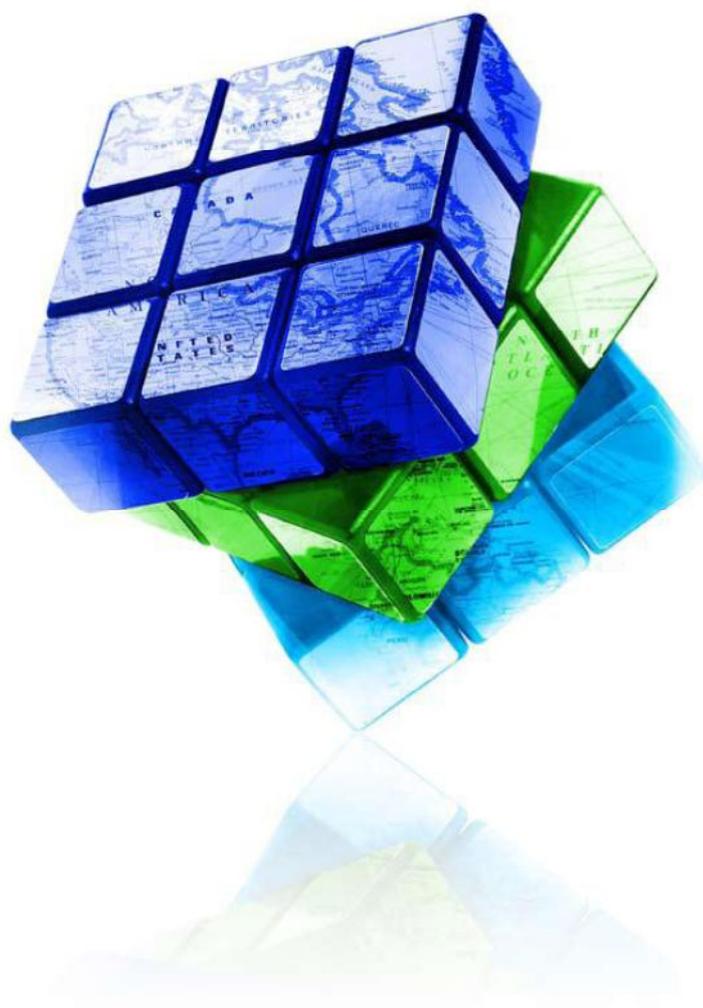




2011 Deloitte Technology Fast 50 China Ranking and CEO Survey



Technology, Media &
Telecommunications (TMT)
Industry

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Foreword

Deloitte China is honored to share with you the results of the 7th Deloitte Technology Fast 50 China program.

Despite various economic challenges in 2011, China is able to maintain a stable and rapid growth, evidenced by the strong performance of companies which participated in the Deloitte Technology Fast 50 China program. Meanwhile, because of the strong performance of Chinese winning companies' growth rate ranking and their sustained increase in proportion, Deloitte Technology fast 50 China program has become an important part of Deloitte Technology Fast 500 Asia Pacific program, which has been successfully held for several years together with other Technology Fast programs in EMEA (Europe Middle East And Africa) and North America regions, being highly focused and credible to the public. The program is now considered as benchmark for fast-growing technology companies across the globe.

The applicants of this year's program come from 18 cities and regions respectively Beijing, Shanghai, Shenzhen, Hong Kong, Dalian, Fuzhou, Guangzhou, Hangzhou, Jiaxing, Jiangsu, Nanchang, Nanjing, Xiamen, Suzhou, Wuhan, Changchun, Changsha and Zhejiang. The 50 winning companies of this year covered a wide range of industry sectors, including software, ecommerce, Internet, communications/networking, biotech/pharmaceutical, semiconductor, computer/peripherals, education technology, clean tech technology/new energy, the third party financial planning and auto lease, etc. There are both public companies and private ones in them, but what

in common is that all of them have achieved amazing fast growth in revenue over the past three years.

We are delighted to see the accumulative growth rate of the top 5 fastest-growing companies over the past three years ranged from 1,955% to 19,218%. The winning companies' growth rates as a whole are similar to last year, which has fully evidenced the sustainable growth ability of Chinese companies.

Congratulations to all the winning companies and we wish them greater success in the future. We also expect to witness more companies of excellence and gratifying results in next year's Deloitte Technology Fast 50 Program.



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CEO



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2011 Deloitte Technology Fast 50 China program

At a glance

Deloitte Technology Fast 50 program constitutes part of the Deloitte Technology Fast 500 Asia Pacific program and aims to recognize and recommend the fastest-growing hi-tech companies.

The beginning of the Deloitte Technology Fast 500 program was the Technology Fast 50 that started in 1995 in San Jose. This program quickly expanded to numerous cities and countries. The EMEA Technology Fast 500 program was launched in 2001 and focused on promoting fast-growing technology companies across Europe. In the next year, the Technology Fast 50 companies in the Asia Pacific region were identified using similar criteria. The program is now considered as one of the most objective award programs in technology, media and telecommunications industry across the globe.

Because the proportion of winning Chinese enterprises in Deloitte Technology Fast 500 Asia Pacific program keeps rising on a yearly basis, Deloitte China launched the Technology Fast 50 China program in 2005. To date, the program has been conducted for 6 years and a number of new and outstanding companies, such as Tencent, Baidu, Alibaba, Suntech Power and Vancl, have emerged in the country. Deloitte Technology Fast 50 China program aims to rank the top 50 leading high-tech companies (including both public and private companies) in the following industry sectors, as well as those related to them with headquarters in Hong Kong, Macau and the Chinese Mainland, based on their three-year average revenue growth:

- Biotech/Pharmaceutical
 - Communications/Networking
 - Medical equipment
 - Semiconductor, components and electronics
 - Computer/Peripherals
 - Internet
 - Software
 - Clean tech technology/New energy
 - New media
 - Ecommerce
- Other (Technology related companies not included above)

To be eligible for Deloitte Technology Fast 50 China program, a company must meet the following criteria:

1. It must be a technology company defined as:

- A company that develops proprietary technology contributes to a significant portion of the company's operating revenues. (Using other company's technology in a unique way does not qualify); or
- A company that manufactures a technology-related product; or
- A company that devotes a high percentage of revenue to the research and development of technology;

2. It must have been in business for a minimum of three years

3. It must have revenues of at least RMB2,000,000 in the first of the years being analyzed

4. It must be headquartered in Mainland China, Hong Kong or Macau

For more information, please visit the TF50 event website: www.deloittetmt.com/TF50.php

2011 Program Sponsorship

"2011 Deloitte Technology Fast 50 China" program sponsors:

Strategic sponsors:



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Fast Facts

Industry segmentation of the winning companies

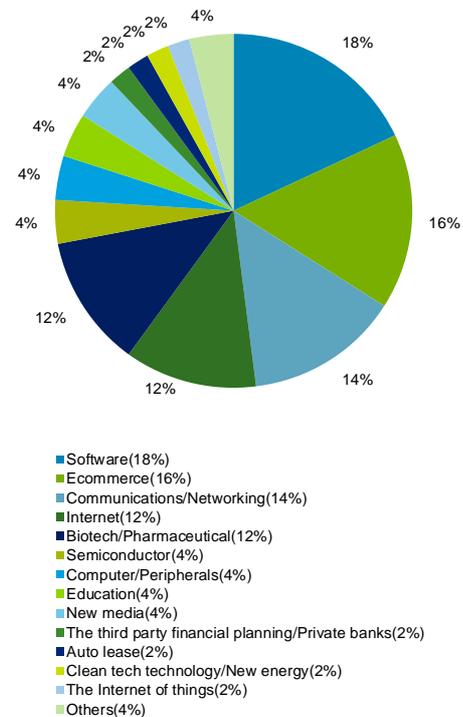
The 2011 Deloitte Technology Fast 50 China program also experienced some changes in terms of industry sectors this year, reflecting the rapid development of the high-tech industry. Among all sectors, software companies accounted for the largest proportion, rising from 16% in 2010 to 18% this year of all winning companies. The proportion of winning companies from the communications/network sector is 14%, following the e-commerce sector. Moreover, there is also a rapid development of winning companies in the emerging technology sectors, such as Internet of things, new media, clean tech/new energy companies, which accounted for 8% of the top 50 companies.

The proportion of ecommerce companies has experienced a strong increase this year, accounting for 16% of all winning companies compared with 6% in last year. This rising trend is related to the growing number of Internet users, coupled with their enhanced experience brought about by improved convenience and reliability of online payment and associated logistics. The proportion of semiconductor companies is 4% this year while this sector even failed to rank the list in 2010. The strong growing trend in semiconductor sector is related to the increase in electronic product consumption. Moreover, clean tech technology/new energy companies accounted for 2%, a dramatic decrease from 10% in 2010. The proportion of companies from biotech/pharmaceutical, internet, education and new media sectors has no significant changes compared with 2010.

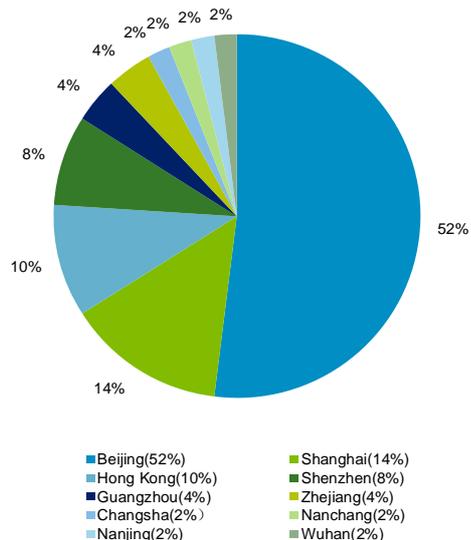
Regional distribution of winning companies

Companies from Beijing accounted for 52% of the winners, demonstrating the city's leading position in high-tech industry. Other cities and regions with relatively higher proportion of winners respectively are Shanghai, Shenzhen and Hong Kong, aligning with their rapid economic developing pace. Cities new to the list are Zhejiang, Changsha, Nanchang, Nanjing and Wuhan. It was these technology fast companies that have brought vitality to the local economy.

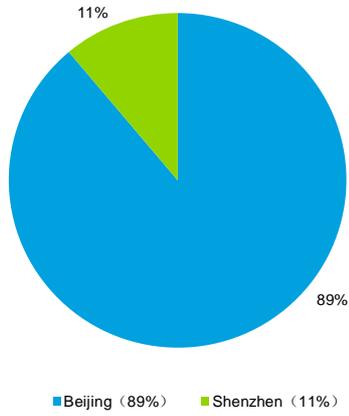
Winning companies by sector



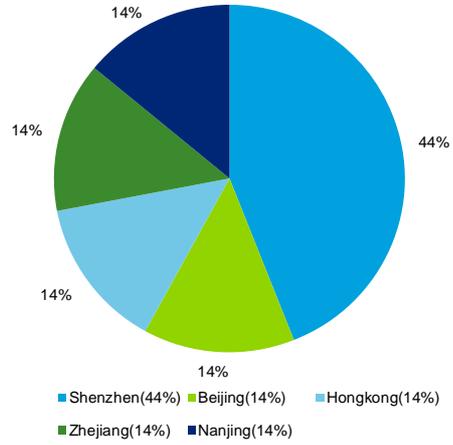
Winning companies by regional distribution



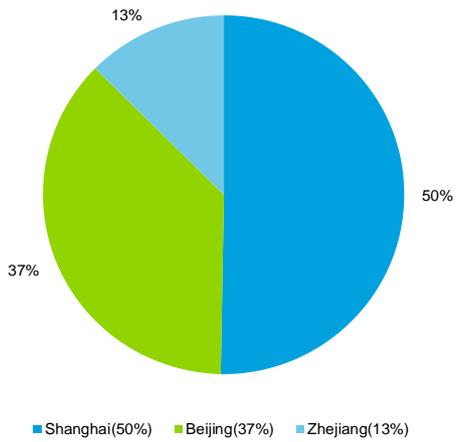
Winning software companies by regional distribution



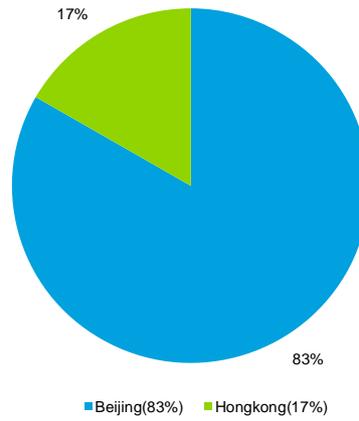
Winning communication/networking companies by regional distribution



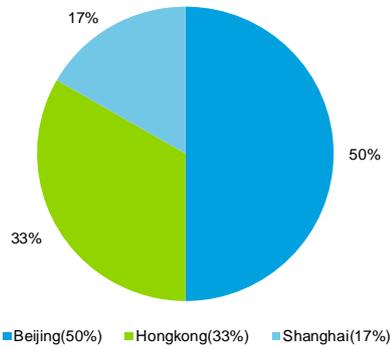
Winning ecommerce companies by regional distribution



Winning internet companies by regional distribution



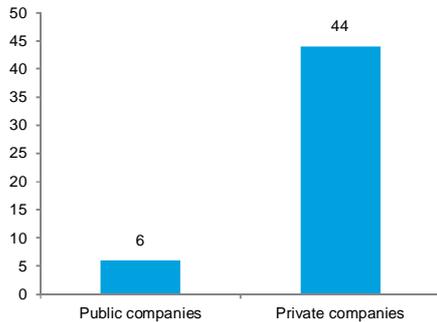
Winning biotech/pharmaceutical/medical device companies by regional distribution



According to the regional distribution diagrams of winning companies above, Beijing has the overwhelming superiority in this year's ranking.

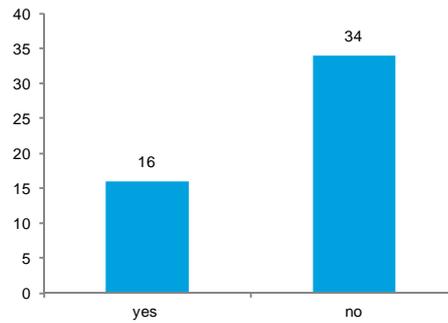
Listing status of winning companies

There are 44 private companies among the top 50 winning companies, representing a slight increase over last year's 41. This indicates the rapid growth momentum of private companies still remains.



Was the winner selected last year?

Most of the winners were not selected last year. It is notable that the industry sectors of the top 10 companies are more widely dispersed, indicating the sustaining rapid growth momentum of and fierce competition among technology fast companies.



Winning companies by revenue growth

Top 50 ranking	Average growth rate in 2011
1-10	4537%
11-20	598%
21-30	349%
31-40	252%
41-50	195%
Total	1186%
Top 5	7759%

2011 Deloitte Technology Fast 50 China program-Top 5 winners

The top 5 winners of 2011 Deloitte Technology Fast 50 China program have achieved an average growth rate of 7,759%. The company profiles are as follows.

No. 1



The Store Corporation (yihaodian.com)

Chairman: Yu Gang

Website: www.yihaodian.com

Revenue growth rate: 19218%



yihaodian.com was formally put online on 11 July 2008 and pioneered the mode of "online supermarket" in Chinese ecommerce industry. yihaodian.com, invested and founded by The Store Corporation, is a leading B2C ecommerce company in China in aspects of scale and commodity categories. Since the launch, yihaodian.com has attracted more than 12 million registered customers, several thousand suppliers, with over 120,000 types of commodities subject to 11 major categories: the food and beverage, beauty care, kitchen and toilet cleaning, baby and mommy products, toys, electrical appliance, home furnishing, nutrition and health care, etc., thus making it one of China's largest and fastest-growing B2C ecommerce companies. Moreover, the mobile operation of The Store, representing the cut-edge mobile internet technology, has created a new shopping fashion with its original "virtual supermarkets mode", and been recognized as the "intelligent mobile supermarket" with convenient operation, rich features and the fulfillment of real-time shopping demands of high-end consumers since its launch in 2011.

No. 2



Tendyron Corporation

Chairman and General Manager: Li Dongsheng

Website: www.tendyron.com

Revenue growth rate: 9150%



Tendyron Corporation is a high-tech company committed to designing and producing information security products. Tendyron is the first that launched HIP (Human Interface Peripheral) concept-based USB Key products across the globe, fully resolved the problem of hacker attacks to online banking at the client end, and have become the development direction recognized by banking industry, thereby signifying a new milestone of online transaction and authentication security. Tendyron has developed a complete set of intelligent USB Key products which have been applied in ICBC and ABC, covering types of button, voice and screen-display, so as to effectively prevent hacker attacks such as remote kidnapping and transaction tampering. Tendyron has become the front-runner in international high-end USB Key market.



No. 3

Jiaying Mbaobao Network Technology Co., Ltd



CEO: Ye Haifeng

Website: www.mbaobao.com

Revenue growth rate: 6288%

Headquartered in Jiaying, Zhejiang Province and founded in 2007 by Ye Haifeng, who has 15-year luggage manufacturing experience, Mbaobao is the largest Chinese B2C company engaging in bags and luggage business. During the past four years, Mbaobao has been developing at a rocketing growth rate of nearly 10 times on a yearly basis, which is deemed as a miracle in bags and luggage industry. The company has successively acquired nearly US\$50 million venture capital from an angel investment under VISCONT Group, a century old brand based in Italy, DCM, Lenovo Group and Trust Bridge Partners, etc. Mbaobao is not only the first B2C platform of Chinese bags and luggage industry, but also the first of the industry to start up internationalization process. The Tokyo subsidiary of Mbaobao was set up in 2010, and an English website "www.bagsok.com", targeting mainly at the North American customer base was launched in the same year. On 18 July 2011, the official website of Mbaobao Japan started the online operation.



No. 4

ganji.com



Managing Director: Yang Haoyong

Website: www.ganji.com

Revenue Growth Rate: 2,186%

The ganji.com, the largest classified information portal in China, provides local living and commercial services information covering property rent, second-hand articles sales, recruitment and job hunting, vehicle sales, pets, tickets, education trainings, city-specific activities and networking, and group shopping. Since its launch in 2005, ganji.com is growing fast and has become popular among users. Headquartered in Beijing, the provider has established branches in Shanghai, Guangzhou and Shenzhen and substations in 374 major cities across China, penetrating in all the areas of life. The life-focused ganji.com is committed to building an indispensable information portal for our life.



No. 5

Shanghai Greenbox Internet Technology Co., Ltd.



CEO: Wu Fangfang

Website: www.lvhezhi.com

Revenue Growth Rate: 1,955%

Since its foundation, Shanghai Greenbox Internet Technology Co., Ltd. is committed to building a top brand of children's clothing and online shopping platform in China. Over years of commitment, the Company has built a complete industry chain from the design and development of children's clothes and ornaments to sophisticated production system support as well as ongoing innovative online marketing system and has accumulated rich operating experience. The company consists of a top design team, elite marketing team, considerable aftersales service team and specialized manufacturing team.



2011 Deloitte Technology Fast 50 China Ranking

Rank	Company Name	City	Industry Sector	%Growth
1	The Store Corporation	Shanghai	Ecommerce	19218%
2	Tendyron Corporation	Beijing	Software	9150%
3	Jiaxing Mbaobao Network Technology Co., Ltd	Jiaxing	Ecommerce	6288%
4	ganji.com	Beijing	Internet	2186%
5	Shanghai Greenbox Internet Technology Co.,Ltd.	Shanghai	Ecommerce	1955%
6	Wuhan Guoce Nordic New Energy Co., Ltd.	Wuhan	Green Technology	1799%
7	LATTICE POWER CORPORATION	Nanchang	Semiconductor	1547%
8	Aesthetic Technology (Beijing) Ltd	Beijing	Biotech/Pharmaceutical	1328%
9	Borqs Hong Kong Limited	Hong Kong	Telecommunications/Networking	1054%
10	Zhejiang Yutian Technology Co.,Ltd.	Zhejiang	Telecommunications/Networking	846%
11	LightInTheBox Holdings Co., Ltd.	Beijing	Internet	838%
12	HD Biosciences (China) Co., Ltd	Shanghai	Biotech/Pharmaceutical	793%
13	FUNSHION ONLINE TECHNOLOGIES CO.,LTD.	Beijing	Internet	707%
14	Hunan RunCore High Technology Co., Ltd.	Changsha	Computers/Peripherals	702%
15	Shenzhen TINNO Mobile Technology Co., Ltd.	Shenzhen	Telecommunications/Networking	622%
16	Shanghai Joyu Culture Dissemination Co.LTD	Shanghai	Ecommerce	521%
17	Shanghai eHi Car Rental Co., Ltd	Shanghai	Others	489%
18	Lafaso Group Limited	Beijing	Ecommerce	467%
19	Cosci Med-Tech Co.Ltd.	Beijing	Biotech/Pharmaceutical	432%
20	Beijing 58 Information Technology Co,Ltd	Beijing	Internet	406%
21	Beijing Kela Diamond Internet technology Co.,Ltd	Beijing	Ecommerce	402%
22	Shenzhen Wondershare Software Co.,Ltd.	Shenzhen	Software	360%
23	C Media Limited.	Beijing	Internet	356%
24	China Wireless Technologies Limited	Shenzhen	Telecommunications/Networking	356%
25	Xueda Education Group	Beijing	Others	352%
26	NOAH HOLDINGS LIMITED	Shanghai	Others	352%
27	Shenzhen Elanw Network Co.,Ltd.	Shenzhen	Telecommunications/Networking	340%
28	GVITECH CORPORATION	Beijing	Computers/Peripherals	333%
29	Beijing PDE Information Technology Co.,Ltd.	Beijing	Software	320%
30	Sysware Technology Co., Ltd	Beijing	Software	318%
31	China TransInfo Technology Corp.	Beijing	Software	318%
32	iClick Interactive Asia Limited	Hong Kong	Internet	297%
33	GC-Rise Pharmaceutical Ltd	Hong Kong	Biotech/Pharmaceutical	270%
34	Tieto China Co., Ltd.	Beijing	Software	251%
35	Beijing C-platform Digital Technology Co.,Ltd.	Beijing	Telecommunications/Networking	238%
36	DiagCor Bioscience Incorporation Ltd	Hong Kong	Biotech/Pharmaceutical	236%
37	Beijing Acctue Technology Co.,Ltd	Beijing	Software	230%
38	Beijing Fastweb Technology Co., Ltd.	Beijing	Internet	229%
39	Gan & Lee Pharmaceutical Co., Ltd.	Beijing	Biotech/Pharmaceutical	224%
40	Leshi Internet Information & Technology Corp.,	Beijing	Internet/New Media	224%
41	Guangzhou Best-study Education Group	Guangzhou	Others	215%
42	Golden Spring Internet of Things Inc.	Beijing	Internet	207%
43	Fractalist China	Beijing	Internet/ New Media	200%
44	Beijing Forever Technology Co., Ltd.	Beijing	Software	200%
45	Beijing EMAR Online Technology Co., Ltd.	Beijing	Internet/ Ecommerce	197%
46	BeiJing NineStar Technology joint-Stock Co.,Ltd	Beijing	Software	195%
47	ArcherMind Technology (Nanjing) Co., Ltd.	Nanjing	Telecommunications/Networking	194%
48	AppoTech Limited	Hong Kong	Semiconductor	182%
49	EIC Group Ltd.	Guangzhou	Software	181%
50	Shanghai Sunivo supply chain management Co.,LTD	Shanghai	Internet	178%

2011 Deloitte Technology Fast 50 China CEO Survey Report

Summary

In 2011, the world economy faces various challenges: the overall growth has slowed down, and sovereign debt pressure and fragile financial system increase the uncertainty of the global economic growth; however, China's economy still remains steady and relatively fast growth. Among three drivers of economic growth, the investment slips back by a small margin, the consumption is basically stable, but the export faces relatively more unfavorable factors. Under such circumstances, China's high-tech enterprises still boast a strong momentum in 2011, making an outstanding contribution to China's economic development and playing an important role in maintaining steady and relatively fast development of the economy and social progress.

In 2011, China's high-tech enterprises, some of which still have urgent problems to solve, are facing more fierce market competition. Lack of attention to proprietary intellectual property rights, and weak capability for independent innovation, low conversion rate of technological achievements as well as unsmooth channels for investment and financing and talent bottleneck are restricting China's upgrading of industrial structure, the transformation of growth pattern and the promotion of competitiveness. During this special economic period, we need pay more attention to the performance of China's high-tech enterprises in 2011 and proactively provide decision-making evidence for their sustainable and fast development.

What changes do CEOs of high-tech enterprises think will accelerate the growth of enterprises in 2011? What problems do the enterprises urgently need to resolve in terms of technological research, innovation, intellectual property and talent? Where is the expansion capital from? Regarding these questions, Deloitte conducts a questionnaire survey on CEOs of the enterprises participating in the China Tech Fast 50 Program.

About CEO Survey

2011 China Tech Fast 50 list ranks 50 companies in TMT industry from Mainland China and Hong Kong. They are from different sectors, including software, e-commerce, Internet, communication/network, biotechnology/ pharmaceuticals, semi-conductor, computer/ peripheral equipment, educational technology, clean technology/ new energy. No matter public or non-public, their common feature is that their revenue growth rates are rising rapidly in the past three years. We sent out CEO questionnaires to the participating enterprises and summarized the survey results. Now we are sharing with you the CEO Survey Report of 2011 China Tech Fast 50.



Development opportunity and policy environment for Enterprises

The financing of high-tech companies is backed by financial policies

China's high-tech enterprises are facing unprecedented financing opportunities brought forth by the prospective development outlook of high-tech industry, governmental policy support, gradual improvement of the financial system and the established SME and GEM boards.

When developing to a certain stage, high-tech companies have established their leading products, expanded the sales markets and further increased the market share. Their products and services have been accepted by mass consumers and the core competitiveness, or strength in resources has been formed. The low risks and sound operating performance at this stage give rise to the growth momentum to high-tech companies. Additionally, as the companies scale up and accumulate more mortgage assets, they are able to seek funds on capital and equity market through equity or debt financing approaches, so as to help solve certain problems encountered for the moment.

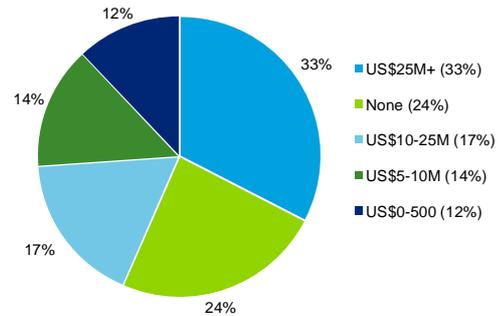
In this survey, 33% of the CEOs plan to raise their capital requirements by US\$25 million above; while 17% of the CEOs plan to raise them by US\$10 million-25 million. Merely 24% of the CEOs have no such plans for the next year.

73% of the CEOs think the financing can fund technology upgrading and R&D activities, while 57% of the CEOs think it provides the needed funds for marketing.

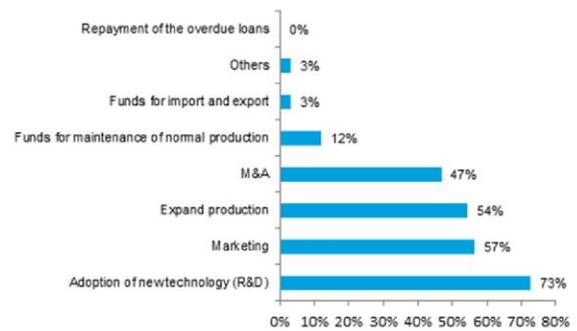
High-tech enterprises are not significantly influenced by consumption stimulus policy

Chinese government adopts the consumption stimulus policy to maintain the fast growth of China's economy; however, the effect of this macro-economic policy is unremarkable to high-tech companies. 49% of the CEOs acknowledge that the consumption stimulus policy has a smaller impact over their enterprises, while 24% of the CEOs think it has no impact. Merely 3% of the CEOs consider the impact as very large.

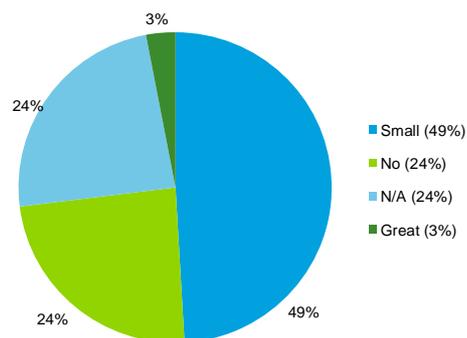
Amount to be increased in capital (equity or bonds)



Problems to resolve through financing

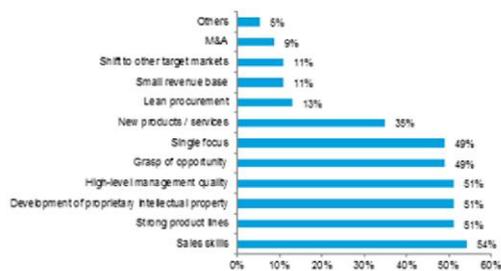


Impact on business revenue by the consumption stimulus

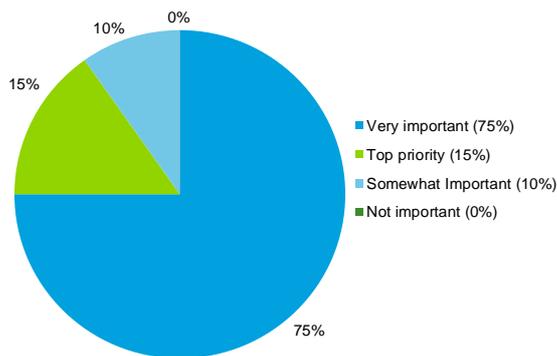


Strategic Choices and Operational Adjustments of Enterprises

Key factors for business to achieve fast growth



Importance of leadership development



Core business objectives to be most relevant to leadership



Improve sales skills and drive high growth

Most CEOs perceive that the improved sales skills, strong product lines, development of proprietary intellectual

The clear requirements on leadership to support business development goals make the measures to enhance

property, high-level management quality, grasp of opportunity and single focus are key factors for high-tech enterprises to maintain high growth. 54% of the CEOs view the improved sales skills as the first key factor for enterprises to achieve high growth, which is relevant with the increasingly intensive competition in the market of high-tech industry.

Strengthen leadership of core management team and achieve operational objectives of core business

The lack of talents, especially management talents, is one of the bottlenecks constraining high growth enterprises' expansion and development. Our survey indicates that most of the enterprises have recognized the importance of leadership development and have identified the close tie between leadership and organizational efficiency improvement, change management and regulated management as well as the fast growth. Some have adopted approaches to develop leadership, including the initial establishment of the leadership ability standard, the implementation of test and assessment, the set-up of career paths and trainings, etc. The survey results also reveal that most of the enterprises need to further work on how to effectively promote the leadership development. In perspective of the full-time personnel deployment, professionalism of leadership cultivation and integration of talent cultivation systems in the surveyed enterprises, the input in and effect of the leadership development is insufficient; many enterprises have available training contents but without development process, and the curriculum is weak in applicability and relevance. Furthermore, the training has not been aligned with business needs and the leadership development modes are relatively in poor differentiation, lacking of more effective ones.

In this survey, as regards the cultivation of leadership, 75% of the CEOs agree that it is very important to the company, while 15% of the CEOs rank it as the top priority.

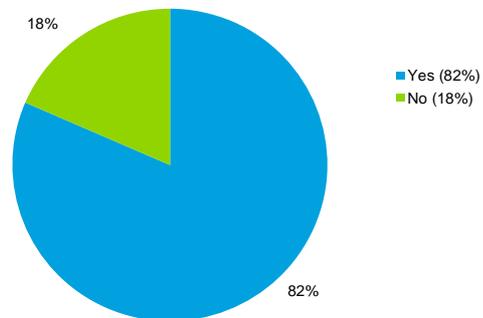
As regards the core business objectives most relevant to leadership, 84% of the company respondents chose the item of "Organizational efficiency improvement", while 68% of the respondents agree that the leadership will drive changes and innovation. Meanwhile, over 50% of the enterprises think the leadership can also boost the regulated management, fast development, access to new markets or launch of new products, et

leadership more focused. 82% of the CEOs affirmed that their enterprises have clearly defined such kind of leadership.

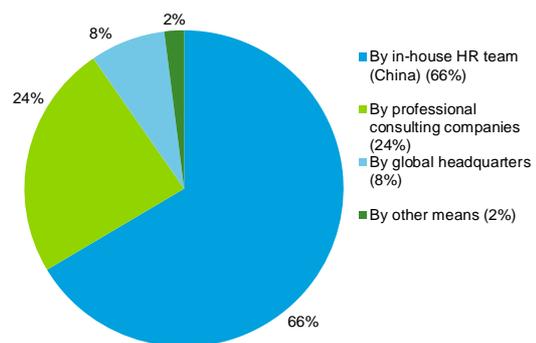
The identification of the competency items of leadership can be achieved by various ways, three of which have been revealed by this survey: leveraging the in-house HR team, consulting enterprises or global headquarters. 66% of the CEOs indicated that they identify the leadership competence items through in-house HR teams while 24% of them said they do this by deploying professional consulting companies.

According to the statistics, training is still the most widely used approach among enterprises, ranking the top mode of leadership development with the proportion of 78%; besides, 67% of the enterprises have designed the career path for their employees, and 49% set test and evaluation as the necessary approaches for leadership development. However, some development modes generally adopted by mature enterprises, such as post rotation, coach system and talent map take up a relatively lower proportion among the enterprises; 2% of the enterprises to date have no such modes to support leadership development.

Define leadership requirements to support business growth objectives



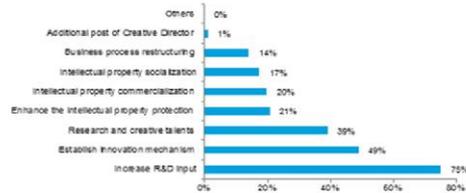
Ways to identify leadership competency



Ways to improve/support leadership development



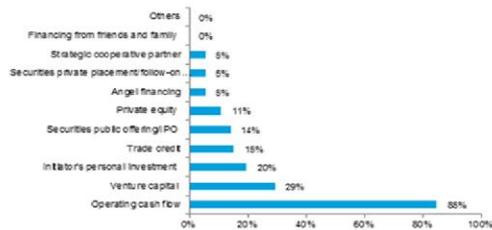
Issues to be addressed in terms of scientific research, innovation and intellectual property



Issues to be addressed in terms of human resources



Top/most important funding source



Enhance the core competence and address the challenges

The current challenge needs to be addressed by China's high-tech industry is to enhance high-tech enterprises' comprehensive innovation abilities with independent R&D as the core, and boost the industry upgrading and development. Even though the current proportion of R&D input is at relatively high levels and the researchers possess favorable educational background, the scientific inventions and creations of China are still lagging behind the developed nations. The reason for this is that our high-tech enterprises are valuing technologies and talents but belittling the management, thus to result in the problem of "big investment, small returns". 75% of the CEOs are still making the point that increasing R&D input and acquiring technologies are challenges to be addressed in the future, while 49% of the CEOs think the establishment of a scientific, delicate and effective innovation mechanism aligning with other business units

is the issue to be addressed at present.

High-tech enterprises also meet with certain challenges of intellectual property. The CEOs agree that the strengthening of intellectual property, severely cracking down on piracy and infringement activities and acquiring further directions and support on intellectual property commercialization are urgent issues to be addressed at present.

Talents are the decisive factor for technology development and new high-tech industrialization. In today's world, the international technology competition in the final analysis is talent competition, the core of which is pursuing top talents. 39% of the CEOs acknowledge that they are in urgent need of talents in research and creativity.

Develop the incentives and rewards mechanism for human resources

Despite the favorably high-level academic background, the personnel in China's high-tech enterprises produce fewer products and carry out the R&D activities at lower efficiency. 48% of the CEOs think the current HR system cannot integrate multiple modules to give play to the overall efficiency and also lack the compound management talents to take over various business modules. 41% of the CEOs think establishing the rational incentives and awards system and improving the performance management are the urgent HR issues to be addressed.

Optimize the structure of funding source and boost competitiveness

The fast developing high-tech enterprises are facing with a number of issues, such as the production scaling-up, market expansion, improvement of quality and increase in economic benefits, all of which need massive funds to get resolved. Enterprises at this stage may lose the fast-growing opportunities, or even cease to grow or be acquired by other enterprises if the sustainable funding is unavailable. The growth funds mainly come from three sources: self-accumulation, equity financing and loan fund.

At present, the top funding source for China's high-tech enterprises is operating cash flow, as agreed by 85% of the CEOs. The second is venture capital and the initiator's personal investment, as agreed by respectively 29% and 20% of the CEOs. The result indicates that China's high-tech enterprises are becoming more adaptive to utilizing the capital market.

Prospective Outlook

Expand the sales market and pursue diversified development

Most of the CEOs agree that in the next 12 months, the accelerated growth of sales market, access to new geographic markets through diversified development, and the improved usability of qualified new employees may exert a positive impact over the prospective development of high-tech enterprises.

Effectively control cost to boost economic benefits

Undoubtedly, the rising cost of direct input, labor, tax and other items are key negative factors for the prospective development of high-tech enterprises. 66% of the CEOs think the rise of input cost will exert a negative impact over the enterprises' prospective development, while 39% of them believe that the varied forms of rise in labor cost, such as the levy of social security tax, will play the same impact over enterprises.

Speed up reform and prepare for challenge

R&D is the life of high-tech enterprises. 86% of the CEOs are planning to increase R&D efforts to speed up their development. The whole point of R&D is to launch new products. Traditional enterprises have no way to compare with high-tech enterprises as regard to the speed of innovation. In order to make enterprises remain invincible in competition, 75% of the CEOs are considering launching new products in the next 12 months. New products will attract more customers, which is favorable for enterprises to enter into new regional markets. 63% of the CEOs are planning to enter into new regional markets in the next 12 months to speed up development. The development of high-tech enterprises cannot be achieved without the commitment of talents and compared with other sectors high-tech enterprises rely more deeply on intellectual resources. 45% of the CEOs will recruit new employees in the next 12 months to satisfy the needs of development.

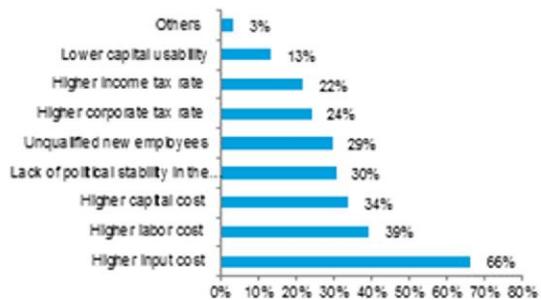
In addition, the CEOs are planning to raise funds, implement M&A, enter into new vertical industries, improve sourcing and enlarge board of directors to speed

up development.

External factors to exert positive impacts over the prospective development of high-tech enterprises



External factors to exert negative impacts over the prospective development of high-tech enterprises



Reform directions of enterprises



Conclusion

This survey finds that with the continuous growth of China's economy, the competition among high-tech industry is increasing fierce and key factors to drive high growth for high-tech enterprises are enhancing R&D capability, strengthening leadership and improving sales ability. The CEOs are optimistic about the future economic development trends and are planning to increase R&D input, expand sales market as well as launch new products and recruit new employees.

[Rely on external favorable environment and realize enterprise's continuous growth](#)

China's high-tech enterprises are facing unprecedented financing opportunities brought forth by the prospective development outlook of high-tech industry, governmental policy support, gradual improvement of the financial system and the established SME and GEM boards. CEOs are planning to raise funds in capital market to meet the capital requirements from upgrading technology, marketing and expanding production and drive continuous growth in next 12 months as they view the economic development in regions where their products and services are offered will remain overall growth during 2011.

[Innovation is the fundamental factor for high-tech enterprises to maintain their core competence](#)

China's high-tech enterprises' comprehensive innovation ability with independent R&D as the core will facilitate the upgrading and development of high-tech industry. For the purpose of enhancing their core competence, high-tech enterprises will have to make greater efforts in developing their own intellectual property, mastering latest technology, developing new products, building

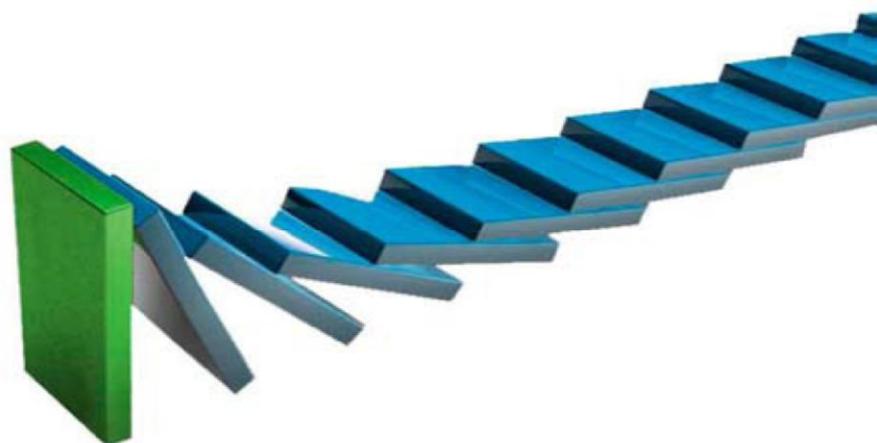
innovative and creative mechanism, cultivating and recruiting researchers and creative talents, optimizing fund sourcing structure and maintaining continuous competence.

[Strengthen leadership of core management team and realize operational objective of core business](#)

Leadership of core management team closely related to the realization of operational objective of core business has significant impact on the effectiveness of business macro decision and the efficiency of operational management. In the context of increasingly fierce market competition, enterprises should establish leadership competency standards based on business strategy and corporate culture to conduct on-going evaluation and feedback on middle and top-level managers and provide customized development opportunities for different-level managers based on evaluation results, attaching special attention to on-the-job training and development as well as some knowledge and skill classroom training.

[Speed up reform, prepare for competition, and drive fast growth](#)

CEOs feel optimistic about future economy and will increase R&D input, enlarge sale market, launch new products, attract innovative talents, strengthen leadership of core management team to enhance competition, facilitate industry reform and drive fast growth.



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Growing and IPO	Listing planning/IPO M&A Financial statements auditing Internal control compliance	IPO reporting auditor SOX/IPO internal control compliance Due diligence Financial statements auditing
Expansion	M&A Growth strategy Operational process restructuring Organization and performance management Enterprise risk control	M&A advisory/due diligence Strategic planning Operational process restructuring HR advisory ERS

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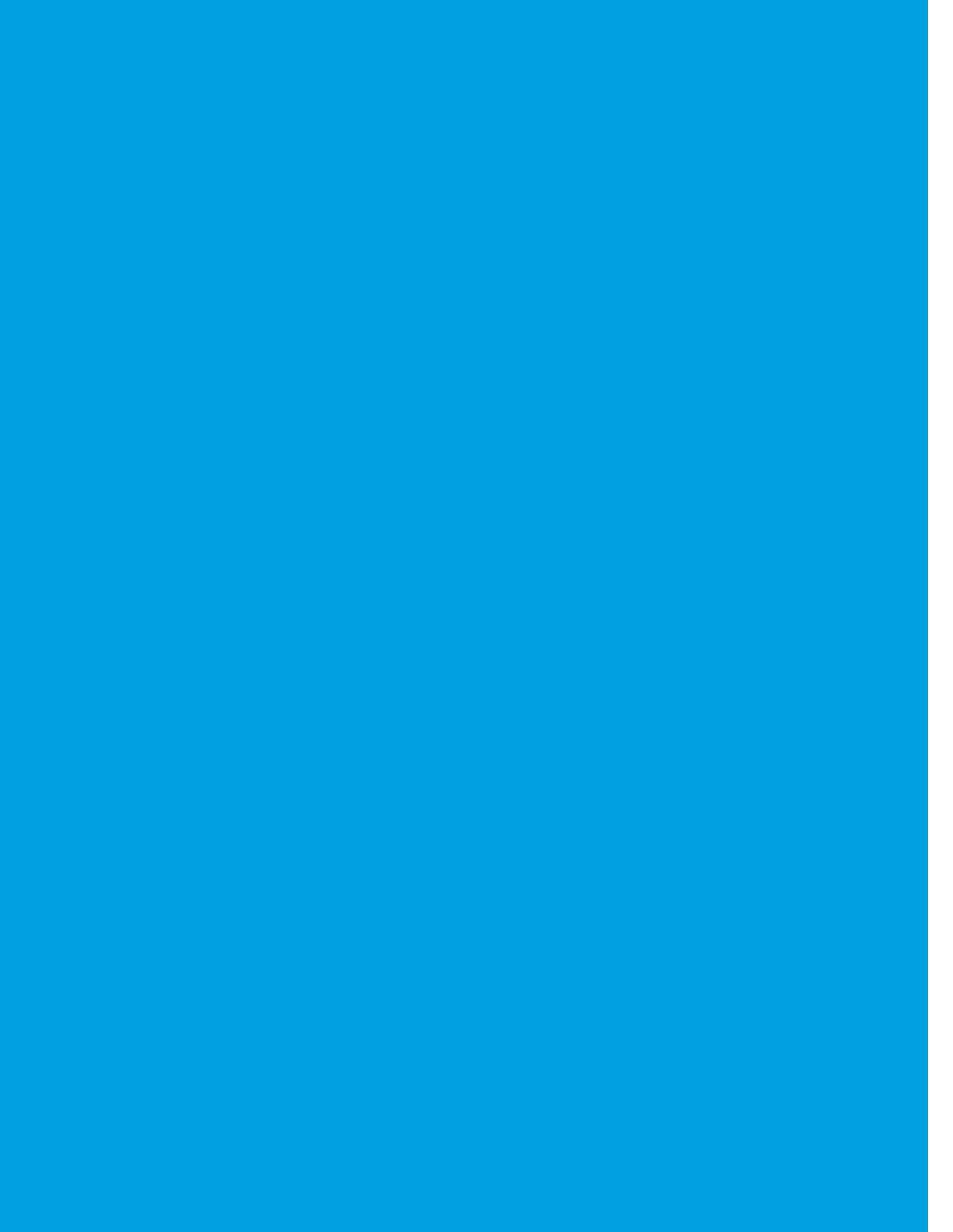
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