This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the largest telecom software product and related service provider in China, with a market share of 25.3% as measured by revenue in 2017, according to Frost & Sullivan. According to the same source, we are also the largest BSS software product and related service provider in the telecom industry in China, with a market share of 50.0% as measured by revenue in 2017.

As the provider of China's first-generation telecom software, we have collaborated extensively with each of China Mobile, China Unicom and China Telecom since the 1990s, supporting over one billion subscribers nationwide. This long-standing business relationship has provided us with deep insights into telecom operators' IT and network environment and business and operational needs, enabling us to develop an extensive portfolio of over 500 mission-critical, carrier-grade software products (software products which meet the reliability, stability and security requirements of telecom operators and are essential to telecom operators' business operations), ranging from CRM, charging & billing and big data to IoT and intelligent network products. As of December 31, 2015, 2016 and 2017 and June 30, 2018, we had 176, 181, 193 and 212 telecom operator customers, respectively, including the headquarters, provincial, municipal and specialized companies and joint venture of China Mobile, China Unicom and China Telecom, with whom we negotiate and enter into contracts individually and directly. In 2015, 2016, 2017 and the six months ended June 30, 2018, revenue for the Software Business from telecom operators accounted for 87.0%, 88.9%, 93.9% and 96.6% of our revenue from continuing operations, respectively.

We are also actively expanding our presence in China's non-telecom enterprise software product and related service market. With our extensive industry knowledge and expertise and solid leadership in the telecom software product and related service market and a full-spectrum of highly-specialized, carrier-grade product portfolio, we believe we are favorably positioned to address enterprises', especially large enterprises' similar, fundamental needs in business transformation and digitalization. As of December 31, 2015, 2016 and 2017 and June 30, 2018, we had 23, 26, 28 and 32 large enterprise customers in the cable TV, postal and financial services industries. By serving both the telecom and non-telecom enterprise markets with shared resources, management, domain expertise and technology know-how, we are able to leverage synergies in winning new businesses and remain cost competitive.

AsiaInfo Holdings, the then holding company of our operating subsidiaries, was listed on NASDAQ on March 3, 2000, and was subsequently privatized and delisted from NASDAQ on January 15, 2014. Further information about the listing and delisting of AsiaInfo Holdings on NASDAQ is set out in the section headed "History, Development and Reorganization—Listing and Delisting on NASDAQ" in this prospectus.

Continuing Operations

Software Business. During the Track Record Period, we derived a substantial majority of our revenue from the provision of software products and related services, as well as a variety of other services, to Chinese telecom operators and enterprises (collectively, the "**Software Business**"), including:

- ***Software products and related services***. We are primarily engaged in the provision of software products and related services through the on-premise, project-based delivery model, including: (i) software products and related deployment services, pursuant to fixed-price project development contracts with our customers, and (ii) ongoing operation and maintenance services;
- ***Data-driven operation services***. We provide data-driven operation services through data-driven operation platforms under a pay-as-a-result model. These services are either provided directly to telecom operators or in collaboration with telecom operators to their government and enterprise customers; and
- ***Others***. We also render a variety of other services, including procurement of third-party hardware and software for some of our projects, system integration services, business consulting services and corporate trainings.

Contracts with our customers for the delivery of new software systems generally involve a tender process. In 2015, 2016, 2017 and the six months ended June 30, 2018, approximately 20%, 23%, 25% and 22% of our contracts with our customers went through a tender process, and the success rate of our tender bids was approximately 96%, 94%, 96% and 91%, respectively.

Network Security Business. During the Track Record Period, our results from continuing operations also included results of the provision of network security related software products and services to telecom operators and small- and medium-sized enterprises (the "**Network Security Business**"). Prior to late 2015, we carried out the Network Security Business in-house primarily through AsiaInfo Chengdu. In late 2015, we disposed of AsiaInfo Chengdu to AsiaInfo Cayman. After such disposal, in order to accommodate our customers' project management schedules and business needs and as a transitional arrangement, we entered into project development contracts for the provision of network security software products and services with customers, and subsequently outsourced all tasks under these contracts at the same price to AsiaInfo Chengdu (the "**Network Security Transitional Arrangement**"). We have ceased to enter into any new contract with respect to the Network Security Transitional Arrangement starting 2018. However, some of the existing project development contracts under the Network Security Transitional Arrangement we entered into with AsiaInfo Chengdu prior to 2018 are still ongoing and continuing. We expect that these existing project development contracts under the Network Security Transitional Arrangement will be completed by the end of 2020. The Company was informed by the Controlling Shareholders and Dr. Tian that pursuant to a share transfer agreement entered into by China Cloud Tech as buyer (being a company controlled by Dr. Tian) and AsiaInfo Cayman as seller (the "**Transfer Agreement**"), AsiaInfo Cayman has conditionally agreed to transfer 70% of the total issued shares of AsiaInfo Securities held by it (the "**Relevant Shares**") to China Cloud Tech. In September 2018, China Cloud Tech has acquired and AsiaInfo Cayman has disposed of the effective control and all economic interests over the Relevant Shares, although the legal completion of the Transfer Agreement is still subject to satisfaction of certain conditions precedent. As a result, Dr. Tian (through China Cloud Tech) obtained indirect control over AsiaInfo Chengdu. See "Connected Transactions—Partially Exempt Continuing

Connected Transactions—2. Network Security Transitional Arrangement", "Business—Our Products and Services—Others—Network Security Business" and "Financial Information—Description of Major Components of Our Results of Operations—Continuing Operation" for more details.

Our business continued to grow during the Track Record Period. Our revenue from continuing operations increased from RMB4,764.9 million in 2015 to RMB4,856.0 million in 2016 and further to RMB4,948.3 million in 2017. Our revenue from continuing operations increased by 3.1% from RMB2,123.7 million for the six months ended June 30, 2017 to RMB2,189.7 million for the six months ended June 30, 2018. Our revenue is generally lower during the first half of the year, as the development process of our projects typically slows down during the first quarter of the year due to the Chinese New Year holidays. In addition, due to telecom operators' project management schedules, we generally receive a larger number of orders from, and experience faster payment settlement process with, our telecom operator customers in the second half of the year. In 2015, 2016, 2017 and the six months ended June 30, 2017 and 2018, our gross margin for the Software Business was 37.6%, 36.9%, 34.6%, 27.8% and 30.4%, respectively. Our gross margin for the Software Business decreased from 2016 to 2017 primarily because (i) certain projects which were scheduled to be completed in 2016 were delayed and carried over to 2017. In order to complete these projects as quickly as possible, we involved a larger number of staff in the execution and delivery of these projects in 2017, resulting in increased cost of sales for these projects, which contributed to the decrease in our gross margin, and (ii) we involved a larger number of staff in the execution and delivery of an increasing number of large-scale, complex projects in 2017, which also caused our costs of sales to increase and gross margin to decrease. Our gross margin for the Software Business improved in the six months ended June 30, 2018 compared to the same period in 2017. However, our gross margin is relatively lower in the first half of the year due to seasonality as discussed above. Our profit for the year from continuing operations was RMB309.8 million, RMB74.0 million and RMB335.2 million in 2015, 2016 and 2017, respectively. Our profit for the period from continuing operations was RMB86.8 million in the six months ended June 30, 2018, compared to loss for the period from continuing operations of RMB8.5 million in the six months ended June 30, 2017. The fluctuation in profit between 2015 and 2017 was primarily because (i) we significantly expanded our sales and marketing team in 2016 in order to acquire small- to medium-sized enterprise customers in various industries, resulting in increased sales and marketing expenses, (ii) higher finance costs in 2016, primarily because the Privatization Syndicated Loan was transferred to our Group in December 2015 and we borrowed more RMB-denominated bank loans to meet our working capital needs in 2016, and (iii) exchange gains and losses associated with fluctuations in exchange rate of the U.S. dollar against Renminbi, which was primarily related to the Privatization Syndicated Loan in the principal amount of US$191.4 million and other related U.S. dollar-denominated bank loans. We incurred loss for the six months ended June 30, 2017 primarily due to seasonality and increased cost of sales in 2017 as discussed above. During the Track Record Period, we generated all of our revenues from continuing operations in China.

Excluding the impact of share-based compensation, amortization of intangible assets resulting from acquisitions, one-off listing expenses, interest expenses for the Privatization Syndicated Loan and gain on disposal of a subsidiary, our adjusted profit for the year from continuing operations was RMB470.0 million, RMB204.3 million and RMB547.6 million in 2015, 2016 and 2017, respectively. Our adjusted profit for the period from continuing operations increased by 91.6% from RMB90.5 million in the six months ended June 30, 2017 to RMB173.4 million in the six months ended June 30, 2018. See "Financial Information— Non-HKFRS Measures" for more details.

Our revenue from continuing operations for the Software Business increased from RMB4,275.2 million in 2015 to RMB4,514.6 million in 2016, and further to RMB4,824.9 million in 2017. Our revenue from continuing operations for the Software Business increased by 6.6% from RMB2,043.6 million for the six months ended June 30, 2017 to RMB2,177.6 million for the six months ended June 30, 2018.

The following table sets forth the breakdown of our revenue from continuing operations by product and service category, both in absolute amounts and as percentages of our total revenue from continuing operations, for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
Revenue from continuing operations										
Software Business:										
Software products and related services[1]	3,996,677	83.9	4,170,779	85.9	4,541,482	91.8	1,935,861	91.2	2,080,660	95.0
Data-driven operation services	18,066	0.4	31,383	0.6	41,745	0.8	13,816	0.7	27,119	1.2
Others[2]	260,497	5.4	312,483	6.5	241,652	4.9	93,962	4.3	69,828	3.2
Total Software Business	4,275,240	89.7	4,514,645	93.0	4,824,879	97.5	2,043,639	96.2	2,177,607	99.4
Network Security Business[3]	489,631	10.3	341,308	7.0	123,445	2.5	80,011	3.8	12,108	0.6
Total	4,764,871	100.0	4,855,953	100.0	4,948,324	100.0	2,123,650	100.0	2,189,715	100.0

1. Includes revenue from (i) provision of software products and related deployment services, and (ii) rendering of ongoing operation and maintenance services. In 2015, 2016, 2017 and the six months ended June 30, 2018, revenue derived from provision of software products and related deployment services was RMB3,216.6 million, RMB3,337.9 million, RMB3,680.5 million and RMB1,707.3 million, respectively, accounted for 67.5%, 68.7%, 74.4% and 78.0% of our total revenue from continuing operations for the respective periods. In 2015, 2016, 2017 and the six months ended June 30, 2018, revenue derived from rendering of ongoing operation and maintenance services was RMB780.1 million, RMB832.9 million, RMB860.9 million and RMB373.3 million, respectively, accounted for 16.4%, 17.2%, 17.4% and 17.0% of our total revenue from continuing operations for the respective periods.
2. Includes revenue from (i) third-party hardware and software procurement, (ii) system integration services, (iii) business consulting services and (iv) corporate trainings.
3. We have ceased to enter into any new contract with respect to the Network Security Transitional Arrangement since 2018. The Network Security Business will be discontinued after the existing projects under the Network Security Transitional Arrangement are completed by the end of 2020.

The following table sets forth the breakdown of our revenue from continuing operations by customer groups, both in absolute amounts and as percentages of our total revenue from continuing operations, for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
Revenue from continuing operations										
Software Business:										
Telecom operators	4,143,903	87.0	4,314,101	88.9	4,644,559	93.9	1,959,091	92.3	2,114,590	96.6
Large enterprises	53,133	1.1	87,329	1.8	112,465	2.3	48,141	2.3	48,175	2.2
Small- to medium-sized enterprises	78,204	1.6	113,215	2.3	67,855	1.3	36,407	1.6	14,842	0.6
Total Software Business	4,275,240	89.7	4,514,645	93.0	4,824,879	97.5	2,043,639	96.2	2,177,607	99.4
Network Security Business[1]	489,631	10.3	341,308	7.0	123,445	2.5	80,011	3.8	12,108	0.6
Total	4,764,871	100.0	4,855,953	100.0	4,948,324	100.0	2,123,650	100.0	2,189,715	100.0

1. We have ceased to enter into any new contract with respect to the Network Security Transitional Arrangement since 2018. The Network Security Business will be discontinued after the existing projects under the Network Security Transitional Arrangement are completed by the end of 2020.

The telecom operators referred to in the above table include four major telecom operators': (i) headquarters, (ii) provincial companies, (iii) municipal companies, and (iv) specialized companies, with whom we negotiate and enter into contracts individually and directly. These major telecom operators' corporate groups contributed (1) RMB2,276.1 million, RMB1,159.7 million, RMB701.5 million and RMB6.6 million, or 47.9%, 24.3%, 14.7% and 0.1%, of our total revenue from continuing operations in 2015, respectively, (2) RMB2,364.3 million, RMB1,158.1 million, RMB787.2 million and RMB4.6 million, or 48.8%, 23.8%, 16.2% and 0.1%, of our total revenue from continuing operations in 2016, respectively, (3) RMB2,668.8 million, RMB1,152.8 million, RMB810.9 million and RMB12.1 million, or 54.0%, 23.3%, 16.4% and 0.2%, of our total revenue from continuing operations in 2017, respectively, (4) RMB1,122.8 million, RMB477.6 million, RMB357.2 million and RMB1.5 million, or 52.9%, 22.5%, 16.8% and 0.1%, of our total revenue from continuing operations in the six months ended June 30, 2017, respectively, and (5) RMB1,253.0 million, RMB471.7 million, RMB387.5 million and RMB2.3 million, or 57.3%, 21.5%, 17.7% and 0.1%, of our total revenue from continuing operations in the six months ended June 30, 2018, respectively.

In 2015, 2016, 2017 and the six months ended June 30, 2018, revenue from our five largest customers (on an individual entity basis), with whom we negotiate and enter into contracts individually and directly, contributed an aggregate of 24.1%, 24.9%, 20.1% and 22.0% of our total revenue from continuing operations, respectively.

Discontinued Operations

During the Track Record Period, we operated software business serving telecom operators headquartered in South East Asia, Europe and other regions outside the PRC (the "**International Business**"), which was disposed of in June 2016. Separately, we acquired AsiaInfo Big Data, which was mainly engaged in the provision of big data software products and services to telecom operators, in December 2017 (the "**Acquisition**"). AsiaInfo Big Data was also engaged in the provision of software products and services that enable government bodies and public institutions to provide e-public services, such as smart city and e-government services (the "**E-public Service Business**"). The major entities comprising the E-public Service Business had been disposed of in November 2017 prior to the completion of the Acquisition in December 2017. The few remaining contracts of E-public Service Business have been completed as of June 30, 2018. We recorded the results of the International Business and the E-public Service Business as discontinued operations during the Track Record Period. See "Relationship with the Controlling Shareholders", "Directors and Senior Management", "Business—Our Business Model", "Financial Information—Description of Major Components of Our Results of Operations", Note 12 to "Appendix I—Accountants' Report" for more details.

OUR COMPETITIVE STRENGTHS

Our competitive strengths include the following:

- largest provider of telecom software products and related services in China;
- long-term customer relationship and loyal customer base;
- industry-leading R&D capabilities and a full-spectrum, highly-specialized, continuously-innovative product portfolio;
- end-to-end professional deployment service capabilities, custom development service capabilities and high-standard of onsite services rapidly meeting customer demand;

- data-driven operation capabilities powered by AI, machine learning, big data and other technologies increase customer value; and
- seasoned and visionary management with proven track record.

OUR STRATEGIES

We intend to implement the following principal strategies to grow our business and create value for our shareholders:

- reinforce our leading position in the telecom software products and related service market;
- actively expand our customer base in the non-telecom enterprise software product and related service market;
- actively explore new business opportunities in the areas of data-driven operation services, IoT and Intelligent network;
- maintain technology leadership and continue to innovate;
- attract, train and motivate key talents; and
- selectively pursue strategic alliances and acquisitions.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of our consolidated financial information for the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2017 and 2018, and as of December 31, 2015, 2016, 2017 and June 30, 2018, extracted from the Accountants' Report set out in Appendix I to this prospectus. See "Financial Information—Results of Operations" for a discussion of our consolidated financial information during the Track Record Period.

Our results of operations during the Track Record Period include results of the discontinued operations, which is comprised of (i) the International Business, and (ii) the E-public Service Business. See "Business—Our Business Model" and "Financial Information—Description of Major Components of Our Results of Operations—Discontinued operations" for more details.

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
			RMB'000		
				(unaudited)	
Continuing operations:					
Revenue	4,764,871	4,855,953	4,948,324	2,123,650	2,189,715
Cost of sales	(2,991,246)	(3,183,328)	(3,277,896)	(1,554,242)	(1,527,844)
Gross profit	1,773,625	1,672,625	1,670,428	569,408	661,871
Other income	92,258	141,791	114,712	58,922	41,516
Other gains and losses	(4,096)	(45,228)	68,828	42,932	(24,995)
Selling and marketing expenses	(572,945)	(614,572)	(481,831)	(204,765)	(185,161)
Administrative expenses	(255,754)	(273,079)	(403,800)	(174,843)	(151,972)
Research and development expenses	(629,601)	(636,614)	(430,246)	(232,666)	(181,114)
Share of results of associates	—	—	258	(438)	120
Share of results of a joint venture	—	(10,000)	—	—	—
Finance costs	(6,075)	(93,905)	(83,986)	(48,682)	(33,855)
Listing expenses	—	—	(30,603)	—	(20,862)
Profit before tax	397,412	141,018	423,760	9,868	105,548
Income tax expenses	(87,622)	(66,998)	(88,584)	(18,383)	(18,711)
Profit (loss) for the year/period from continuing operations	309,790	74,020	335,176	(8,515)	86,837
Discontinued operations:					
Loss for the year/period from discontinued operations	(420,462)	(294,873)	(17,233)	(52,152)	(1,279)
Profit (loss) for the year/period	(110,672)	(220,853)	317,943	(60,667)	85,558
Non-HKFRS Measures[1]:					
Adjusted profit for the year/period from continuing operations (unaudited)[2]	470,020	204,341	547,630	90,521	173,447
Adjusted profit for the year/period from continuing operations (excluding exchange gain/(loss), net) (unaudited)[3]	473,581	299,537	463,601	50,394	200,687

1. Adjusted profit for the year/period from continuing operations is not a measure required by, or presented in accordance with, HKFRS. The use of this measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS. See "Financial Information—Non-HKFRS Measures" for more details.
2. We define adjusted profit for the year/period from continuing operations as profit (loss) for the year/period from continuing operations adjusted by adding back share-based compensation, amortization of intangible assets resulting from acquisitions, one-off listing expenses and interest expenses of the Privatization Syndicated Loan, and excluding gain on disposal of a subsidiary.
3. Exchange gains and losses are associated with fluctuations in exchange rate of the U.S. dollar against Renminbi, which was related to the following non-recurring items: (i) the Privatization Syndicated Loan in the principal amount of US$191.4 million and other related U.S. dollar-denominated bank loans, which will be repaid using proceeds from the Global Offering and cash on hand (including pledged bank deposits released upon repayment of the corresponding bank loans), and (ii) amounts due to/from related parties denominated in U.S. dollars, substantially all of which were of non-trade nature, and all of which had been settled as of September 30, 2018.

We believe adjusted profit, a non-HKFRS measure, facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain non-recurring, non-cash and/or non-operating items. These items do not serve as useful references in our management's evaluation of our overall operating performance. In addition, amortization of intangible assets arising from acquisitions, one-off listing expenses and interest expenses from the Privatization Syndicated Loan are expected to have limited impact on our results of operations going forward. As such, we are excluding these items from the calculation of adjusted profit, so that this measure could better reflect our overall operating performance and better facilitate the comparison of our operating performance from period to period. The use of adjusted profit has material limitations as an analytic tool as it does not include all non-recurring, non-cash and/or non-operating items that impact on our profit for the relevant year/period. The following table reconciles our adjusted profit for the year/period from continuing operations for the periods presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS, which is profit/(loss) for the year/period from continuing operations:

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
			RMB'000	(unaudited)	
Reconciliation of profit (loss) for the year/period from continuing operations to adjusted profit for the year/period from continuing operations					
Profit (loss) for the year/period from continuing operations	309,790	74,020	335,176	(8,515)	86,837
Add:					
Share-based compensation[1]	24,730	35,675	73,489	45,381	24,531
Amortization of intangible assets resulting from acquisitions[2]	135,382	93,991	52,331	26,166	17,148
One-off listing expenses	—	—	30,603	—	20,862
Interest expenses for the Privatization Syndicated Loan[3]	118	49,418	56,031	27,489	24,069
Exclude:					
Gain on disposal of a subsidiary	—	48,763	—	—	—
Adjusted profit for the year/period from continuing operations	470,020	204,341	547,630	90,521	173,447
Add:					
Exchange gain/(loss), net	3,561	95,196	(84,029)	(40,127)	27,240
Adjusted profit for the year/period from continuing operations (excluding exchange gain/(loss), net)[4]	473,581	299,537	463,601	50,394	200,687

1. Share-based compensation incurred during the Track Record Period was in connection with share options and RSAs granted under the stock incentive plan previously adopted by Holdco Cayman.
2. Relating to intangible assets arose from the Linkage Merger and the Hangzhou Cloud Acquisition completed in 2010. Amortization of intangible assets is a non-cash and non-operating item, and its amount has been declining as the balance of intangible assets decreases over time. As intangible assets are amortized on a straight-line or accelerated basis based on their estimated useful lives, which range from one to ten years, starting from 2010, we expect to incur insignificant amounts of amortization of intangible assets resulting from acquisitions in 2019 and 2020, and nil from 2021 onwards.
3. Relating to the Privatization Syndicated Loan which was borrowed in connection with the Privatization and was transferred to our Group in December 2015. We plan to repay the Privatization Syndicated Loan and related U.S. dollar-denominated loans using proceeds from the Global Offering and cash on hand (including pledged bank deposits to be released upon repayment of the corresponding bank loans). We expect to incur an insignificant amount of interest expenses for the Privatization Syndicated Loan in 2019 and nil from 2020 onwards.
4. Exchange gains and losses are associated with fluctuations in exchange rate of the U.S. dollar against Renminbi, which was related to the following non-recurring items: (i) the Privatization Syndicated Loan in the principal amount of US$191.4 million and other related U.S. dollar-denominated bank loans, which will be repaid using proceeds from the Global Offering and cash on hand (including pledged bank deposits released upon repayment of the corresponding bank loans), and (ii) amounts due to/from related parties denominated in U.S. dollars, substantially all of which were of non-trade nature, and all of which had been settled as of September 30, 2018.

Summary Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	RMB'000			
Total non-current assets	2,938,456	3,418,575	3,314,868	3,201,702
Total current assets	4,408,177	4,999,632	4,947,316	3,639,701
Total current liabilities	3,615,939	4,674,422	4,484,998	4,488,364
Total non-current liabilities	1,132,297	1,157,554	738,410	135,877
Net current assets (liabilities)	792,238	325,210	462,318	(848,663)
Net assets	2,598,397	2,586,231	3,038,776	2,217,162
Equity attributable to owners of the Company	2,594,292	2,559,816	3,018,835	2,217,162

The change in our financial position from net current assets as of December 31, 2017 to net current liabilities as of June 30, 2018 was primarily due to a decrease in our current assets, which was the result of (i) a decrease in bank balances and cash, and (ii) our settlement of amounts due to/from related parties in 2018. The decrease in bank balances and cash was primarily due to (i) a RMB547.7 million increase in non-current pledged bank deposits, which were used to secure the refinanced Privatization Syndicated Loan, and (ii) acquisition of additional equity interests in a subsidiary of RMB160.0 million.

Summary Consolidated Statements of Cash Flows

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
	RMB '000				
				(unaudited)	
Net cash generated from (used in) operating activities	327,079	221,784	510,417	(710,905)	(189,577)
Net cash (used in) generated from investing activities	(162,430)	(274,261)	(65,710)	91,987	(423,475)
Net cash generated from (used in) financing activities	194,929	203,708	(552,516)	(382,995)	(195,478)
Cash and cash equivalents at beginning of year/period	1,018,879	1,409,205	1,583,120	1,583,120	1,450,588
Cash and cash equivalents at the end of year/period	1,409,205	1,583,120	1,450,588	580,365	633,378

Our operating cash flow improved in the six months ended June 30, 2018 compared to the same period in 2017. However, we incurred net cash used in operating activities of RMB189.6 million in the six months ended June 30, 2018, primarily as a result of seasonality. Due to telecom operators' project management schedules, we typically experience faster payment settlement process with our telecom operator customers in the second half of the year, resulting in seasonal fluctuations in our operating cash flows.

The net cash used in investing activities in the six months ended June 30, 2018 was primarily due to a RMB428.8 million increase in pledged bank deposits, which was primarily used to secure the one-off refinancing of the Privatization Syndicated Loan in the principal amount of US$191.4 million in the first quarter of 2018.

Working Capital Sufficiency

Our available financial resources include: (i) bank balances and cash, which amounted to RMB633.4 million and RMB772.9 million (unaudited) as of June 30, 2018 and October 31, 2018 (the "**Indebtedness Date**"), respectively, (ii) pledged bank deposits securing our bank borrowings, primarily the refinanced Privatization Syndicated Loan, amounting to RMB889.0 million and RMB922.2 million (unaudited) as of June 30, 2018 and October 31, 2018, respectively, which will be released as the corresponding bank borrowings get repaid, (iii) committed and unutilized banking facilities, which amounted to RMB606.7 million and RMB257.5 million (unaudited) as of June 30, 2018 and October 31, 2018, respectively, and (iv) the estimated net proceeds from the issuance of new Shares in the Global Offering. Taking into account these financial resources available to us, our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this prospectus. After due consideration and discussion with the Company's management and based on the above and the assumption that there is no material change in the composition and trend of our capital expenditure, the Joint Sponsors concur with the view of our Directors.

KEY FINANCIAL RATIOS

The following table sets forth key financial ratios as of the dates and for the periods indicated:

	For the year ended or as of December 31,			For the six months ended or as of June 30,
	2015	**2016**	**2017**	**2018**
EBITDA margin from continuing operations(1)	12.6%	7.6%	12.1%	7.9%
Adjusted EBITDA margin from continuing operations(2)	13.1%	7.3%	14.2%	10.0%
Profit margin for the year/period from continuing operations(3)	6.5%	1.5%	6.8%	4.0%
Adjusted profit margin for the year/period from continuing operations(4)	9.9%	4.2%	11.1%	7.9%
Gearing ratio(5)	55.7%	88.0%	57.5%	80.9%

(1) EBITDA margin from continuing operations is calculated by dividing EBITDA from continuing operations (which is profit before tax from continuing operations plus finance costs and depreciation and amortization expenses) by revenue and multiplied by 100%

(2) Adjusted EBITDA margin from continuing operations is calculated by dividing adjusted EBITDA from continuing operations (EBITDA from continuing operations adjusted by adding back share-based compensation and one-off listing expenses, and excluding gain on disposal of a subsidiary) by revenue and multiplied by 100%

(3) Profit margin for the year/period from continuing operations is calculated by dividing profit (loss) for the year/period from continuing operations by revenue and multiplied by 100%

(4) Adjusted profit margin for the year/period from continuing operations is calculated by dividing adjusted profit for the year/period from continuing operations (profit (loss) for the year/period from continuing operations adjusted by adding back share-based compensation, amortization of intangible assets resulting from acquisitions, one-off listing expenses and interest expenses for the Privatization Syndicated Loan, and excluding gain on disposal of a subsidiary) by revenue and multiplied by 100%

(5) Gearing ratio is calculated by dividing total debt by total equity and multiplied by 100%

The fluctuation in our EBITDA margin and profit margin between 2015 and 2017 was primarily due to the fluctuation in profit between 2015 and 2017. The decrease in our EBITDA margin and profit margin from 2017 to the six months ended June 30, 2018 was primarily due to seasonality. The fluctuations in our gearing ratio during the Track Record Period was primarily due to (i) increase/decrease of our current and non-current borrowings, and (ii) a RMB693.4 million dividend declared to AsiaInfo Holdings in the second quarter of 2018, which caused a decrease in our equity as of June 30, 2018.

For further details of our key financial ratios, see "Financial Information—Key Financial Ratios" of this prospectus.

GOODWILL

As of June 30, 2018, we had goodwill of RMB1.9 billion, which primarily arose from the Linkage Merger completed in 2010 because the consideration paid for the Linkage Merger was higher than the then fair value of the identifiable assets of Linkage. Such goodwill represents a significant portion of our assets. We determine whether goodwill is impaired by comparing the recoverable amount of the cash-generating units to which goodwill has been allocated to the carrying amount of goodwill. We may incur impairment loss for goodwill if the financial performance and projected cash flow of the cash-generating units to which goodwill has been allocated deteriorate. See "Risk Factors—Risks Relating to Our Business and Industry—We recognized goodwill from the Linkage Merger because the consideration paid was higher than the then fair value of the identifiable assets of Linkage. Such goodwill represents a significant portion of our assets. We may incur impairment loss for goodwill if the financial performance and projected cash flow of the cash-generating units to which goodwill has been allocated deteriorate, in which case our results of operations and financial position may be adversely affected" for more details.

OUR SHAREHOLDING STRUCTURE

The Controlling Shareholders

As of the Latest Practicable Date, the CITIC Capital Entities, through Skipper Investment Limited as the immediate Shareholder of the Company, were interested in approximately 34.06% of the issued Shares of our Company. Immediately after completion of the Share Subdivision and the Global Offering (without taking into any Shares that may be issued pursuant to the Over-allotment Option and without taking into account any Shares to be issued pursuant to the exercise of the outstanding share options granted under the Pre-IPO Share Option Scheme and upon vesting of the outstanding RSAs granted under the Pre-IPO RSA Scheme), the CITIC Capital Entities will be entitled to control approximately 29.97% of the total number of issued Shares of our Company through Skipper Investment Limited. As such, immediately after the Listing, the CITIC Capital Entities will no longer be our controlling shareholders. However, Skipper Investment Limited will remain as our single largest Shareholder.

Employee Share Incentive Plans

We have adopted the Pre-IPO Share Option Scheme and the Pre-IPO RSA Scheme on June 26, 2018, in order to incentivize and reward our employees for the contribution to our Group and to assume certain outstanding share options and RSAs previously granted by Holdco Cayman.

As of the Latest Practicable Date, the number of Shares underlying the outstanding and unexercised share options granted under the Pre-IPO Share Option Scheme amounts to 15,049,232 Shares (being 120,393,856 Shares after completion of the Share Subdivision, representing approximately 16.87% of the issued Shares immediately following completion of the Share Subdivision and the Global Offering and assuming the Over-allotment Option is not exercised, and the outstanding share options granted under the Pre-IPO Share Option Scheme remain unexercised and the outstanding RSAs granted under the Pre-IPO RSA Scheme remain unvested). Such 15,049,232 share options are held by 2,064 grantees. As of the Latest Practicable Date, the number of Shares underlying the outstanding and unvested RSAs granted under the Pre-IPO RSA Scheme amounts to 2,095,115 Shares (being 16,760,920 Shares after completion of the Share Subdivision, representing approximately 2.35% of the issued Shares immediately following completion of the Share Subdivision and the Global Offering and assuming the Over-allotment Option is not exercised, the outstanding share options granted under the Pre-IPO Share Option Scheme remain unexercised and the outstanding RSAs granted under the Pre-IPO RSA Scheme remain unvested). Such 2,095,115 RSAs are held by 962 grantees. We are required to recognize share-based compensation expenses in respect of the share options granted under the Pre-IPO Share Option Scheme and the RSAs granted under the Pre-IPO RSA Scheme. We expect to recognize a significant amount of employee benefit expenses in our consolidated financial statement in respect of such share options and RSAs, particularly in 2018 and

2019. Please see the sections headed "Statutory and General Information—D. Pre-IPO Share Option Scheme" and "Statutory and General Information — E. Pre-IPO RSA Scheme" in Appendix IV to this prospectus.

FROST & SULLIVAN REPORT

Certain information included in the sections headed "Business", "Industry Overview" and "Financial Information" is quoted from the Frost & Sullivan Report. The Frost & Sullivan Report was prepared based on the following assumptions: (i) the social, economic and political environment of the PRC is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to continue to drive the market in the forecast period.

APPLICATION FOR LISTING OF THE SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares which may be issued pursuant to the exercise of the share options which were granted under the Pre-IPO Share Option Scheme and the vesting of the RSAs granted under the Pre-IPO RSA Scheme, on the basis that, among other things, we satisfy the market capitalization/revenue/cash flow test under Rule 8.05(2) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2017, being approximately RMB4.95 billion (equivalent to approximately HK$5.72 billion), is over HK$500 million; (ii) the aggregate operating cash flow of the Company for the three preceding financial years being approximately RMB1,059 million (equivalent to approximately HK$1,224 million), is over HK$100 million; and (iii) our expected market capitalization at the time of Listing, which based on the low-end of the indicative Offer Price range, exceeds HK$2 billion.

RECENT DEVELOPMENTS

After the Track Record Period, our business continued to grow steadily from July to October 2018. In August 2018, we entered into a strategic cooperation agreement with China Merchants Bank Co., Ltd. to provide financial service sector-oriented data-driven operation services to China Merchants Bank Co., Ltd., further expanding the enterprise customer base of our data-driven operation services.

Based on our unaudited consolidated financial statements for the ten months ended October 31, 2018, our gross margin for the ten months ended October 31, 2018 remained relatively stable compared to that for the six months ended June 30, 2018, whereas our profit before tax from continuing operations for the ten months ended October 31, 2018 decreased. The decrease in profit before tax from continuing operations was primarily due to (1) the recognition of share-based compensation expenses for awards granted under our pre-IPO Share Option Scheme and Pre-IPO RSA Scheme; and (2) exchange losses associated with the recent fluctuation in exchange rate of the U.S. dollar against Renminbi, which was primarily related to the Privatization Syndicated Loan. Our profit before tax from continuing operations is expected to decrease from 2017 to 2018, primarily due to (1) the recognition of share-based compensation expenses in 2018 for awards granted under our pre-IPO Share Option Scheme and Pre-IPO RSA Scheme; and (2) exchange losses associated with the fluctuation in exchange rate of the U.S. dollar against Renminbi, which is primarily related to the Privatization Syndicated Loan.

Our revenue backlog was RMB1,691.6 million as of October 31, 2018, among which, RMB453.0 million is expected to be converted into revenue in the remainder of 2018 and RMB1,049.1 million is expected to be converted into revenue in 2019.

Other than as disclosed above, our Directors confirm that up to the date of this prospectus, there has been no material adverse change in the industry in which we operate and our operational, financial or trading position or prospects since June 30, 2018, the end of the period reported in the Accountants' Report set out in Appendix I to this prospectus, and there has been no event since June 30, 2018 and up to the date of this prospectus which would materially affect the financial information as set out in Appendix I to this prospectus.

LISTING EXPENSES

Based on the mid-point of the indicative Offer Price range and assuming the Over-Allotment Option is not exercised, our total listing expenses is expected to be approximately RMB109.4 million (equivalent to approximately HK$123.6 million). We incurred approximately RMB35.6 million (equivalent to approximately HK$40.2 million) of listing expenses in 2017, among which approximately RMB30.6 million (equivalent to approximately HK$34.6 million) was recognized as listing expenses in our consolidated statements of profit or loss and other comprehensive (expense) income and approximately RMB5.0 million (equivalent to approximately HK$5.7 million) was capitalized. We expect to incur an aggregate of approximately RMB73.8 million (equivalent to approximately HK$83.4 million) of listing expenses (based on the mid-point of the indicative Offer Price range and assuming the Over-Allotment Option is not exercised, and including, among others, underwriting commission and the discretionary incentive fee, if any) in 2018, among which approximately RMB45.2 million (equivalent to approximately HK$51.1 million) will be recognized as listing expenses in our consolidated statements of profit or loss and other comprehensive (expense) income and approximately RMB28.6 million (equivalent to approximately HK$32.3 million) will be capitalized. The listing expenses above are the latest practicable estimate and are provided for reference only, and actual amounts may differ. We do not expect the additional listing expenses to have a material impact on our results of operations.

OFFERING STATISTICS

Offer size:	Initially 12% of the enlarged total number of issued shares of our Company (assuming the Over-allotment Option is not exercised)
Offering structure:	Initially 10% for the Hong Kong Public Offering (subject to adjustment) and 90% for the International Offering (subject to adjustment and the Over-allotment Option)
Over-allotment Option:	Up to 15% of the number of Offer Shares initially available under the Global Offering
Offer Price per Share:	HK$10.50 to HK$13.50 per Offer Share (subject to Downward Offer Price Adjustment)

	Based on indicative Offer Price of HK$9.45 per Offer Share, after a Downward Offer Price Adjustment of 10%	Based on minimum indicative Offer Price of HK$10.50 per Offer Share	Based on maximum indicative Offer Price of HK$13.50 per Offer Share
Our Company's capitalization upon completion of the Global Offering(1)(2)	HK$6,745.2 million	HK$7,494.6 million	HK$9,636.0 million
Unaudited pro forma adjusted consolidated net tangible asset per Share(3)	HK$1.45	HK$1.57	HK$1.92

(1) All statistics in the table are based on the assumption that the Over-allotment Option is not exercised.

(2) The calculation of market capitalization is based on 713,776,184 Shares expected to be in issue immediately upon completion of the Share Subdivision and the Global Offering.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at June 30, 2018 per Share is calculated after making the adjustments referred to in Appendix II "Unaudited Pro Forma Financial Information" in this prospectus and on the basis that 710,000,176 Shares, after taking into account the Share Subdivision and does not take into account of any Shares which may be issued upon exercise of options that may be granted under the Pre-IPO Share Option Scheme as referred to in the paragraph headed "Pre-IPO Share Option Scheme and Pre-IPO RSA Scheme" under the section headed "Share Capital" to the prospectus or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares as referred to in the paragraph headed "General mandate to issue shares" or "General mandate to repurchase shares" under the section headed "Share Capital" to the prospectus, as the case may be.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$989.9 million (after deducting underwriting commissions and other estimated expenses paid and payable by us in the Global Offering), assuming an Offer Price of HK$12.00 per Share, being the mid-point of the indicative Offer Price range of HK$10.50 to HK$13.50 per Share, and that the Over-allotment Option is not exercised. We intend to use the net proceeds of the Global Offering for the following purposes:

(i) approximately 35%, or HK$346.5 million, will be used to enhance our R&D capabilities and increase our presence and market share in the emerging data-driven operation services, IoT and intelligent network industry sectors;

(ii) approximately 30%, or HK$297.0 million, will be used to repay certain of our outstanding bank loans;

(iii) approximately 25%, or HK$247.5 million, will be used to selectively pursue strategic investments and acquisitions; and

(iv) the remaining approximately 10%, or HK$98.9 million, will be used for our working capital and other general corporate purposes.

Please see the section headed "Future Plans and Use of Proceeds" for further details.

DIVIDEND POLICY

In 2015, AsiaInfo Technologies HK declared a dividend of approximately RMB2.2 billion to its immediate holding company, AsiaInfo Holdings (the "**2015 Dividend**"). The 2015 Dividend was settled during the Track Record Period, by (i) transferring our investment in Bonson BVI to AsiaInfo Holdings, (ii) offsetting a portion of the amounts due from AsiaInfo Holdings from its transfer of the Privatization Syndicated Loan to us, (iii) making a cash dividend payment of RMB0.4 billion to AsiaInfo Holdings in 2016 and (iv) a series of debt restructuring arrangements we carried out in 2018. On May 21, 2018, we declared a dividend of RMB693.4 million to AsiaInfo Holdings (the "**2018 Dividend**"). RMB688.2 million of the 2018 Dividend had been settled as of June 30, 2018 through a series of debt restructuring arrangements that we carried out in 2018. The remaining balance was fully paid in July 2018. We did not declare or pay any other dividend during the Track Record Period.

We may declare and pay dividends by way of cash or by other means that we consider appropriate in the future. Distribution of dividends will be decided by the Board at its discretion. Whether we would declare or pay any dividends in the future and the amount of such dividends will depend on a number of factors, including our results of operations, cash flows, financial condition, amount of cash dividends paid to our Company by our subsidiaries, requirements under the applicable accounting standards, future development needs and other factors that the Directors may consider relevant. We will adopt a non-binding general dividend policy with a dividend payout ratio of no less than 40% of our annual distributable net profits in each fiscal year, commencing from the fiscal year ending December 31, 2019 and thereafter, provided that the aforesaid factors are properly taken into consideration. In addition, our dividend policy will also be subject to our Articles, the BVI Business Companies Act and any other applicable laws and regulations.

RISK FACTORS

There are certain risks involved in our operations and in connection with the Global Offering, many of which are beyond our control. These risks can be categorized into: (i) risks relating to our industry and business, (ii) risks relating to conducting operations in the PRC and (iii) risks relating to the Global Offering and our Shares. We believe the most significant risks we face include:

- our dependence on Chinese telecom operators subjects us to events that may cause material fluctuations or declines in our revenues;
- the growth of our business is significantly dependent on policies related to the telecom industry in China. Industry restructurings and consolidations among telecom operators may impact the demand for our products and services;
- if we are unable to execute our growth strategies effectively, our business and prospects may be materially and adversely affected;
- if we fail to timely and cost-effectively develop new software products and services and enhance existing ones to meet the evolving requirements of existing and new customers, our business operations could be materially and adversely affected;
- our business could be materially and adversely affected if we fail to anticipate or adapt to changes in evolving industry standards and technologies;
- the markets in which we operate are competitive, and we cannot assure you that we will be able to compete successfully against our competitors, grow at a rate comparable to our growth rate in the past or successfully maintain or enhance the awareness of our brand;
- we recognized goodwill from the Linkage Merger because the consideration paid was higher than the then fair value of the identifiable assets of Linkage. Such goodwill represents a significant portion of our assets. We may incur impairment loss for goodwill if the financial performance and projected cash flow of the cash-generating units to which goodwill has been allocated deteriorate, in which case our results of operations and financial position may be adversely affected; and
- allotment and issue of Shares upon the exercise of the share options granted under the Pre-IPO Share Option Scheme and upon the vesting of the RSAs granted under the Pre-IPO RSA Scheme will result in the dilution of your shareholding in our Company and a significant amount of employee benefit expenses.

A detailed discussion of all the risk factors involved are set out in the section headed "Risk Factors" in this prospectus. You should read the whole section carefully before you decide to invest in the Offer Shares.

NON-COMPLIANCE

Except for the non-compliances disclosed below, we are advised by our PRC Legal Advisor that, during the Track Record Period and as of the Latest Practicable Date, we had complied with relevant PRC laws and regulations in all material aspects.

During the Track Record Period, we did not make full social insurance contributions for our employees. As advised by our PRC Legal Advisor, the likelihood that we would be required by the relevant authorities to pay any shortfall for social insurance contribution is low, and the likelihood that we would be subject to material administrative penalties is very remote. See "Business—Legal Proceedings and Compliance—Social Insurance Contribution Shortfalls" for more details.