



--- Best Window to Know About Beijing Software and Information Service Industry
--- Best Partner to Successfully Invest in Beijing Software and Information Service Industry

Beijing Software Industry Productivity Center, subordinate to the Beijing Municipal Science & Technology Commission, was founded in September 2000. It is a non-profit service institution and focuses on promoting the development of software industry. The center bears responsibilities for many institutions such as being the software team office of the Beijing municipal government consultant group, being the management office of the Beijing software corporation certification and the software product registration, being the management office of the Beijing software industry base of the "China Torch" Plan and being the administration office of national base (Beijing) for industrialization of digital media technology, etc. The center is one of the national key demonstration productivity promotion centers authorized by the Beijing Municipal Commission for Science & Technology.

Beijing Software Industry Productivity Center offers many service items such as providing consultation on the software industry management promotion, software industry infrastructure service and software industry consultancy, etc.

In aspect of software industry management promotion, the center coordinates the Beijing software industry management and service system, undertakes research on the software industry development strategy programming, coordinates other institutions to implement policies on Beijing's software industry, assists the government to push forward significant supporting measures of promoting the software industry development, plans investment into the software industry from the government, and gives concerned advices.

The center set up a training platform for Beijing software talents (Beijing Software Education), a support system of public technologies for Beijing software industrial base and a software driver website (<http://www.softdriver.org.cn>) to offer services of policy explanation, industry research, application guide and talents training.

In aspect of software industry infrastructure service, the center constructs the Beijing software industry development pattern, which takes software parks, incubators and professional bases as the nodes, the public technology supporting system based on broad band as the link, to serve software companies of the whole city.

In aspect of industry strategy consultation, the center provides dynamic information and in-depth report for government departments, software companies and other institutions. It also serves those domestic and foreign IT companies who tend to develop in Beijing, offering program assessment, enterprise assessment, technology evaluation and talent training.

The center has built a database including thousands of software companies and makes follow-up analysis on software companies regularly. It has established long-term close partnerships with many domestic companies, multinationals and IT institutions. The center has a group of influential expert consultants and a strong IT research team, mainly engaged in analyzing software enterprise database, conducting research on development environment of software industry, development strategy, industry policies, trends of development and technology advances, to provide concrete, forward-looking and innovative research fruits for government, multinationals and software companies.

Following the principle of "originated from practice, based on facts, focusing on IT and thinking profoundly", the center tries to hold opportunities in the industry growth, offer professional consultancy, and help clients create more value. It is devoted to becoming China's best knowledge-oriented service institution focusing on software industry with core value to contribute to the rapid growth of Beijing and the software industry!

Content

Background : Categorization System of Beijing Software and Information Service Industry in 2004-2005	1
Chapter I: Development of Beijing Software and Information Service Industry in 2000-2005	3
1. Software and information service industry has become a backbone of economy in Beijing.....	3
2. Analysis of Key Sectors in Beijing Software Industry.....	3
3. Analysis of Top 100 Beijing Software Enterprises	4
Chapter II: Highlight 1-Development of Beijing Software and Service Export.....	5
1. Status in National Framework of Beijing Software and Service Export	5
2. Market Structure of Software Export and Service Export.....	5
Chapter III: Highlight 2 – Analysis of Internet Information Service Industry in Beijing	6
The Whole Picture	6
Chapter IV: Highlight 3 – Analysis of Industry-specific Application Software in Beijing	7
The Whole Picture	7
Chapter V: Analysis of Listed Enterprises in Beijing’s Software and Information Service Industry.....	8
Structural Analysis	8
Chapter VI: Analysis of Beijing Software Enterprises’ Financing Needs	9
1. Current Situation of Financed Beijing Software Enterprises	9
2. Financing Situation Comparison between Software Enterprises of Beijing, Shanghai, and Shenzhen	9
Chapter VII: Telecom and Other Business Infrastructures	10
Telecom Market Basis in Beijing.....	10
Chapter VIII: Advantages of Beijing as a Destination of Investment in Software and Information Service Industry.....	11
1. One Of Opportunities in Beijing IT Market: Rapid Growth in the Number of Netizens	11
2. Principal Support Policies on Businesses Investment in Beijing	11
Appendix1: Content of Full Version	12
Appendix2: Chart Content of Full Version.....	14
Appendix3: Table Content of Full Version.....	16
Legal Statement.....	18
Official website/free information.....	19
For information about contents of the report	19

Background : Categorization System of Beijing Software and Information Service Industry in 2004-2005

The report classifies Beijing software and information service industry into five major areas based on China Industrial Classification (2002) by the State Bureau of Statistics, statistical system of software and information service industry by the Ministry of Information Industry, the United Nations' relevant classification in its International Standard Industrial Classifications (2002) (3.1 Version) and NASSCOM's classification of Indian software outsourcing industry. It also takes characteristics of Beijing software and information service industry into consideration.

Categorization System of Beijing Software and Information Service Industry in 2004-2005

First Category	Second Category	Third Category
Infrastructure Software	System Software	Operating System
		Database Management System
	Support Software	Middleware
		Network and Communications Management Software
		Programming Language and Development Tool Software and Platform
		Information Security Software
Application Software	General Application Software	Word/Spreadsheet Processing Software
		Information Searching Software
		Machine Translation Software
		Multimedia Application Software
		Enterprise Management Software
		Game Software
		CAD/CAM
	Industry-specific Application Software	Communications
		Finance
		Government
		Geographic Information
		Manufacturing
		Education
		Transportation
		Energy
		Construction
		Comprehensive Application
	Other Industries	
	Embedded Software	Embedded Operating System
		Embedded Application Software
Software Services	IT Service Outsourcing	Customized Software Development
		Localization and Technical Support
		Software Testing Outsourcing
		Embedded Outsourcing

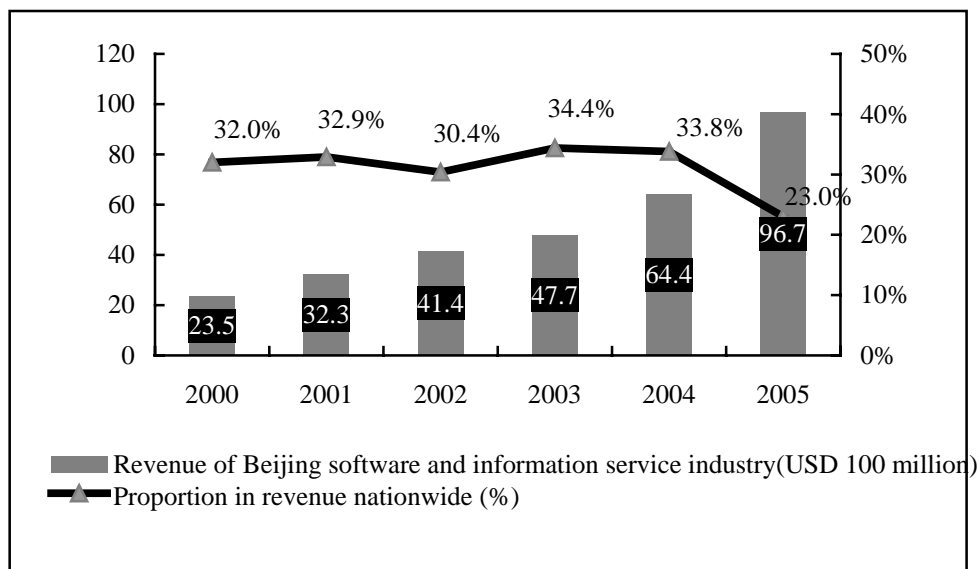
First Category	Second Category	Third Category
Software Services	Business Process Outsourcing (BPO)	Finance & Accounting Outsourcing
		Logistics Outsourcing
		Procurement Outsourcing
		HR Outsourcing
		Customer Service Outsourcing
		Others
	Software Testing Service	
	Software Sales Service	
	IT Service Management	
	IT Consulting Service	
Internet Information Service	IT Training Service	
	Network Access Service	
	Network Games Operation	
	Online Publishing Service	
	Wireless Value-Added Service	
	Internet Content Service	
Computer Service	E-business	
	Computer System Service	
	Data Processing	
	Computer Maintenance	
	Other Computer Services	

Chapter I: Development of Beijing Software and Information Service Industry in 2000-2005

1. Software and information service industry has become a backbone of economy in Beijing

Beijing software and information service industry has been growing continuously and its contribution to local GDP rose year on year.

Chart: Revenues of Beijing Software and Information Service Industry in 2000-2005

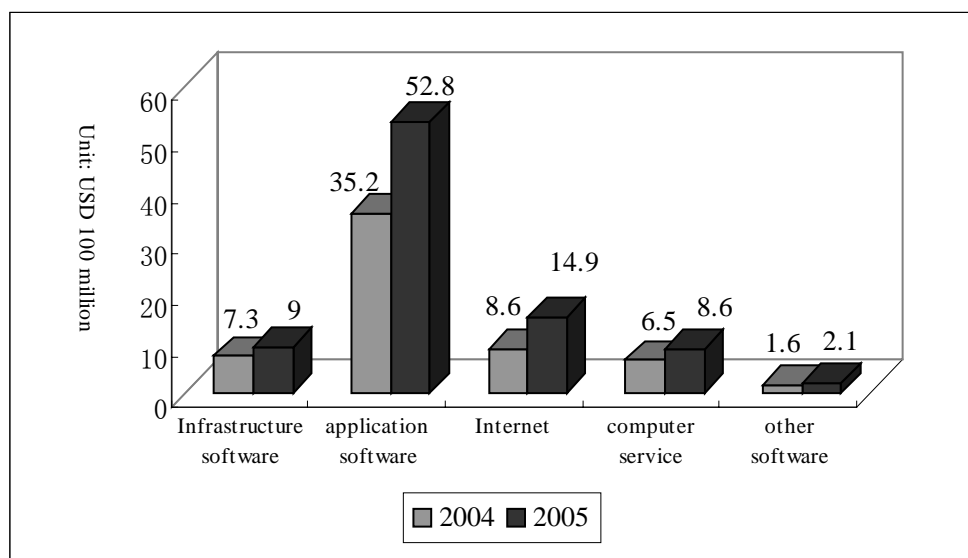


Source: Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

2. Analysis of Key Sectors in Beijing Software Industry

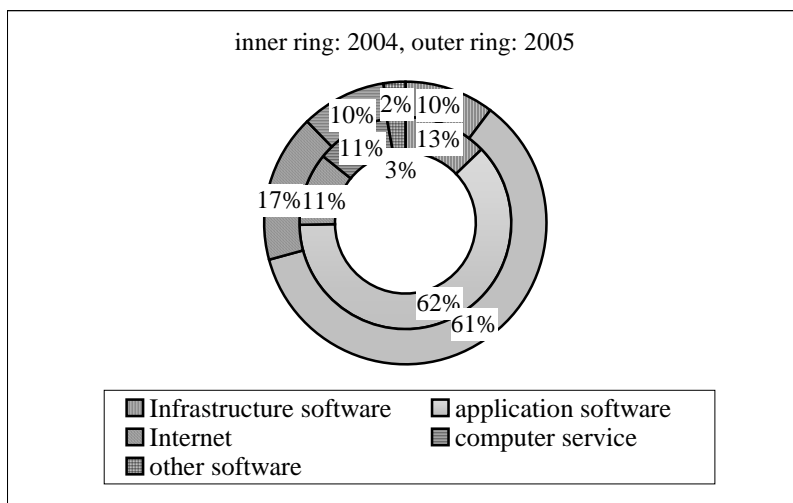
In 2005, software enterprises with annual revenues above RMB 10 million each in Beijing reported total revenue of USD 8.74 billion, a year-on-year rise of 48%.

Chart: Market Scale of Software Enterprises with Annual Sales Revenue over RMB 10 Million in 2004-2005



Source: Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

Chart: Structure Change in Beijing Software and Information Service Industry in 2004-2005

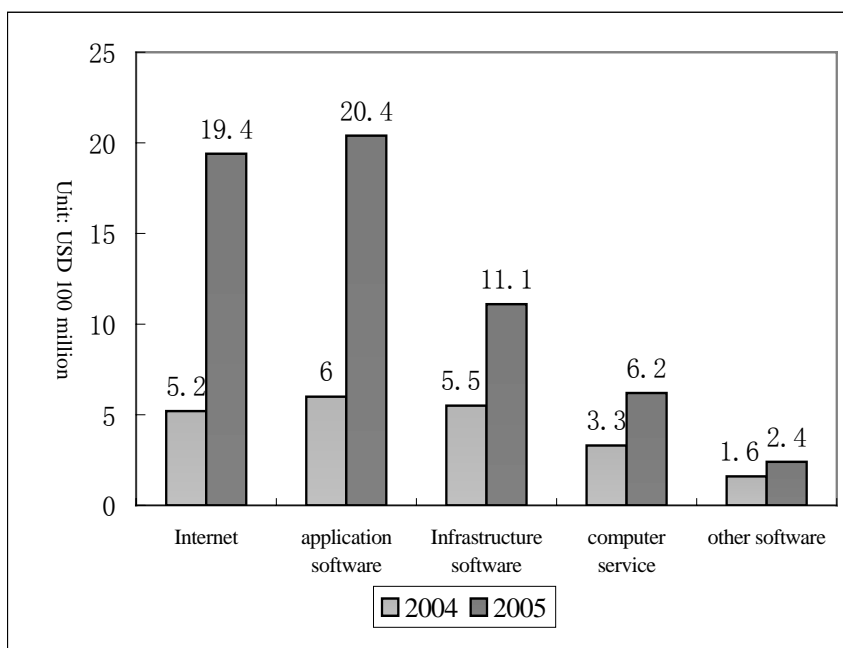


Source: Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

3. Analysis of Top 100 Beijing Software Enterprises

In 2005, top 100 Beijing software enterprises¹ made total revenue of USD 5.95 billion, up 57% year on year. The market concentration rate reached 61.5%.

Chart: Revenues of Top 100 Beijing Software Enterprises in Key Areas in 2004-2005



Source: Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

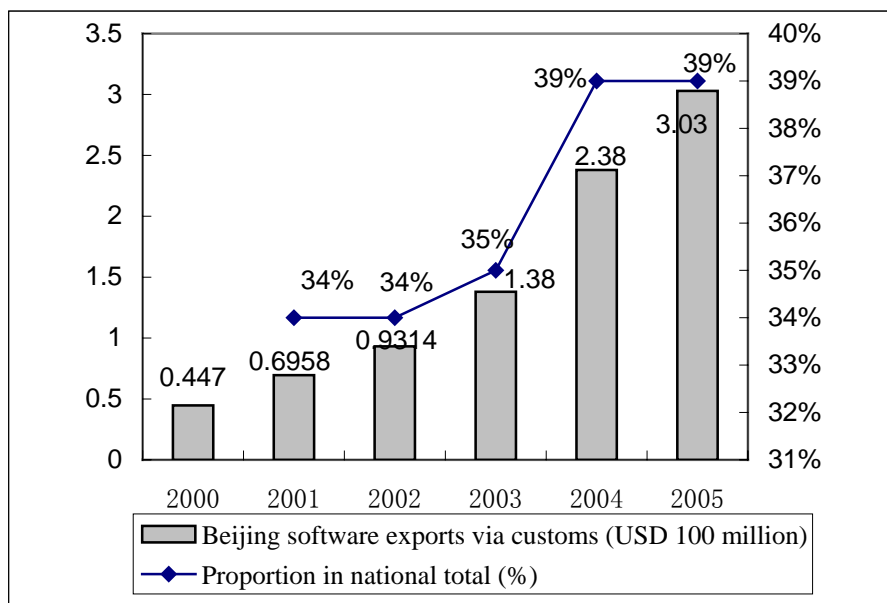
¹ Beijing software enterprises ranking in the top 100 in sales revenue.

Chapter II: Highlight 1-Development of Beijing Software and Service Export

1. Status in National Framework of Beijing Software and Service Export

Customs figures show that in 2005 Beijing's software export maintained fast growth and its annual export totaled above USD 300 million, a rise of 33.3% over 2004 and six times that in 2000. The figure accounts for 39% of the total national exports.

Chart: Beijing's Software Exports Via Customs in 2000-2005 & Proportion in National Total

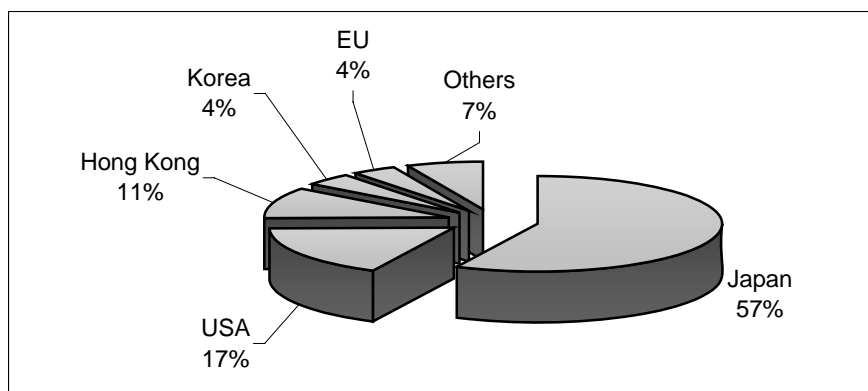


Source: Beijing Customs, Beijing Municipal Bureau of Commerce

2. Market Structure of Software Export and Service Export

Japan is the major target market of Beijing's software and service export. During the 2000-2005 period, Beijing's software export to Japan rose with an average annual rate of 43%. In 2005, the figure reached USD 173 million, which is 57% of the total exports, a rise of 41.8% over 2004. The export scale continued to be consolidated.

Chart: Major Target Nations of Beijing Software Export in 2005



Source: Beijing Customs, Beijing Municipal Bureau of Commerce

Chapter III: Highlight 2 – Analysis of Internet Information Service Industry in Beijing

The Whole Picture

The sales revenue of Beijing's Internet information service industry was USD 1.487 billion² in 2005, taking up 16.99% of the total sales revenue of Beijing's software industry and presenting a 150% year-on-year increase.

Table: Sales Revenue Structure of Beijing's Internet Information Service Industry

E-business	Internet Access Service	Internet Content Service	Wireless Value-Added Service	Network Games Operation
8.4%	33.60%	7.00%	48%	3%

Source: Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

According to the 15th "2005 R&D Scoreboard" released by the British Department of Trade and Industry in October 2005, globally the R&D investment intensity of the "software and computer service" industry is 10.7%³, indicating that the industry is one of high R&D input. The R&D intensity of Beijing's software industry is 11.66%; meanwhile, the intensity of the Internet information service industry is far greater than that of the software industry in Beijing.

Table : A Comparison of R&D Intensity among Beijing's Internet Information Service Industry, Beijing's Software Industry, and Global Software Industry

Software Industry R&D Intensity Global	Software Industry R&D Intensity Beijing	Internet Information Service Industry R&D Intensity Beijing
10.7%	11.66%	14.70%

Source: British Department of Trade and Industry, Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

² Calculated at USD1=RMB8.07, the total sales revenue of Beijing's Internet service industry approximates RMB 12 billion. All currency exchanges are calculated at this rate in this book.

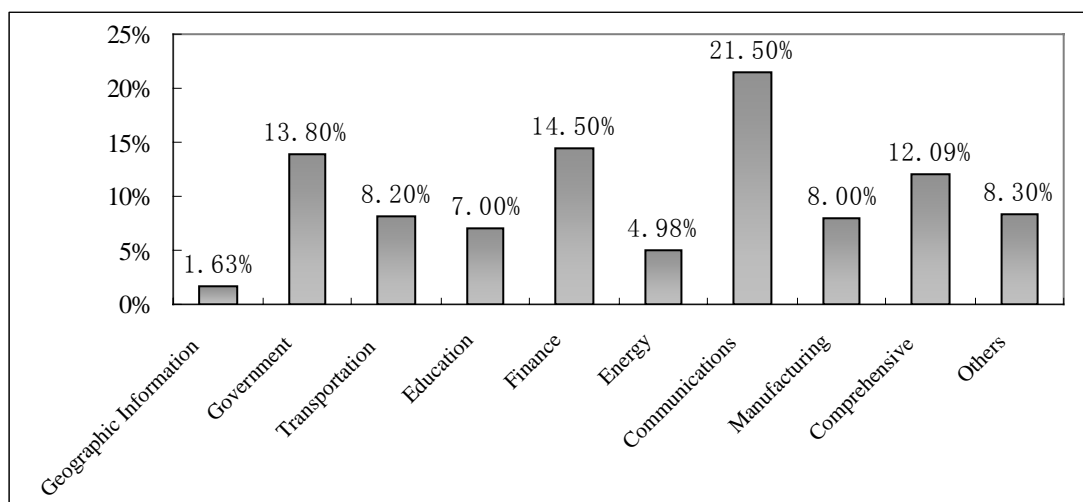
³Source: http://www.innovation.gov.uk/rd_scoreboard/

Chapter IV: Highlight 3 – Analysis of Industry-specific Application Software in Beijing

The Whole Picture

The sales revenue of Beijing's industry-specific application software industry is USD 3.717 billion⁴ in 2005, contributing 42.5% to the total revenue of Beijing's software industry and presenting a 30% year-on-year increase. On the whole, Beijing's industry-specific application software industry is marked with the following features.

Chart: Sales Revenue Structure of Beijing's Industry-specific Application Software Industry



Source: Beijing Municipal Bureau of Statistics, Beijing Software Industry Productivity Center

⁴ Calculated at USD1=RMB 8.07, the total sales revenue of Beijing's industry-specific application software industry approximates RMB 30 billion. All currency exchanges are calculated at this rate in this book.

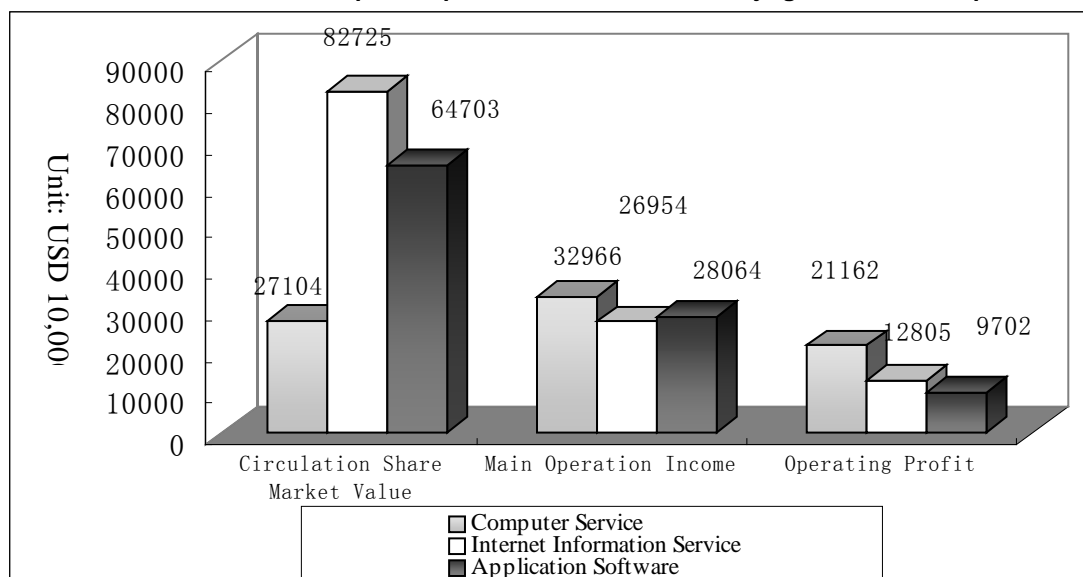
Chapter V: Analysis of Listed Enterprises in Beijing's Software and Information Service Industry

Structural Analysis

There were 3 listed software enterprises before 1999 in Beijing. 7 were listed in 2004 and Hurray!, Baidu and Techfaith Wireless⁵ joined the rank in 2005. By the end of 2005 the number of listed Beijing software enterprises had reached 22, among which 5 were listed in Shenzhen Stock Exchange or Shanghai Stock Exchange, 8 in Hong Kong Stock Exchange, 8 in NASDAQ Stock Exchange, and 1 was listed both in Hong Kong Stock Exchange and NASDAQ Stock Exchange at the same time. As the stock market develops, the number of listed Beijing software enterprises will continue to increase and to gradually get in step with the rapid development of the whole software industry.

In our categorization system of the software industry, the listed Beijing software enterprises fall into the following three categories based on the primary level: computer service, Internet information service, and IT outsourcing (ITO). They fall into seven categories based on the secondary level: computer system service, common application software, industry-specific application software, wireless value-added service, IT outsourcing (ITO), e-business, and Internet content service.

Chart: Business Scope Comparison between Listed Beijing Software Enterprises



Source: Beijing Software Industry Productivity Center

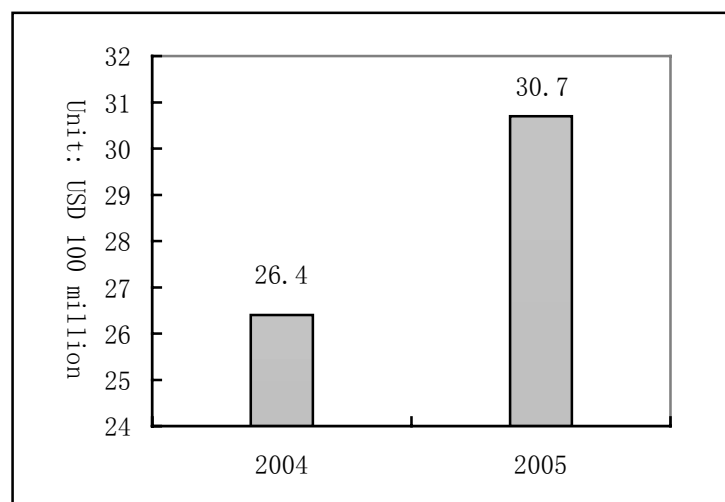
⁵ As relevant data is not satisfactorily sufficient, this analysis skips Techfaith Wireless.

Chapter VI: Analysis of Beijing Software Enterprises' Financing Needs

1. Current Situation of Financed Beijing Software Enterprises

The total amount of capital raised by Beijing software enterprises through various channels exceeded USD 3.07 billion (excluding government project investments), which presents a 16.4% increase compared with USD 2.64 billion of 2004.

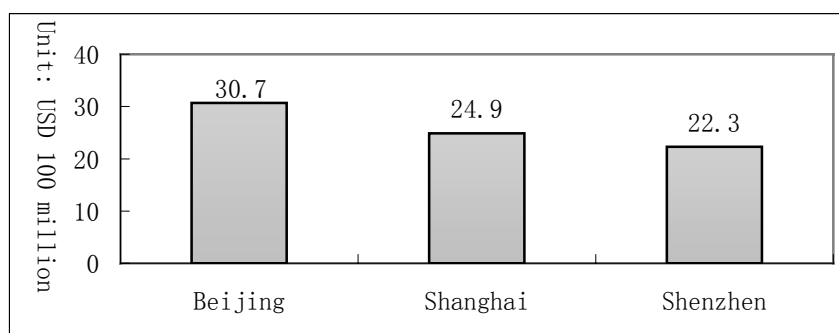
Chart: Comparison of Capital Raised Annually by Beijing Software Industry between 2004 and 2005



Source: Beijing Software Industry Productivity Center

2. Financing Situation Comparison between Software Enterprises of Beijing, Shanghai, and Shenzhen

Chart: Comparison of Total Financing Amount between Beijing, Shanghai, and Shenzhen for 2005



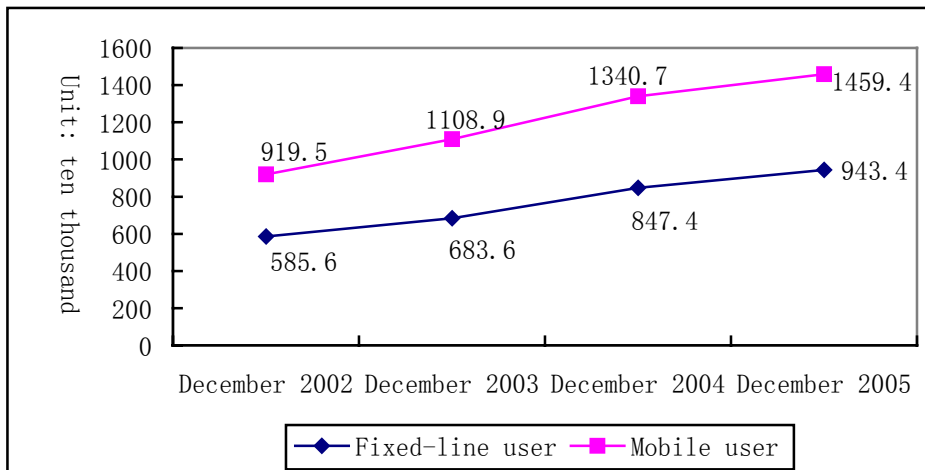
Source: Beijing Software Industry Productivity Center

Chapter VII: Telecom and Other Business Infrastructures

Telecom Market Basis in Beijing

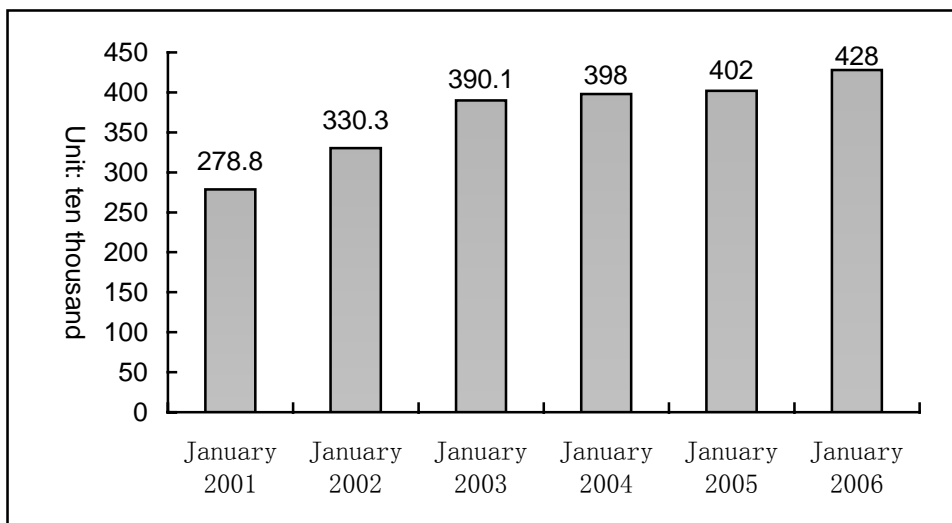
By the end of December 2005, fixed-line users reached 9.434 million, mobile users 14.594 million and broadband Internet users 2.228 million in Beijing.

Chart: Numbers of Fixed-line and Mobile Users in Beijing



Source: Beijing Communications Administration

Chart: Consistent Increase of Netizens in Beijing



Source: CNNIC

Chapter VIII: Advantages of Beijing as a Destination of Investment in Software and Information Service Industry

1. One Of Opportunities in Beijing IT Market: Rapid Growth in the Number of Netizens

By June 30, 2006, the number of netizens in China had mounted to 0.12 billion and the number of broadband users rose sharply to 77 million. China now has the second largest number of netizens and broadband users, right next to the US.

By the end of December 2005, the netizens in Beijing added up to 4.28 million, 28.7% of the whole population, the highest percentage in China. Among them, 3.7 million are broadband users, 86.3% of all the netizens in Beijing and 5.7% of all the broadband users in China.

Table: Development of Netizens in China and Beijing 2001-2005

Unit: ten thousand people

	2001	2002	2003	2004	2005	Average Annual Growth Rate
Netizens in China	3370	5910	7950	9400	11100	34.70%
Netizens in Beijing	330	356	398	402	428	6.70%

Source: CNNIC

2. Principal Support Policies on Businesses Investment in Beijing

"Article 7 – The object of subsidy is the actual amount invested by a startup investment enterprise. The amount of the subsidy shall be 10% of actual investment into a certain company; if it is the company's first batch of startup investment, the subsidy percentage can be raised to 15%. The highest single subsidy is RMB 1 million."

--- Interim Regulations on Risk Subsidy of Startup Investment Enterprises in Zhongguancun Science Park

Appendix1: Content of Full Version

Chapter I: Development of Beijing Software and Information Service Industry in 2000-2005	
1.1	Software and information service industry has become a backbone of economy in Beijing..... 4
1.2	Analysis of Key Sectors in Beijing Software Industry 9
1.2.1	Application software 12
1.2.2	Internet information service 15
1.2.3	Infrastructure software service 16
1.2.4	Other software services..... 18
1.2.5	Computer service 19
1.3	Analysis of Top 100 Beijing Software Enterprises 20
1.3.1	Change in Top 100 Beijing software enterprises 20
1.3.2	Characteristics of development in key areas of industry-specific application 20
1.3.3	Characteristics of development in Internet information service sector 21
Chapter II: Highlight 1 – Beijing Software and Service Export	
2.1	Status in National Framework of Beijing Software and Service Export..... 23
2.2	Market Structure of Software Export and Service Export 23
2.3	Beijing Software and Service Export Enterprises 25
2.4	Top 20 Beijing Software Enterprises in Outsourcing via Customs in 2005 27
2.5	Top 50 Beijing Software Product and IT Service Export Enterprises via Customs in 2005..... 27
Chapter III: Highlight 2 – Analysis of Internet Information Service Industry in Beijing	
3.1	The Whole Picture..... 31
3.2	Analysis of Competitiveness 33
Chapter IV: Highlight 3 – Analysis of Industry-specific Application Software in Beijing	
4.1	The Whole Picture..... 35
4.2	Analysis of Competitiveness 37
4.3	Changfeng Open Standards Platform Software Alliance 39
Chapter V: Analysis of Listed Enterprises in Beijing's Software and Information Service Industry	
5.1	Structural Analysis..... 45
5.2	Operation Status Analysis 47
5.2.1	Analysis of solvency 47
5.2.2	Analysis of assets utilization efficiency 48
5.2.3	Analysis of profitability..... 49
5.2.4	Analysis of comprehensive operation status 50
Chapter VI: Analysis of Beijing Software Enterprises' Financing Needs	
6.1	Current Situation of Financed Beijing Software Enterprises 51
6.2	Financing Situation Comparison between Software Enterprises of Beijing, Shanghai, and Shenzhen 62
6.3	Future Financing Needs of Beijing's Software Industry 62
6.3.1	Future financing scale of Beijing's software industry 62
6.3.1.1	Future equity financing needs 62
6.3.1.2	Future debt financing needs 63
6.3.2	Government Policies Supportive of Software Industry 63
Chapter VII: Telecom and Other Business Infrastructures	
7.1	Telecom Market Basis in Beijing..... 65
7.1.1	General survey of telephone users in China 65
7.1.2	Survey of Beijing telecom and Internet..... 65
7.1.3	Value-added service 67
7.2	Survey of Software Parks in Beijing 68
7.3	Orientation of Beijing City Development..... 70
7.4	Survey of Development of Retail, Education, Medical Care and Entertainment..... 71
7.4.1	Present situation of retail in Beijing 71
7.4.2	Education 72
7.4.3	Culture..... 72
7.4.4	Medical care 72

Chapter VIII: Advantages of Beijing as a Destination of Investment in Software and Information

Service Industry

8.1	Rapid Growth of GDP in Beijing	74
8.2	Opportunities in Beijing IT Market	75
8.3	Principal Support Policies on Businesses Investment in Beijing	82
8.4	List of Beijing Agencies on Investment and Financing Services	83

Appendix

Recommended Enterprises in Beijing's Software and Information Service Industry 2005	85
Top 100 Beijing Software Companies '2005 (in Sales Revenue)	86
Top 10 Beijing Software Companies '2005 (in Tax Payment)	86
Top 10 Beijing Software Companies '2005 (in R&D Input)	87
Deloitte Technology Fast 50 China 2005	87
Beijing Enterprises among the Top 100 Chinese Software Enterprises 2006	89
Beijing Enterprises among the Top 100 Chinese E-government IT Enterprises 2005	90
Beijing Enterprises among the Offshore 100 List 2005	92
Pilot Enterprises of Chinese Software Exporting to Europe and USA Project	93

Appendix2: Chart Content of Full Version

Chart 1-1: Revenues of Beijing Software and Information Service Industry in 2000-2005.....	4
Chart 1-2: Value Added Structure of Beijing Software and Information Service Industry.....	6
Chart 1-3: Revenue Structure of Culture Creative Industry in Beijing Software and Information Service Industry in 2005.....	7
Chart 1-4: Market Scale of Software Enterprises with Annual Sales Revenue over RMB 10 Million in 2004-2005.....	10
Chart 1-5: Structure Change in Beijing Software and Information Service Industry in 2004-2005.....	10
Chart 1-6: Average Profit Rate of Various Sectors in Beijing Software and Information Service Industry.....	11
Chart 1-7: Value-Added Rate of Various Sectors in Beijing Software and Information Service Industry.....	11
Chart 1-8: Average Productivity of Various Sectors in Beijing Software and Information Service Industry.....	12
Chart 1-9: Revenues of Common Application Software in Key Sectors.....	12
Chart 1-10: Average Profit Rate of Some Areas in Common Application Software Sector.....	13
Chart 1-11: Average Value-Added Rate in Some Areas of Common Application Software Sector.....	13
Chart 1-12: Revenues of Key Areas in Industry-specific Application Software in 2004-2005.....	14
Chart 1-13: Average Profit Rate of Some Industry-specific Application Software Sectors.....	14
Chart 1-14: Average Value-Added Rate of Some Industry-specific Application Software Sectors.....	15
Chart 1-15: Revenues of Key Areas in Internet Information Service Sector in 2004-2005.....	16
Chart 1-16: Average Profit Rate of Key Areas in Internet Information Service Sector.....	16
Chart 1-17: Average Value-Added Rate of Key Areas in Internet Information Service Sector.....	16
Chart 1-18: Average Profit Rate of Infrastructure Software Service.....	17
Chart 1-19: Average Value-Added Rate of Infrastructure Software Service.....	17
Chart 1-20: Revenues of Key Areas in Support Software Sector in 2004-2005.....	18
Chart 1-21: Revenues of Key Areas in Other Software Service Sector in 2004-2005.....	19
Chart 1-22: Average Profit Rate of Various Areas in Other Software Service Sector.....	19
Chart 1-23: Average Value-Added Rate of Various Areas in Other Software Service Sector.....	20
Chart 1-24: Revenues of Top 100 Beijing Software Enterprises in Key Areas in 2004-2005.....	21
Chart 2-1: Beijing's Software Exports Via Customs in 2000-2005 & Proportion in National Total.....	23
Chart 2-2: Major Target Nations of Beijing Software Export in 2005.....	24
Chart 2-3: Growth of Beijing Software Export to Japan in 2000-2005.....	24
Chart 2-4: Growth of Beijing Software Export to USA in 2000-2005.....	25
Chart 2-5: Major Target Regions of Beijing Software Export in 2005.....	25
Chart 3-1: Structure of Total Fixed Assets and Current Assets of Beijing's Internet Information Service Industry.....	31
Chart 3-2: Average Fixed Assets and Current Assets of Different Sectors of Beijing's Internet Information Service Industry.....	32
Chart 3-3: Proportion of R&D Staff and R&D Investment Intensity in Individual Sectors of Beijing's Internet Information Service Industry.....	33
Chart 3-4: A Guideline System of Competitiveness Analysis for Enterprises in Internet Information Service Industry.....	34
Chart 4-1: Sales Revenue Structure of Beijing's Industry-specific Application Software Industry.....	37
Chart 4-2: R&D Staff Proportion and R&D Input Intensity of Different Sectors of Beijing's Industry-specific Application Software Industry.....	39
Chart 4-3: A Guideline System of Competitiveness Analysis for Enterprises in Industry-specific Application Software Industry.....	40
Chart 4-4: Organization Structure of Changfeng Alliance.....	43
Chart 5-1: Business Scope Comparison between Listed Beijing Software Enterprises.....	50
Chart 6-1: Comparison of Capital Raised Annually by Beijing Software Industry between 2004 and 2005.....	55
Chart 6-2: Proportions of 3 Types of Equity Financing.....	56
Chart 6-3: Merger and Acquisition Financing Status of Various Software Industry Sectors.....	61
Chart 6-4: Merger and Acquisition Financing Proportion of Various Software Industry Sectors.....	62
Chart 6-5: Large Amounts of Capital Raised by Beijing Software Enterprises through Listing in 2005.....	62
Chart 6-6: Venture Financing Status of Different Software Industry Sectors.....	63
Chart 6-7: Amount of Venture Capital Absorbed by Each Software Industry Sector in 2005.....	64
Chart 6-8: Number of Enterprises That Absorbed Venture Capital in Each Software Industry Sector in Beijing.....	64
Chart 6-9: Amount of Venture Capital Absorbed by Each Business Sector in Beijing's Software Industry in 2005.....	65
Chart 6-10: Comparison of Total Financing Amount between Beijing, Shanghai, and Shenzhen for.....	

2005	68
Chart 7-1: Numbers of Fixed-line and Mobile Users in Beijing	71
Chart 7-2: Rapid Growth of Broadband Internet Users in Beijing	72
Chart 7-3: Consistent Increase of Netizens in Beijing	72
Chart 7-4: Number of Websites in Beijing and Its Proportion in National Total	73
Chart 7-5: Number of Domain Names in Beijing and Its Proportion in National Total	73
Chart 7-6: Distribution of 166 Short Numbers Beginning with "96" by the End of 2005	74
Chart 7-7: Layout of Software Industry in Beijing	76
Chart 7-8: Comparison of Tuition Fees in High Schools in Different Cities in 2005	78
Chart 7-9: Public Hygienic Institutions in 2000 and 2005	79
Chart 8-1: Increase Forecasting of Mobile Users 2006-2010	84

Appendix3: Table Content of Full Version

Table 1-1: Value Added Comparison of Some Modern Service Industries in Beijing in 2004-2005	5
Table 1-2: Value Added Comparison of Software and Information Service Industry with Some Industrial Sectors in 2005	5
Table 1-3: Value-Added Rate Comparison of Various Sectors in Beijing Software and Information Service Industry	6
Table 1-4: Proportion of Beijing Software and Information Service Industry in Local Economy	7
Table 1-5: Comparison of Profit Rate and Value-Added Rate of Top 100 Software Enterprises in Key Sectors in 2004-2005	22
Table 1-6: Comparison of Profit Rate and Value-Added Rate of Top 100 Internet Information Service Enterprises in Key Sectors	22
Table 2-1: Beijing Software Outsourcing Enterprises Receiving Investment in 2005	27
Table 2-2: Major Merger & Acquisitions in Beijing Software Outsourcing Enterprises in 2005	27
Table 3-1: Sales Revenue Structure of Beijing's Internet Information Service Industry	31
Table 3-2: Current Ratio of Individual Sectors in Beijing's Internet Information Service Industry	32
Table 3-3: Turnover Ratios of Fixed Assets and Current Assets in Individual Sectors of Beijing's Internet Information Service Industry	32
Table 3-4: A Comparison of R&D Intensity among Beijing's Internet Information Service Industry, Beijing's Software Industry, and Global Software Industry	33
Table 3-5: Enterprise Competitiveness Ranking in Beijing's Internet Information Service Industry	35
Table 4-1: Total Fixed Assets and Current Assets of Different Sectors of Beijing's Industry-specific Application Software Industry	38
Table 4-2: Average Fixed Assets and Current Assets of Different Sectors of Beijing's Industry-specific Application Software Industry	38
Table 4-3: Current Ratios of Different Sectors of Beijing's Industry-specific Application Software Industry	38
Table 4-4: Fixed Assets and Current Assets Turnover Ratios of Different Sectors of Beijing's Industry-specific Application Software Industry	39
Table 4-5: Enterprise Competitiveness Ranking in Beijing's Industry-specific Application Software Industry	41
Table 4-6: Members of Changfeng Alliance and Their Main Business Operations	43
Table 4-7: Changfeng Alliance's Principal Mechanisms to Promote the Development of Infrastructure Software and Industry-specific Application Software	45
Table 5-1: Listed Beijing Software and Information Service Enterprises	49
Table 5-2: Long-term Solvency of Beijing Software Enterprises Listed in Mainland China, Hong Kong, and NASDAQ	51
Table 5-3: Short-term Solvency Comparison of Beijing's Software Enterprises Listed in Mainland China, Hong Kong, and NASDAQ Stock Exchange Markets – 2005	52
Table 5-4: Operating Efficiency Comparison between Beijing Software Enterprises Listed in Mainland China, Hong Kong and NASDAQ – 2005	53
Table 5-5: Profitability Comparison between Beijing Software Enterprises Listed in Mainland China, Hong Kong, and NASDAQ Stock Exchange Markets – 2005	53
Table 6-1: Financing Details of Beijing Software Enterprises in 2005	55
Table 6-2: Proportion of Equity Financing to Debt Financing	56
Table 6-3: Public Offer Status of Beijing Software Enterprises Listed in 2005	56
Table 6-4: Venture Financing Status of Beijing Software Enterprise in 2005	57
Table 6-5: Merger and Acquisition Financing Status of Beijing Software Enterprises in 2005	59
Table 6-6: Venture Capital Institutions with Investments in Software Industry in 2005	66
Table 6-7: Enterprises with Venture Financing or Public Offer Led by Management Teams with Overseas Backgrounds	67
Table 6-8: Future Equity Financing Needs	69
Table 6-9: Future Debt Financing Needs	69
Table 6-10: Policies Supportive of the Software Industry Specified in the Outline of National Medium-term and Long-term Science and Technology Development Plan and Corresponding Measures	70
Table 6-11: Beijing Municipal Administrative Policies Supportive of the Software Industry	70
Table 7-1: Statistics of China's Telephone and Internet in February 2006	71
Table 7-2: Introduction to Seven Professional Bases	74
Table 7-3: Introduction to Games-related Bases	75

Table 7-4: Introduction to 2 Software Parks	75
Table 7-5: Introduction to 3 Incubators	75
Table 7-6: Retail Volume of Social Consumer Goods Retail in Beijing in 2005	77
Table 7-7: General Situation of Schools of Different Levels in Beijing in 2006	78
Table 8-1: GDP of Different Provinces, Municipalities and Autonomous Regions in China	81
Table 8-2: Growth of GDP in Beijing from 2001 to 2005.....	82
Table 8-3: Development of Netizens in China and Beijing 2001-2005	83
Table 8-4: Increase of Mobile Users in China and in Beijing 2001-2005	83
Table 8-5: Domestic Financial Institutions with Headquarters in Beijing	86
Table 8-6: Multinational ICT Research & Development Institutions in Beijing	86
Table 8-7: Beijing Agencies on Investment and Financing Services	93

Legal Statement

The copyright in this report vests in Beijing Software Industry Productivity Center (BSIPC). The report is research and statistic findings of BSIPC, and all contents, graphs and tables therein are under the protection of intellectual property laws and regulations of China. Any organizations or individuals are not permitted to put information in the report into commercial use except with the prior written consent of BSIPC. Information, data and conclusions in this report only represent BSIPC's own opinions.

The short version of the report is available for free download, but any organizations and individuals are still not permitted to use it for commercial purpose. The official version thereof is only intended for its buyers but limited to their internal use only. If the buyers wish to openly cite data and opinions from the report, they should ask for prior written consent from BSIPC and obtain written authorization from BSIPC. Otherwise, the buyers are not permitted to openly cite data and opinions from the report in whatever means and on whatever media (including but without limitation to Internet), nor they are permitted to provide contents of this report to any other organizations or individuals. If the buyers fail to comply with the obligations, they shall bear all legal consequences. In the meanwhile, BSIPC is also of the opinion that their acts shall constitute infringement upon BSIPC's copyright, for which BSIPC is entitled to take appropriate legal actions to protect their lawful rights and interests.



Official website/free information

<http://www.softdriver.org.cn>

For information about contents of the report

Basic information concerning the report:

Pages: 133
Graphs: 108
Words: 58,000
Price: \$500

For information about Consulting:

Tel: 86-10-82331717-159 Fax: 86-10-82332323
Email: chenr@bsw.gov.cn caog@bsw.gov.cn

For information about purchase:

Tel: 86-10-82331717-815/818 Fax: 86-10-82332323
Email: chuhongzhi@bsw.gov.cn guanrr@bsw.gov.cn

website: <http://www.softdriver.org.cn>
Add : F12 Baiyan Building, No.238, Beisihuan Zhong Road, Haidian District,
Beijing P.R.China
Post Code : 100083

Beneficiary's Name: Beijing Software Industry Productivity Center
Beneficiary's Bank : Bank of Beijing Shuangxiu Branch
Account Number: 010903799001201090060-52