



2023

INTERIM RESULTS

AsialInfo Technologies Limited

Stock code: 01675



AISWare CNN

AISWare Digital Gemini

AntDB

AISWare 5G Agile Network

AI² Edge

AISWare MRC

AISWare AI Ops

AIRPA

AISWare TMC

August 2023

01

Operating Performance



Attached Emphasis on Quality Development with Double-digit Net Profit Growth

Operating revenue (RMB million)

↑ 5.6%

1H 2023 3,282

1H 2022 3,109

Revenue of Three New Business (RMB million)

↑ 8.7%

1H 2023 1,091

1H 2022 1,004

Order

Overall business

↑ 20%+

Three New Business

↑ 70%+

Gross profit (RMB million)

↑ 8.6%

1H 2023 1,144

1H 2022 1,054

Net profit (RMB million)

↑ 12.3%

1H 2023 212

1H 2022 189

Basic earnings per share (RMB)

↑ 14.3%

1H 2023 0.24

1H 2022 0.21

Gross profit margin

34.9%

↑ 1.0pp YoY

Net profit margin

6.5%

↑ 0.4pp YoY

Operating cash flow improvement

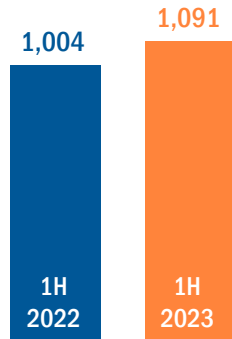
13.7% YoY

Three New Business Continued its Growth, with Contribution to Revenue Raised to 33%

Three New Business

Revenue (RMB million)

+8.7%



As % of operating revenue

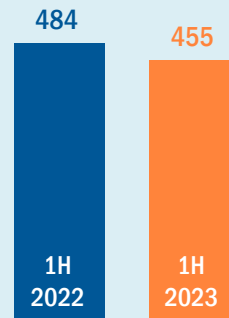
33.3%

↑1.0pp YoY

Digital intelligence-driven operation

Revenue (RMB million)

-6.0%



As % of operating revenue

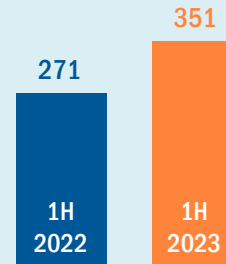
13.9%

↓1.7pp YoY

Vertical industries & enterprise cloudification

Revenue (RMB million)

+29.4%



As % of operating revenue

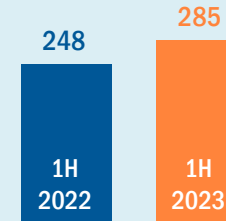
10.7%

↑2.0pp YoY

OSS

Revenue (RMB million)

+14.9%



As % of operating revenue

8.7%

↑0.7pp YoY

*Three New Business: digital intelligence -driven operations (DSaaS + DI), vertical industries and enterprise cloudification and OSS (Operation Supporting System) businesses

Digital Intelligence-driven Operation Business Under Short-term Pressure Arising From External Environment & Internal Organisational Change



External

DI business suffered from less capital market projects & lower demand for research reports in Internet, consumer and other industries, prompting to decline in revenue

Internal

In-depth organizational change, optimizing from industry-based operational model to a “region & industry” matrix sales structure

- Enhance regional coverage to answer customer demand more efficiently
- Would bring short-term pain, but a long-term gain, by building a solid foundation for sustainable growth in future

Revenue (RMB million)

-6.0%



Proportion of results and commission-based charging model to revenue

+3.0pp



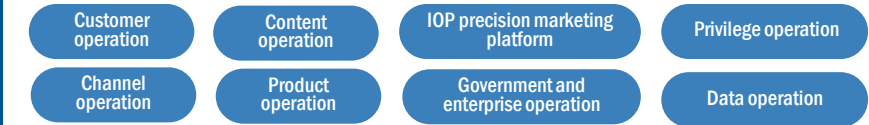
↑ DSaaS TMT revenue
Double-digit growth

Supporting customers to create value through MarTech tools, consulting & operational services

Telecommunications industry

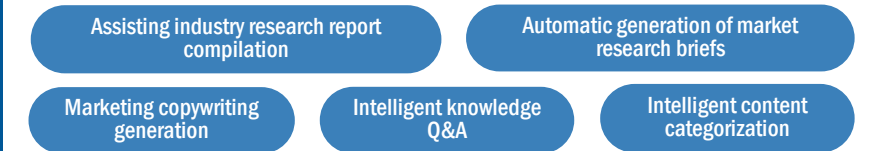
Fully cover of various operation scenarios such as customers, channels, products, contents, privileges, and government and enterprises customers, assisting in new customers acquisition, activation, retention, to create customer value

- Several core business operations of China Mobile Financial Technology
- IOP platform of China Mobile Internet
- Specialty areas operation services of China Unicom
- Supporting services for online channel activities of China Telecom



GPT Technology

- Improving internal efficiency & powering up product innovation for telecom industry based on GPT technology



Data circulation platform

A brand new “omni-domain user insights platform” was created and received support from Hello Inc., Ant Financial and other customers, helping customers to study competitive products, consumers and establishing models to measure market share

Vertical Industries Continued to Grow Rapidly, with Revenue Doubled in Energy Sector

Revenue from energy
+167%

5G private network projects of Jiangsu Tianwan and Fujian Zhangzhou nuclear power plants were signed, with the contract amount exceeding RMB 100 million

Revenue from transportation
+71%

Secured the largest high-speed railway intelligent hub in Southwest China - Chongqing East Station Intelligent Hub project, with the contract amount > RMB 600 million

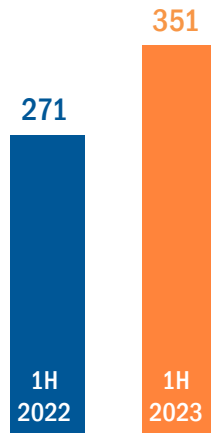
Revenue from government affairs
+40%

Tens of projects related to government affairs big data and emergency big data were signed

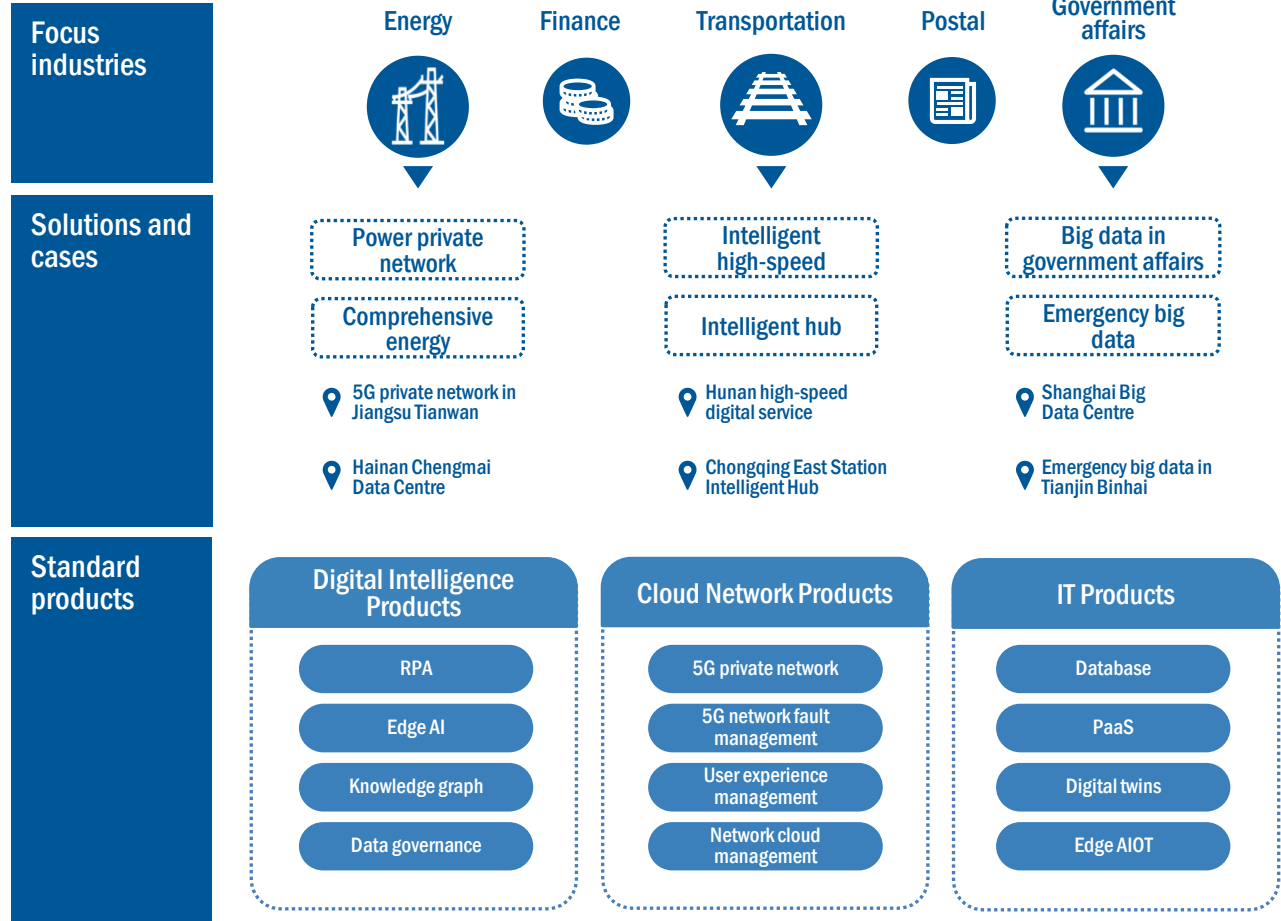
Continuous growth in scale

(RMB million)

+29.4%



Built a high-quality growth model - "standard products + solutions"



Vast Market Potential for 5G Private Network in Energy, Becoming the Largest Revenue Contributor in Vertical Industries

Continuous growth of 5G network customer coverage in power generation industry

Nuclear power

30%
Unit coverage

2022 Nuclear Power Industry Coverage

	In operation	Under construction	Total
Units covered by the Company	21 units	2 units	23 units
Nuclear power market potential	55 units	23 units	78 units

Vast market potential in power generation market

<1%
Station coverage

	Wind power	Hydro-electricity	Thermal power	Photovoltaic
Number of stations (unit)	>5000	>500 Medium-and-large-sized	>2,000	>5,000 medium-and-large-sized

Source: Calculated based on publicly available information on the website of National Energy Administration

Tianwan, Jiangsu

Contract Amount
RMB140 mil
another nuclear power order amounting to >RMB100 mil after Hainan and Fuqing nuclear power projects

A total of **8 units** the world's largest nuclear power base in terms of total installed capacity in operation and under construction

4 units signed, to be the first nuclear power base in China to officially use a commercial 5G production network

Zhangzhou, Fujian

Signed 2 out of 6 units under construction
The first 5G independent private network in China during the infrastructure construction period

Exploring the SRS positioning capability of base stations to achieve room-level positioning precision, improving network value, cost reduction and efficiency enhancement via "multiple uses of one network"

Fuqing, Fujian

Changjiang, Hainan

Qinshan, Zhejiang

Promoting more digital intelligence and IT products to customers

To provide smart energy solutions for new energy, nuclear power, thermal power, pumped storage, distributed photovoltaic, integrated energy and other sub-segments

Power generation industry

Nuclear energy

New energy

Thermal power

Pumped storage

Distributed energy

Product Penetration

AIoT

Digital twins

Edge AI

Database

...

Won a Project with the Highest Contract Value in History in Vertical Industries Business

Chongqing East Station - an integrated transport intelligent hub

Works with the project investment and construction consortium to jointly build the largest high-speed railway intelligent hub in Southwest China

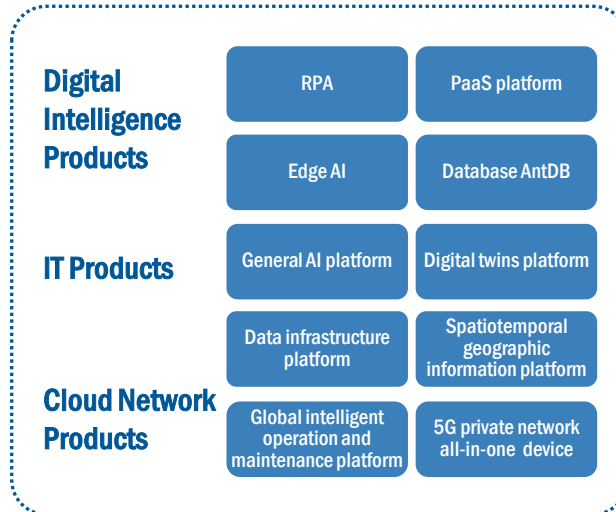
Contracted value

RMB >600 million



Business model: Standard products + Solutions + System integration

Covering AsiaInfo's all three product series



Integrating new technologies e.g. cloud, AI, big data & 5G

- Providing efficient internal and external communication services through 5G private network software and hardware integrated products
- Building a centralised command center of "intelligent brain of the hub" with the data & AI middle-platforms
- Using digital twins to achieve the combination of virtual and real East Station, achieving on-site VR navigation assistance
- Implementing multiple scenario monitoring based on AI large language model
- Ensuring complete data security based on the proprietary database, AntDB
- Realizing unified linking and sharing of the station's operational data with various community data
- Adding intelligent functions to major applications, e.g. operation scheduling, collaborative management & comprehensive services

Intelligent hub products and solutions can be replicated & promoted in scale



The "14th Five-Year" Development Plan for Modern Comprehensive Transportation Hub System

- Optimise and improve the service functions of about **20** international integrated transportation hub cities
 - Raise the global connectivity and radiating level of hub cities such as Beijing, Tianjin, Shanghai, Hangzhou, Nanjing, Guangzhou, Shenzhen, Chengdu and Chongqing
- Accelerate the development of about **80** national comprehensive transport hub cities

Network Intelligent Products Drove Fast Growth of OSS

OSS business revenue continued to grow

+14.9%

1H 2023 **285**

1H 2022 **248**

(RMB million)

Key growth opportunities in OSS market

Computing power network

Growing investment opportunities in computing power network brain, computing network layout, cloud network integration, etc.,

Network automation

Evolving of network automation to Level 4, including investment opportunities in network digital twins, innovative AI algorithms for network automation & innovative applications

Digital intelligence innovation

New technologies deployment, e.g. large language models, RPA & edge AI in network activation, construction, operation & maintenance, and innovation in cross-domain data integration

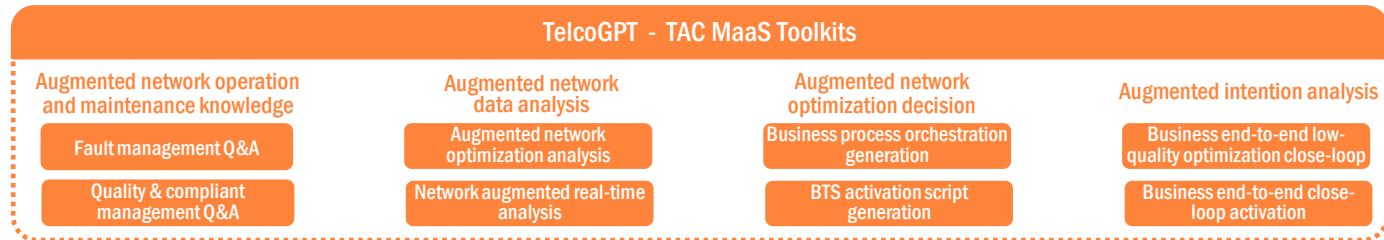
Network management upgrade

New opportunities brought by the upgrade and transformation of traditional integrated network management

OSS product system continued to upgrade, fully covering customer OSS needs



▲ Power up intelligent networks



TelcoGPT - Telco Augmented Cognition MaaS (TAC MaaS)

Benchmarking Cases



Business arrangement systems, resources management centers, network automation capability enhancement & network management systems projects in Hebei, Henan, Shanghai, Guangdong, Inner Mongolia, Hainan, etc.,



Comprehensive network management and network data platform projects in Jiangsu, Jilin, etc.; 5G private network manager project & SDN network support related systems



Customer experience & perception enhancement, next generation cloud network resource centers, and service activation systems in Zhejiang, Hainan, Yunnan, and Guizhou, etc.



Smart operation and maintenance system, OSS intelligence and other projects

Digital & Intelligent Innovation Continued to Drive Steady Growth of BSS



Maintaining leading position in BSS market

+1.9%



Key growth opportunities in BSS market

AIGC powered business support

Big data, AI and large language model technology to drive application innovation in customer services, marketing, operation analysis, acceptance, operation and maintenance, etc.

Government and corporate business support

Providing government & corporate business as well as cloud business support systems and technical services

Major version upgrading

Major version upgrading brought by system centralisation, e.g. China Mobile's next generation of digital intelligence cloud native business operations system

New customer opportunities

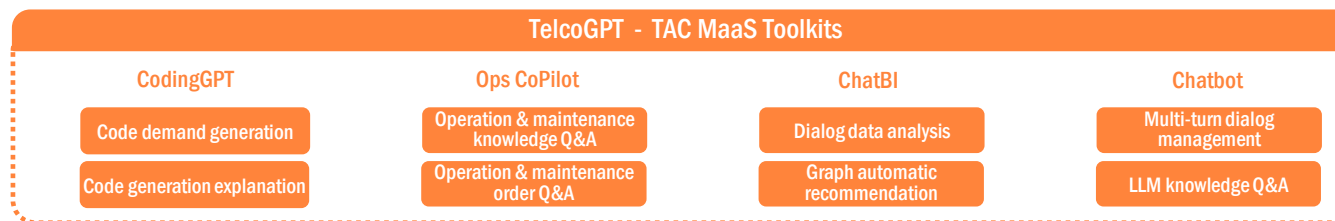
Market consolidation opportunities arising from peers' lack of scale and passive withdrawal due to quality of service issues; and penetration in emerging operators

TelcoGPT power up BSS



Empowered BSS

TelcoGPT - TAC MaaS Toolkits



TelcoGPT - Telco Augmented Cognition MaaS (TAC MaaS)

Digital & intelligent upgrade

Deeply involved in the cloudification, digitalisation and intelligentisation and centralization of telcos' IT support systems with successful delivery of large-scale projects with high quality

Digitalisation and intelligentisation innovation

Created innovative applications in joint efforts with customers on the back of our proprietary products, e.g. RPA, edge AI, digital twin, AIGC, TelcoGPT, intelligent customer service and database, etc.



New customer development

China Telecom, Shanghai branch's core billing system reconfiguration

Supplying core systems to China Telecom Shanghai branch for the first time with a brand new "smart billing system" back by frontier technologies e.g. AI & Big Data

Business development with China Broadcast Network

Achieving breakthroughs with the building of IoT support platform

Driven By Innovation & Powered by R&D, Moving Towards Dual Leadership in Products & Services



Developed GPT for telco business

Developed independently TAC MaaS, a telco augmented cognition platform, several GPT application tool sets, built GPT for telco business, supporting digital & intelligent transformation of telco

Released endogenous computing power network products

Released the industry's first endogenous computing power network product, achieving integration of communications & computing with cloud-based 5G and AI

Developed off-the-shelf software-hardware integrated products

Including 5G private network, edge intelligence, edge AIoT data acquisition/computing/intelligent computing gateway, privacy computing machine, etc.

Prospective study of technology

Established presence in 6G OSS/BSS, 6G private network, communication, computing and cognition integration and other technologies, in a pre-emptive move, by joining forces with partners in industry, academia and research institutions e.g. Tsinghua Institute for AI Industry Research and telco, etc. in publishing several white papers:

- The world's first White Paper on 6G OSS Technology and White Paper on 6G BSS Technology
- The world's first White Paper on AIGC (GPT) Applications for Powering Up of Telecom Industry



In the first half of 2023, R&D investment amounted to RMB 505 million, accounting for 15.4% of revenue, moving towards the goal of dual leadership in products and services and injecting momentum into the traditional new businesses.

TelcoGPT product regime: 1 telco augmented cognition platform + N telco augmented cognition toolkits

Based on proprietary telecom industry large language model, to offer telco augmented cognition services, added with light tools to power up business application systems in various domains



Orders on Standard Products Expanded in Scale Driving High-quality Growth

Robust growth in standard product orders



Cloud Network Products

↑ > 190%

5G private network

↑ > 3 times

5G Network Fault Management System

↑ > 10 times

Network Cloud Management Platform

↑ > 3 times



Digital Intelligence

↑ > 60%

Edge AI

↑ > 180%

Data governance centre

↑ > 190%

Data infrastructure platform

↑ > 60%



IT Products

↑ > 59%

Spatiotemporal geographic information platform

↑ > 5 times

Integrated platform for R&D, operation & maintenance

↑ > 80%

Digital twin platform

↑ > 36%

Wide Recognition of Product & Technological Strengths

Product Awards

Cloud network

Maintains internationally influential

- 5G network intelligence products enlisted in Gartner Mainstream Supplier Matrix, 2 years in a row
- Enlisted in Forrester Wave China Cloud Platform and Managed Services Vendor Matrix
- The first batch of computing power network pack passed the computing power network brain autonomy competence accreditation of CAICT
- Computing power endogenous network products won “Breakthrough Technology Achievement” in China’s software industry
- Selected as a member of “Cloud Optimisation Capability Enhancement Programme” by CAICT

Digital intelligence

Sustains domestic leadership & international advancement in selected areas

- General AI platform, RPA platform, edge intelligence and knowledge graph products were listed in the Gartner Market Guide for AI Offerings in CSP Customer and Business Operations
- AIOps products received the Class I Technological Progress Award from China Computer Federation (CCF)
- Privacy computing products selected for Forrester Typical Cases for Privacy Computing in Asia Pacific
- Data middle office products received Advanced Technological Achievement Award at Big Data Expo
- AIGC platform was included in CAICT’s 2023 AIGC Industry Graph

IT

Continues to stay among tier-one domestic vendors

- AntDB won 2023 China Information Innovation Industry Award “2023 China Information Innovation Database Excellence Brand”
- AntDB enlisted in the product catalogue of Shanghai Information Innovation Public Service Platform
- AntDB advanced from 14th in January 2023 to 11th in June 2023 in Motainlun ranking
- 3D/XR products won “iF Design Award” at the 2023 Hannover Industrial Design Forum in Germany
- “Metaverse Business Pavilion/Intelligent Maintenance” won TMF 2023 Asian Catalyst Award

Intellectual Property Rights (IPR)

1,309

software copyrights

Among which,

11

added in 1H2023

89

domestic patents

1

international patent

19

new domestic patents added in 1H2023

351

domestic patent submission

8

international patent submission

31

new domestic patents submission in 1H2023

2

new international patents submission in 1H2023

Standards organisations

240+

international/domestic standards, with an increasing ratio of leading roles in the development of international standards as opposed to tag-along participation

Continued to deeply participate in the works of 20 international/national technical standards organisations such as 3GPP, ITU, ETSI, IEEE, TMF and O-RAN, among others

Became the chairperson of the IEEE P3127 Federal Learning and Blockchain Working Group, led and chaired the TMF Data Collaboration Working Group, led and chaired the TMF 5G Private Network Working Group

Information Technology Application Innovation Ecosystem

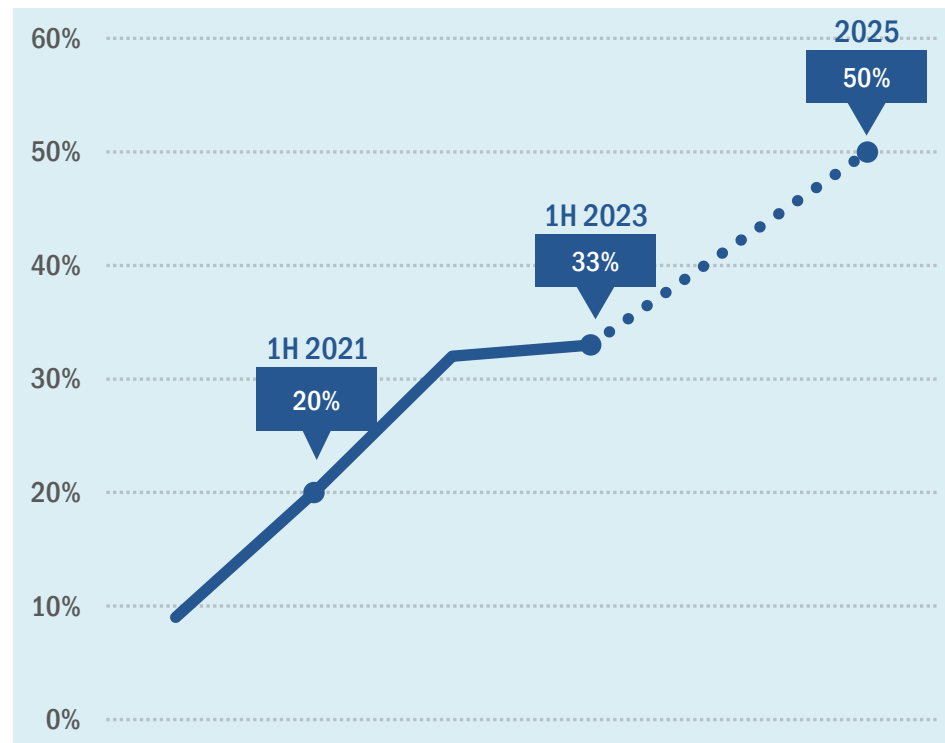
Established an ecosystem for database products (AntDB) that covers the every industry and has regional depth through independent software developers (ISVs), system integrators (SI), operators, agents, and other partners. Partners in the ecosystem include over 100 hardware and middleware vendors

Steadily Achieving a Business Scale of over Rmb10 Billion in 2025, Half of which Comprises The New Business

Persisting in the “One consolidation, Three developments” strategy & the directive of “striving dual-leadership in both products and services”

Drive innovation & efficiency in legacy business & develop new business with prudence & quality

Proportion of three new business to revenue



2025



Target business scale

RMB 10 billion

2H 2023



Expect the growth momentum of profit to continue and the growth rate of revenue to be higher than 1H

- BSS continues to grow steadily
- OSS and vertical industries maintains rapid growth momentum
- Digital intelligence-driven operation demonstrates recovery improvement

02

Financial Performance



Financial Overview

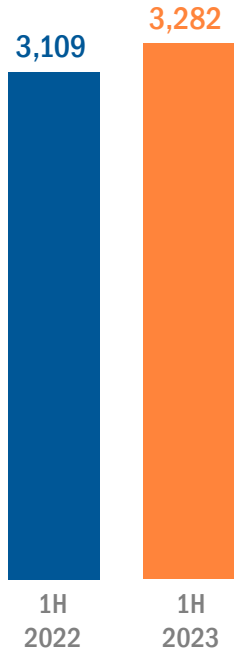
RMB'000	1H 2023	1H 2022	Change %
Operating revenue	3,281,994	3,109,285	5.6%
Incl.: Revenue from Three New Business	1,091,417	1,003,618	8.7%
As % of operating revenue	33.3%	32.3%	1.0pp
Gross profit	1,144,107	1,053,527	8.6%
Gross profit margin (%)	34.9%	33.9%	1.0pp
Operating expenses	(955,061)	(899,918)	6.1%
Other incomes or losses	31,670	60,146	(47.3%)
Income tax expenses	(8,420)	(24,657)	(65.9%)
Net Profit	212,296	189,098	12.3%
Net profit margin (%)	6.5%	6.1%	0.4pp
Basic earnings per share (RMB)	0.24	0.21	14.3%
Cash used in operating activities	(470,551)	(545,535)	(13.7%)

Sustained Stable Growth in Operating Revenue & Continuous Growth in Three New Business Revenue

Newly signed orders witnessed a substantial increase and operating revenue continued its stable growth

Operating revenue
(RMB million)

+5.6%

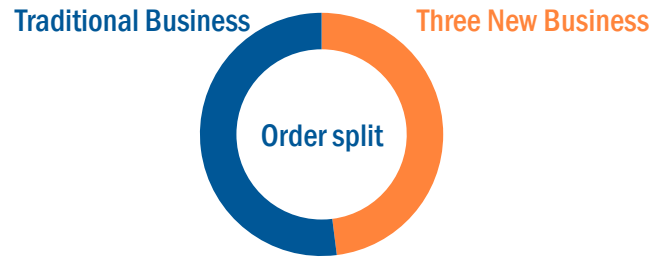


Newly signed order growth

20%+

Newly signed order growth of Three New Business

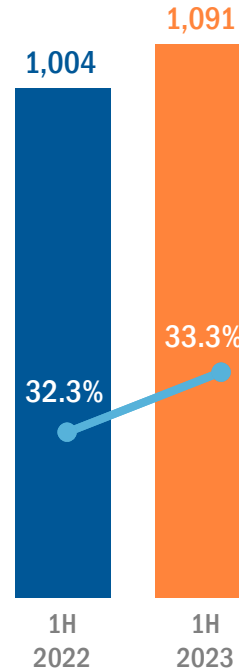
70%+



Achieving continuous growth in Three New Business which accounted for >30% of operating revenue

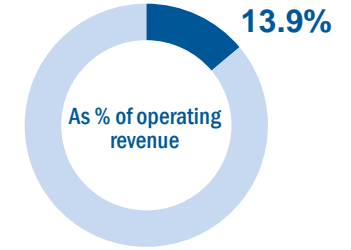
Revenue from in Three New Business and its proportion
(RMB million)

+8.7%



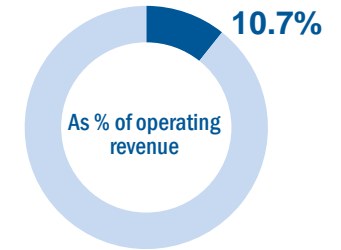
Revenue from digital intelligence-driven operation

455 mil
-6.0%



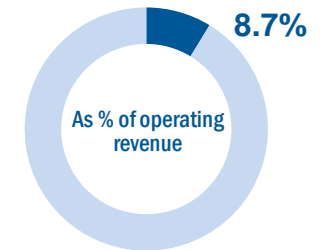
Revenue from industries & enterprise cloud

351 mil
+29.4%



Revenue from OSS

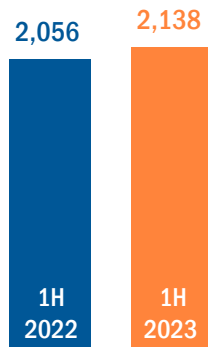
285 mil
+14.9%



Maintained a Healthy & Stable Cost Structure

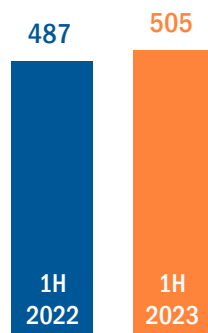
Cost of sales (RMB million)

+4.0%



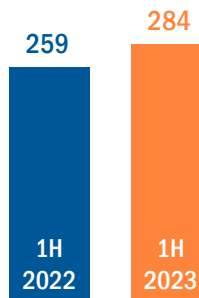
R&D expenses (RMB million)

+3.7%



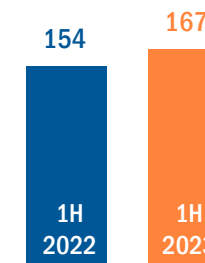
Selling & marketing expenses (RMB million)

+9.5%



Administrative expenses (RMB million)

+8.0%



As % of operating revenue

65.1%

↓ 1.0pp YoY

- Represented a corresponding increase with the growth in business scale
- Continuous improvement in delivery quality and cost control, with increases kept within reasonable range

As % of operating revenue

15.4%

↓ 0.3pp YoY

- R&D costs were fully expensed
- Maintained investment in R&D to drive product evolution
- Bringing rising impact in supporting strategic transformation of the Company

As % of operating revenue

8.6%

↑ 0.3pp YoY

- Continued to improve sales system for new business, supporting strategic transformation
- Increased marketing efforts of Three New Business
- Focused on marketing efficiency to maintain a reasonable proportion to revenue

As % of operating revenue

5.1%

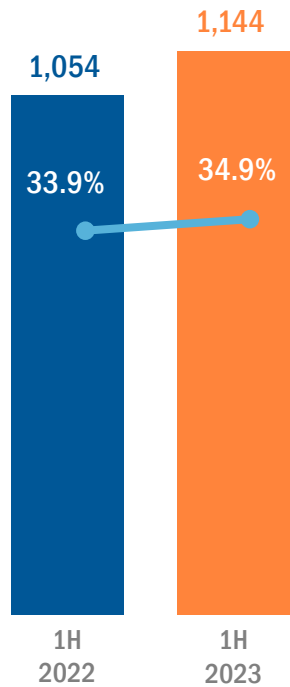
↑ 0.1pp YoY

- Overall stringent control
- Leveraging digitalisation and refinement in process management to improve the management efficiency of the functional system and reduce fixed costs
- Staff structure optimization cost

Sustained Profit Growth & Sound Profitability

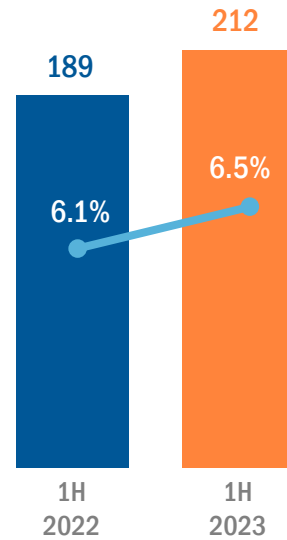
Gross profit & gross profit margin (RMB million)

+8.6%



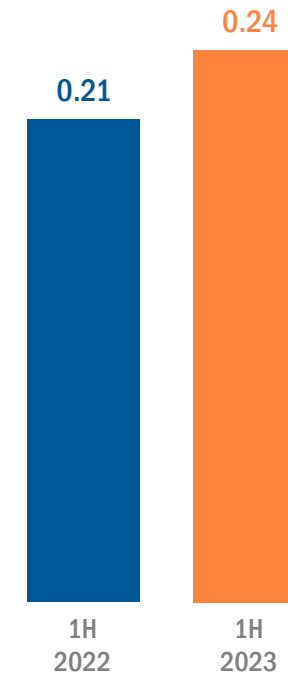
Net profit & net profit margin (RMB million)

+12.3%



Basic earnings per share (RMB)

+14.3%



Appendix 1: Summary of Consolidated Income Statement

RMB'000	1H 2023	1H 2022	Change	% Change
Operating revenue	3,281,994	3,109,285	172,709	5.6%
Incl.: Revenue from Three New Business	1,091,417	1,003,618	87,799	8.7%
Cost of sales	(2,137,887)	(2,055,758)	(82,129)	4.0%
Gross profit	1,144,107	1,053,527	90,580	8.6%
Selling & marketing expenses	(283,570)	(258,898)	(24,672)	9.5%
Administrative expenses	(166,713)	(154,356)	(12,357)	8.0%
R&D expenses	(504,778)	(486,664)	(18,114)	3.7%
Other incomes and losses	31,670	60,146	(28,476)	(47.3%)
Income tax expenses	(8,420)	(24,657)	16,237	(65.9%)
Net profit	212,296	189,098	23,198	12.3%

Appendix 2: Summary Of Consolidated Balance Sheet

RMB'000	30/06/2023	31/12/2022	Change	% Change
Current assets	6,955,739	7,103,835	(148,096)	(2.1%)
Incl.: Trade and notes receivables	1,513,669	1,137,330	376,339	33.1%
Contract assets	2,518,949	2,596,691	(77,742)	(3.0%)
Prepayments, deposits and other receivables	266,394	210,660	55,734	26.5%
Amounts due from related parties	114,472	96,626	17,846	18.5%
Restricted bank deposits	263,887	152,277	111,610	73.3%
Bank and financial assets at fair value through profit or loss	2,243,696	2,887,281	(643,585)	(22.3%)
Non-current assets	3,110,490	3,329,628	(218,138)	(6.6%)
Incl.: Goodwill	2,122,627	2,122,627	-	0.0%
Intangible assets	130,568	141,534	(10,966)	(7.7%)
Right-of-use assets	258,715	285,289	(26,574)	(9.3%)
Restricted bank deposits and term deposits	100	171,291	(171,191)	(99.9%)
Current liabilities	2,942,799	3,282,709	(339,910)	(10.4%)
Incl.: Trade and notes payables	613,647	523,091	90,556	17.3%
Contract liabilities	366,438	273,249	93,189	34.1%
Other payables, deposits received and accrued expenses	1,565,975	2,076,860	(510,885)	(24.6%)
Non-current liabilities	336,639	345,115	(8,476)	(2.5%)
Equity	6,787,791	6,805,639	(17,848)	(0.3%)

Thank You!

