
FUTURE PLANS

FUTURE PLANS AND PROSPECTS

The PRC IT industry represented only a small fraction to the worldwide IT industry in terms of the amount of IT spending from 2006 to 2008. However, that proportion is expected to continue to grow in the PRC on an accelerated level as anticipated by IDC. According to the 2006-2020 National Information Technology Development Plan, the PRC government will encourage the development of IT industry in the PRC including the promotion of the use of IT in various enterprises, enabling electronic public services, developing advanced cultural network, facilitating a digital economy, improving information-based facilities and enhancing the competitiveness of IT industry in the PRC. The Directors are confident that the IT industry in the PRC will continue to be one of the fastest growing markets in Asia, with the enterprise IT market in the PRC continuing to grow steadily. According to the China Statistical Yearbook 2009, the business volume of telecommunication services, government expenditure and total energy production increased by approximately 19.7%, 25.7% and 8.3% respectively from 2007 to 2008. The Directors believe that the Group’s business operation in the PRC will benefit from the continued development in various sectors of the PRC economy.

Hence, being one of the leading providers of cost effective IT solutions, quality enterprise IT products and comprehensive IT technical support services in the PRC, the Group intends to enhance its market leading position by formulating a series of development plans as set out below.

Strategic extension of sales network and coverage

Leveraging on the Group’s experienced sales team and competent IT technical personnel, the Group has cultivated sound relationship with end-users and various business partners, mainly system integrators and independent software vendors, which is a key component to the success of the Group. The Group intends to extend its network of end-users and business partners by widening the geographical coverage of the Group’s sales and technical support in the PRC through establishment of new branch offices and IT solution support centers.

In the IT solution support centers, the Group’s IT technical staff will be able to design, test and demonstrate different IT solutions to new or existing business partners and end-users based on the IT requirements from end-users with an aim to initiate and conclude more sales orders on purchase of enterprise IT products and related services after such free provision of IT solutions. With the existing three IT solution support centers located at Beijing, Shanghai and Guangzhou, which are the first-tier cities in the PRC, the Group intends to capture more sales opportunities in second-tier cities in the PRC like Shenyang, Xi’an, Chengdu and Wuhan, which are the regional economic centres where the Group believes have considerable demand for enterprise IT products.

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Broadening of IT product range and procurement network

The Group has established solid relationship with some well-known international IT vendors, like IBM and Oracle. By virtue of quality enterprise IT products offered by them, the Group has provided value-added IT solutions to its business partners as well as end-users cost effectively. To this end, the Group intends to reinforce the business cooperation with these current IT vendors through, inter alia, joint marketing and promotion activities to identify potential business opportunities, as well as formulation of cost effective IT solutions which capitalize on the prominent features and functionalities of the IT products offered.

Furthermore, the Group intends to diversify its IT product portfolio by identifying suitable IT products which can complement its current IT product portfolio, in order to (i) capture more revenue from each customer by enriching its product offerings to meet with various IT requirements of each customer, (ii) broaden its customer base through distribution of IT products with features different from those of its current IT product portfolio, as well as (iii) enhance its service opportunities and revenue in association with distribution of different IT products.

Expansion of the IT service provision in the PRC

After establishment of basic IT system infrastructure by general PRC corporations, it is expected that more corporate customers will request for, and increasingly be willing to pay for, routine IT system and network maintenance service and other IT services that will add value to their system and network infrastructure. In this respect, the Group intends to enhance its IT service capability and extend its service offerings, inter alia, provision of IT technical outsourcing services, to meet specific requirements of such corporate customers.

Besides, to further intensify the relationship with existing business partners and end-users, a broader range of IT technical support services and trainings will be offered in association with provision of enterprise IT products, particularly those which enable the business partners and end-users to better understand the features and functionalities of the enterprise IT products that they purchase from the Group to facilitate the business partners to develop industry-specific solutions for their corporate end-users and to assist end-users to better utilize and enhance the performance of the enterprise IT products in their business operation. Hence, the Group intends to set up training centers in the PRC in both first-tier and second-tier cities, like Beijing, Shanghai, Guangzhou, Xi’an, Chengdu and Wuhan, from where the Group’s revenue for provision of enterprise IT products mainly derives.

To cope with the Group’s business strategy to provide more user-specific value-added IT services to customers as mentioned above, more experienced and qualified IT technical and training personnel will be recruited to strengthen the Group’s IT service capability and enrich IT technical know-how of the Group’s IT service team in various business sectors.