

Newsletter

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Cover Story

Neusoft Annual Report 2012 Announced 21.02% Revenue Growth

Neusoft accelerated innovation and transformation of its business model to promote sustainable development, and achieved approximately 7 billion yuan revenue and maintained steady growth in 2012.

Neusoft Corporation ("Neusoft", SSE: 600718) releases its Annual Report 2012 recently, and announced that Neusoft gained a revenue of RMB 6.96 billion Yuan, with the year-on-year growth of 21.02%, and net profit (attributable to shareholders of listed companies) of RMB 456 million Yuan, increased by 9.41% over the previous year. According to the annual report, despite of many uncertainties in the current market and the slowing-down growth of the software and information service industry, Neusoft has maintained steady growth through the innovation and transformation of its business model to promote sustainable development.

During the reporting period, Neusoft has strengthened its competitiveness and position in various existing industries and businesses in China, seeing a high-speed growth in many industries, including government, medical IT, energy, and finance, etc. Also, the Company has enhanced the exploration of new market opportunities in the fields of mobile internet, urban commercial banks, intelligent transportation, media and other emerging businesses. Neusoft has actively integrating comprehensive strength of the company in the areas of government and enterprise informatization, telecommunications, transportation, and medical health-

care etc., in order to build the "Smart City" total solutions. The continuous R&D investment in cloud computing, Internet of Things, medical equipment, automotive information technology, big data, and fundamental business platforms, Neusoft has made significant progress in the development of Xikang cloud platform and applications. In addition, the Company has accelerated the speed of innovation and transformation, moved up on the industry value chain created new market opportunities with domestic automotive manufacturers by combining the accumulated technical experience in automotive electronics from overseas markets with the deep understandings of Chinese market demands. In health management and service industry, the Company has innovatively used an "Online-to-Offline" Xikang health management and service model, and built "Healthy City" strategic partnerships with 14 cities, including Shenyang, Luoyang, Foshan, etc.

In terms of international business, Neusoft has enhanced its input in developing various markets and developing strategic partners around the world. The Company has managed to improve its planning, consulting and system designing capabilities for smart terminals. On the other hand, business model innovations covered automotive electronics, smart digital appliances and IT products. By these innovations and transformation, the Company continued with the transfer to high-value added businesses and provided customers with comprehensive solutions and innovative products. In 2012, Neusoft further enhanced the co

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operation with international major customers, and continuously expanded new customers. During the reporting period, the income from international software businesses increased by 11.94%, accounting for 31.42% of the total income.

In the field of medical systems, Neusoft successfully launched its independent developed NeuViz 64 multi-slice CT scanner, which was later approved by FDA, CE, and SFDA clearances, and NeuViz 64 multi-slice CT also received widespread recognition and well feedback from markets in 2012. During the reporting period, the income from medical systems amounted to RMB 890 million Yuan, with a year-on-year increase of 11.22%.

Mr. Wang Yongfeng, President of Neusoft said: "In spite of the global economic recession and the slowdown of China's economy, Neusoft has continuously improved employee's compensation and income. Under the pressure of such external environment and internal cost pressure, we managed to achieve good results in 2012. It was attributed by Neusoft's strategies of business model innovation and globalization development. Neusoft focused on creating customer values, reinforced the leading market position in existing industries and businesses, accelerated the expansion in Japan, Europe and U.S markets, and

and boosted business growth by innovations in business models and technologies. In addition, we have further promoted the plan of operational excellence, optimized organizational service system

to support business development, and increased project management/operational efficiency within the company. The constantly implementation of these strategies have promoted sustain-

able development of the company."

News

Neusoft Mobile Solutions Receives Silver Award from GSMA joyn Innovation Challenge

Neusoft Mobile Solutions, a fully owned subsidiary of Neusoft Corporation (Neusoft), announced that its innovation, 'Family joyn,' received the Silver Award from GSMA joyn Innovation Challenge. The joyn Innovation Challenge was an initiative to encourage innovations based on RCS. The challenge stimulates mobile and web app developers and technology innovators to build on the core capabilities of joyn and explore ideas for new and attractive services. Using the joyn 'innovation accelerator,' a developer can use APIs on a live GSMA Rich Communication Services (RCS) network. As these APIs have already been standardized, it will be easy for any new services to be transferred to a live operator commercial network as they become available.

A competition was held and 17 ideas from 12 companies were short listed. The companies were then asked to present their ideas to the judging panel. The best new ideas were showcased at the GSMA Pavilion at the Mobile World Congress 2013.

Neusoft's 'Family joyn' client is expanding the communication capability within the daily life. The application is mainly targeted at family members who are the most vulnerable and at the same time most valuable – children and elders.

The application offers a simplified and locked RCS user-interface, which ensures the right functions are continuously available. The most important contacts are available under one-click for immediate Voice and Video Share connection. With the RCS real-time location information pull, parents can have continuous information about their children's location and safety.

"The approach for the innovation was set to be very practical and the ground-rule was to create something that can be actually used within real-life" explained Customer Services Manager, Antti Miikkulainen. "Actually the whole idea then started from the daily need at home," he laughs.

Neusoft Mobile Solutions' 'Family joyn' offers excellent enhancement to RCS. The client enables:

- re-use of 2-3 years old returned subscription phones to turn them into "Family joyn" phones;
- "Lifetime SIM" to decrease churn;
- improved RCS knowledge and penetration.

About Neusoft Mobile Solutions

Neusoft Mobile Solutions Oy, in Tampere Finland, is a subsidiary of Neusoft Corporation, and is specialized in mobile software development. Neusoft is the leading IT solution and service provider in China with operations across the globe. Focusing on software technology, Neusoft provides industry solutions, product engineering solutions and related software products, platforms and services. With more than 20,000 employees around the world, Neusoft has a comprehensive marketing and service network in more than 40 cities across China, as well as subsidiaries in the U.S., Europe, Japan and the Middle East. The Company is the first listed software company in China and is traded on the Shanghai Stock Exchange. For more information, please visit: <http://www.neusoft.com>

Neusoft Medical Launches New Products to Global Market at 2013 Spring CMEF



Neusoft Medical Systems Co., Ltd. ("Neusoft Medical"), a wholly owned subsidiary of Neusoft Corporation (SSE: 600718), recently announced the launch of a variety of new products to the global market in the categories of CT, digital X-ray, diagnostic ultrasound system, and clinical examination equipment. These new products were exhibited at the Spring Edition of the 69th China International Medical Equipment Fair (CMEF) in Shenzhen. The Neusoft exhibit demonstrates the latest round of innovative solutions for the middle and high-end medical equipment market since its launch of China's first independently developed 64-slice CT Scanner last year. The new products demonstrate the Company's continuous investment in R&D as well as its commitment to bringing innovation to the international market.

The newly launched products include a dual-slice CT scanner (NeuViz Twin), digital mammography system (NeuCare Mammo DR), two models of diagnostic ultrasound systems (N700 and N900), and the fully automatic sample preprocessing system (MPAM), NeuCare Mammo DR, independently developed by Neusoft Medical, building on its R&D strength in developing digital X-ray equipment. An innovative design makes high-end digital mammography accessible to the general public. The fully automatic sample preprocessing system (MPAM) is the latest product developed by Neusoft A&T Diagnostics Co., Ltd., a subsidiary of Neusoft Medical. This product is equipped with a number of industry-leading technologies that can greatly improve work efficiency in laboratories, accuracy of test results, and safety of sample handling with reduced biological contamination.

Over the past 15 years, Neusoft Medical has also developed a wide range of advanced products with China's independent intellectual property rights, including magnetic resonance imaging, digital X-ray machine, diagnostic ultrasound system, laboratory automation, radiotherapy equipment, and nuclear medicine imaging equipment, enabling the offering of complete medical solutions covering the

fields of diagnostic imaging and routine examination. Neusoft Medical was the first Chinese technology company to successfully develop and launch a CT scanner with independent intellectual property rights in 1998, making China one of the few countries in the world manufacturing CT scanners. Since then, Neusoft Medical has launched a PET scanner in 2009 and the NeuViz 64 multi-slice CT scanner in 2012. Both systems have been certified by FDA, CE, and SFDA.

Mr. Guo Yong, Vice President and Marketing Director of Neusoft Medical, states, "Neusoft Medical has always committed to the strategy of pursuing a sustainable, fast, and healthy growth. We will continue to increase investment in the R&D of new products, strengthen technological innovation and intellectual property rights management, improve core technical capabilities, and enhance the competitiveness of Neusoft Medical's products. In the future, Neusoft Medical will continue to create value for customers, partners, employees, and shareholders, and strive to become a world-leading medical equipment and service provider."

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