INTERIM REPORT
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Chinasoft International Limited
中軟國際有限公司*

Incorporated in the Cayman Islands with Limited Liability
Stock Code: 0354

* for identification purpose only

CONTENTS

Results for the first half of 2015

Income statement highlights	**For the six months ended 30 June (unaudited) 2015 RMB'000**	(unaudited) 2014 RMB'000	% Increase (over the same period last year)
Revenue	**2,388,751**	1,937,639	23.3%
Revenue from service	**2,204,689**	1,909,225	15.5%
Profit attributable to Owners of the Group	**139,670**	101,265	37.9%
Basic EPS (RMB cents)	**7.23**	5.45	32.7%

Statement of financial position highlights	**(unaudited) 30 June 2015 RMB'000**	(audited) 31 December 2014 RMB'000	% Increase
Total assets	**5,946,378**	5,344,466	11.3%
Total liabilities	**(2,701,801)**	(2,643,435)	2.2%
Total equity	**3,244,577**	2,701,031	20.1%

- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015.
- No closure for the Register of Members of the Company.

Dear Investors,

I am happy to report that the Group continues to enjoy stable growth in its businesses during the first six months of 2015. As for our transformation, we successfully launched JointForce Enterprise Edition on June 19th. We inked the name "解放號" as the official Chinese name of our JointForce platform, with high hopes that JointForce will become a liberating element and catalyst for the digital transformation currently being endeavored by our customers. We hope that in time, JointForce will be as ubiquitous as Tencent (企業號) and Baidu (直達號), becoming a standard icon in enterprise IT.

1. "JointForce" Enterprise Edition Announced – Online Business Initiated

During the reporting period, JointForce grew rapidly. As of this writing, there are over 1,600 registered enterprise-users, 300 development teams and 41,000 programmers. On the JointForce platform, the Group no longer does any software development, but instead stand ready as a third party IT Company to match, facilitate with and protect the participants of the platform: enterprise businesses customers, programmers and programming teams. Looking at completed project evaluations, 100% of all the enterprise customers gave a "thumbs-up" for their experience on JointForce, indicating great prospect for the platform.

According to figures from the Ministry of Industry and Information Technology, the market for custom software development in China is over RMB1 trillion on an annual basis. This is about 200 times the annual revenue for the Group. The fact that Chinasoft is already a strong market leader (among top 3) in this industry shows just how fragmented this market is. Given current environment where IT is becoming part of every business, millions of enterprises are looking for reliable and agile IT services. Our task in the current year is to confirm the trend for which we can substitute traditional Off-line delivery of IT services (programming) by On-line delivery through JointForce. To realize this goal, we estimate that we will need to have over ten thousand registered enterprise businesses and over a hundred thousand registered programmers. We see enterprise business customers (ones that put projects on JointForce) as the initiator and driver of activities for our platform. Within the reporting period, the Group developed an SME Internet + Accelerator service product, supporting growth oriented SMEs through third party products such as Tencent's WeChat SME Account Direct, IT Express and through other government and enterprise customized IT services. This product and the associated services will connect with SME platforms from other focused cities in China, thus creating a network of demand to be served via our JointForce platform. We envision an active eco-system of SMEs built around this network that will place projects on JointForce, fully exploiting the efficiency and convenience that JointForce provides to its enterprise customers. At the same time, the Group will use internet marketing channels to rapidly promote JointForce. In regions with large potential customer base, the Group will use market segmentation to further promote JointForce, cooperate with additional government and industry associated channels, connect with more enterprise and partner resources, and use Tencent's WeChat SME Account Direct program to reach and build relationships with scalable end users.

2. **Cooperation with Huawei Rising to Next Level; Re-organizing Offline Business**

The Group already announced that it has entered into negotiations with Huawei to exchange JV ownership for parent company shares. Huawei will become a strategic investor of the Group. The negotiations is near completion, and with it the cooperation between Chinasoft and Huawei will reach a higher level. Looking forward, we see the close cooperation to bring us three benefits.

First, close relations with Huawei's industry sector business will benefit the Group as more Chinese made equipment are bought in China. Huawei is in the process of becoming the first choice in the Chinese IT vendor world. The Group has already begun pioneering cooperation with Huawei on cloud computing, big data, Industry 4.0 and other new service areas, together working on pilot projects and joint R & D with Huawei's products industry solutions. In doing so we are interacting with a large number of Huawei's delivery resources, such as consulting, designing, solution development, maintenance services and end-to-end operating service models.

The second area of benefit comes from the close cooperation with Huawei in international market, obtaining profits from the globalization of IT services. The international IT Services market generally has higher pricing levels, and it is also a market dominated by Indian companies. Huawei has already started to promote its cloud computing and also big-data analysis solutions on a global scale. To us, this is an opportunity to leap-frog the competition.

The third benefit for the Group is a chance to learn from Huawei's powerful execution-capability culture, allowing us to improve ourselves in organization and management. We want to become the Huawei of the IT services. Our Off-line business will be organized in line with comprehensive strategic cooperation with Huawei, mainly focused on scaled industry domains in Finance & Banking, Insurance and Securities and Public Works, matching with Huawei's business and organization. Under this format, the Group's Off-line business will be upgraded based on Huawei products, mainly in areas of cloud computing and big-data analysis capabilities. The Group's 2015 plan for digitalization services will move along this theme and progress into full swing. Our new technical and professional services will present a refreshing new front to our customers and bring us secure and solid future growth.

To sum up, the Group's business will be driven by two wheels, Off-line business: Huawei and the pan-financial sector, and On-line business: JointForce plus eco-system. Huawei business will be the cornerstone of the Off-line business. JointForce will be the On-line business platform. Off-line business and On-line business will promote and motivate each other: I see our Off-line development centers in Beijing, Shanghai, Shenzhen, Chengdu, XiAn, Nanjing, Hangzhou, Wuhan, Dalian and Guangzhou support our JointForce Online business! These development centers of the Group already cover China's 8 software cities, forming a strong beachhead in creating a concentration of developers in China.

3. **Seek Out Strategic Investors and Fulfill our Goal**

During the reporting period, the stock markets were unusually turbulent. But this time is different from the one in 2008; in the midst of the current storm, we see more hope. We will remain faithful to our goal of finding reliable capital, just like our goal of stick to reliable basic strategies in our business. The Group will actively reach out to investors who understand our business and also approve our On-line and Off-line strategy. We shall seek long term and stable relationship with these investors, and with their support, allow our Off-line business to rise to new levels while see our On-line business soar to new heights, realizing the first steps in our CSI2.0 grand plan.

This is the worst of times; this is the best of times. We savor the experience, and we will be victorious in the end.

BUSINESS RECENT DEVELOPMENTS

Jointforce Development

During the reporting period, the JointForce platform launched its Enterprise Edition on 19 June 2015, becoming the leading IT crowd-sourcing service platform in China. The registered users grew rapidly; as of this writing, there are over 1,600 registered enterprise businesses (from IT, traditional, and Internet industry), over 300 registered engineering teams, and over 41,000 certified programmers. JointForce brings together individual and teams of programmers as well as enterprise businesses which has IT services demands. It is also creating an IT services ecosystem around the platform. JointForce will provide an effective channel to ensure safe and efficient transactions during the entire IT service processes. At the same time, Chinasoft will integrate its accumulated software services experience into the operation of JointForce in order to provide basic and value-add services, and expansion services as a part of platform for the customers. During the reporting period, Jointforce's product range increased and user interface (on website as well as mobile app) improved with more comprehensive communications. In order to ensure on-time delivery and quality control, JointForce now offers transaction, signing, and payment models, PTS value add services, and code quality control services. JointForce's platform performance, stability, and security also improved significantly. The Group also made progress in expanding its channels (resources from enterprises to engineers) in important regions including Beijing, Chengdu, Guangzhou, Xi-An, and etc., with future cooperations in Nanjing, Shenzhen, Hangzhou, Shanghai, Jinan, and other software cities with significant software presence. Jointforce's slogan nationally is "Innovative Public, Public Entrepreneurship". On the one hand, Jointforce helps enterprise to innovate and create new business models and transformations by finding the right programmers and experts to lower costs. On the other hand, JointForce helps individuals and teams of programmers to gain entrepreneurial experiences with a platform that has financing capabilities, helping small IT companies more room to grow. During the reporting period, JointForce participated in the Ministry of Education's "National Innovation Project" and sent out projects to universities students and guided them towards the newest demands and technologies trend in the industry. This helped the university students to have real life experiences as well as innovative capabilities, setting a solid foundation for the growth of JointForce.

Professional Services Group (PSG) Business Development

Finance and Banking: During the reporting period, PSG's core product areas (bank cards, credit financing, and payment and settlement business lines) maintained leading market positions while expanding quickly into Internet finance, financial big-data, and risk control businesses. For the bank card business, PSG helped banks implement financial IC cards with multiple applications, full-network billing systems, create new credit card authorization systems, launched multiple credit card core systems for rural credit cooperatives, and provided core business system and new electronic banking online testing services for a customer in the west. For the credit financing business, PSG, continue to build on the foundation of the numerous existing banking clients, started cooperation with foreign banks, financial institutes and consumer finance companies, and established leading market position while being innovative and creating online business models. For the payment and settlement business, PSG integrated different business channels to create a unified payment platform, created a new global business system for a joint-stock bank, thus establishing favorable market position. For the finance big-data business, PSG helped a large scale state owned banks to implement a better customer targeting analysis and joint-stock banks to implement big data projects. For the Internet finance business, PSG strengthened its cooperation with Internet banks and worked on mobile payment, data card system integration, and micro financing risk control projects. PSG also helped multiple banks to implement online financial platform and mobile payment platform, won the bid for personal and enterprise credit projects, and undertook credit consulting businesses from multiple private banks, wealth management groups and a number of electricity suppliers. For the risk management/control businesses, PSG continued to lead in the anti-fraud product market and helped multiple banks to create enterprise level risk control systems. It also helped a bank to integrate its retail and small-cap credit payment business and created an online auditing and automatic payment system for a joint-stock bank.

Government and Enterprises: During the reporting period, PSG maintained its favorable marketing position in the government auditing sector. The business grew steadily, and it participated in the third phase design of "jin sheng". PSG implemented its auditing products all throughout Jiangsu province and completed the Jiangsu product and business application localization, markings its significance to other provinces in the nation. PSG also developed a technology distributed system using Hadoop 2.0, allowing unstructured data analysis as a means of re-analysis of audit results, combined with overall solutions to help Yunnan's auditing center. In the future this system could be used by other auditing centers under the third phase of "jin sheng". Additionally, for audit, PSG leveraged the 2015 Qingdao Secondary Level Auditing Centers case studies on digital Internet auditing to explore more practical application for big data. In the regulatory field, PSG successfully won the bid for the development of inspection supporting operating system for the Board of Advisors SASAC. In the cultural and entertainment field, PSG continued to layout its strategic blue print, focused on news and digital publications. PSG successfully penetrated two government media outlets and audit publications, and garnered new capabilities and experiences in terms of cloud, new media big data analysis, and digital publications. In the civil aviation business, the PSG continued its leading market position in the safely field and promoted flight standard management system and maintenance management system. PSG won the bid for the Civil Aviation Institute of Science and Technology's integration project of flight quality control and safety monitoring.

During the reporting period, the PSG won the bid for the construction of national tobacco sales system and will implement level two layout and level four application within two years. This system will combine "team, documents, and case management" and "market and internal monitoring". PSG won the bid for National Bureau to start testing projects. It has already completed project testing in Beijing and Henan, helping their governments to accept online certifications in different fields including retail, office administrations, one stop purchase investments portal, and etc. to solidify the Group's strategic position in the tobacco system market. After winning multiple bids to build data centers for different provinces, PSG won the bid to build Henan province's tobacco demand forecast system, Hebei province's operational analysis system, and etc., exemplifying the PSP's capability to build and service data centers' full operation. PSG maintained its leading position in the MES market, and developed smart MES products that can be used to expand the cargo structure and support over 10 company's MES project developments. This "smart 1.0" product is built for the "China Manufacture 2025" policy.

Insurance and Securities: During the reporting period, PSG expanded its businesses with major customers including HSBC, CPIC, and PICC, and won new customers including Insurance Institute of Actuaries. Meanwhile, in the core insurance business, PSG accumulated a large amount of industry experiences in application structure planning, outsourcing and digital marketing in order to provide higher efficiencies for the clients. PSG won the bid for PICC's project to develop a customer sharing platform, CPIC's phase two of the third party payment system, innovative IT laboratory and living services mall establishment. PSG will work with CPIC to expand into new fields including third party payment, e-commerce and further strengthen the core businesses with them. PSG renewed its contract with the Shanghai branch of CSDC for its 2015 development and maintenance projects, exemplifying the Group's plan to have a breakthrough in China's securities market. PSG expanded its businesses with Huatai Securities, Zhongshan Securities, and more.

Public Services: During the reporting period, the Group maintained a high level of growth in this industry. For the railway businesses, PSG continued its leading position in the domestic rail traffic clearing center market, broadening its advantageous position after winning bids for the only two enterprise level projects in the first half of 2015. For the railway automatic fare collection business, PSG continued to acquire new customers in Lanzhou and Qingdao, marking the best results in its history. The PSG received praises from different clients, like Chengdu, for the improvement of project delivery and quality.

Outsourcing Services Group (OSG) Business Development

Huawei: During the reporting period, the Group's Huawei business line achieved breakthrough in both the business volume and layouts. OSG has always had a strong competitive advantage in the basic network businesses. The consumer business also doubled year over year, and has set a solid foundation for growth. The 2012 laboratory business were able to develop next generation core technology. For the software and service business, the Group led in the mobile payment technologies, and was the only DSV supplier and successfully completed delivery globally. For the enterprise business, the OSG followed Huawei's public cloud strategy and will work in strong cooperate with them. As the gold label agent for Huawei's China enterprise business, OSG begun to see results in the enterprise and financial businesses. This effort also matched Huawei's annual focal point. The OSG also helped ten engineers to become Huawei certified engineers, and they will be able to offer Huawei IT solutions. The Group also strengthened cooperation in cloud computing and big data. OSG developed a joint cloud management and cloud middleware solutions that will be tested first by the government. The OSG also became a core partner in Huawei's big data alliance in the finance industry, and have begun to work with multiple banks. Lastly the OSG pushed out an Industry 4.0 solutions that will be announced in the 2015 Huawei HNC conference.

Microsoft: During the reporting period, the strategic partnership between the two parties continued to strengthen. In accordance to Microsoft's strategy to increase secondary city businesses, the Xi-An offshore center received praises from customers for its excellent delivery services. The success in the Microsoft global technology support center's customer service demonstration allowed the customers to recognize the OSG's capabilities and set a strong foundation for future business opportunities. OSG received more business opportunities after delivering high quality services to the MSIT business line and became the only Chinese service provider in this business line.

Greater China Region: During the reporting period, the Group won the bid for Alibaba's big framework project and became a strategic service provider. The Group's work with Tencent also reached new heights by achieving, for the first time, of having over one thousand professionals on Tencent projects. In the travel and transportation industry, OSG won the China Eastern Airlines account and set a foundation in the aviation field. In the energy industry, OSG captured the China XD Group account. The Group has managed to catch the wave of new technology development and Internet transformation. The Group will use its existing technologies along with the new technologies to focus on its core customers, increase competitive advantages, provide more value add services, and grow with the customers.

Japan/Korea: During the reporting period, the Group acquired new businesses and customers in the finance field, achieving next level expansion in the finance field. OSG continued to improve business quality though improving processes in the finance BPO business. OSG established new delivery centers in order to keep up with the fast growth of the data processing business and to ensure the OSG's capabilities to provide engineers.

Emerging Services Group (ESG) Business Development

Mobile

Big Unified Communication: During the reporting period, the Group continued to develop the technology support, RCS integrative communication of Fetion wireless product, and continued to layout its China Mobile 4G unified communication business. This signifies the strengthened strategic relationship between China Mobile and the Group. China Mobile's big unified communication strategy will be a full upgrade to its basic communication and will fully support the different needs in the 4G era. The ESG will continue to explore in the real-time communication, value-added communications, open platform, social media, and other fields in order to deepen its cooperation with China Mobile and expand its unified communication business.

Unified Communication: During the reporting period, ESG continued to develop China Mobile's unified communication and became its core strategic partner that have penetrated into the core of China Mobile's businesses. The unified communication will become an upgrade to the basic communication means, and support different needs in a 4G era. China Mobile and ESG will continue to explore in the real-time communication, value-added communications, open platform, social media, and other fields.

139 Mailbox: During the reporting period, ESG successfully implemented the China Mobile 139 mobile mailbox's operation and support. 139 mailbox has the most user compared to that of any other China Mobile's Internet business and has become users' top choices of mailbox. In the future, the 139 mailbox will become a core communication means in the non-instant messaging field and will expand horizontally with other businesses to become a strong addition to China Mobile's communication strategy.

Unified Payment: During the reporting period, ESG signed and began phase three development of the China Mobile unified payment platform. This project will be constructed around prepaid value, Internet of things, Feition, data, third party payment, and unified payment systems, and in the future, it has to potential to become integrated into unified communication, data management, point managements, and big customer management systems.

Cloud Works

Pharmaceutical Cloud: During the reporting period, the ESG became the first and only "China E-Monitoring System Integration Standard – Enterprise Retail" certified integrator that can construct a pharmaceutical information sharing platform. This helped the Group to establish a foundation in related fields, and have the opportunity to focus on government, enterprise, and consumer's operational big data. This will be a milestone for the implementation of the Group's cloud strategy.

Administrative Government Cloud: During the reporting period, ESG signed a strategic cooperation with the Guizhou Economic and Information Technology Committee to form a joint venture called "Guizhou Chinasoft Cloud and Data Technology Limited." This joint venture will begin working on centralizing Guizhou's big data management, big data migration, big data exchange platform, big data collection, analysis, forecast, cloud application, and other related fields. During the reporting period, the ESG's RAE service received a trusted cloud service certification from the data center alliance as a part of the third installment of companies to have received this certification.

Training (ETC) Business Development

During the reporting period, the ETC signed on two more "cooperative universities (total: 71)", built two professional institutes (total: 53), won the "2015 Top Five Outsourcing Training Institutes" award given by the China outsourcing net and the "2014 Top Outsourcing Training Facilities in Tianjin" award given by the Tianjin outsourcing association. In terms of the Internet of things and mobile Internet, the ETC worked with four new Universities including, Jiangxi University of Finance and Economics, Taishan Medical College, Taiwanese Normal University, and Taiyuan University of Technology (total: 47) to build laboratories and cooperate in multiple fields.

During the reporting period, the ETC followed through its strategy to integrate online and offline businesses and established Excellent Experience Center (EEC) in Nanchang, Chengdu, Hefei, and Nanjing in order to expand into the B2C training marketing. The online IT learning platform, "Zhai Ke Xue Yuan" has entered into the public testing phase. Zhai Ke Xue Yuan is not only an online IT leaning platform for university students, it is also an educational platform that can be integrated into the Jointforce ecosystem. Zhai Ke Xue Yuan can help the Jointforce platform to provide engineering training and services, while the engineers on Jointforce can provide 1-1 training to university students. The public beta version contains around 200 courses, or 5000 hours of coursework, including iOS, Android, web development, big data, Java, and C/C+.

Catapult Business Transformation Progress

During the reporting period, Catapult's Solution-as-a-Service product FUSE continued to gain recognition in the market and praises from both Microsoft and also its customers. During the most recent Microsoft's World-wide Partner Conference (WPC-2015) in Orlando, Microsoft's executives recognized Catapult's strategy to develop solution products. Fuse is a departmental relationship catalysts, helping employees to improve work efficiencies and engagement. Fuse is compatible with SharePoint Server, and can be deployed in Azure and AWS virtual machines. Meanwhile the Group developed another solution product called Frontline. It aims to change traditional management capabilities to become automatic, helping the business to operate more efficiently. Currently it is in the testing phase with great feedbacks from the users.

KEY OPERATING DATA

During the first half of 2015, the Group's businesses continued to grow steadily. The revenue, service revenue, net profit attributable to the owners of the Group, and the EPS increased by 23.3%, 15.5%, 37.9%, and 32.7% compared to the same period a year ago.

The key operating data (unaudited) for six months ended 30 June 2015 are:

	Six Months Ended 30 June		
	2015 RMB'000	2014 RMB'000	Growth Rate
Revenue	**2,388,751**	1,937,639	23.3%
Service revenue	***2,204,689***	*1,909,225*	*15.5%*
Cost of sales	**(1,711,509)**	(1,356,441)	26.2%
Gross profit	**677,242**	581,198	16.5%
Other income, gains and losses	**12,899**	20,920	(38.3%)
Selling and distribution expenses	**(110,631)**	(102,160)	8.3%
Administrative expenses	**(339,572)**	(299,977)	13.2%
Allowance for doubtful debts	**(309)**	(298)	3.7%
Amortization of intangible assets and prepaid lease payments	**(46,326)**	(40,350)	14.8%
Finance costs	**(39,565)**	(35,528)	11.4%
Share of results of associates	**583**	363	60.6%
Profit before taxation	**154,321**	124,168	24.3%
Taxation	**(11,261)**	(9,080)	24.0%
Profit for the period	**143,060**	115,088	24.3%
Taxation	**11,261**	9,080	24.0%
Finance Costs	**39,565**	35,528	11.4%
Depreciation of property, plant and equipments	**32,690**	30,224	8.2%
Amortization of intangible assets and prepaid lease payments	**46,326**	40,350	14.8%
Share of results of associates	**(583)**	(363)	60.6%
EBITDA	**272,319**	229,907	18.4%
Profit attributable to shareholders	**139,670**	101,265	37.9%
Basic EPS (RMB cents)	**7.23**	5.45	32.7%

GENERAL OVERVIEW

The revenue, service revenue, and results of the Group's different business lines for the first half of 2015 are as follow:

	Revenue			Service Revenue			Results		
	Six Months Ended 30 June		Growth Rate	Six Months Ended 30 June		Growth Rate	Six Months Ended 30 June		Growth Rate
	2015 RMB'000	2014 RMB'000		2015 RMB'000	2014 RMB'000		2015 RMB'000	2014 RMB'000	
Professional Services Business (PSG)	961,819	779,705	23.4%	777,757	751,291	3.5%	86,879	83,778	3.7%
Outsourcing Services Business (OSG)	1,160,716	960,495	20.8%	1,160,716	960,495	20.8%	88,637	71,574	23.8%
Emerging Services Business (ESG)	220,487	149,991	47.0%	220,487	149,991	47.0%	25,206	16,891	49.2%
Training Business	45,729	47,448	(3.6%)	45,729	47,448	(3.6%)	847	1,706	(50.4%)
Total	**2,388,751**	**1,937,639**	**23.3%**	**2,204,689**	**1,909,225**	**15.5%**	**201,569**	**173,949**	**15.9%**

The PSG's revenue achieved a YoY growth of 23.4%. This growth came from the increase of businesses from the railway integration solution. The PSG's service revenue achieved a YoY growth of 3.5%. The reason for only a slight increase is because there was no apparently increase in demand in the traditional solutions market, and also the Group is now shifting focus to the ESG.

The OSG's service revenue achieved a YoY growth of 20.8%. This growth came from the increase of businesses from Huawei.

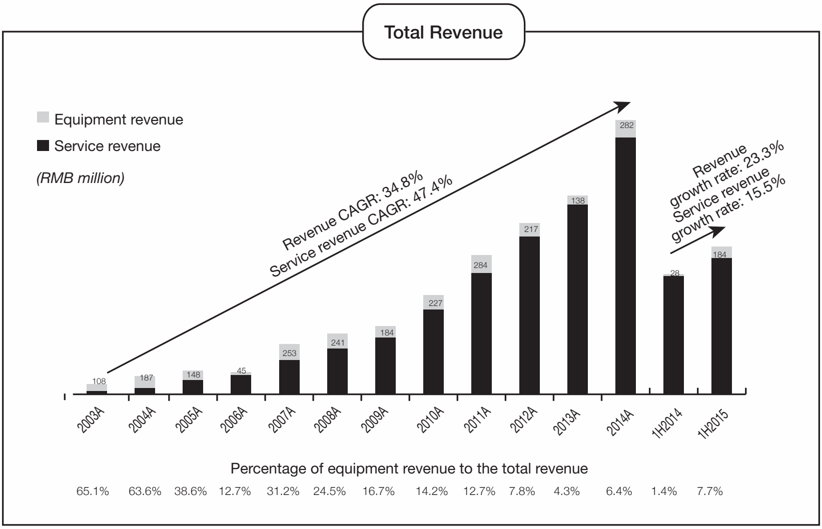
In terms of service revenue, the ESG achieved a YoY growth of 47.0%. This rapid growth came from the increase of businesses from cloud computing and mobile internet.

The ETC's revenue realized a YoY decrease of 3.6% due to cyclical factors.

During the reporting period, the Group's result achieved a YoY growth of 15.9%, slightly higher than the 15.5% YoY growth of the Group's service revenue. The overall profitability increase is attributed to the still limited effect of increase of utilization rate that offset against the increase of wages after implementing Jointforce to some business lines.

The Group firmly believes that as Jointforce becomes more widely utilized, the Group's operating profit margin will continue to improve and the results will continue to increase.

Since listing on the GEM board in 2003, the Group has maintained high revenue and service revenue growth, recording a CAGR of 34.8% and 47.4% respectively from 2003-2014. For the first six months of 2015, the revenue and service revenue achieved YoY growth of 23.3% and 15.5% respectively. The details are as follow:



Customers

In the first half of 2015, the top five and ten customers accounted for 49.4% and 55.2% of the Group's service revenue.

As of 30 June 2015, the Group had over 83 large customers (contributed more than RMB6 million of service revenue within the past 12 months).

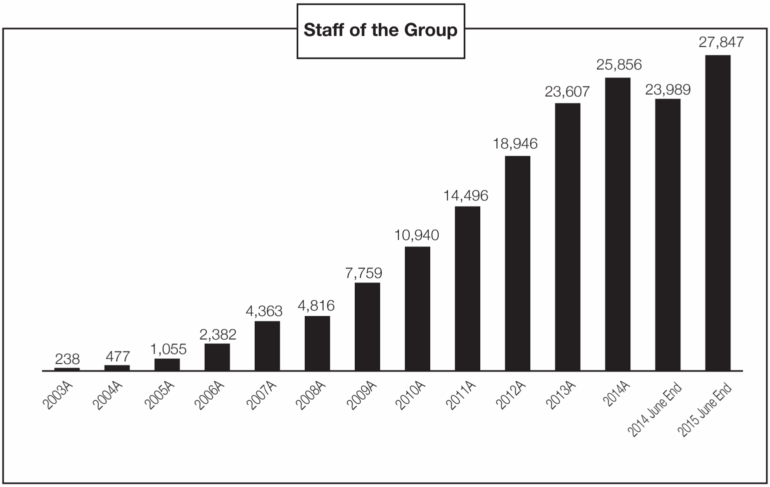
Market

The Group's businesses are concentrated in the Greater China region. During the first half of 2015, the Group continued to set Greater China market as an important area of development. China's strong economic growth and market potentials give rise to long-term growth opportunities for the Group. That said, the Group will continue to expand oversea through Catapult Systems, a Microsoft cloud systems integration service provider.

Human Resources

As of 30 June 2015, the Group has a total of 27,847 employees, representing an increase of 16.1% YoY (23,989 employees) in HI 2014 and 7.7% from the end of 2014.

The Group's growth in employee size since listing on the Growth Enterprise Market in 2003 is as follows:



Profitability

For the first half of 2015, the Group once again saw robust earnings growth. Profit attributable to shareholders rose by 37.9% to RMB139.7 million compared to RMB101.3 million in the same period a year ago. Group EBITDA was RMB272.3 million in the current period compared to last year's RMB229.9 million, a rise of 18.4%. Basic EPS rose 32.7% to RMB7.23 cents from last year's RMB5.45 cents.

Operating Results

The following chart is the Group's consolidated statement of comprehensive income for the six months ended 30 June 2014, 2015 (unaudited):

	Six Months Ended 30 June 2015 RMB '000	Percentage of Revenue	Percentage of Service revenue	Six Months Ended 30 June 2014 RMB '000	Percentage of Revenue	Percentage of Service Revenue
Revenue	2,388,751	N/A	N/A	1,937,639	N/A	N/A
Service revenue	*2,204,689*	N/A	N/A	*1,909,225*	N/A	N/A
Cost of sales	(1,711,509)	(71.6%)	N/A	(1,356,441)	(70.0%)	N/A
Gross Profit	677,242	28.4%	30.7%	581,198	30.0%	30.4%
Other income, gains and losses	12,899	0.5%	0.6%	20,920	1.1%	1.1%
Selling and distribution expenses	(110,631)	(4.6%)	(5.0%)	(102,160)	(5.3%)	(5.4%)
Administrative expenses	(339,572)	(14.2%)	(15.4%)	(299,977)	(15.5%)	(15.7%)
Allowance for doubtful debts	(309)	(0.01%)	(0.01%)	(298)	(0.02%)	(0.02%)
Amortization of intangible assets and prepaid lease payments	(46,326)	(1.9%)	(2.1%)	(40,350)	(2.1%)	(2.1%)
Finance costs	(39,565)	(1.7%)	(1.8%)	(35,528)	(1.8%)	(1.9%)
Share of results of associates	583	0.02%	0.03%	363	0.02%	0.02%
Profit before taxation	154,321	6.5%	7.0%	124,168	6.4%	6.5%
Taxation	(11,261)	(0.5%)	(0.5%)	(9,080)	(0.5%)	(0.5%)
Profit for the period	143,060	6.0%	6.5%	115,088	5.9%	6.0%
Profit attributable to shareholders	139,670	5.8%	6.3%	101,265	5.2%	5.3%

Revenue

For the first half of 2015, the Group's revenue was RMB2,388.8 million, representing a YoY growth of 23.3% (for 20141H: RMB1,937.6 million). The Group's service revenue was RMB2,204.7 million, representing a YoY growth of 15.5% (for 20141H: RMB1,909.2 million). The growth came primarily from ESG and OSG.

The comparison of the Group's revenue by businesses for the first half of 2015 and 2014 is as follows:

RMB'000	**Six Months Ended 30 June 2015**	**%**	Six Months Ended 30 June 2014	%	Growth Rate
Profession Services Business (PSG)	**961,819**	**40.3%**	779,705	40.3%	23.4%
Outsourcing Services Business (OSG)	**1,160,716**	**48.6%**	960,495	49.6%	20.8%
Emerging Services Group (ESG)	**220,487**	**9.2%**	149,991	7.7%	47.0%
Training Business	**45,729**	**1.9%**	47,448	2.4%	(3.6%)
Total	**2,388,751**	**100%**	1,937,639	100%	23.3%

The comparison of the Group's service revenue by businesses for the first half of 2015 and 2014 is as follows:

RMB'000	**Six Months Ended 30 June 2015**	**%**	Six Months Ended 30 June 2014	%	Growth Rate
Profession Services Business (PSG)	**777,757**	**35.3%**	751,291	39.4%	3.5%
Outsourcing Services Business (OSG)	**1,160,716**	**52.6%**	960,495	50.3%	20.8%
Emerging Services Group(ESG)	**220,487**	**10.0%**	149,991	7.9%	47.0%
Training Business	**45,729**	**2.1%**	47,448	2.4%	(3.6%)
Total	**2,204,689**	**100%**	1,909,225	100%	15.5%

Main Business Expenses

For the first half of 2015, the Group's main business expenses (cost of sales) were RMB1,711.5 million, representing a YoY growth of 26.2% (for 20141H: RMB1,356.4 million).

Gross Profit

For the first half of 2015, the Group's gross profit was RMB677.2 million, representing a YoY growth of 16.5% (for 20141H: RMB581.2 million). The Group's gross margin was 28.4%, representing a YoY decrease of 1.6% (for 20141H: 30.0%). The main reason for the decrease of the gross margin is because in the current period we had more hardware sales (which as a much lower profit margin) compared to a year ago. For the first half of 2015, the Group's gross margin (to service revenue) was 30.7%, representing a YoY growth of 0.3% (for 20141H: 30.4%).

Other Income, Gains, and Losses

For the first half of 2015, the Group's other income was RMB12.9 million, representing a YoY decrease of 38.3% (for 20141H: RMB20.9 million). The reason for the decrease is due to the decrease of government grants received in 20151H compared to that of 2014.

Operating Expenses

For the first half of 2015, the Group's selling and distribution expenses were RMB110.6 million, representing a YoY increase of 8.3% (for 20141H: RMB102.2 million). The Group's selling and distribution expenses accounted for 4.6% of the revenue, representing a YoY decrease of 0.7% (for 20141H: 5.3%). The Group's selling and distribution expenses accounted for 5.0 % of the service revenue, representing a YoY decrease of 0.4% (for 20141H: 5.4%). This shows that the Group has increased its sales management efficiency.

For the first half of 2015, the Group's administrative expenses were RMB 339.6 million, representing a YoY growth of 13.2% (for 20141H: RMB300.0 million). The Groups administrative expenses accounted for 14.2% of the revenue, representing a YoY decrease of 1.3% (for 20141H: 15.5%). The Groups administrative expenses accounted for 15.4% of the service revenue, representing a YoY decrease of 0.3% (for 20141H: 15.7%). The main reason for the administration's improved efficiency is because of the operation and management support platform implemented in the previous years has become more effective, in addition to the implementation of a flatter management style through the promotion of Jointforce platform.

EBITDA

The details on profit to EBITDA during the reporting period are as follow:

RMB'000	Six Months Ended 30 June		Growth Rate
	2015	2014	
Profit for the period	**143,060**	**115,088**	**24.3%**
Taxation	11,261	9,080	24.0%
Finance costs	39,565	35,528	11.4%
Depreciation of property, plant and equipment	32,690	30,224	8.2%
Amortization of intangible assets and prepaid lease payments	46,326	40,350	14.8%
Share of results of associates	(583)	(363)	60.6%
EBITDA	**272,319**	**229,907**	**18.4%**

For the first half of 2015, the Group's EBITDA was RMB272.3 million, representing a YoY growth of 18.4% (for 20141H: RMB229.9 million). The Group's EBITDA accounted for 11.4% of the revenue, representing a YoY decrease of 0.5% (11.9%). The Group's EBITDA margin (to service revenue) was 12.4%, representing a YoY growth of 0.4% (for 20141H: 12.0%).

During the reporting period, several business lines began to use Jointforce internally and increased the utilization rate therefore offsetting some increase in employee wages. As a result, the EBITDA margin (to service revenue) improved slightly.

Finance Expenses and Income Tax

For the first half of 2015, the Group's finance expenses accounted for 1.7% of the revenue, representing a YoY decrease of 0.1% (for 20141H: 1.8%). The Group's finance expenses were RMB 39.6 million, representing a YoY growth of 11.4% (for 20141H: RMB35.5 million). The main reason for the increase of finance expenses was due to the increase of loan interests since more short-term loans were borrowed in 20151H than that of 20141H.

For the first half of 2015, the income tax was RMB 11.3 million, representing a YoY increase of 24.0% (for 20141H: RMB9.1 million). The Group's effective tax rates were on average 7.3%.

Other Non-Cash Expenses

For the first half of 2015, the Group's depreciation of property, plant and equipment (PPE) accounted for 1.4% of the revenue, representing a YoY decrease of 0.2% (for 20141H: 1.6%). The Group's PPE was RMB32.7 million, representing a YoY increase of 8.2% (for 20141H: RMB30.2 million). The increase is due to the purchase of fixed assets to accommodate the increase of employees, resulting in the increase of depreciation.

For the first half of 2015, the Group's amortization of intangible assets accounted for 1.9% of the revenue, representing a YoY decrease of 0.2% (for 20141H: 2.1%). The Group's amortization of intangible assets was RMB46.3 million, representing a YoY increase of 14.8% (for 20141H: RMB40.4 million). The increase of amortization resulted from the R&D expenses from the end of last year.

For the first half of 2015, the Group's share option expenses accounted for 0.1% of the revenue, representing a YoY decrease of 0.3% (for 20141H: 0.4%). The Group's share option expenses were RMB2.152 million, representing a YoY decrease of 73.6% (for 20141H: RMB8.153 million). The decrease of share option expenses is because the Group's has not issued new options in the last two years.

The Group's allowance for doubtful debts was RMB309,000. It is similar to last year's allowance for doubtful debts of corresponding period of RMB298,000.

Profit for the Period and Earnings Per Share

For the first half of 2015, the Group's profit was RMB 143.060 million, representing a YoY growth of 24.3% (for 20141H: RMB115.088 million). The Group's profit to revenue and service revenue margins were 6.0% and 6.5% respectively, representing a YoY growth of 0.1% and 0.5% (for 2014H: 5.9%, 6.0%).

Excluding the profit attributable to the minority shareholders for the first half of 2015, the Group's profit attributable to shareholders was RMB139.670 million, representing a YoY growth of 37.9% (for 20141H: RMB101.265 million). The Group's profit attributable to shareholders to revenue and service revenue margins were 5.8% and 6.3% respectively, representing a YoY growth of 0.6% and 1.0% (for 20141H: 5.2%, 5.3%).

For the first half of 2015, based on the profit attributable to shareholders, the Group's basic earnings per share (EPS) was RMB7.23 cents, representing a YoY growth of 32.7% (for 20141H: RMB5.45 cents).

INTERIM RESULTS

The board of Directors (the "Board") of Chinasoft International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 with corresponding figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		For the six months ended 30 June	
		2015	2014
	Notes	**RMB'000**	RMB'000
Turnover	*3*	**2,388,751**	1,937,639
Cost of sales		**(1,711,509)**	(1,356,441)
Gross profit		**677,242**	581,198
Other income, gains and losses		**12,899**	20,920
Selling and distribution costs		**(110,631)**	(102,160)
Administrative expenses		**(339,572)**	(299,977)
Allowance for doubtful debts		**(309)**	(298)
Amortisation of intangible assets		**(46,326)**	(40,350)
Finance costs	*4*	**(39,565)**	(35,528)
Share of result of associates		**583**	363
Profit before taxation		**154,321**	124,168
Taxation	*5*	**(11,261)**	(9,080)
Profit for the period		**143,060**	115,088
Other comprehensive income			
Exchange differences arising on transaction of foreign operations		**1,026**	4,184
Total comprehensive income for the period		**144,086**	119,272
Profit for the period attributable to:			
Owners of the Company		**139,670**	101,265
Non-controlling interests		**3,390**	13,823
		143,060	115,088
Total comprehensive income attributable to:			
Owners of the Company		**140,705**	105,458
Non-controlling interests		**3,381**	13,814
		144,086	119,272
Earnings per share	*7*		
– Basic (cents)		**7.23**	5.45
– Diluted (cents)		**6.71**	5.36

	Notes	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Non-current assets			
Property, plant and equipment		**526,862**	335,803
Intangible assets		**308,285**	325,458
Goodwill		**983,298**	983,298
Interests in associates		**12,712**	9,629
Available-for-sale investment		**49,122**	43,256
Prepaid lease payments		**40,011**	40,474
Derivative financial instruments		**1,074**	1,074
Deferred tax assets		**11,519**	11,519
		1,932,883	1,750,511
Current assets			
Inventories		**40,523**	31,991
Trade and other receivables	*8*	**1,614,261**	1,315,781
Prepaid lease payments		**968**	1,009
Amounts due from customers for contract work		**1,741,143**	1,410,425
Amount due from related companies		**1,588**	944
Pledged deposits		**60,777**	22,370
Bank balances and cash		**554,235**	811,435
		4,013,495	3,593,955
Current liabilities			
Trade and other payables	*9*	**856,963**	771,852
Bills payable		**–**	35,791
Amounts due to customers for contract work		**127,811**	212,205
Amounts due to related companies		**23,392**	16,708
Dividend payable to shareholders		**73**	73
Taxation payable		**39,107**	52,651
Borrowings	*10*	**1,269,860**	1,240,190
		2,317,206	2,329,470
Net current assets		**1,696,289**	1,264,485
Total assets less current liabilities		**3,629,172**	3,014,996

	Notes	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Non-current liabilities			
Deferred tax liabilities		**19,294**	19,294
Consideration payable on acquisition of a subsidiary		**38,900**	38,900
Convertible loan notes		**97,321**	193,771
Borrowings	*10*	**229,080**	62,000
		384,595	313,965
		3,244,577	2,701,031
Capital and reserves			
Share capital	*11*	**94,493**	88,014
Share premium		**2,093,971**	1,686,561
Reserves		**841,580**	722,804
Equity attributable to equity holders of the Company		**3,030,044**	2,497,379
Non-controlling interests		**214,533**	203,652
Total equity		**3,244,577**	2,701,031

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to the owners of the company												
	Share capital RMB'000	Share premium RMB'000	Hedging reserve RMB'000	Translation reserve RMB'000	Share options reserve RMB'000	Convertible loan notes reserve RMB'000	General reserve fund RMB'000	Statutory enterprise expansion fund RMB'000	Statutory surplus reserve fund RMB'000	Accu-mulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2014	87,085	1,667,181	649	(9,767)	38,813	30,391	15,793	26,749	49,662	361,667	2,268,223	172,978	2,441,201
Profit for the period	-	-	-	-	-	-	-	-	-	101,265	101,265	13,823	115,088
Exchange differences arising from translation of overseas operations	-	-	-	4,193	-	-	-	-	-	-	4,193	(9)	4,184
Total comprehensive income for the period	-	-	-	4,193	-	-	-	-	-	101,265	105,458	13,814	119,272
Acquisition of additional equity interest in subsidiary	-	(3,675)	-	-	-	-	-	-	-	-	(3,675)	(27,272)	(30,947)
New issue of shares upon exercise of share option	841	23,770	-	-	(6,106)	-	-	-	-	-	18,505	-	18,505
Recognition of equity-settled share based payments	-	-	-	-	8,153	-	-	-	-	-	8,153	-	8,153
At 30 June 2014	87,926	1,687,276	6 49	(5,574)	40,860	30,391	15,793	26,749	49,662	462,932	2,396,664	159,520	2,556,184
At 1 January 2015	88,014	1,686,561	-	(11,532)	48,813	30,391	15,793	26,749	71,303	541,287	2,497,379	203,652	2,701,031
Profit for the period	-	-	-	-	-	-	-	-	-	139,670	139,670	3,390	143,060
Exchange differences arising from translation of overseas operations	-	-	-	1,035	-	-	-	-	-	-	1,035	(9)	1,026
Total comprehensive income for the period	-	-	-	1,035	-	-	-	-	-	139,670	140,705	3,381	144,086
Acquisition of additional equity interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	7,500	7,500
New issue of shares upon exercise of share option	237	10,220	-	-	(2,476)	-	-	-	-	-	7,981	-	7,981
Recognition of equity-settled share based payments	-	-	-	-	2,152	-	-	-	-	-	2,152	-	2,152
Issue of ordinary shares upon partial conversion of convertible loan notes	2,296	115,760	-	-	-	(21,605)	-	-	-	-	96,451	-	96,451
Issue of ordinary shares upon subscription	1,973	143,258	-	-	-	-	-	-	-	-	145,231	-	145,231
Expenses on issue of subscription shares	-	(1,454)	-	-	-	-	-	-	-	-	(1,454)	-	(1,454)
Issue of ordinary shares upon placing	1,973	143,258	-	-	-	-	-	-	-	-	145,231	-	145,231
Expenses on issue of placing shares	-	(3,632)	-	-	-	-	-	-	-	-	(3,632)	-	(3,632)
At 30 June 2015	94,493	2,093,971	-	(10,497)	48,489	8,786	15,793	26,749	71,303	680,957	3,030,044	214,533	3,244,577

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Net cash used in operating activities	**(471,596)**	(426,864)
Net cash used in investing activities	**(263,340)**	(168,234)
Net cash generated from financial activities	**475,919**	32,335
Net decrease in cash and cash equivalents	**(259,017)**	(562,763)
Effect of foreign exchange rate changes	**1,817**	4,192
Cash and cash equivalents at the beginning of the period	**811,435**	940,823
Cash and cash equivalents at the end of the period	**554,235**	382,252

1. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at their fair values.

The accounting policies used in these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS10, HKFRS12 and HKAS 27	Investment Entities
Amendments to HKAS32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS36	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to HKA39	Novation of Derivatives and Continuation of Hedge Accounting
HK(FRIC) – Int 21	Levies

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold and services rendered during the period.

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the category of customers for each type of goods supplied or services provided by the Group's operating divisions.

Specifically, the Group's reportable segments are as follows:

1. Professional Services Business (PSG)

2. Outsourcing Services Business (OSG)

3. Emerging Services Business (ESG)

4. Training Business

Information regarding the above segments is reported below.

Segment revenues and results

The following is an analysis of the Group's revenues and results by operating segment:

	For the six months ended 30 June			
	Segment revenue		Segment results	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Professional Services Business (PSG)	**961,819**	779,705	**86,879**	83,778
Outsourcing Services Business (OSG)	**1,160,716**	960,495	**88,637**	71,574
Emerging Services Business (ESG)	**220,487**	149,991	**25,206**	16,891
Training Business	**45,729**	47,448	**847**	1,706
	2,388,751	1,937,639	**201,569**	173,949

Segment revenue by products and services:

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Sale of software and hardware products	**184,062**	28,414
Professional Services Business (PSG)	**777,757**	751,291
Outsourcing Services Business (OSG)	**1,160,716**	960,495
Emerging Services Business (ESG)	**220,487**	149,991
Training Business	**45,729**	47,448
	2,204,689	1,909,225
	2,388,751	1,937,639

Reconciliation of segment results to profit before taxation:

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Segment results	**201,569**	173,949
Other income, gains and losses	**(17)**	258
Loan interest	**(10,383)**	(7,832)
Corporate expenses	**(29,588)**	(27,493)
Share option expenses	**(2,152)**	(8,153)
Effective interest on convertible loan notes	**(5,108)**	(6,561)
Profit before taxation	**154,321**	124,168

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in either year.

Segment results represent the profit earned by/loss from each segment without allocation of corporate expenses, share-based payment, effective interest on convertible loan notes and certain items of other income, gains and losses recorded at corporate level. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

4. FINANCE COSTS

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Interest on borrowings wholly repayable within five years	**34,457**	28,967
Effective interest on convertible loan notes	**5,108**	6,561
	39,565	35,528

5. TAXATION

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Tax charge comprises:		
PRC Enterprise Income Tax	**9,205**	8,720
Hong Kong Profits Tax	**–**	–
The US Federal and State Income taxes	**1,937**	184
Japan Income Tax	**119**	176
	11,261	9,080

No provision for Hong Kong Profits Tax has been made for both periods as the Company and its subsidiaries have no assessable profit arising in Hong Kong.

PRC Enterprise Income Tax is calculated at the rates prevailing in relevant districts of the PRC.

Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

6. DIVIDEND

The Company did not declare final dividend for the year ended 31 December 2014 and interim dividend for the period ended 30 June 2015 to its shareholders.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Earnings for the purposes of calculating basic and diluted earnings per share	**139,670**	101,265

	Number of shares	
	2015	2014
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,932,078,587**	1,859,301,250
Effect of dilutive potential ordinary shares: Issuable under the Company's share option scheme	**148,005,652**	28,780,395
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,080,084,239**	1,888,081,645

The computation of diluted earnings per share for the period ended 30 June 2014 and 30 June 2015 did not assume the conversion of the convertible loan notes as the conversion would result in an increase in the diluted earnings per share.

8. TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Trade receivables	**861,039**	667,518
Less: Allowance for doubtful debts	**(132,507)**	(132,198)
	728,532	535,320
Trade receivables from related companies	**575,656**	460,551
	1,304,188	995,871
Advances to suppliers	**54,966**	85,830
Deposits, prepayments and other receivables	**255,107**	214,836
Loan to staff	**–**	19,244
	1,614,261	1,315,781

The credit terms of the Group range from 30 to 180 days. An aged analysis of trade receivables (net of allowance for doubtful debts), presented based on the invoice date at the end of the reporting period is as follows:

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Within 90 days	**862,948**	734,189
Between 91-180 days	**171,097**	105,568
Between 181-365 days	**215,852**	146,405
Between 1-2 years	**47,133**	6,383
Over 2 years	**7,158**	3,326
	1,304,188	995,871

The fair value of the Group's trade and other receivables at 30 June 2015 was approximately equal to the corresponding carrying amount.

9. TRADE AND OTHER PAYABLES

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Trade payables	**478,540**	336,422
Deposits received from customers	**59,155**	65,486
Other payables and accrued charges	**319,268**	369,944
	856,963	771,852

An aged analysis of trade payables, presented based on the invoice date at the end of the reporting period is as follows:

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Within 90 days	**170,757**	111,143
Between 91-180 days	**64,566**	26,588
Between 181-365 days	**66,908**	19,213
Between 1-2 years	**133,189**	138,117
Over 2 years	**43,120**	41,361
	478,540	336,422

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The fair value of the Group's trade and other payables at 30 June 2015 was approximately equal to the corresponding carrying amount.

10. BORROWINGS

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Unsecured bank loans (Note (i))	**1,298,940**	1,287,073
Secured bank loans (Note (ii))	**200,000**	15,117
	1,498,940	1,302,190

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Carrying amount repayable:		
Within one year	**839,087**	628,544
More than one year, but not exceeding two years	**32,490**	–
More than two years, but not exceeding five years	**112,800**	–
More than five years	**83,790**	62,000
	1,068,167	690,544
Carrying amount of bank loans that are repayable on demand due to breach of loan covenants	**430,773**	611,646
Less: Amounts due within one year shown under current liabilities	**(1,269,860)**	(1,240,190)
Amounts shown under non-current liabilities	**229,080**	62,000

10. BORROWINGS (CONTINUED)

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Total borrowings		
At fixed interest rates	**629,860**	478,624
At floating interest rates (Note (iii))	**869,080**	823,566
	1,498,940	1,302,190

	(Unaudited) 30 June 2015 RMB'000	(Audited) 31 December 2014 RMB'000
Analysis of borrowings by currency		
Denominated in RMB	**998,400**	613,444
Denominated in USD	**500,540**	688,746

Notes:

(i) Guaranteed by the Company and certain subsidiaries of the Company.

(ii) The bank loans amount to RMB200,000,000 (2014: RMB12,000,000) are secured by the leasehold land and construction in progress of the Group.

(iii) Interests on RMB borrowings are charged at interest rates announced by the People's Bank of China. The average interest rate during the first half year of 2015 is 5.56% (2014: 5.89%) per annum.

In accordance with the Group's announcement on 3 May 2015, the Group has failed to comply with the provisions of the syndicated loan agreement ("non-compliance") after the Group disclosed its "change in shareholding structure" and "financial non-compliance". The syndicate has been notified of the non-compliance and, as of the writing of this interim report, has not requested the Group for the immediate repayment of the loan. The Group has been negotiating with the syndicate and applied for an exemption on the provisions. The formal approval letter of the exemption is currently pending.

The Group has commenced the repayment of the loan. During the reporting period, the Group repaid USD30 million out of the total USD100 million loan. As of 30 June 2015, the outstanding loan amount is USD70 million. The Group believes that the financial position of the Group remained strong and have sufficient resources to fulfill its loan agreements, bank financing and other debt requirements.

11. SHARE CAPITAL

Ordinary shares of HK$0.05 each:	Number of shares	Nominal amount
Authorised		HK$
At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	4,000,000,000	200,000,000

	Number of shares	Nominal amount	Amount shown in the financial statements
		HK$	RMB'000
Issued and fully paid			
At 1 January 2014	1,851,175,283	92,558,765	87,085
Exercise of options	21,425,000	1,071,250	841
At 30 June 2014	1,872,600,283	93,630,015	87,926
Exercise of options	1,985,000	99,250	88
At 31 December 2014 and 1 January 2015	1,874,585,283	93,729,265	88,014
Exercise of options	6,000,000	300,000	237
Conversion of convertible loan notes	58,202,474	2,910,124	2,296
Issue of subscription shares	50,000,000	2,500,000	1,973
Issue of placing shares	50,000,000	2,500,000	1,973
At 30 June 2015	2,038,787,757	101,939,389	94,493

12. CAPITAL COMMITMENTS

The Group had no capital expenditure in respect of acquisition of property, plant and equipment contracted but not provided for in the financial statements.

13. RELATED PARTY TRANSACTIONS

(i) During the relevant periods in 2014 and 2015, the Group had the following transactions with the following related parties:

		For the six month ended 30 June	
	Note	**2015** **RMB'000**	2014 RMB'000
Provision of IT outsourcing services			
– Huawei Group	*(a)*	**784,116**	596,070

Note:

(a) Huawei is the non-controlling owner of CSITS, a non-wholly owned subsidiary of the Company. Following the establishment of CSITS in April 2012. Huawei Group became a related party of the Group thereafter.

The Directors are of the opinion that the above transactions were conducted under normal commercial terms in the usual course of business of the Company.

14. EMPLOYEE AND OTHER INFORMATION

The remuneration for the employees of the Group amounted to approximately RMB1,518,000,000, including the directors' emoluments of approximately RMB3,160,000 during the six months ended 30 June 2015 (2014: approximately RMB1,332,000,000, including the directors' emoluments of approximately RMB2,061,000). The increase in employee remuneration resulted from the increase in the number of employees from 23,989 to 27,847.

The amortisation charge of intangible assets and depreciation during the six months ended 30 June 2015 of the Group amounted to approximately RMB46,326,000 (2014: RMB40,350,000) and approximately RMB32,690,000 (2014: RMB30,224,000), respectively.

ENVIRONMENT, SOCIETY AND GOVERNANCE REPORT ("ESG REPORT")

Chinasoft's vision is to "help customers to succeed, to create and share and grow together based on common drive for excellence". To achieve this vision, the Group works with its business partners and employees in a responsible, equitable and honest manner, and makes contributions and provides services to the community in which its business locates.

The company secretary and the relevant department of the Company have been authorized to assist in the preparation of this ESG Report, for which the board of directors (the "Board") of the Company is ultimately responsible.

CORPORATE AND COMMUNITY

Corporate social responsibility is not only to create social wealth through operations, but also to guide a scientific, rational and equitable distribution of social resources and wealth, which aims to both encourage the strong and help the weak, thus providing an opportunity for each group to share the results of community development.

With the e-government project, being a key national e-government project in the "Golden Projects", Chinasoft plays a significant role in improving administrative efficiency and enhancing service performance for the government and community. Chinasoft has been for many years deeply involved in the Golden Projects, including, among others, Golden Auditing, Golden Agriculture (Agricultural Management and Service Information System), Golden Insurance, Golden IC-Card and Golden Quality Projects. These e-government projects are often implemented in the communities at the end, which contributes to the information technology of the communities. Chinasoft also successfully provide IT support for the "Shanghai-Hong Kong Connect".

In addition, in respect of anti-corruption, Chinasoft provides information technology support by actively making use of its strength in the field of pan-supervision and through the Golden Auditing Project and related regulatory systems designed for CCDI and the SASAC.

Chinasoft has developed and built a crowd-sourcing platform based on a trusted network called "Jointforce", and an online training platform called "Zhai Ke Xue Yuan." These platforms will become a part of the Internet social ecosystem, and help not only the traditional industries to improve efficiency during the "Internet +" transformation, but also help the community to solve unemployment issues while promoting entrepreneurship, innovation, and etc.

As an IT training institution, Chinasoft contributes their efforts to the employment of university graduates in response to the government policy. Currently, Chinasoft operates practical training facilities with total operating area of more than 30,000 square meters, which can accommodate more than 6,000 students simultaneously. It has collaborated with more than 500 universities and educational institutions for both long-term qualified personnel training and practical training, with more than 40,000 students being trained each year. Through participating in the Ministry of Education's "Excellent Engineer Training Program", "Venture Fund Project for University Students", and "Industry Reformation Project," the Group promoted for University cooperation and student innovation. At the same time, the Group established enterprise classes to help the transition of students working in enterprises. Furthermore, Chinasoft also established scholarships in partner colleges and educational institutions, to reward outstanding students and help needy students.

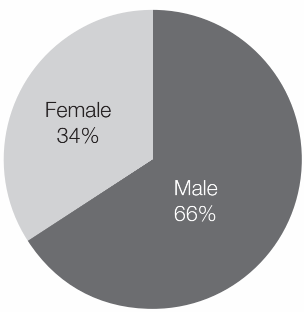
EMPLOYEE BENEFITS AND TRAINING

Chinasoft currently has approximately 27,000 employees (up to 30 June 2015) all over the China and around the world. It values the career development for each employee, and helps each employee to seek for excellence. The Company also offers competitive salaries in the industry by continuously conducting market research and analysis based on market principles, in order to attract and retain qualified talent.

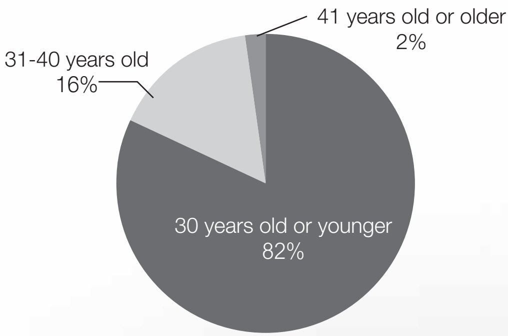
The Group has a salary incentive system closely linked to individual and organizational performance and a social security and staff welfare system in respect of the health and safety for all employees. The Group provides regular health examination arrangements for its employees, and contributes to the basic medical insurance fund for employees as required by Chinese Law, as well as purchases business medical insurance as a supplement thereto. The Group purchases additional health insurance items as appropriate, based on the principle of needs and possibility. The Group also organizes health seminars, sports activities and provides health services to specific group of employees in order to improve the overall physical fitness.

New employees will accept uniform induction training upon their enrolling. The Group will also provide related training and development programme for new employees as they need specifically when they are working on a regular basis, such as technical training, special training and corporate culture training, to ensure that all employees be given opportunities to accept training for a certain hours. Training is conducted by both in-house and external training professionals. After the end of the training, follow-up appraisals are conducted to ensure the effectiveness of such training.

The proportion of male and female employees



The proportion of employees by age



ENVIRONMENT CONSERVATION, ENERGY SAVING AND EMISSION REDUCTION

In response to the policy of the State to build a resource-saving and environment-friendly community, Chinasoft actively searches opportunities on energy conservation and emission reduction during the course of operation. The Group accomplishes this task by reducing the comprehensive cost centralizing energy conservation and emission reduction, and maximizing community resource consumption through the use of information technology and services.

Chinasoft consistently achieves energy conservation and consumption reduction by, among others channels, normal energy conservation, creative technological conservation, use of renewable energies, improving the management level of information technology, promotion of e-marketing channels and development of energy-saving information technology applications, during various sections from daily office environment, air-conditioning and use of electricity to printing on double-sided paper and waste recycling, as well as provides information technology solutions for energy conservation and emission reduction in other industries.

DIRECTORS' INTERESTS IN SHARES

As 30 June 2015, the following Directors had interests in the shares and underlying shares of the Company and shares in an associated corporation (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) of the Company as set out below and recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of listed issuers.

Long positions in shares of HK$0.05 each in the capital of the Company ("Shares")

Name of Director	Total No. of Ordinary Shares	Approximate percentage of total issued ordinary share capital of the Company as at 30 June 2015
Chen Yuhong	264,392,861	12.97%
Tang Zhenming	11,827,765	0.58%
Wang Hui	18,281,838	0.90%
Zeng Zhijie	250,000	0.01%

Options to subscribe for Shares

Name of Director	Exercise Price (HK$)	No. of share options outstanding as at 1 January 2015	No. of share options exercised during the period	No. of share options outstanding as at 30 June 2015	Percentage of total issued ordinary share capital of the Company as at 30 June 2015	No of underlying ordinary shares interested in	Percentage of total issued ordinary share capital of the Company as at 30 June 2015	*Note*
Chen Yuhong	2.15	10,000,000	–	10,000,000	0.49%	10,000,000	0.49%	*(3)*
Tang Zhenming	0.97	800,000	–	800,000	0.04%	12,800,000	0.63%	*(1)*
	1.78	2,000,000	–	2,000,000	0.10%			*(2)*
	2.15	10,000,000	–	10,000,000	0.49%			*(3)*
Wang Hui	1.78	1,200,000	–	1,200,000	0.06%	11,200,000	0.55%	*(2)*
	2.15	10,000,000	–	10,000,000	0.49%			*(3)*

Notes:

(1) These share options were offered on 30 March 2006 under the share option scheme of the Company adopted on 2 June 2003 and accepted on 27 April 2006. These share options are exercisable for a period of 10 years from the date of offer, subject to the following conditions:

Exercisable Period Commencing	Ending	Number of share options exercisable
30/03/2006	29/03/2016	25% of the total number of share options granted
30/03/2007	29/03/2016	25% of the total number of share options granted
30/03/2008	29/03/2016	25% of the total number of share options granted
30/03/2009	29/03/2016	25% of the total number of share options granted

(2) These share options were offered on 10 April 2007 under the share option scheme of the Company adopted on 2 June 2003 and accepted on 8 May 2007. These share options are exercisable for a period of 10 years from the date of offer, subject to the following conditions:

Exercisable Period Commencing	Ending	Number of share options exercisable
10/04/2007	09/04/2017	25% of the total number of share options granted
10/04/2008	09/04/2017	25% of the total number of share options granted
10/04/2009	09/04/2017	25% of the total number of share options granted
10/04/2010	09/04/2017	25% of the total number of share options granted

(3) These share options were offered on 23 January 2014 under the share option scheme of the Company adopted on 20 May 2013 and accepted on 31 January 2014. The share options are exercisable for a period of 3 years from the date of offer subject to the following conditions:

Exercisable Period Commencing	Ending	Number of share options exercisable
23/01/2014	22/01/2017	30% of the total number of share options granted
23/01/2015	22/01/2017	30% of the total number of share options granted
23/01/2016	22/01/2017	40% of the total number of share options granted

This batch of share options are subject to a vesting condition that the market capitalization of the Company shall reach HK$10 billion or higher for 5 consecutive trading days during the exercise period.

SHARE OPTION SCHEME

As at 30 June 2015, there were share options to subscribe for an aggregate of 147,445,000 Shares granted to certain Directors and employees of the Group pursuant to the Share Option Scheme and the New Share Option Scheme outstanding, representing 7.2% of the total issued ordinary share capital of the Company as at 30 June 2015.

During the six months ended 30 June 2015, an aggregate of 6,000,000 share options were exercised, no share option has been lapsed and granted under the Share Option Scheme and the New Share Option Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, during the six months ended 30 June 2015 none of the Directors was granted options to subscribe for shares of the Company and as at 30 June 2015 none of the Directors had any rights to acquire shares in the Company.

REQUIRED STANDARD OF SECURITIES DEALINGS BY DIRECTORS

During the six months ended 30 June 2015, the Company had adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Listing Rules relating to dealings in securities. Having made specific enquiry with all the Directors, the Directors had complied with the Model Code regarding securities transactions during the six months ended 30 June 2015.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2015, the board of directors of the Company believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. The code provisions in the Corporate Governance Code and Corporate Governance Report of the Listing Rules (the "Code") have served as guideposts for the Company to follow in its implementation of corporate governance measures.

Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

In the opinion of the Board, the Group has complied with the Code from 1 January 2015 to 30 June 2015, except that (i) the Chairman of the Board was not able to attend the annual general meeting of the Company held on 18 May 2015 (the "2014 AGM") (deviated from code provision E.1.2) due to other business commitment. However, one of the independent non-executive Directors attended and acted as the Chairman of the 2014 AGM; (ii) the roles of chairman and chief executive officer should be separate and should not be performed by the same individual (deviated from code provision A.2.1).

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Listing Rule relating to dealings is securities. Having made specific enquiry of all the Directors, the Directors complied with the Model Code regarding securities transactions by the Directors throughout the year ended 30 June 2015.

SUBSTANTIAL SHAREHOLDERS

So far as was known to the Directors, as at 30 June 2015, the interest of the persons (not being a Director or chief executive of the Company) in the shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares

Name	Nature of interest	Approximate number of Shares (million)	Approximate percentage of total issued ordinary share of the Company	Approximate percentage of total issued share* of the Company
Prime Partners Development Limited *(Note 1)*	Beneficial interest	139.07	6.82%	6.63%

* *The total number of issued share consists of 2,038,787,757 Ordinary Shares and 58,202,474 Convertible Notes, which could be converted into 58,202,474 Ordinary Shares.*

Note:

1. Dr. Chen Yuhong is deemed to be interested in 139,072,725 shares and through Prime Partners Development Limited, which is wholly owned by Dr. Chen Yuhong.

Save as disclosed above, as at 30 June 2015, no other interest or short position in the Shares or underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO.

COMPETING INTERESTS

As at 30 June 2015, none of the Directors or the management shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competed or might compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 2 June 2003 and amended its written terms of reference in compliance with the requirements as set out in the Code on Corporate Governance Practices of the Listing Rules. The primary duties of the audit committee are to review and to supervise the financial reporting process and internal control system of the Group. The audit committee comprises of three independent non-executive directors, namely Mr. Zeng Zhijie, Dr. Leung Wing Yin Patrick and Dr. Lai Guanrong (appointed on 2 June 2015). Dr. Leung Wing Yin Patrick is the Chairman of the audit committee.

The audit committee of the Company has reviewed the Interim results of the Group for the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company has maintained sufficient public float for the six months ended 30 June 2015.

On behalf of the Board
Dr. Chen Yuhong
Chairman and Chief Executive Officer

18 August 2015, Hong Kong