developers; achieve the goal of application as IT assets, through intensive component segmentation, develop control, review, assembly etc

## Achievements

- Self-owned intellectual property with over 60 software copyrights for R1 and derivative products
- "The Gold Software Product Prize" by International Soft China
- No. 1 Brand of China E-government Application Platform by CCID
- In the 2007, 2008, 2009 Central Government centralized purchase of information product protocol supply list
- ICT strategic cooperation agreement with China Mobile Beijing Branch in 2010, with R1 as application cooperative platform product
- Application Integration and support platform for Gold Audit and Gold Agriculture



# Comprehensive End-to-End Service Offerings

- 1 Background Info
- 2 Deep domain expertise in China's most attractive verticals
- 3 **Comprehensive end-to-end service offerings with superior consulting and solution capabilities**
- 4 Serving blue-chip clients with strong China presence and global delivery capabilities
- 5 Strategic Partnerships and Growth Strategies
- 6 Financials

# Moving Up the Value Chain

*Strengthening core competitiveness*  
*Moving up the value chain*  
*Enhancing profitability*

Intelligence focused  
(Analytics, BI)  
智慧型服务

Experience focused  
经验型服务

Efficiency focused  
效率型服务



# Comprehensive End-to-End Service Offerings

<p><b>PSG</b></p> <p>Consulting &amp; Solutions</p> <p>Number of employees : 6851 <sup>1</sup></p> <p>Charging mode: fixed price</p>	<p><b>IT Consulting</b></p> <ul style="list-style-type: none"> <li>■ Strategy and Business Consulting</li> <li>■ Information Technology Consulting</li> </ul>
	<p><b>IT Solutions</b></p> <ul style="list-style-type: none"> <li>■ Vertical Application Software and Solution Services <ul style="list-style-type: none"> <li>• Government &amp; Manufactory Solution</li> <li>• Financial &amp; Banking Solution</li> <li>• Telecom Data Service Solution</li> <li>• Traffic Industrial Solution</li> </ul> </li> <li>■ Product Services <ul style="list-style-type: none"> <li>• Resource One</li> <li>• TopLink</li> </ul> </li> </ul>
<p><b>OSG</b></p> <p>Outsourcing Services</p> <p>Number of employees : 11389 <sup>1</sup></p> <p>Charging mode: time and material</p>	<p><b>IT Outsourcing</b></p> <ul style="list-style-type: none"> <li>■ Product Engineering</li> <li>■ ADM (Application Development and Maintenance)</li> <li>■ EAS (Enterprise Application Service)</li> <li>■ Infrastructure Managed Service</li> </ul>
	<p><b>Business Process Outsourcing</b></p> <ul style="list-style-type: none"> <li>■ Data Processing</li> <li>■ CAD</li> <li>■ Call Center</li> </ul>

- End-to-end service offerings present multiple revenue drivers and cross-selling opportunities
- Differentiated Consulting & Solution capabilities from China-based peers

<sup>1</sup> ended 12/31/2012

# Our Customers ...

- 1 Background Info
- 2 Deep domain expertise in China's most attractive verticals
- 3 Comprehensive end-to-end service offerings with superior consulting and solution capabilities
- 4 **Serving blue-chip clients with strong China presence and global delivery capabilities**
- 5 Strategic Partnerships and Growth Strategies
- 6 Financials

# Customers Analysis

## Top Customers Concentration



## Customer Analysis

- For the 2012, the service revenue from the **top 5 customers** accounted for **38.5%** of the Group's total service revenue, remained the same level as 2011's 38.4%.
- For the 2012, the service revenue from the **top 10 customers** accounted for **43.6%** of the Group's total service revenue, remained the same level as 2011's 43.7%.
- The Group had **995 active customers** for 2012 compared to 855 in 2011, of which **402** were **new customers** compared to 320 in 2011.
- For 2012, CSI had **61** major customers each generating annual service revenue of more than RMB6 million, this is also better than 2011's 58.

# Blue-Chip Clients

-  "Gold Audit"
-  "Gold Quality"
-  "Gold Insurance"
-  "Gold Agriculture"
-  "Gold Macroeconomics"
-  "Gold Card"

**20** Ministries of China Government  
**6 of 12** "Gold Projects"

**100%** covering China Top 100 Cigarette Brands  
**2 of the top 3** China Automobile Companies  
**4 of the top 5** China Machinery Manufacturers  
**5 of the top 10** China Steel Manufacturers



**4 of the top 5** Global Software Companies

**Government** **Manufacturing & Distribution**

**Hi-tech**

**Banking & Insurance**

**100%** covering China Top 5 National Banks  
**12 of the top 20** Global Banks  
**2 of the top 3** China Insurance Companies



**Telecom** **Public Service**



**100%** covering China Top 3 Telecom Operators

**7 of the top 10** China Cities by GDP

- Shanghai
- Beijing
- Shenzhen
- Tianjin
- Chongqing
- Hangzhou
- Qingdao

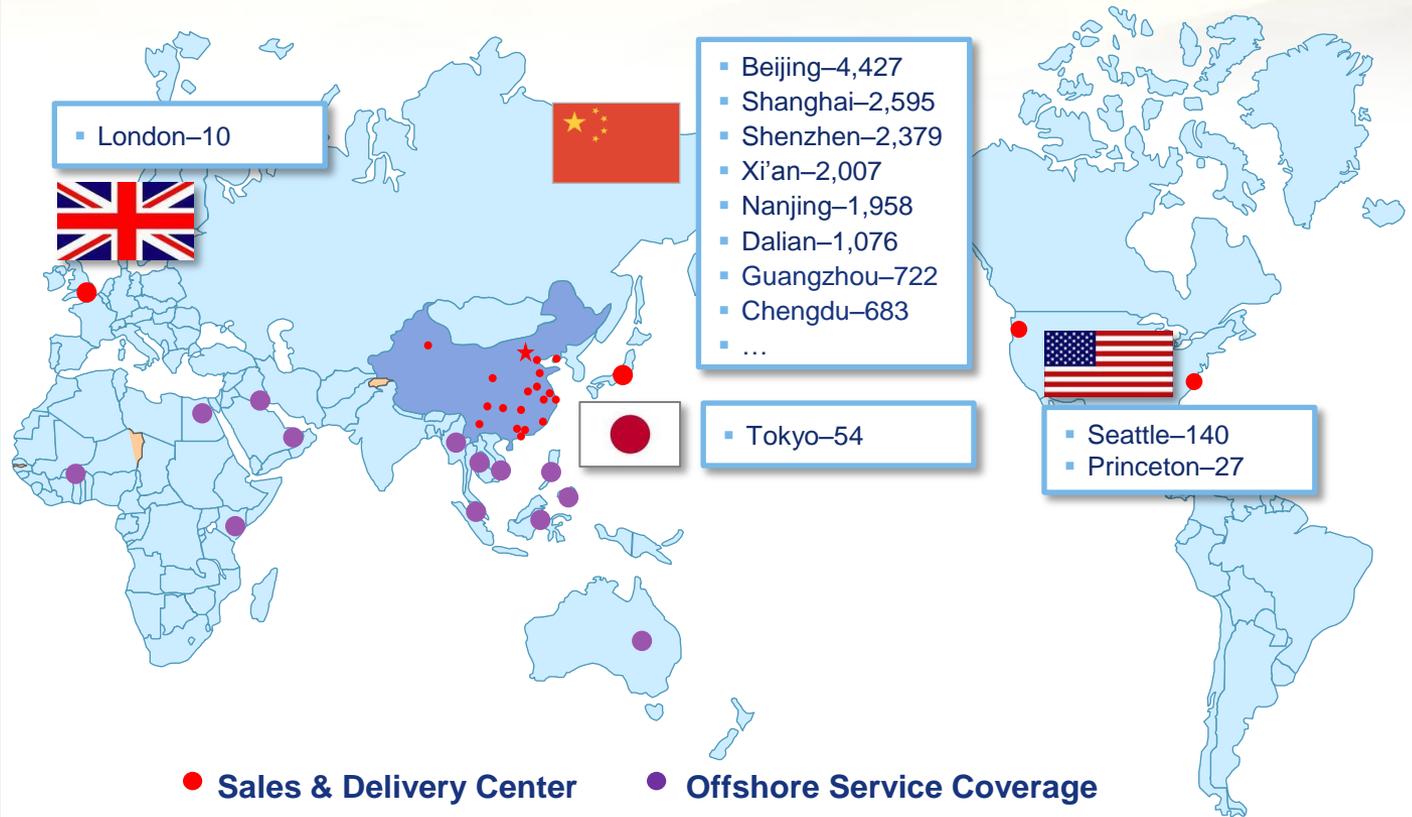


**2 of the top 3** Global Telecom Equipment Providers

# Global Delivery Capabilities

Supporting global customers with abundant HR platform (city and headcount<sup>1</sup>)

- 25 Sales and Delivery Centers Worldwide
- Serving over 100 Multinational companies
- Multilingual services provided to different industries



<sup>1</sup> As the end of 2012

- 1 Background Info
- 2 Deep domain expertise in China's most attractive verticals
- 3 Comprehensive end-to-end service offerings with superior consulting and solution capabilities
- 4 Serving blue-chip clients with strong China presence and global delivery capabilities
- 5 **Strategic Partnerships and Growth Strategies**
- 6 Financials

# Huawei

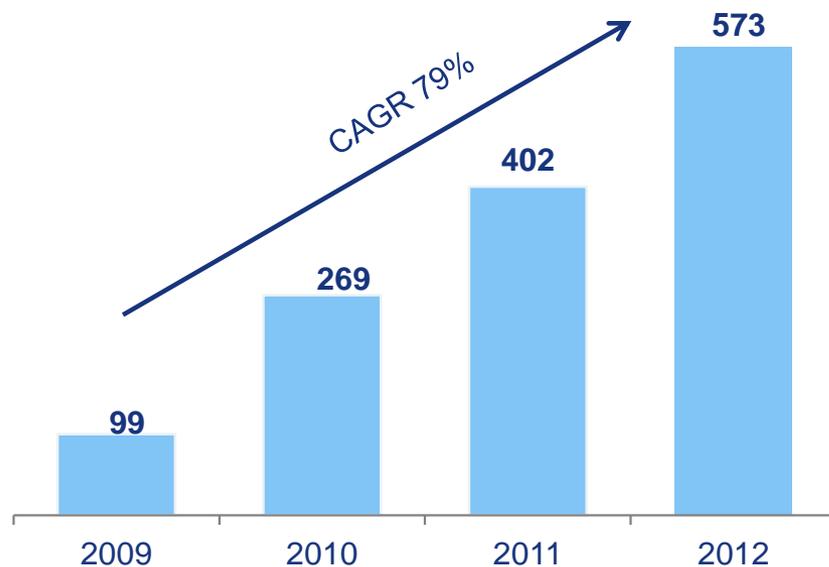
## Strategic Partnership with Huawei

- Our 60%-40% JV with Huawei will support strong growth in OSG business
- Chinasoft will be Huawei's top supplier in IT outsourcing
- Offering services to product lines in ten R&D bases of Huawei
- Beyond Huawei –
  - Provide Outsourcing services to Huawei's overseas clients
  - Leverage CSI's PSG knowledge base and cross sell Solutions business to Huawei overseas clients



## Service Revenue from Huawei ITO

(InRMBmm)



# Microsoft

## Strategic Partnership with Microsoft

- GoBig opportunity to
  - Expand Current MS Business
  - Develop cloud technology with Azure
  - Develop relationship with major MS clients in China and abroad
- 1<sup>st</sup> Chinese company as Top 10 MSIT Global Vender and 1<sup>st</sup> Enterprise Partner in China
- The prestigious 2011 Microsoft Preferred Supplier Program Excellence Award for Value Excellence
- Global delivery capability for Microsoft outsourcing in US, Europe and China
- Microsoft is one of Chinasoft's major shareholders



## Service Revenue from Microsoft Business

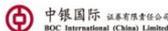
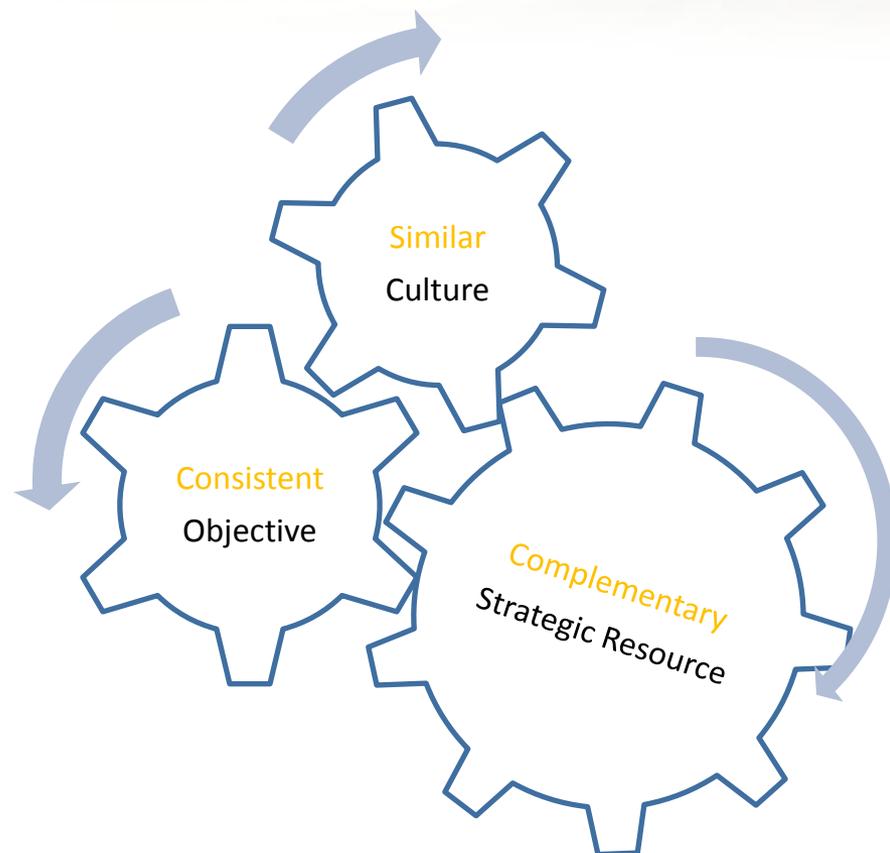
(InRMBmm)



# Hony Capital

## Strategic Partnership with Hony Capital

- Hony Capital will strongly support our PSG business development
- Hony Capital is our largest substantial shareholder
- Chinasoft has become the integration platform for Hony Capital's future investments in the IT domain
- Hony Capital participates in the Chinasoft's strategic and corporate development management
- Chinasoft will be the major IT service provider for the Hony Capital's portfolio companies



# New Focus and Growth in New Decade

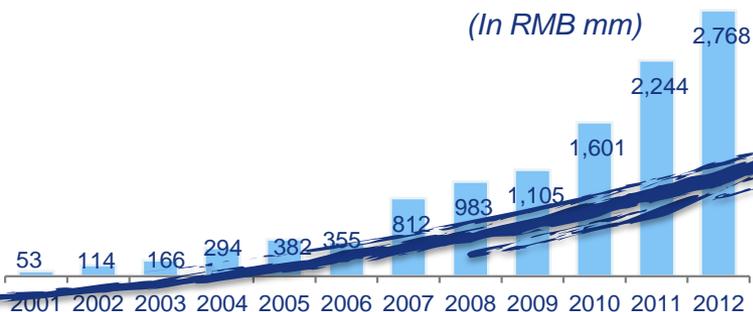
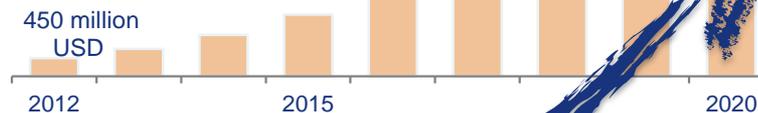
*Last Decade  
to Next Decade*

## FOCUS in the NEXT decade

- Cloud Enabling
- Cloud Based Services
- Platform Centric Operations

## FOCUS in the LAST decade

- Service Capabilities
- Verticals
- Region Coverage



# Growth Strategies

## Strategic Relationships

- Identify industry sectors with **native** and dominating customer (大型甲方), e.g. tobacco, electricity;
- Forge strong strategic relationships with this customer, first through projects, then programs and finally partnership (3P); goal: become the de-facto IT service arm of client
- Acquire smaller competitors to consolidate around this customer

## Expand Current Business

- For large verticals such as Banking and Mobile technology, aggressively leverage current PSG business to expand to OSG business, and vice-a-versa, aiming to achieve end-to-end value chain for customer, thus achieving higher quality of service and increasing customer stickiness. We intend to grow existing business at 30% p.a.

## Effectively use of M&A

- M&A to provide additional 15% to 20% p.a. growth in the following way:
  - Consolidate smaller competitors around strategic customers
  - Buy service capability: IP-analytic applications, Cloud PaaS: CEAP & CEIP, Utility model for application-> platform centric model
  - Extend regional reach in 1) US around MS, 2) Internationally via Huawei

## SMAC

- Stay atop in the world of Social networking, Mobile, Analytics and Cloud technologies.
- Form partnerships and JVs with world-class new technology players; Be part of the new technology paradigm (Alibaba Cloud, Wireless City with China Mobile)

# Growth via Acquisition

**Growth by acquisition has been, and will continue to be, a significant part of ChinaSoft International's growth strategy.** (Please see a list of companies at the end of this presentation that CIS acquired in the past.)

**We typically acquire to 1) expand presence in a specific industry sector (around a strategic customer) or 2) obtain new service capability or 3) expand regional reach.**

## **Current M&A Policy and Target Guidelines:**

- High Growth:** Target should be growing at > 30% per year (revenue)
- Appropriate Size:** Target is < 13% of CSI in terms of business volume
- Sector penetration acquisitions** will depend on strategic customer needs (3p- Project, Program, Partner)
- Service capability acquisitions** will center around proprietary technology
- Financing:** Open to both debt and equity or a combination; specific model determined on a case-by-case basis; Strive to be very EPS accretive.

# Financials

- 1 Background Info
- 2 Deep domain expertise in China's most attractive verticals
- 3 Comprehensive end-to-end service offerings with superior consulting and solution capabilities
- 4 Serving blue-chip clients with strong China presence and global delivery capabilities
- 5 Strategic Partnerships and Growth Strategies
- 6 **Financials**

# Key Financial and Operating Data

RMB'000	2012	2011	Growth%
Revenue	2,768,171	2,243,754	23.4%
Service Revenue	2,551,395	1,959,885	30.2%
Gross Profit	915,341	729,491	25.5%
EBITDA*	328,838	293,184	12.2%
Non-GAAP Operating Profit**	293,805	278,998	5.3%
Net Profit attributable to Equity Shareholders	133,189	110,594	20.4%
<b>Non-GAAP Net Profit attributable to Equity Shareholders*</b>	<b>155,686</b>	<b>145,250</b>	<b>7.2%</b>
Non-GAAP Basic EPS* (RMB cents)	9.34	10.76	-13.2%
Non-GAAP Diluted EPS* (RMB cents)	9.04	9.93	-9.0%

\* Excluding the changes in Impairment loss on goodwill, Gain arising from changes in fair value of contingent consideration payable on acquisition of business, fair value of redeemable convertible preferred shares, and Loss on deemed disposal of associates.

\*\* Excluding share option expenses and amortization of intangible.

# Financial and Operating Ratio Analysis

RMB' 000	2012	Per Revenue%	Per Service revenue%	2011	Per Revenue%	Per Service revenue%	Growth%
Revenue	2,768,171			2,243,754			23.4%
<i>Service Revenue</i>	<i>2,551,395</i>	<i>92.2%</i>		<i>1,959,885</i>	<i>87.3%</i>		<i>30.2%</i>
Cost of sales	(1,852,830)	-66.9%	-72.6%	(1,514,263)	-67.5%	-77.3%	22.4%
— <i>Salary Costs</i>	<i>(1,314,209)</i>	<i>-47.5%</i>	<i>-51.5%</i>	<i>-971,942</i>	<i>-43.3%</i>	<i>-49.6%</i>	<i>35.2%</i>
<b>Gross Profit</b>	<b>915,341</b>	<b>33.1%</b>	<b>35.9%</b>	<b>729,491</b>	<b>32.5%</b>	<b>37.2%</b>	<b>25.5%</b>
Other Income	55,235	2.0%	2.2%	46,036	2.1%	2.3%	20.0%
Selling Expenses	(160,692)	-5.8%	-6.3%	(148,706)	-6.6%	-7.6%	8.1%
Administration Expenses	(454,761)	-16.4%	-17.8%	(309,278)	-13.8%	-15.8%	47.0%
R&D cost expensed	(57,055)	-2.1%	-2.2%	(45,989)	-2.0%	-2.3%	24.1%
Allowance for Doubtful Debt	(15,807)	-0.6%	-0.6%	(17,417)	-0.8%	-0.9%	-9.2%
Amortization	(42,967)	-1.6%	-1.7%	(47,514)	-2.1%	-2.4%	-9.6%
Gain from FV changes of contingent consideration payable	5,557	0.2%	0.2%	71,718	3.2%	3.7%	-92.3%
Impairment loss on goodwill	(28,054)	-1.0%	-1.1%	(68,982)	-3.1%	-3.5%	-59.3%
Finance Cost	(31,111)	-1.1%	-1.2%	(23,898)	-1.1%	-1.2%	30.2%
Share of result of associates	2,030	0.1%	0.1%	2,618	0.1%	0.1%	-22.5%
Loss arising from P shares FV changes	-	0.0%	0.0%	(37,287)	-1.7%	-1.9%	-100.0%
<b>Profit before taxation</b>	<b>187,716</b>	<b>6.8%</b>	<b>7.4%</b>	<b>150,687</b>	<b>6.7%</b>	<b>7.7%</b>	<b>24.6%</b>
Taxation	(37,574)	-1.4%	-1.5%	-29,611	-1.3%	-1.5%	26.9%
<b>Profit for the Year</b>	<b>150,142</b>	<b>5.4%</b>	<b>5.9%</b>	<b>121,076</b>	<b>5.4%</b>	<b>6.2%</b>	<b>24.0%</b>

# Non-GAAP and GAAP Reconciliations

RMB' 000	2012	Per Revenue %	Per Service revenue %	2011	Per Revenue %	Per Service revenue %	Growth%
<b>GAAP Net Profit</b>	<b>133,189</b>	<b>4.8%</b>	<b>5.2%</b>	<b>110,594</b>	<b>4.9%</b>	<b>5.6%</b>	<b>20.4%</b>
Adjustments:							
+Loss in FV changes of p shares	0	0.0%	0.0%	37,287	1.7%	1.9%	-100.0%
+Impairment loss	28,054	1.0%	1.1%	68,982	3.1%	3.5%	-59.3%
+loss on deemed disposal of associates	0	0.0%	0.0%	105	0.0%	0.0%	-100.0%
-Gain from FV changes of contingent consideration payable	-5,557	-0.2%	-0.2%	-71,718	-3.2%	-3.7%	-92.3%
<b>Non-GAAP Net Profit</b>	<b>155,686</b>	<b>5.6%</b>	<b>6.1%</b>	<b>145,250</b>	<b>6.5%</b>	<b>7.4%</b>	<b>7.2%</b>

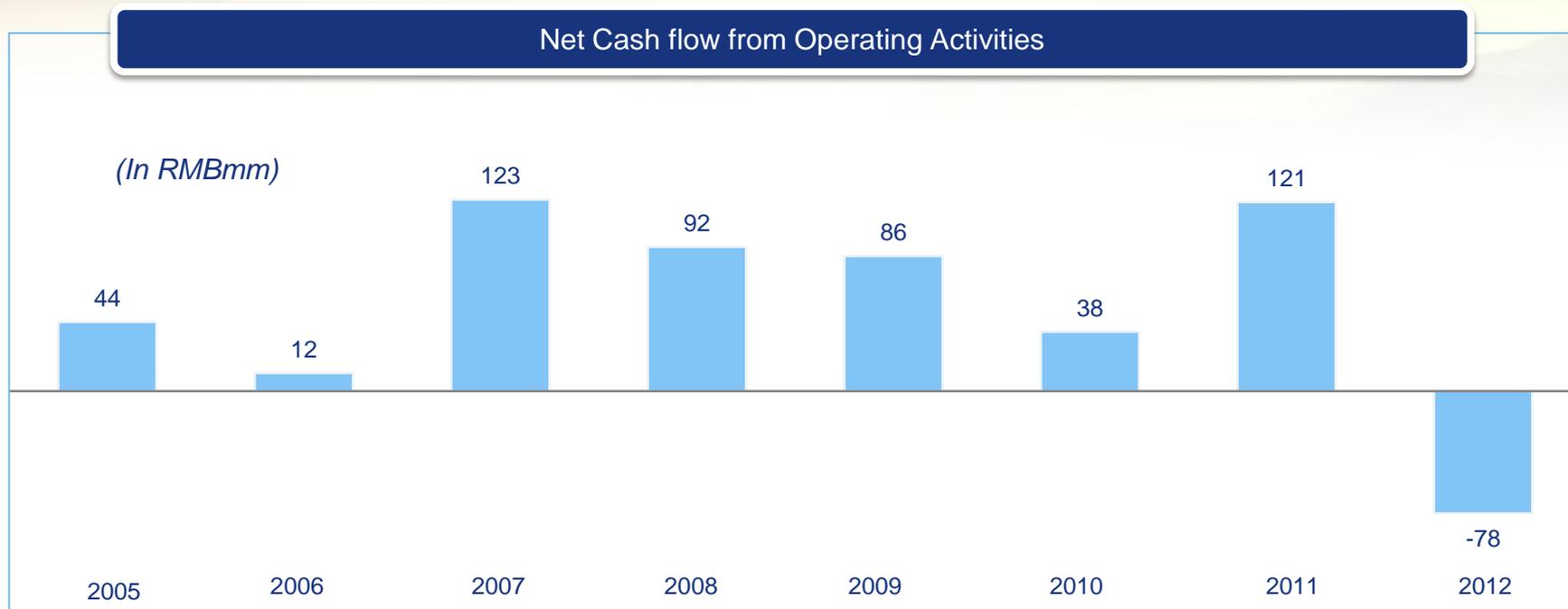
RMB' 000	2012	Per Revenue %	Per Service revenue %	2011	Per Revenue %	Per Service revenue %	Growth%
<b>GAAP Operating Profit</b>	<b>239,294</b>	<b>8.6%</b>	<b>9.4%</b>	<b>206,623</b>	<b>9.2%</b>	<b>10.5%</b>	<b>15.8%</b>
Adjustments:							
+Amortisation	42,967	1.6%	1.7%	47,514	2.1%	2.4%	-9.6%
+Share option expense	11,544	0.4%	0.5%	24,861	1.1%	1.3%	-53.6%
<b>Non-GAAP Operating Profit</b>	<b>293,805</b>	<b>10.6%</b>	<b>11.5%</b>	<b>278,998</b>	<b>12.4%</b>	<b>14.2%</b>	<b>5.3%</b>

# Balance Sheet

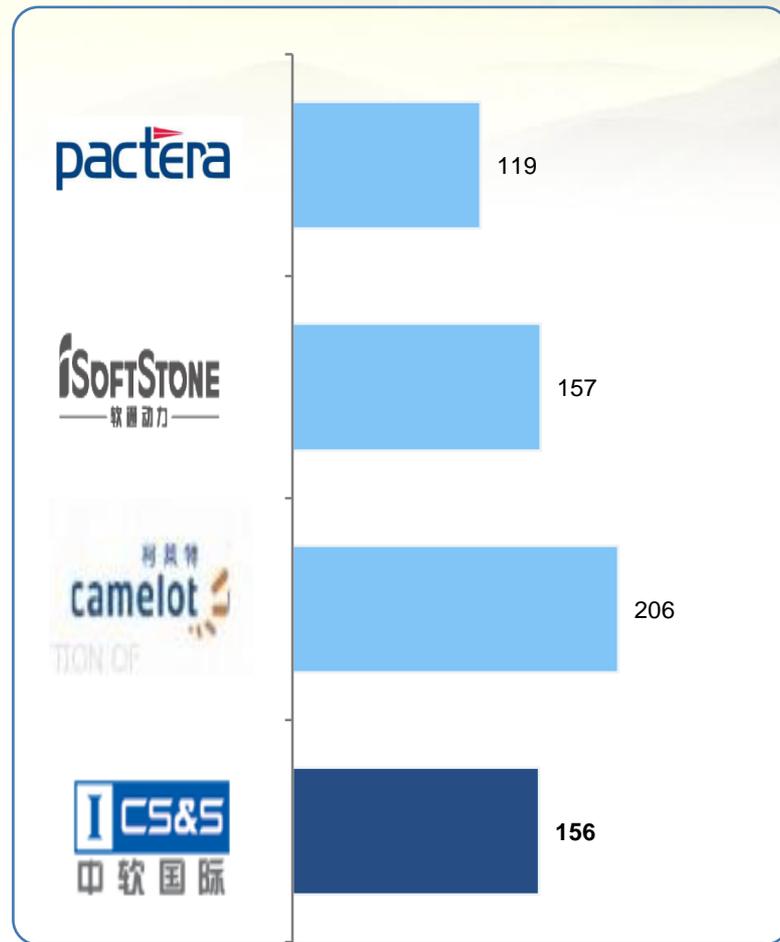
RMB' 000	(Audited)	(Audited)
	31 Dec, 2012	31 Dec, 2011
<b>Current assets</b>		
Inventories	23,989	24,405
Trade and other receivables	1,039,396	760,648
Prepaid lease payments	1,038	178
Amounts due from associate	10,182	5,859
Amounts due from customers for contract work	561,359	363,683
Amount due from related companies	205	394
Pledged deposits	4,468	12,571
Bank balances and cash	774,847	772,950
	<b>2,415,484</b>	<b>1,940,688</b>
<b>Non-current assets</b>		
Property, plant and equipment	132,853	131,456
Intangible assets	159,330	157,172
Goodwill	629,075	657,129
Interests in associates	27,616	25,551
Available-for-sale investment	25,000	25,000
Prepaid trademark use right payments	42,477	469
Deferred tax assets	10,515	10,069
	<b>1,026,866</b>	<b>1,006,846</b>

RMB' 000	(Audited)	(Audited)
	31 Dec, 2012	31 Dec, 2011
<b>Current liabilities</b>		
Trade and other payables	668,918	613,149
Bills payable	7,071	21,525
Amounts due to customers for contract work	110,506	56,142
Amounts due to related companies	9,196	3,765
Dividend payable to shareholders	75	75
Taxation payable	39,312	29,849
Borrowings	309,300	165,600
Convertible loan notes	199,087	-
	<b>1,343,465</b>	<b>890,105</b>
<b>Net current assets</b>	<b>1,072,019</b>	<b>1,050,583</b>
<b>Total assets less current liabilities</b>	<b>2,098,885</b>	<b>2,057,429</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	17,602	24,767
Borrowings	19,000	29,600
Consideration payable on acquisition of business	-	5,557
Convertible loan notes	-	193,820
	<b>36,602</b>	<b>253,744</b>
	<b>2,062,283</b>	<b>1,803,685</b>
<b>Capital and reserves</b>		
Share capital	81,804	77,879
Share premium	1,466,006	1,392,651
Reserves	379,814	255,142
Equity attributable to equity holders of the Company	<b>1,927,624</b>	<b>1,725,672</b>
Non-controlling interests	134,659	78,013
Total equity	<b>2,062,283</b>	<b>1,803,685</b>

# Operating Cash flow



# Days Receivable Comparison with Peers



# Aging Analysis of Accounts Receivables

RMB'000	(Audited)	%	(Audited)	%	2012 versus 2011	
	31 Dec,2012		31 Dec,2011			
Within 90 days	601,133	43%	483,793	48%	117,340	24%
Between 91-180 days	116,221	8%	80,316	8%	35,905	45%
Between 181-365 days	54,822	4%	39,804	4%	15,018	38%
Between 1-2 years	56,828	4%	30,293	3%	26,535	88%
Over 2 years	805	0%	5,728	1%	-4,923	-86%
<b>Billed AR</b>	<b>829,809</b>	<b>60%</b>	<b>639,934</b>	<b>64%</b>	<b>189,875</b>	<b>30%</b>
<b>Unbilled AR</b>	<b>561,359</b>	<b>40%</b>	<b>363,683</b>	<b>36%</b>	<b>197,676</b>	<b>54%</b>
<b>Total AR</b>	<b>1,391,168</b>	<b>100%</b>	<b>1,003,617</b>	<b>100%</b>	<b>387,551</b>	<b>39%</b>

变革

建设

超越

挑战

THANK YOU

IR Contacts

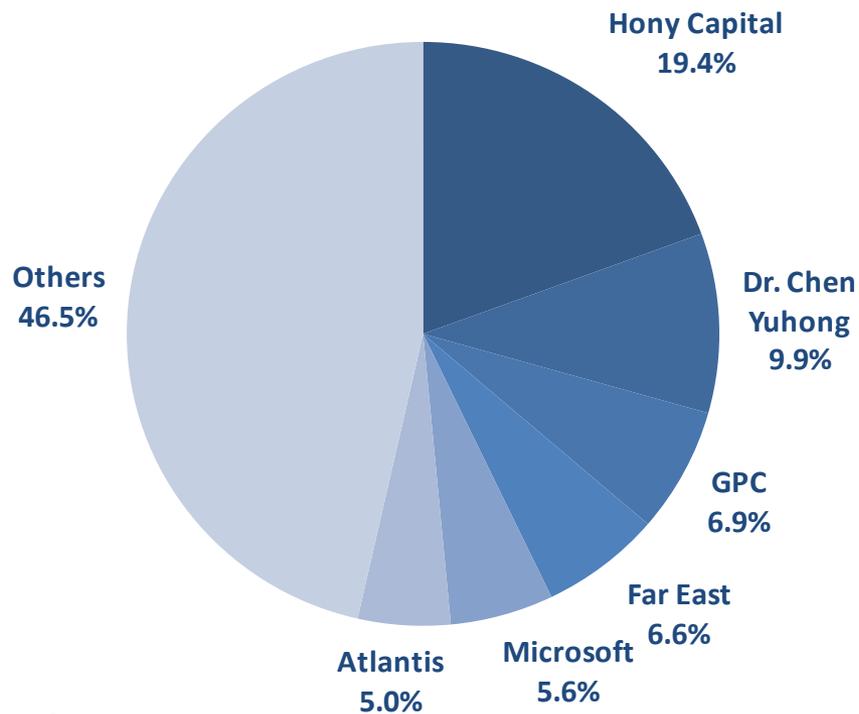
Janet Lai

Tel +852 2915-2830

Email [ir@chinasofti.com](mailto:ir@chinasofti.com)

# Shareholdings Structure

Shareholdings Structure



\* As of 2013 May 31

As of 2013 May 31	No. of Shares	% of Ordinary Shares
Hony Capital	335,076,453	19.4%
Dr. Chen Yuhong	171,579,039	9.9%
Greater Pacific Capital	119,268,639	6.9%
Far East Holdings International	113,399,822	6.6%
Microsoft	97,250,000	5.6%
Atlantis Investment Management	87,000,000	5.0%
Others	801,216,706	46.5%
<b>Total</b>	<b>1,724,790,659</b>	<b>100.0%</b>