



AsialInfo
亚信科技

亚信科技控股有限公司

AsialInfo Technologies Limited

(Incorporated in the British Virgin Islands with limited liability)

Stock Code: 01675

Interim Results

August 2022

A large, abstract graphic on the right side of the page. It features a central, glowing tunnel-like structure composed of many thin, overlapping lines in various colors (blue, orange, green, purple). The lines create a sense of depth and movement, leading the eye towards the center. The overall effect is futuristic and high-tech.

Strong Momentum For
New Ventures



**Business
Performance**



**Financial
Performance**

Highlights

Sustained double-digit revenue growth

↑ **14.5%**
yoy

RMB **3,109** mil
Revenue

New orders registered high double-digit growth

↑ **>30%**
yoy

Three New Business¹ revenue first exceeded RMB1 bil in a half-year, contributing >30% of revenue

RMB **1,004** mil
Revenue

↑ **81.4%**
yoy

32.3%
As % of Revenue

↑ **11.9pp**
yoy

COVID-19 posted a short-term pressure on profits, but to restore growth momentum for FY22

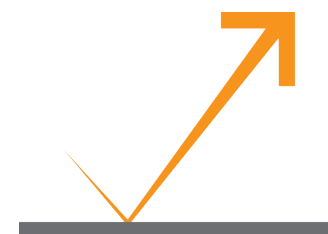
RMB **1,054** mil
Gross profit

↑ **5.6%**
yoy

RMB **262** mil

Net profit
(excluding share-based compensation expenses²)

↓ **-15.7%**
yoy



2022H1: COVID-19 posted a short-term impact on project delivery progress and efficiency, hence increased project delivery costs

2022: Restore net profit growth momentum with the ease of the epidemic

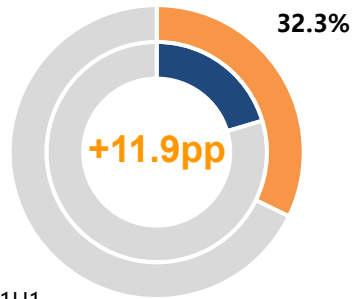
Note:

1. Three New Business: Data-Driven Operation (DSaaS), vertical industries and enterprise cloudification, and Operation Supporting System (OSS) business.
2. To facilitate comparison of the Group's overall operating performance between periods, the net profit has been adjusted to exclude the effect from the recognition of the share-based compensation expenses impacted by the difference in the timing of the grant of the share-based compensation.

Fast Growth Three New Business Revenue First Exceeded RMB 1 bil in a Half-year, Contributing >30% of Revenue

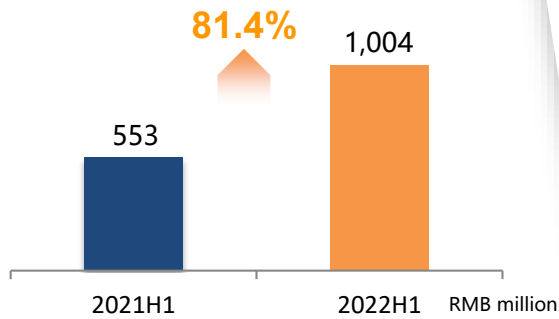
Three New Business

As % of revenue

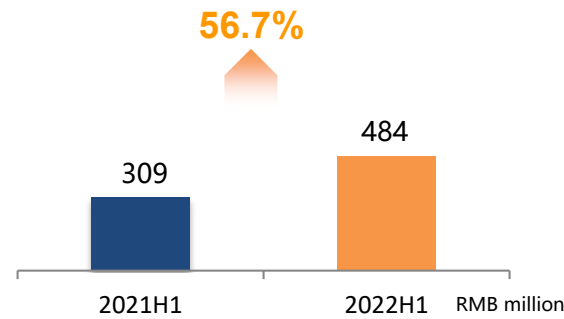
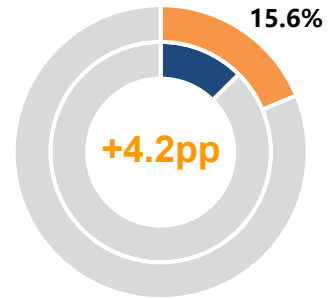


■ 2021H1
■ 2022H1

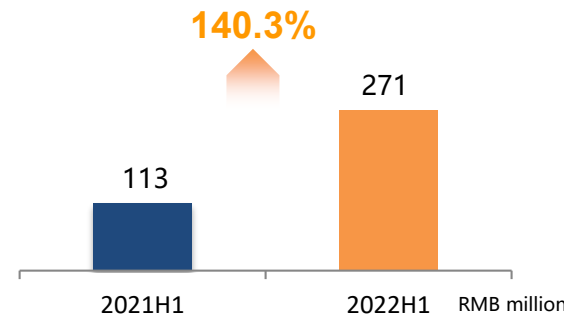
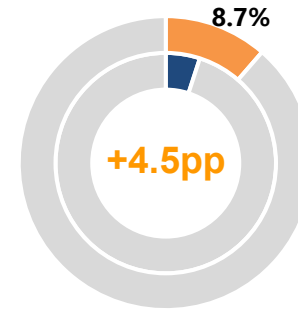
Revenue



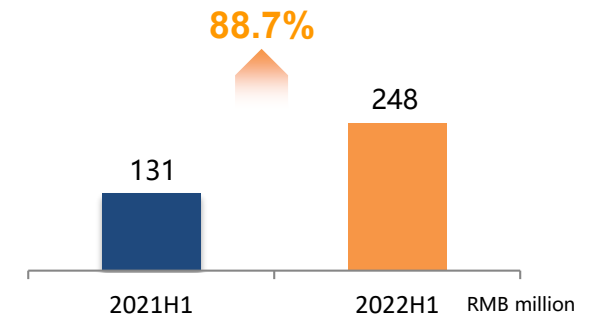
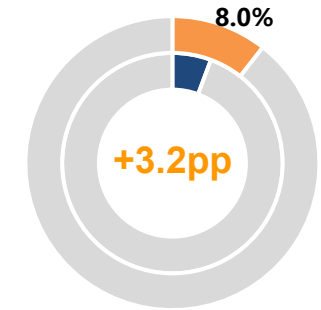
DSaaS



Vertical industries and enterprise cloudification

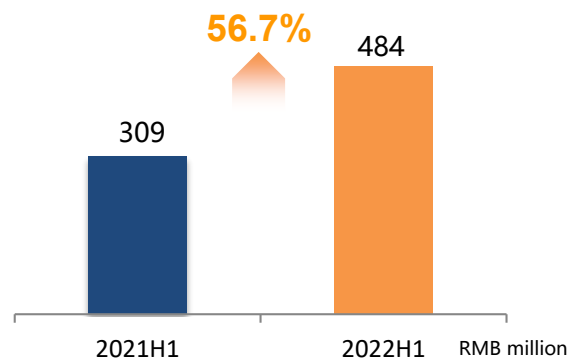


OSS



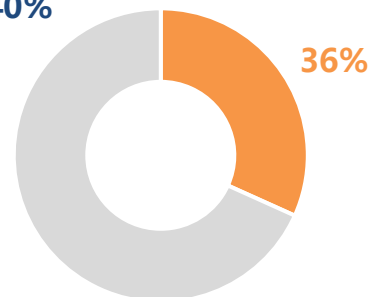
DSaaS Business Restructuring Completed & Revenue Structure Optimized Further

Fast revenue growth in DSaaS

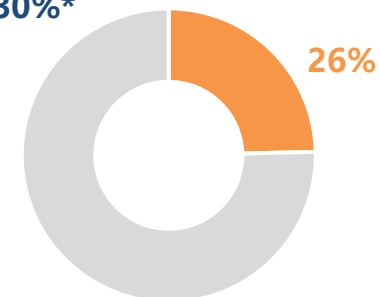


Business & revenue structure diversified and optimized further

Revenue from non-telecommunications industry increased nearly to 40%



Results-based and commission-based charging model revenue contribution increased nearly to 30%*



DSaaS business unit integrated with iResearch to form a new organization, iDigital



Completed the organization and resources integration

- Team integration
- Product and service offerings integration
- Brand unification



Basically completed the business integration

Two major business lines



Smart decision-making



Intelligent operation



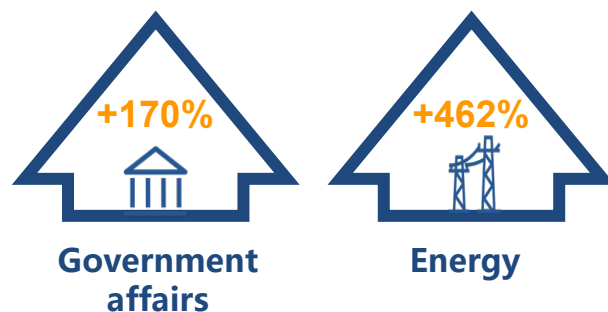
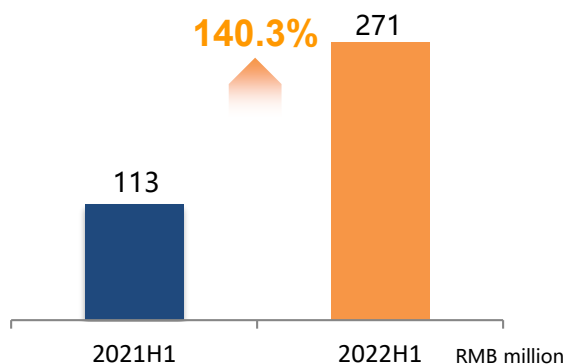
Integrating iResearch brings rapid expansion of new industry footprint, accelerating customer extension in retail, internet, etc.



* Excluded revenue from iResearch

Vertical Industries & Enterprise Cloudification Revenue Doubled

Vertical industries & enterprise cloudification revenue



In-depth & accelerated development in government affairs and energy industries



Government affairs

- **Solid development with government affairs Big Data & digital government solutions, etc becoming key revenue growth driver**
- Obtained key customer projects such as Chongqing Data Management Bureau and Henan Data Management Bureau; and reached a strategic cooperation with Nankai District in Tianjin to promote the construction of "Digital Tianjin"



Energy

- **Scale breakthrough with robust growth**
- Achieved multiple replications in several markets, e.g. nuclear power, wind power, thermal power for 5G private network & other core solutions
- Obtained Hainan nuclear power, Qinshan nuclear power, Fuqing nuclear power, wind farm of Kowah Investments, etc.



Transportation

- **Industry solution capability further improved**
- Provided integrated service capability in the area of highway customer service and revenue protection
- Obtaining projects, e.g. highway network toll billing in Hunan, Shentong Metro (Phase II), Yunnan highway clearing and settlement system, and big data platform



Finance

- Obtained key customer projects based on Big Data, data governance and other integrated solutions, including regulatory big data warehouse of CSRC, the big data of the Bank of Ningbo, and rural credit cooperatives of Hunan Province



Postal

- Promoted the CRM phase II project construction at the group-level of a customer & obtained projects, e.g. data middle office in Sichuan, Chongqing and Henan leveraging the synergy of the group and its provincial branches



Cloud business

- Steadily promoted the cooperation with industry leading cloud vendors and state-owned enterprise cloud
- Obtained projects, e.g. smart city projects (including Neijiang and Chongqing), Zhejiang maritime traffic intelligence control platform and Heilongjiang Higher People's Court data middle office by collaborating with cloud companies
- Honoured "Go Further Together" award at Alibaba Cloud Partner Conference 2022



Product empowering vertical industries development



Digital Intelligence

- RPA
- Data Visualization
- Edge AI
- Digital twins
- Knowledge graph
- ...



Cloud Network

- 5G private network
- 5G slicing operations management platform
- 5G private network operations platform
- Network cloud management platform
- Computing network
- ...



IT

- Database
- Middleware
- DevOps
- Edge AIoT
- ...

5G Smart Wireless Private Network Launched in Energy Industry in Scale

The 5G core network products received network access permit from MIIT and well positioned for commercial application in scale in energy sector

Based on industry-customised 5G base stations, lightweight 5G core network and electricity 5G capability operation platform, 5G and AI are deeply integrated to provide power generation enterprises at nuclear power, wind power and thermal power industries with 5G end-to-end, full-stack private network products and solutions on energy industry digitalization.

Customers



Wireless private network solution services: deployed in >66 sites in China, including 17 nuclear power units in operation, 50 wind farms and 1 thermal power plant.

The thermal power plant of Guodian Shuangwei at Shanghai Miao
The first thermal power plants to deploy 5G independent private network coverage in China



Photovoltaic Power Plant of CNNP Rich Energy at Lincheng county
Photovoltaic video recognition



Wind farm of SPIC at Qiuping, Xingan county, Guangxi
The largest mountain wind farm in Southern China achieving full wireless coverage



38 wind farms under Guohua investment
Intelligent Wind Farm Construction of CHN ENERGY



Hainan Changjiang Nuclear Power Station
The world's first nuclear power units to deploy 5G private network coverage for nuclear islands



Energy 5G private network solutions and product edges

5G private network product obtained network access permit from MIIT



Integrating the "full core network extending + independent network deployment" network architecture with the business landscape of energy industry customers and leveraging the characteristics of 5G, i.e. wide connectivity, high bandwidth and low latency to realize the full integration of CT, OT and IT

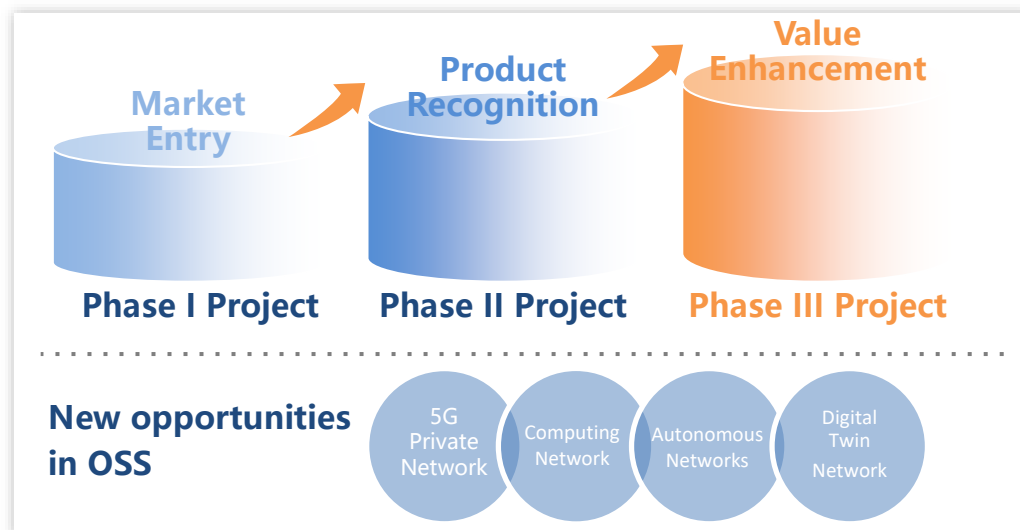
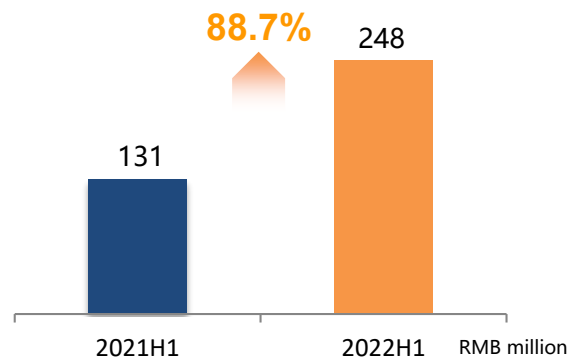
5G independent private network coverage, carrying voice and business data transmission

Unified 5G private network capacity operation and management platform

Intelligent management of device end equipment: smart device cabinet, 5G private network handset, positioning bracelet, etc.

Multi-system integrated platform management: cluster scheduling system, 0.5m high-precision positioning system, network management system, etc.

OSS Revenue Grew Rapidly

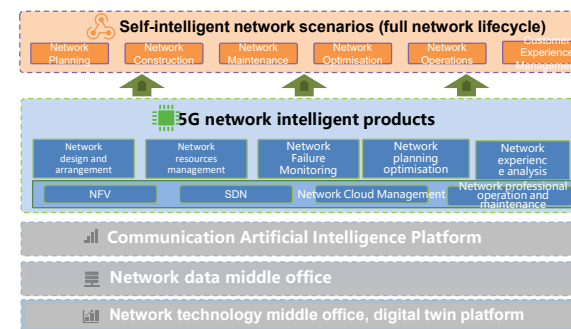


Industry leader in network intelligence and 5G private network

Industry leading network intelligent product system

- Network design and arrangement
- Network resources management
- Network failure monitoring
- Network planning optimization
- Network experience analysis

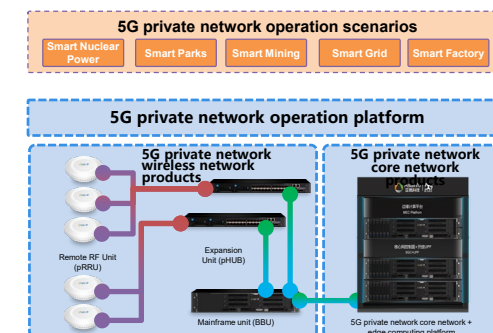
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Full-stack end-to-end 5G private network product system

- 5G private network core network
- 5G MEC platform
- 5G private network wireless network products
- Industry-based network operation services

...

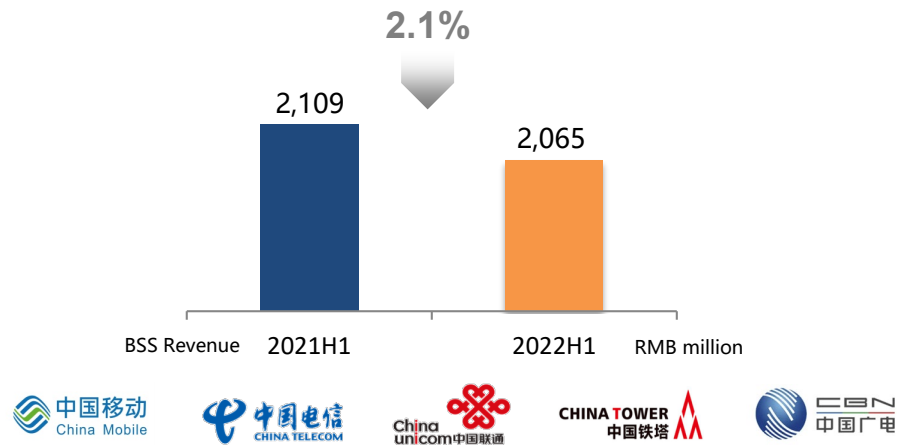


Benchmark Projects

- China Mobile Headquarters Network Data Sharing Platform Phase II
- China Mobile Headquarters Business Orchestration System Phase II
- China Mobile Guangxi Company Network Resource Center System
- China Mobile Heilongjiang Company Mobile Core Network Operation and Maintenance Platform
- China Mobile Hunan Company Network Optimisation and Self-Intelligence Platform
- China Mobile Guangxi Company Network Operation and Maintenance Digital Employee Platform
- Jiangsu Unicom 5G Supporting Network Management Project
- China Unicom Smart Network Innovation Center 5G Service Project
- SDWAN Project from CITC
- Yunnan Telecom Resource Center Capacity Building Project
- Sichuan Telecom Cloud Network Service Design and Orchestration Center
- Guangxi Telecom Precision Planning Support System Construction Project

BSS Maintained Market Leadership

The pandemic posted short-term impact of project delivery & inspection



BSS Growth Opportunities

Computing power network support	BSS+Big Data, AI	Digitisation for government and enterprises
Intelligent middle office	Support capability improvement	Digitisation for home
System cloudification	Localization & substitution	New operators
Channel digitisation	CHBN integrated support	IoT business support

Support customers on digital & intelligent transformation with innovative products & solutions

BSS digital & intelligent construction

In-depth involvement in the planning and construction of digitalisation & intelligentisation projects of the three major operators, e.g. the computing power network and the intelligent middle office platform, supporting customers on digital & intelligent transformation and achieving value operations

BSS digital & intelligent innovation

Assist customers to carry out digital & intelligent innovation in application and platform, etc., by introducing innovative products, including RPA, AI platform, AI edge all-in-one machine, AIOps, knowledge graphs, blockchains, etc.

BSS foundation localization & substitution

Support customers to realise domestic alternative of basic software and carry out domestic basic software adaptation at the BSS application software level with proprietary database and middleware products

BSS new market expansion



Software development and system integration services for 5G BSS construction

CBN launched 5G service on 27 June 2022

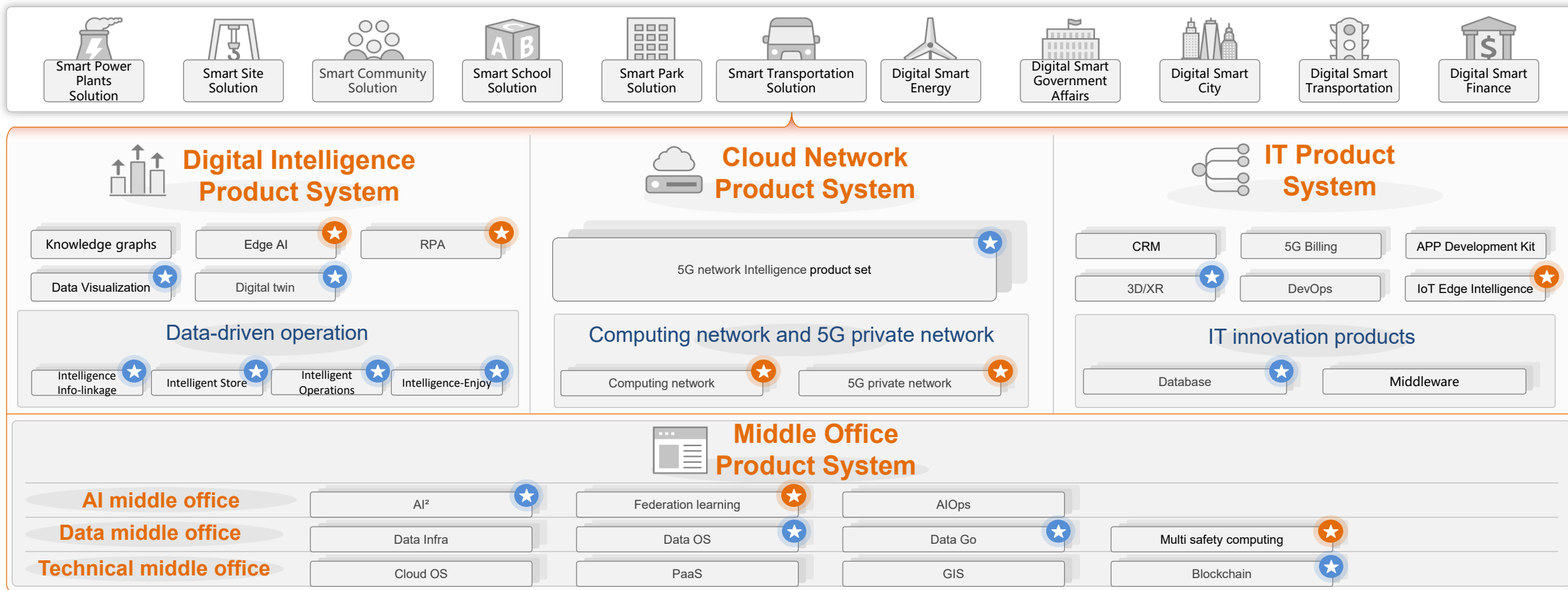
AsiaInfo, as a domestic provider of digital and intelligent full-stack capabilities integrating telecom business support product, large-scale software delivery, system integration, and business operation capabilities, supported CBN to roll out 5G service with high quality customer service within 5 months after winning the bid

A satellite network company

Provide a satellite network company with business support products and services, e.g. operation service platform and capability open platform, etc.

Enhanced Product Capabilities to Drive Fast Growth of Three New Business

- In 2022H1, the Company continued to enhance products with R&D investment* amounted to RMB473 mil, accounting for 15.2% of revenue.
- Built a portfolio basing on “Middle Office” product system, powering “Digital Intelligence”, “Cloud Network” and “IT”, effectively promoting the rapid growth of Three New Business.



★ Mature products contributing to the high growth of Three New Business

★ Key new products developed this year

* Excluding share-based compensation expenses

Wide Recognition for Our Products & Technology

Leadership in digital intelligence and cloud network product systems with IT product system joining among tier-1 domestic vendors

Digital intelligence product system consistently driving the industry

- The highest annual award in AI sector, "Wu Wenjun AI Science and Technology Progress Award" in 2021
- Listed on the MIIT's "AI Industry Innovation Key Task Unveiling List"
- Selected in the "Panorama of Edge Computing Industry (2022)" by CAICT
- Our edge AI products won the Outstanding Edge Computing Solution Award by CAICT
- Robotic Process Automation Platform (RPA) won the 2022 Typical Demonstration Case Award in CISD
- Edge AI products were jointly evaluated by CAICT and CCSA, and were selected into the "Beijing Key Security and Emergency Enterprises and Products Catalog"
- Won the 21st annual ranking of the top 100 artificial intelligence enterprises
- Participated in the formulation of 5 international/domestic standards, and completed 16 domestic compatibility and adaptation certifications with mainstream upstream and downstream manufacturers; the privacy computing platform took the lead in IEEE's first international standard for privacy computing interconnection, marking the development of privacy computing technology standards at international front line

Cloud network product system at the forefront of the industry

- Our 5G core network product system obtained the network access permit from the MIIT, with capabilities for large-scale commercial use
- CEM was selected for Gartner Global Communications Industry Customer and Business Operation Mainstream Supplier Matrix
- Selected for Gartner 2022 Global Network Intelligence Mainstream Supplier Matrix, becoming a global typical supplier of network intelligence
- In-depth involvement in 3GPP, O-RAN, ITU-T and other international technical standards organizations, leading and contributing 20 international communication technology standards; focusing on areas such as computing power networks, autonomous networks and network digital twins, and formed 8 domestic patents

IT product system among the tier-1 domestic vendors

- AntDB database products were selected into the "Global Database Industry Map" of CAICT
- Works based on 3D visualization products won the "iF Design Gold Award" at the 2022 iF Industrie Forum Design in Germany
- Obtained the first batch of excellent grade evaluations for the AIOps capability maturity model of intelligent operation and maintenance of the CAICT
- Web application media products have passed Jakarta EE compatibility certification
- Submitted 8 domestic patents, and completed 12 domestic compatibility and adaptation certification with mainstream upstream and downstream manufacturers

Middle office product system building the foundation for the digital & intelligent transformation of the industry

The universal artificial intelligence platform was selected for Forrester 2022 China AI System Mainstream Supplier Matrix

PaaS Platform was selected in Forrester Now Tech China's Cloud Platform and Managed Services Mainstream Provider Matrix

Joining hands with China Mobile, the intelligent middle office value evaluation system won TMF "2021 Industry Outstanding Contribution Award"

14 international / domestic patents were submitted

IT Innovative AntDB Database Product Stepped Up on New Stage

AntDB Database

AntDB 7.0, a new generation of distributed autonomous and controllable database, was released on 12 July 2022



With 14 years of experience in the telecommunications industry, AntDB is a high-performance, high-availability distributed autonomous and controllable database based on a native distributed architecture, providing support for the core business systems of telecom operators nationwide, and widely applying in finance, postal services, transportation, energy industries, etc., including >200 projects being launched.

Service scale: covered enterprise customers in 24 provinces across the country, with underlying applications serving >1 billion users and node number of >2,000

Service quality: Carrier-grade performance and reliability after >10 years of verification by telecom core business systems, with a financial-grade security of 99.999%

Product performance: Process millions of core telecommunications transactions per second at its peak capacity.

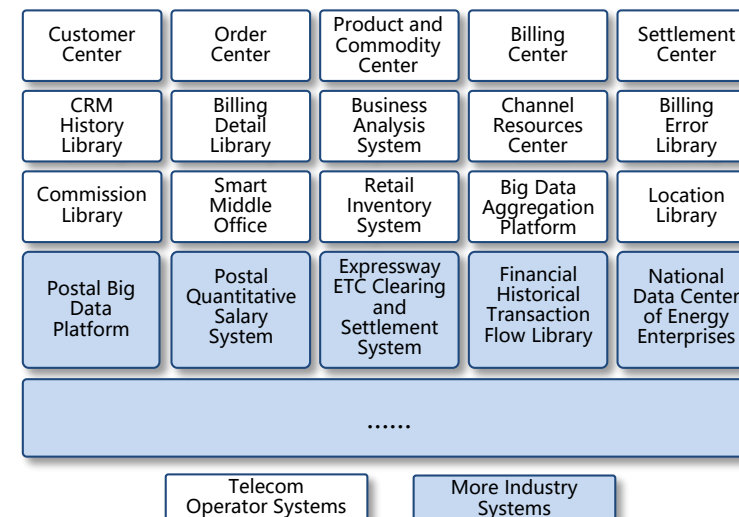
Product Qualifications and Awards

- AntDB series products completed two evaluations on basic capabilities and performance of distributed transactional database
- Outstanding Contribution Award for Finance Industry of Financial Computerizing
- “Excellent Projects” with Leading Technologies of Big Data Expo
- Technological Innovation Individual Award of MIIT
- Best Database Brand of IT Innovation Industry Fist Award
- Bronze Award (PRC) and Second Prize (Jiangsu) of the Kunpeng Competition
- Participating Authors of the Database Development Research Report (2022)
- TOP 20 on the Database Ranking of 2022 in China

Application cases of database products

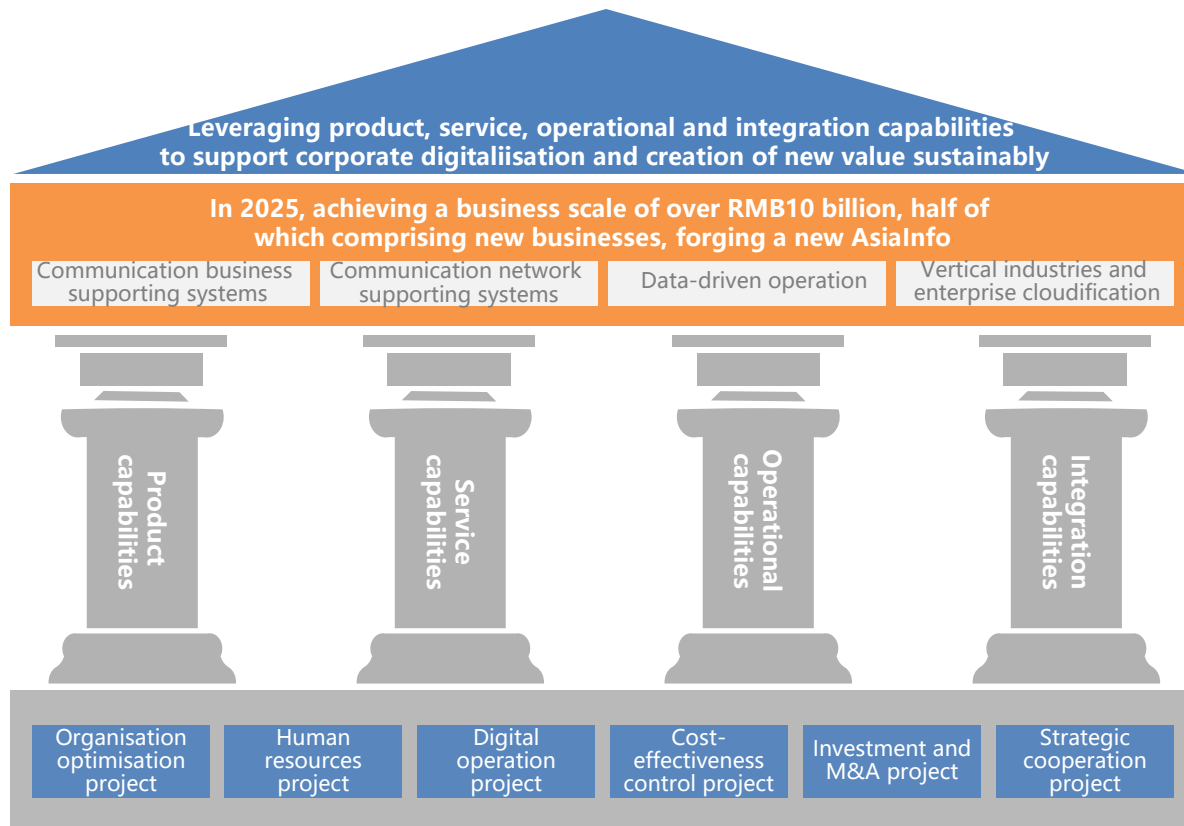


Launched application systems of AntDB database

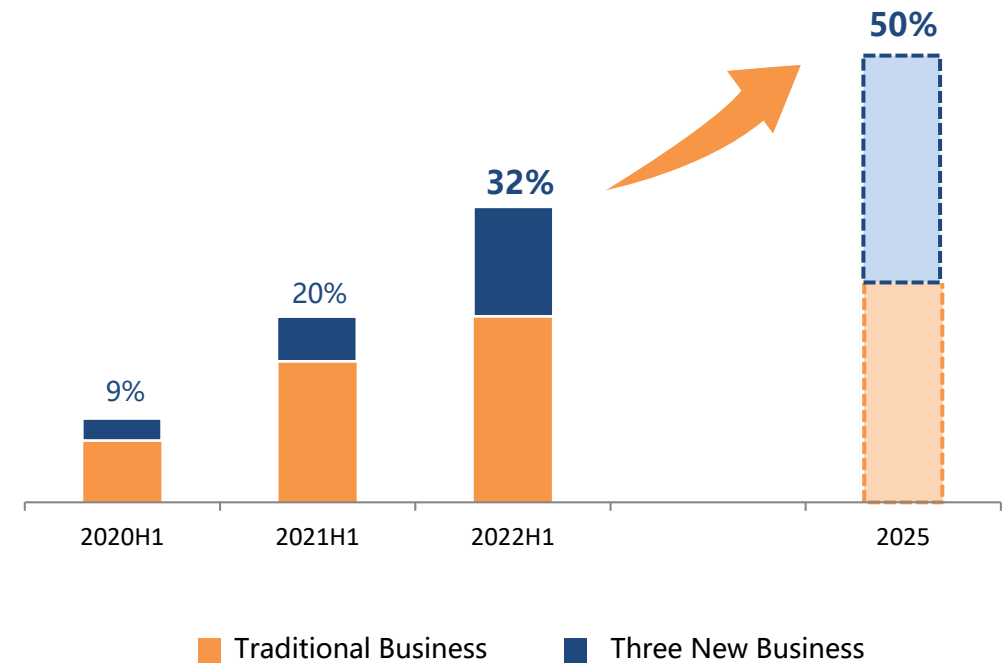


Outlook: Steadily Achieving a Business Scale of over RMB10 bil in 2025

Leading provider with full-stack digital and intelligent capabilities



Unleashing the strength of traditional business efficiency, and revitalizing the growing momentum of Three New Businesses





**Business
Performance**



**Financial
Performance**

Financial Overview

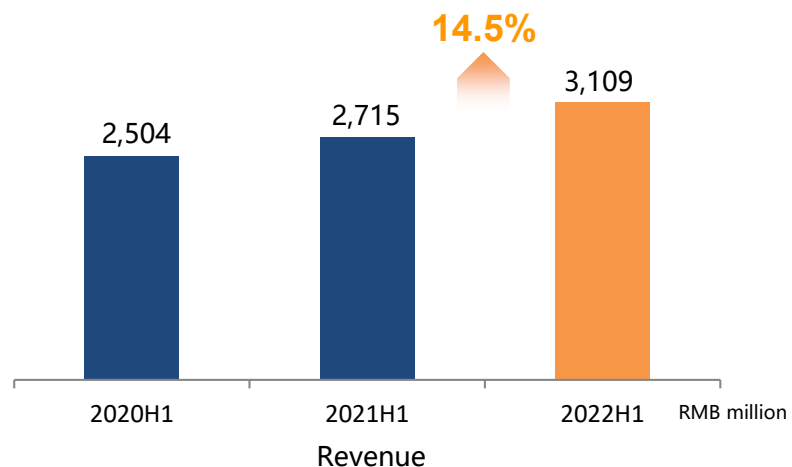
- Strong market demand and business development momentum, with new orders increasing >30% year-on-year
- Revenue registered a year-on-year double-digit growth, with revenue from Three New Business exceeding RMB1 bil for the first time in a half-year, contributing >30% of revenue
- The epidemic posted short-term pressure on profits and cash flow, as project implementation progress and delivery efficiency declined and the acceptance was delayed
- Such pressure will be relieved and growth will resume with the ease of the epidemic

RMB'000	2022H1	2021H1	Change %
Revenue	3,109,285	2,715,268	14.5%
Including: Revenue from Three New Business	1,003,618	553,350	81.4%
Gross profit	1,053,527	997,236	5.6%
<i>Gross profit margin (%)</i>	<i>33.9%</i>	<i>36.7%</i>	<i>(2.8pp)</i>
Operating expenses	(899,918)	(755,372)	19.1%
Other income or losses	60,146	68,934	(12.7%)
Income tax expenses	(24,657)	(31,259)	(21.1%)
Net profit (excluding share-based compensation expenses)*	261,533	310,423	(15.7%)
<i>Net profit margin (excluding share-based compensation expenses) (%)</i>	<i>8.4%</i>	<i>11.4%</i>	<i>(3.0pp)</i>
Cash used in operating activities (excluding the one-off effect)*	(363,359)	(175,924)	106.5%

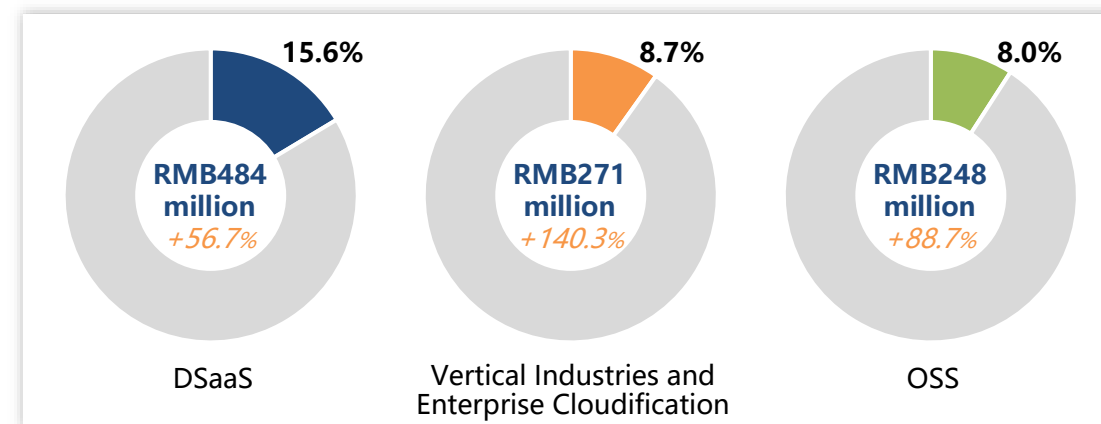
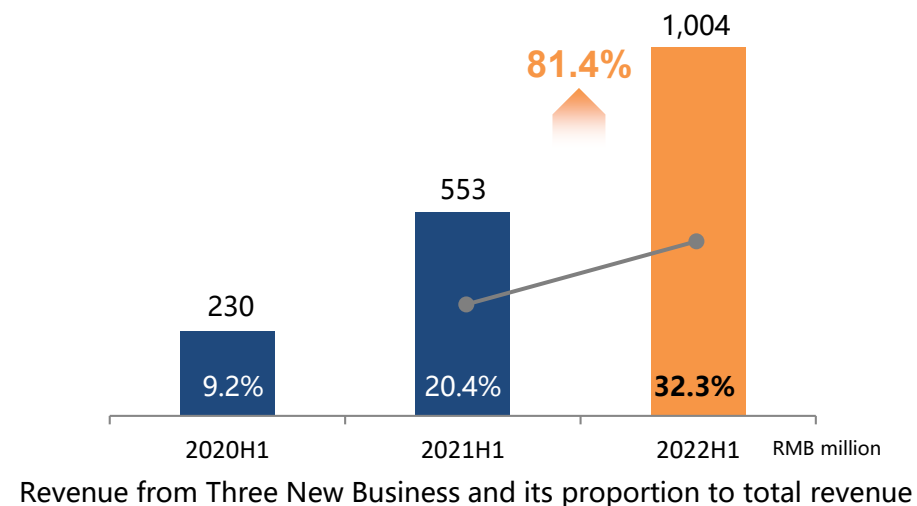
* To facilitate the comparison of the Group's overall operating performance between periods, the net profit has been adjusted to exclude the effect from the recognition of the share-based compensation expenses impacted by the difference in the timing of the grant of the share-based compensation; and cash used in operating activities has excluded the impact of the one-off factors due to changes in payment tempo of employee supplementary pension insurance and technical service costs.

Double-digit Growth in Revenue with Three New Business Revenue Exceeded RMB1 bil in a Half-year, contributing >30% of Revenue

Revenue and new orders



Revenue from Three New Business and proportion to revenue

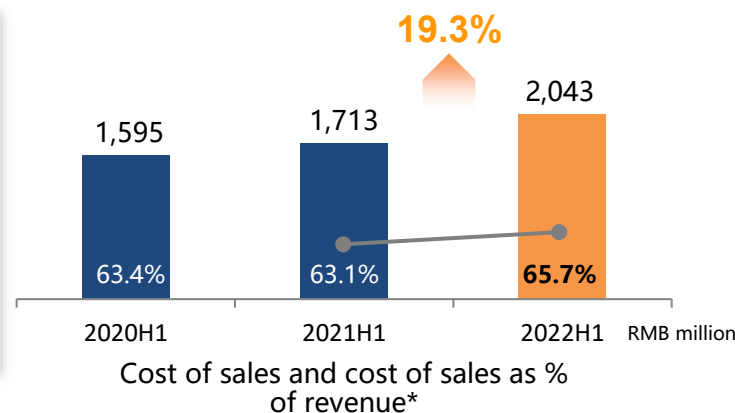


Reasonable Increase in Costs with Structure Remained Healthy

- As business scale expanded, the resources was tilted toward project delivery, product R&D and selling & marketing
- Excluding the impact of share-based compensation expenses, costs maintained reasonable growth and the cost structure remained healthy

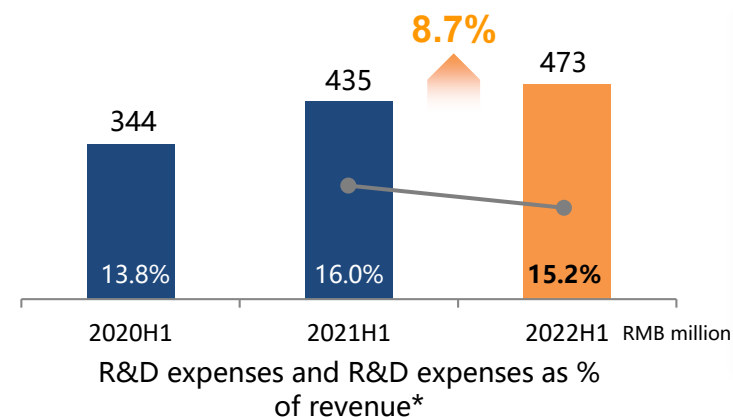
Cost of sales

- Grow in tandem with business expansion
- Project delivery progress and efficiency reduced due to the pandemic
- Continuous improvement of project process management and delivery process promotes the rapid recovery along the ease of pandemic



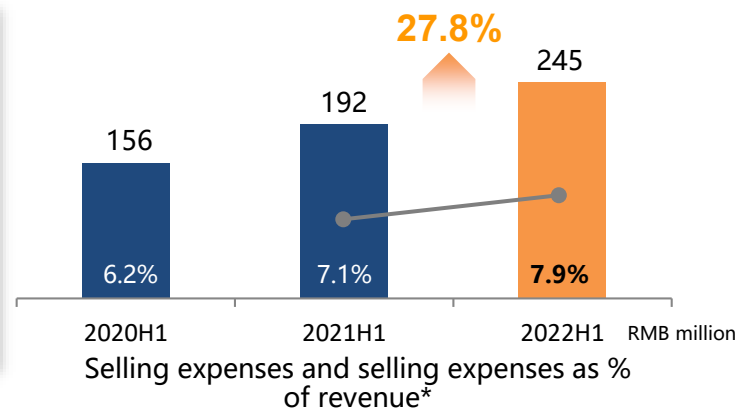
R&D expenses

- R&D costs were fully expensed
- Drove business growth progressively, effectively supporting the strategic transformation
- Continuous growth in R&D initiatives, prompting evolution of R&D roadmap and products



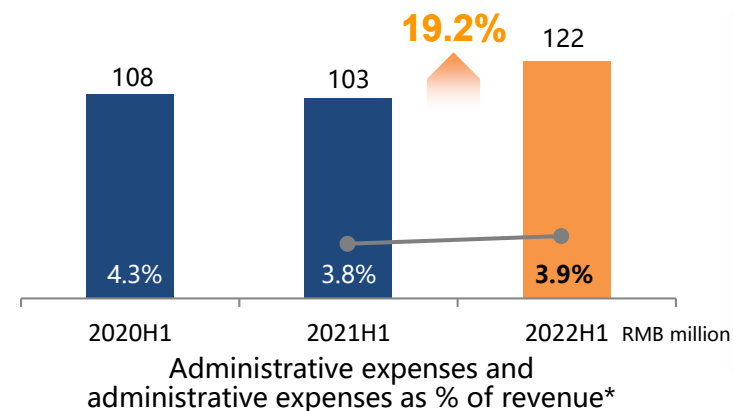
Selling expenses

- To facilitate the strategic transformation:
- Continuous improvement of the sales system for multi-business and multi-industry
 - Increasing marketing efforts of Three New Business
 - Focusing on marketing efficiency and maintaining a reasonable proportion of marketing cost to revenue



Administrative expenses

- Under strict control overall, increase due to the acquisition of iResearch Consulting
- Leveraging digitalization and refinement of the management process to improve the management efficiency and effectiveness of the functional system and reduce the fixed costs

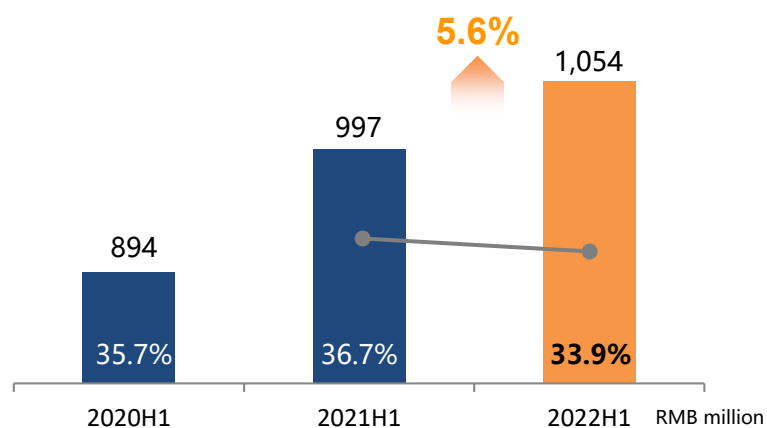


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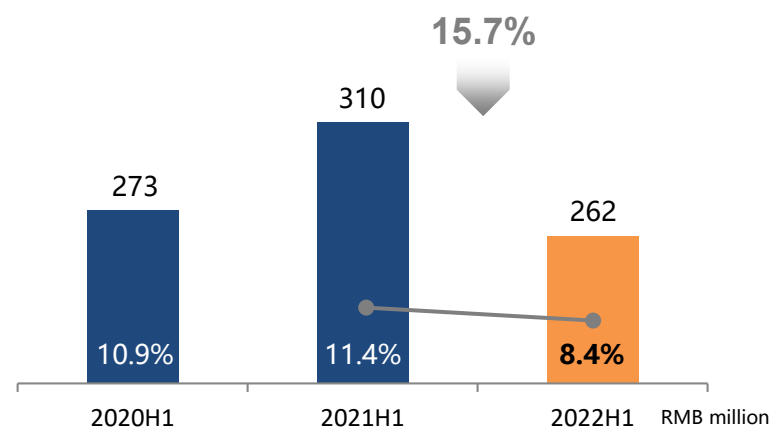
The Pandemic Brought Short-term Pressure on Profits & Cash Flow

- Project delivery progress and efficiency decreased due to the pandemic, leading to short-term pressure on profits and cash flow
- Continuous improvement of project process management and delivery process promotes the rapid recovery along the ease of the pandemic
- With the pandemic becomes stabilized, the pressure will be relieved and growth will resume

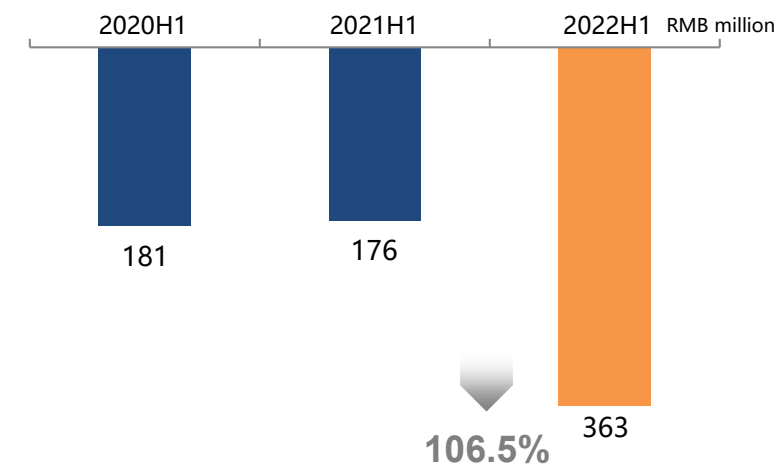
Gross profit and gross profit margin



Net profit and net profit margin (excluding share-based compensation expenses)



Cash used in operating activities (excluding the one-off effect)*



- The decline was resulted from the delayed in payment collection due to the pandemic, as well as the growth in operating expenses along the business expansion

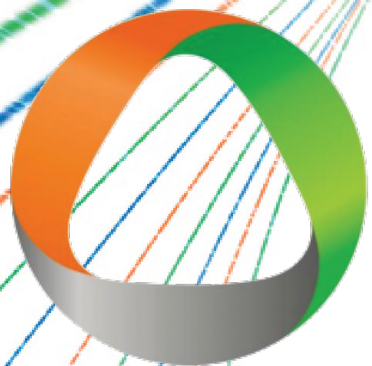
* To facilitate the comparison of the Group's cash flow performance between periods, cash used in operating activities has excluded the impact of the one-off factors due to changes in payment tempo of employee supplementary pension insurance and technical service costs.

Appendix 1: Summary of Consolidated Income Statement

RMB'000	2022H1	2021H1	Change	Change %
Revenue	3,109,285	2,715,268	394,017	14.5%
Including: Revenue from Three New Business	1,003,618	553,350	450,268	81.4%
Cost of Sales	(2,055,758)	(1,718,032)	(337,726)	19.7%
Gross profit	1,053,527	997,236	56,291	5.6%
Selling expenses	(258,898)	(199,905)	(58,993)	29.5%
Administrative expenses	(154,356)	(112,965)	(41,391)	36.6%
R&D expenses	(486,664)	(442,502)	(44,162)	10.0%
Other income and losses	60,146	68,934	(8,788)	(12.7%)
Profit before tax	213,755	310,798	(97,043)	(31.2%)
Income tax expenses	(24,657)	(31,259)	6,602	(21.1%)
Net profit	189,098	279,539	(90,441)	(32.4%)
Net profit (excluding share-based compensation expenses)	261,533	310,423	(48,889)	(15.7%)

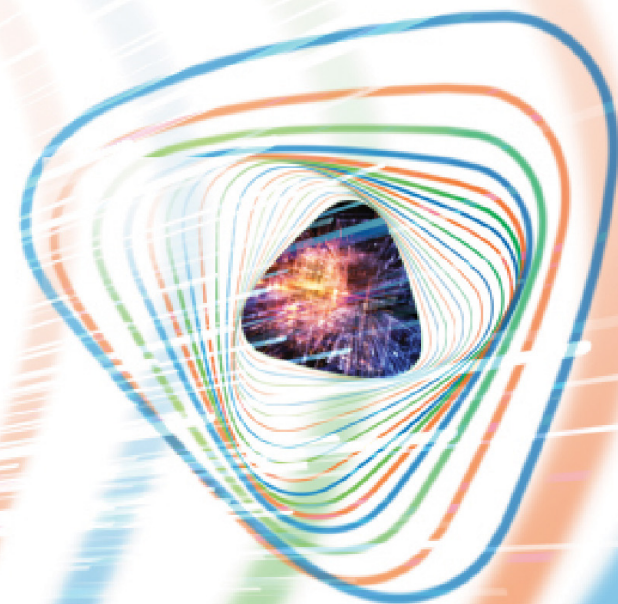
Appendix 2: Summary of Consolidated Balance Sheet

RMB'000	2022/06/30	2021/12/31	Change	Change %
Current assets	5,845,408	6,520,225	(674,817)	(10.3%)
Including: Trade and notes receivables	995,141	846,573	148,568	17.5%
Contract assets	2,495,747	2,230,815	264,932	11.9%
Prepayment, deposits and other receivables	339,158	188,699	150,459	79.7%
Amounts due from related parties	110,347	12,532	97,815	780.5%
Pledged bank deposits	269,048	178,744	90,304	50.5%
Bank balances and cash and changes in fair value of financial assets	1,605,995	3,060,513	(1,454,518)	(47.5%)
Non-current assets	3,512,876	2,985,239	527,637	17.7%
Including: Goodwill	2,146,787	1,932,246	214,541	11.1%
Intangible assets	155,351	5,297	150,054	2,832.8%
Right-of-use assets	300,925	228,350	72,575	31.8%
Pledged bank deposits and fixed deposits	321,291	370,333	(49,042)	(13.2%)
Current liabilities	2,903,562	3,109,461	(205,899)	(6.6%)
Including: Trade and notes payables	682,877	323,677	359,200	111.0%
Contract liabilities	203,427	290,495	(87,068)	(30.0%)
Other payables, deposits received and accrued expenses	1,628,134	2,159,975	(531,841)	(24.6%)
Non-current liabilities	336,484	244,434	92,050	37.7%
Equity	6,118,238	6,151,569	(33,331)	(0.5%)



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Thank you!