## Principal Operation Highlights

### Sound growth in operating revenue and accelerated development of three new businesses

- **Operating revenue:**
  - 2020: RMB 2,504 million
  - 2021: RMB 2,715 million
  - Growth: +8.4%

- **Revenue from three new businesses***
  - 2020: RMB 230 million
  - 2021: RMB 553 million
  - Growth: +140.9%

- **Proportion of three new businesses to revenue**
  - 2020: 9.2%
  - 2021: 20.4%
  - Increase: +11.2pp

### Performance continued to improve significantly

- **Gross profit & gross profit margin**
  - 2020: RMB 894 million, 35.7%
  - 2021: RMB 977 million, 36.7%
  - Increase: +11.6%

- **Net profit & net profit margin**
  - 2020: RMB 233 million, 9.3%
  - 2021: RMB 280 million, 10.3%
  - Increase: +20.2%

### Included in several indexes

- **Hang Seng Stock Connect Hong Kong Index**
- **Hang Seng Internet & Information Technology Index**
- **Hang Seng Composite Index**
- **MSCI China All Shares Small Cap Index**

### Notes

*Three new businesses: DSaaS (Data-Driven Operation), vertical industries and enterprise cloud, and OSS (Operation Support System)*

#Final dividends for 2020 was distributed according to a dividend payout ratio of 40% of the net profit in the financial report during the current period, and maintain the guideline that the dividend payout ratio should not be less than 40% in 2021.
Solid Advancement of Strategic Transformation in “Three New” Businesses with Great Prospects

Vertical industries and enterprise cloud (finance, energy, government affairs, transportation, postal, smart city...)

BSS

OSS

DSaaS

Traditional products

New products

Emerging market - Vertical industries

 Operators

Total revenue from three new businesses (RMB million)

Revenue from DSaaS

Revenue from vertical industries and enterprise cloud

Revenue from OSS

2020H1 2021H1 2020H1 2021H1 2020H1 2021H1 2020H1 2021H1

230 553 106 309 68 113 56 131

+140.9% +192% +65.7% +135.8%

Percentage of revenue from three new businesses to total revenue

2019 2020H1 2020 2021H1

6.6% 9.2% 13.0% 20.4%

2.6pp 3.8pp 7.4pp

2020H1 2021H1

2020H1 2021H1

2020H1 2021H1

2020H1 2021H1
DSaaS Business in Ongoing Rapid Growth with Surging Revenue

**Business revenue continued to grow rapidly**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019H1</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>2020H1</td>
<td>106</td>
<td>90.7%</td>
</tr>
<tr>
<td>2021H1</td>
<td>309</td>
<td>192%</td>
</tr>
</tbody>
</table>

Diversified operating products and service systems

- **Telecom**
  - Stock operation
  - Equity operation
  - Grid-based operation
  - Content operation

- **Finance**
  - Financial insight
  - Financial marketing
  - Financial risk control
  - Private traffic

- **Smart City**
  - Smart approval
  - Smart emergency
  - Corporate services
  - Smart Zone X

- **Public Service**
  - Census management
  - Anti-fraud
  - Epidemic prevention and control

- **Other industries**
  - Address selection
  - Label and portrait
  - Intelligent placement
  - Private traffic

**Middle office technology sharing system**

**Legally compliant data sources in abundance**

Data information security is the cornerstone and guarantee for the development of DSaaS business. The Company always strictly complies with relevant laws and regulations in the PRC, and insists on desensitization in using date to ensure the legality and security of data information.

**Special internet zone for existing customers of certain group company**

On the basis of 2020, business model has been replicated to multiple provinces, and the scope of cooperative business has also expanded from traditional traffic operations to 5G packages, smart homes, etc.; settlement income from results-based charging is nearly RMB10 million in half a year.

**New breakthroughs in urban digital operations**

In the first half of 2021, the Company has made new breakthroughs in the field of urban digital operations. In scenarios such as corporate services, smart parks, smart communities, and urban smart centers, the number of orders for integrated construction and operation exceeded RMB 10 million.

Continue to expand customer layout

Representative customers of DSaaS

- **Finance**
  - Finance

- **Telecom**
  - Telecom

- **Government affairs**
  - Government affairs

- **Other industries**
  - Other industries

Flexible models, scale of results-based charging increased

- Results-based Charging
- SaaS subscription
- Charging per item
- Charging per tool software

In the first half of 2021, the Company has made new breakthroughs in the field of urban digital operations. In scenarios such as corporate services, smart parks, smart communities, and urban smart centers, the number of orders for integrated construction and operation exceeded RMB 10 million.
Relying on WeChat and corporate WeChat ecosystems and with the help of big data capabilities of enterprises, together with innovative Internet gameplay and operation methods, the Company has built a unified marketing service platform for customers, which effectively empowers frontline private domain traffic operations.

**Solution for private domain traffic operation of enterprises**

- Employee empowerment
- Customer operations
- Business sales
- Scene marketing

**Private domain traffic**
- Establishing connection
- Customer portrait
- Member operation
- Social marketing
- Interactive marketing
- Live broadcasting marketing

**Comprehensive improvements for customer’s operational efficiency**

The solution provides digital employees empowerment, digital customer operation, digital scenario marketing and digital business sales solutions for customers in communications, radio and television, and finance industries. The order conversion rate is 6-7 times that of traditional channels.

**Deepened strategic cooperation with Tencent Cloud**

- Relying on products and solutions of Tencent Cloud, and WeChat platform ecosystems, including WeChat public platform, WeChat open platform, enterprise WeChat, applet, WeChat payment, the Company provides one-stop DSaaS solutions and services for large government and enterprise customers.
- Up to now, DSaaS tools and products based on the WeChat ecosystem have covered more than 50 central enterprise customers at the provincial level, supported over 200 million WeChat followers and users, as well as serviced and empowered close to approximately 1 million front-line business personnel. In the future, the two parties will further deepen cooperation, expand innovation models for digital operation, and jointly develop a broader large-scale government and enterprise market.

**Direction of DSaaS:**

- Relying on products and solutions of Tencent Cloud, and WeChat platform ecosystems, including WeChat public platform, WeChat open platform, enterprise WeChat, applet, WeChat payment, the Company provides one-stop DSaaS solutions and services for large government and enterprise customers.
- Up to now, DSaaS tools and products based on the WeChat ecosystem have covered more than 50 central enterprise customers at the provincial level, supported over 200 million WeChat followers and users, as well as serviced and empowered close to approximately 1 million front-line business personnel. In the future, the two parties will further deepen cooperation, expand innovation models for digital operation, and jointly develop a broader large-scale government and enterprise market.
Appendix: Strong Momentum of the Market for Data-driven Operational Service

The data-driven operation model is gaining increasing acceptance in the PRC market. The digital operation market potential for "product + service" based on big data is promising. The market size is expected to reach RMB120 billion in 2025, led by the top three segments of government, finance, and retail, accounting for 26%, 13%, and 9% respectively.

Projected Distribution of Digital Operation Market Among Vertical Industries in 2025

Statistics sources: BCG, CAICT
Further Concentration of Vertical Industries and Accelerated Growth of Enterprise Cloudification

Focusing on 5 major industries to further expand customer base

- Energy: The Company actively responded to the “Plan for Application of 5G in Energy” and the “Sailing Plan for Application of 5G” in the PRC, and promoted the implementation of more than 10 5G smart power plants in nuclear power, wind power, thermal power and other industries.
- Government affairs: Added dozens of government affairs projects such as the city brain of Jieshou, Anhui and ASEAN information port business center to help the government in digital transformation and upgrade in line with digital government policies and trends.
- Finance: New financial customers acquired, including China UnionPay, Aeon Life, and local commercial banks.
- Postal: Awarded Phase II of the CRM following strong customer high reorganization for Phase I.

Benchmark projects

- Energy
  - Information Center Construction Project of China Nuclear Power
  - 5G Network Information Project of Inner Mongolia Guodian Shuangwei Power Plant (内蒙古国电双维电厂)
  - Informationization and Deepened Application Project of State Power Investment Corporation Northeast Electric Power Co., Ltd. (国家电投集团东北电力有限公司)
  - Wind Power Wireless Private Network Project of SPIC
  - Document AI Middle Office Construction Project of Fujing Nuclear Power

- Government affairs
  - Logo Analysis Secondary Node Application Service Platform Project of China Classification Society
  - City Brain Project of Jieshou, Anhui
  - Data Operation Project of Shanghai Big Data Center

- Finance
  - Data Governance Project of China UnionPay
  - Refined Management Project of China Everbright Bank
  - CRM System Phase II of Life Insurance (人寿保险)

- Transportation
  - IT Consulting and Planning Series Project of Henan Expressway
  - Big Data Platform Construction Project of Yunnan Highway Network Toll Management Co., Ltd.
  - Electromechanical Management Information Platform Upgrade and Optimization Project of Longnan Toll Tunnel

- Postal
  - CRM Phase II Project of China Post

Revenue from vertical industries and enterprise cloudification (RMB million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019H1</th>
<th>2020H1</th>
<th>2021H1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34</td>
<td>68</td>
<td>113</td>
</tr>
</tbody>
</table>

5 + X + 1

Deepened cooperation with cloud enterprises and joint effort in customer development

- Cooperaed with Huawei in various fields such as Kunpeng ecology, digital government, MSP, AI computing platform and others, and obtained the “CSSP-IaaS Capability Certification”, a cooperation qualification of Huawei.
- Signed a strategic cooperation agreement with Tencent Cloud to fully carry out in-depth cooperation in vertical industries, such as cloud business, smart city, digital operation, software localization, artificial intelligence, security, operator industry and others.
- Further deepened the cooperation with Alibaba Cloud, carried out cooperation in government affairs, energy, industry and other fields, and won the Alibaba Cloud Joint Innovation Partner Award.

Benchmark projects

- Online-offline Project of Jiading Government
- Project of Huashu Media Network Co., Ltd.
- Fa Bu Tong APP Project of the Press Office
- Industrial Internet Portal Construction Project
- Data Middle Office Project of Weifu High Technology
- Government Service Cloud Management Platform Project of Nanchang Public Security
- Smart Waste Incineration Optimization Project of Hanlan Green Power (瀚蓝绿电)
- AI Inspection Platform Project of Liaohe Oilfield
- Chongqing “12345 System” Government Service Project.

Project orders signed with cloud enterprises doubled yoy, with the signing of several project orders pending.
Seizing the Opportunities of Smart City to Build An Integrated Capacity System of “1+N” Construction and Operation

In response to the urgent need for sustainable operation of smart cities, AsiaInfo Technologies has launched the "1+N" capability system for smart cities combining its proprietary products, services, integration and operation capabilities.

"1+N" integrated capability system for construction and operation of smart city

For government
- Smart approval
- Demographic Big Data
- Medical insurance cost control
- Smart transportation
- Environmental Protection
- Smart healthcare
- Smart policing
- Smart energy
- Smart site
- Smart tax control
- Smart emergency
- Smart food and medicine management
- Smart fire protection
- Smart integrated governance

For enterprises
- Enterprises Cloudification
- Online Services for Small and Medium Enterprises
- Smart logistics
- Smart operation
- Smart community
- Smart elderly care
- Smart social security
- Smart culture and tourism

For the public
- Smart city middle office
- Basic big data platform of smart city

In 2021, AsiaInfo published The Smart City Digital Operations White Paper.
Appendix: Vast Market for Enterprises Cloudification

Cloud computing market in China

Projected Size of China’s Private Cloud Market (RMB billion)

- 2020: 79.1
- 2021E: 96.8
- 2022E: 118.5
- 2023E: 144.7
- 2024E: 175.1
- 2025E: 211.8

CAGR=21.8%

Projected Size of China’s Public Cloud Market (RMB billion)

- 2020: 99.1
- 2021E: 134.0
- 2022E: 176.7
- 2023E: 230.7
- 2024E: 288.4
- 2025E: 346.1

CAGR=28.4%

Cloud management services in China

Projected Size of China’s MSP Market (RMB billion)

- 2020: 10
- 2021E: 16
- 2022E: 24
- 2023E: 36
- 2024E: 52
- 2025E: 74

CAGR=49%

Statistics sources: BCG, CAICT
Rapid Growth for OSS Business, Leading the Industry in Technology and Products

5G promoted the sound growth of OSS market potential

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019H1</td>
<td>40</td>
</tr>
<tr>
<td>2020H1</td>
<td>56</td>
</tr>
<tr>
<td>2021H1</td>
<td>131</td>
</tr>
</tbody>
</table>

CAGR=6.3%

Projected OSS market size for PRC operators (RMB million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>4,050</td>
<td>4,400</td>
<td>4,640</td>
<td>4,900</td>
<td>5,180</td>
<td>5,500</td>
</tr>
</tbody>
</table>

Revenue from OSS business (RMB million)

2019H1 38.6% 2020H1 135.8% 2021H1 131

Industry leader in OSS technology and product influence

5G network slice ranked No. 1 in the industry
5G private network as the first mover
Network middle office took the lead

Joint innovation with 3GPP, ITU, GSMA, ETSI and other international and domestic industry organizations and enterprises, participating in the formulation of international standards and technological innovation

44 international and domestic 5G OSS technical standards
- Areas involved: multi-NWDAF deployment, intent-driven network management service (IDMS), autonomous driving network level (ANL), vertical industry blockchain technology application and others
- Product system: 5G network OSS, end-to-end management of 5G network slicing, network big data, network artificial intelligence platform, customer experience management and others

Continuous expansion of OSS market coverage

OSS products cover over 90 customers of three major operating provincial companies and professional companies

Continuously enrich the capabilities of OSS products to adapt to the seamless migration of customer stock systems

Benchmark projects

- Hubei Mobile’s new-generation integrated resource management system: The first integrated resource management system based on the “2+5+N” architecture of the Mobile Group successfully launched
- Optimization and transformation project for part O-domain network management support system of Guangzhou Mobile
- Cable Middle Office Smart Maintenance Project of Jiangxi Mobile
- Capability Open Platform and Resource Management Center Project of Inner Mongolia Mobile
- Operation and Maintenance Management Center Project of Guizhou Mobile
- 5G Private Network Operation Project of China Unicom Group
- 5G Slicing Operation Project of Guangdong Unicom
- Cloud Network Integrated Operation Platform Project of Hebei Unicom
- Cloud Network Basic Data Sharing Platform Construction Project of Shanghai Telecom
- GIS Platform Project of China Telecom Group
- Resource Center Construction Project of Yunnan Telecom

AsialInfo’s sound OSS product system under the new generation of OSS

- O-domain big data platform
- General Technology Platform
- Business deployment
- CEM customer experience
- Intelligent network planning/network optimization
- End-to-end management system of 5G network slicing
- 5G Private Network Operation Platform
- SDN Software Defined Networking Suite
- Intelligent Resource Management System
- Network data governance

Source: CAICT
BSS Business Maintained Its Leading Position in the Market, Helping Customers in Their Digital Intelligence Transform and Upgrade

**BSS business maintained leading position in the market**

- **Revenue**: RMB2.11 billion
- **Growth rate**: -0.3%
- **Newly signed orders increased by over 10%** yoy

**Investments in BSS became more business value-oriented and the overall size was basically stable**

- Investments in BSS become more business value-oriented. Smart middle office, grid operation, government and enterprise business support, new business support, home business support, cloud-network integration, independent control and others have become the focus of operators' investments in BSS.

**Full support for 5G business**

The Company comprehensively supported the integrated operation support system of the three major operators in individual, family, government and enterprise, and innovative businesses, assisted operators in the digital transformation and upgrading of channels, marketing, services and other fields, and continued to promote the integrated cloud and network support system for various industries with 5G slicing as the core.

**Further deepened 5G smart operation**

The Company participated deeply in the planning and construction of smart middle offices across the network, fully supported business middle office, data middle office, technical middle office, management middle office and others, and successfully completed the delivery of phase 1 of smart middle office in 18 provinces including Beijing, Shanghai, Guangdong and Zhejiang, and continued to promote grid operation, equity operation, ecological operation, BMO integration and empowerment and others.

**Innovative products helped customers in digital intelligence transformation**

With AsiaInfo’s self-developed innovative products, databases, middleware, PaaS platforms, AI platforms, RPA, knowledge graphs, blockchains and AI edge all-in-one machines helped customers’ localization, controllability, as well application and innovation.

**Continued promotion of IT support transformation and large-scale project delivery**

The Company steadily promoted the construction of the entire network platform, and deeply participated in large-scale projects such as the cloudification and upgrade of the existing system. In the first half of the year, large-scale projects, such as the IT intensive node, the entire network billing and accounting center, and the cloud operation and management platform, progressed in an orderly manner and were completed as scheduled.
R&D First, Innovation as Priority, Keep Enhancing R&D Innovation and Technology-driven Capabilities

- The Company further improved its R&D product system, focused on "middle office product system + application product series + industry solutions", with continuous investment in R&D to create excellent products, resulting in ongoing enhancement in capability of R&D, innovation and technical capabilities.
- R&D investment for H1 2021 amounted to RMB443 million or 16.3% of the total revenue, providing solid driving force for the rapid development of “Three New” Businesses.

Middle office product system
Continuously improve the middle office system and build an industrial technical foundation

Application product series
Create excellent products to empower a number of industries

Industry solutions
Design industrial solutions to drive the digital transformation of enterprises

Empowering vertical industry

General middle office
- Artificial intelligence platform (AI, AIOps)
- Big data platform
- PaaS platform
- GIS platform

Network intelligence and 5G private networks
- 5G network intelligence
- 5G private network

IT innovation products
- Database
- Middleware

Data-driven operation
- Intelligent Operation
- Intelligent Sharing
- Intelligent Credit
- Intelligent Store
Safeguarding the Development of IT Innovation Industry and Promoting the IT Localisation Process

IT innovation products advance from technology adaptation to scale development

AsianInfo products

- Distributed Database AntDB
- Middleware Product FlyingServer
- Platform and Application Software AISWere PaaS
- Multi-Cloud Management Platform AISWareCloudOS

Seven products were selected for inclusion in the 2021 China Brand Day Promotion Catalogue of New Domestic Products for the Electronic Information Industry of the China Federation of Electronics and Information Industry.

IT innovation industry compatible adaptations

- Completed the multi-structure CPU platforms including Huawei Kunpeng, Loongson, Phytium, Hygon and Terawins; domestic independent and controllable operating systems such as Kylin, Unisntech and Huawei openEuler; complete machines such as Huawei Taihan, Great Wall, Yellow River and Baode; and IT innovation industry upstream and downstream compatible adaptation and mutual recognition for domestic mainstream middleware such as TongTech, BES and APUSC.
- Completed the compatible adaptations of Huawei Kunpeng, Phytium, Kylin, Unisntech OS, DAMENG, KING BASE, shentongdata, 360 Browser, etc.

Membership in industry organisations

- Beijing Fintech Industry Alliance
- Distributed Database Working Committee
- Innovative Applications Working Committee
- Member of the Board of Directors of China E-commerce Chamber of Autonomous and Controllable Technology Committee
- Member of the Deputy Directors of Changsha Autonomous and Controllable Information Security Industry Alliance

Database products are applied in communications and vertical industries

In 2020, the global database market size reached USD67.1 billion and the Chinese database market size was approximately RMB24.1 billion. It is expected that the global database market size will reach USD79.8 billion and the Chinese database market size will reach RMB68.8 billion by 2025.

Chinese database market size (RMB billion)

- 2020: 24.1
- 2021: 30.9
- 2022: 36.8
- 2023: 49.3
- 2024: 61.1
- 2025: 68.8

CAGR=23.3%


AntDB product system has more than 60 core sub-system installations in the telecommunications industry.

Database products application

- 18 operator customers
- 8 vertical industry customers (including postal, transport, government, etc.)

Five major industries accounted for over 80% of the database market size (2020)

- Finance: 22.3%
- Telecommunications: 18.9%
- Government: 16.4%
- Manufacturing: 13.3%
- Transportation: 9.6%
- Others: 19.5%

In-depth involvement in the preparation of the 2021 White Paper on Database Development and Research Report led by the China Academy of Information and Communications Technology.
### Helping Enterprises Engage the New Era of Digital Intelligence Transformation with Distinctive Strengths in Leading in Technology and Product

#### A leader in 5G network intelligence
- Leading the development of international standards for network intelligence
  - **44** International and national standards (3GPP, ETSI, ITU, ORAN, etc.)
  - **22** patents
- Building a full regime of intelligent products for 5G networks
- Undertaking to build 5G network management and operation core systems for three major operators
  - More than **90** OSS customers
  - Close to **200** contracts
- 5G to B private network products to empower vertical industries
  - **4** Commercial points
- Industry awards
  - **10**
- Industry organisations and industry alliances
  - **5**

#### A key player in the National IT innovation
- Distributed database products have passed the Phytium platform test of ITAIWC
- Distributed database products have passed the assessment of MIIT financial-grade distributed transactional database standards by CAICT
- Middleware products have passed the middleware functionality, performance and stability tests of ITAIWC
- Database and middleware products have completed multi-vendor compatibility with IT innovation system
- Core member of several IT innovation industry organisations
  - Distributed Database Working Committee
  - Innovative Applications Working Committee
- Member of the Deputy Directors of Changsha Autonomous and Controllable Information Security Industry Alliance
- Beijing Fintech Industry Alliance
- Member of the Board of Directors of China E-commerce Chamber of Autonomous and Controllable Technology Committee
- Member of the Information Technology Application and Innovation Working Committee

#### An innovator for communication AI
- Leading the development path of the communication AI technology
  - Jointly published *The Next Decade of Communication Artificial Intelligence* with both national and international industry and academic circles
- First autonomous network federation learning 3GPP 5G international standard
  - 3GPP SA5 International Standard for Automated Driving Network Levels
- Technology innovation in the field of communication artificial intelligence
  - 5G Massive MIMO
  - 5G energy saving system of base station
  - 5G cutting SLA protection
  - **25** innovative scenarios
- Industry-University-Research joint innovation
  - Tsinghua University - AsiaInfo Communications Artificial Intelligence Joint Laboratory
  - China Mobile - AsiaInfo Technology Network Intelligence Joint Laboratory
- Academic achievements
  - **20** core journals

#### A builder for digital intelligent middle office capability
- Full line middle office product capability for digital transformation
  - **11** Standard development
- International and national standards (ETSI, IEEE, CCSA, etc.)
  - **97** patents
- Industry-University-Research joint innovation
  - China Mobile IT Joint Ecology Laboratory
  - Virtual Reality Industry Technology Innovation Alliance
- Industry awards
  - **36**
- Independently Controlled Domestic Production
  - Cloud management platform and DevOps have passed the advanced certification of “Trusted Cloud”
  - Starlink, big data fundamental platform, big data middle platform operating system and data exploration analysis have passed the product capability assessment of CAICT
- Multiple vertical industry application
  - **10+** vertical industries
- Empowering vertical industry results
  - **145** commercial points

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15
Wide Recognition for Our Comprehensive Strengths

Qualifications

- Big data products system has passed the assessment by CAICT
- AIRPA passed the first batch of top-level competency assessment of CAICT in China
- The block chain product “Star Chain” was accredited by CAICT
- Passed the first batch of “Digital Trusted Service Assessment” of CAICT and was awarded “Digital Transformation Empowering Service Collective”
- CMIM Level 5 Certification of Capability Maturity Model Integration
- Cloud Managed Services Competency Assessment Certificate Excellence Level
- Digital Trust Service Assessment - Certification of digital governance capabilities for research and operation
- ITSS Information technology services operation and maintenance standards compliance certificate(Level 2)
- Information system construction and service capability assessment (CS4 level)
- …

Honours

- Ranked as one of the top 100 Companies in software business revenues in China for seven consecutive years
- Outstanding Enterprise in Software and Information Service Industry
- The most influential industry brand in China’s software and information service industry
- Outstanding Enterprise in Electronic Information Industry
- Top 50 Companies in Electronic Information Industry Social Contribution in China
- China’s leading artificial intelligence company
- Outstanding Enterprise in China Software Industry
- Outstanding Entrepreneur in China Software Industry
- “Leaping Technology Enterprise” of the Top 100 HKSE Listed Companies

Industry Awards

- National-wide champion and outstanding winner in “China RPA+AI Developer Competition”
- Ranked 17 in “Global AI Innovation Contest”(with 4,256 participants in total)
- Leading Technology Achievement “Outstanding Project” : RPA, Urban Digital Twins Platform, AntDB and DataOS
- Outstanding solution in China Software Industry - edge AI (Security) All-in-One machine and its solution
- Excellent cases of “Craftsmen of Wisdom” - AIRPA
- 7 products included in the new domestic products for China Brand Day electronic information industry
- New Smart City Leading Enterprise Award
- AIOps included in Gartner’s “Hype Cycle for ICT in China,2021” and is accredited as a recommended supplier of intelligent operation and maintenance platforms

Standardization organizations/associations

- Members of 3GPP, 5GSA, TFMA, ETSI, ITU, ISO, IEC, IEEE, CCSA, IWPC and O-RAN
- Standing Member of China Federation of Electronics and Information Industry
- Vice Chairman of Internet Society of China
- Vice Chairman Unit of China Software Industry Association
- Standing member of Beijing Software and Information Service Industry Association
- DevOps Standards Working Group Member Units
- Information Technology Application Innovation Working Committee
- Member of the Cloud Computing Standards and Open Source Advancement Committee
- Vice Chairman Unit of RPA Industries Development Alliance
- Vice Chairman Unit of Modern Digital City Industry Alliance
- Vice Chairman Unit of Alliance of Industrial Internet
- Vice Chairman Unit of Digital Economy Committee of International Chamber of Commerce
- Member of Autonomous Controllable Technology Committee
- of China Electronic Chamber of Commerce
- Jointly established 5G Intelligence Joint Lab with Tsinghua University,…

Intellectual property/academic achievements

952 software copyrights

- Obtained a total of 952 software certificates
- Owned 544 patents and 178 patent applications

55 International and domestic standards

- Participated in the international standards development, and the International Telecommunication Union, the Third Generation Partnership Programme, the European Telecommunications Standards Institute and other international standards organisations adopted a total of 55 standard proposals

6 academic achievements and books on 5G

- Jointly published The Next Decade of Communication Artificial Intelligence together with both national and international industry and academic circles
- Jointly released the White Paper on 5G Urban Digital Twins in China with MIGU and Digital Twin Consortium
Future Outlook: Achieving a Business Scale of Over RMB10 Billion, Half of Which Comprising the New Businesses, Forging Another New AsiaInfo

The development of the “Three New” businesses

The proportion of the “Three New” businesses in 2025

Traditional business 50%

The proportion of the “Three New” businesses in 2021H1

Traditional business 80%

High-quality enhancement of “One consolidation” and swift promotion of “Three developments”

Leveraging product, service, operation and integration capabilities to help corporate digitalisation with continuous creation of new value

In 2025, achieving a business scale of over RMB10 billion, half of which comprising the new businesses, forging another new AsiaInfo.

Data-driven operation
Communication network support systems
Vertical industries and enterprises cloudification
Communication business support systems

Product capabilities
Service capabilities
Operational capabilities
Integration capabilities

Communication business support systems
Human resource project
Digital operation project
Cost-effectiveness control project
Investment and M&A project
Strategic cooperation project
## Performance Highlights

<table>
<thead>
<tr>
<th>Description</th>
<th>2021H1</th>
<th>2020H1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>2,715,268</td>
<td>2,504,146</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Including:</strong> Revenue from the new businesses</td>
<td>553,350</td>
<td>229,677</td>
<td>140.9%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>997,236</td>
<td>893,664</td>
<td>11.6%</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>36.7%</td>
<td>35.7%</td>
<td>1.0pp</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(755,372)</td>
<td>(633,111)</td>
<td>19.3%</td>
</tr>
<tr>
<td>Other profit or losses</td>
<td>68,934</td>
<td>29,571</td>
<td>133.1%</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>(31,259)</td>
<td>(57,557)</td>
<td>(45.7%)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>279,539</td>
<td>232,567</td>
<td>20.2%</td>
</tr>
<tr>
<td><strong>Net profit margin (%)</strong></td>
<td>10.3%</td>
<td>9.3%</td>
<td>1.0pp</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(175,924)</td>
<td>(181,108)</td>
<td>(2.9%)</td>
</tr>
</tbody>
</table>
Sound Growth of Operating Revenue and Rapid Development of Three New Businesses

Operating revenue and orders

- Orders in hand increased over 25%
- Traditional business orders in hand remain stable
- The “Three New” businesses orders in hand increased over 150%

Revenue from the “Three New” businesses and its proportion to total revenue

- Revenue from the “Three New” businesses increased over 150%
- Revenue from traditional business orders remain stable
- Revenue from OSS increased over 65.7%

- Revenue from DSaaS increased over 77.7%
- Revenue from enterprises cloudification increased over 192.0%
The Company continued to strengthen meticulous cost management and the overall total cost and its proportion to revenue increased slightly with continuous business expansion.

**Total cost**

- **2019H1**: 2,361 RMB million
- **2020H1**: 2,243 RMB million
- **2021H1**: 2,474 RMB million

**Proportion of cost to revenue**

- **2019H1**: 95.2%
- **2020H1**: 89.5%
- **2021H1**: 89.5%

**Cost of sales**

- Continuous reinforcement of project process management and delivery process optimization
- Slight increase of operating costs with business expansion and continuous improvement of delivery efficiency

**Selling and marketing expenses**

- Cooperating with the strategic transformation to increase the marketing efforts of the “Three New” businesses focusing on the marketing effect, the increase in the proportion of the revenue is within a reasonable range

**Administrative expenses**

- Continuous improvement of the Company’s functional management efficiency

**R&D expenses**

- R&D investments fully accounted for as expense
- Increase investment in R&D, focusing on building innovative products required for the development of the “Three New” businesses as well as the middle office technology system to support strategic transformation
Significant Improvement of Profitability to Hit A New High

Gross profit & gross profit margin

<table>
<thead>
<tr>
<th></th>
<th>2019H1</th>
<th>2020H1</th>
<th>2021H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>868</td>
<td>894</td>
<td>997</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>35.0%</td>
<td>35.7%</td>
<td>36.7%</td>
</tr>
</tbody>
</table>

+11.6% RMB million

+1.0pp

Net Profit and net profit margin

<table>
<thead>
<tr>
<th></th>
<th>2019H1</th>
<th>2020H1</th>
<th>2021H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>71</td>
<td>233</td>
<td>280</td>
</tr>
<tr>
<td>Net profit margin</td>
<td>2.9%</td>
<td>9.3%</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

+20.2% RMB million

+1.0pp

Dividend

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield</td>
<td>0.252</td>
<td>0.345</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>36.9%</td>
<td></td>
</tr>
</tbody>
</table>

Investment yield comparison*

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment yield</td>
<td>3.10%</td>
<td>2.75%</td>
</tr>
<tr>
<td>Investment yield</td>
<td>0.13%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Investment yield</td>
<td>1.83%</td>
<td>0.45%</td>
</tr>
<tr>
<td>Investment yield</td>
<td>0.31%</td>
<td></td>
</tr>
</tbody>
</table>

*Comparative data from Wind

#Final dividends for 2020 was distributed according to a dividend payout ratio of 40% of the net profit in the financial report during the current period, and maintain fulfill the guideline that the dividend payout ratio should not be less than 40% in 2021
Thank you!
## Appendix 1: Summary of Consolidated Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2021H1</th>
<th>2020H1</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>2,715,268</td>
<td>2,504,146</td>
<td>211,122</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(1,718,032)</td>
<td>(1,610,482)</td>
<td>(107,550)</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>997,236</td>
<td>893,664</td>
<td>103,572</td>
<td>11.6%</td>
</tr>
<tr>
<td><strong>Selling and marketing expenses</strong></td>
<td>(199,905)</td>
<td>(163,242)</td>
<td>(36,663)</td>
<td>22.5%</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(112,965)</td>
<td>(118,336)</td>
<td>5,371</td>
<td>(4.5%)</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>(442,502)</td>
<td>(351,533)</td>
<td>(90,969)</td>
<td>25.9%</td>
</tr>
<tr>
<td><strong>Finance cost</strong></td>
<td>(5,907)</td>
<td>(11,390)</td>
<td>5,483</td>
<td>(48.1%)</td>
</tr>
<tr>
<td><strong>Exchange gain and loss</strong></td>
<td>(3,505)</td>
<td>(3,820)</td>
<td>315</td>
<td>(8.2%)</td>
</tr>
<tr>
<td><strong>Other income, revenue and losses</strong></td>
<td>93,100</td>
<td>58,264</td>
<td>34,836</td>
<td>59.8%</td>
</tr>
<tr>
<td><strong>Share of results of associates and provision for impairment</strong></td>
<td>(14,754)</td>
<td>(13,483)</td>
<td>(1,271)</td>
<td>9.4%</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>310,798</td>
<td>290,124</td>
<td>20,674</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>(31,259)</td>
<td>(57,557)</td>
<td>26,298</td>
<td>(45.7%)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>279,539</td>
<td>232,567</td>
<td>46,972</td>
<td>20.2%</td>
</tr>
</tbody>
</table>
# Appendix 2: Summary of Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>RMB’000</th>
<th>2021/6/30</th>
<th>2020/12/31</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,147,747</td>
<td>2,885,758</td>
<td>261,989</td>
<td>9.1%</td>
</tr>
<tr>
<td>Including: Goodwill</td>
<td>1,932,246</td>
<td>1,932,246</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pledged bank deposits and fixed deposits</td>
<td>550,757</td>
<td>248,737</td>
<td>302,020</td>
<td>121.4%</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>5,299,963</td>
<td>5,987,394</td>
<td>(687,431)</td>
<td>(11.5%)</td>
</tr>
<tr>
<td>Including: Trade and notes receivables</td>
<td>950,713</td>
<td>941,957</td>
<td>8,756</td>
<td>0.9%</td>
</tr>
<tr>
<td>Contract assets</td>
<td>1,803,069</td>
<td>1,722,485</td>
<td>80,584</td>
<td>4.7%</td>
</tr>
<tr>
<td>Amounts due from related parties</td>
<td>15,787</td>
<td>10,233</td>
<td>5,554</td>
<td>54.3%</td>
</tr>
<tr>
<td>Pledged bank deposits</td>
<td>198,514</td>
<td>263,067</td>
<td>(64,553)</td>
<td>(24.5%)</td>
</tr>
<tr>
<td>Bank balances and cash and changes in fair value of financial assets</td>
<td>2,020,127</td>
<td>2,934,874</td>
<td>(914,747)</td>
<td>(31.2%)</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>2,634,050</td>
<td>3,076,841</td>
<td>(442,791)</td>
<td>(14.4%)</td>
</tr>
<tr>
<td>Including: Trade and notes payables</td>
<td>281,227</td>
<td>149,454</td>
<td>131,773</td>
<td>88.2%</td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>9,160</td>
<td>9,154</td>
<td>6</td>
<td>0.1%</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>287,289</td>
<td>393,371</td>
<td>(106,082)</td>
<td>(27.0%)</td>
</tr>
<tr>
<td>Other payables, deposits received and accrued expenses</td>
<td>1,768,227</td>
<td>2,063,218</td>
<td>(294,991)</td>
<td>(14.3%)</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>-</td>
<td>137,023</td>
<td>(137,023)</td>
<td>(100.0%)</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>228,979</td>
<td>240,863</td>
<td>(11,884)</td>
<td>(4.9%)</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>5,584,681</td>
<td>5,555,448</td>
<td>29,233</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
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