

**IPO FACT SHEET**
**AsialInfo Technologies Limited (1675 HK)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$899.35m – HK\$1,156.30m
<b>Placement Tranche:</b>	85.652m
<b>Price:</b>	HK\$10.50 – HK\$13.50
<b>Board lot:</b>	400
<b>Entry fee:</b>	HK\$5,454.42
<b>Historical PE</b>	20.9x – 26.8x
<b>Net tangible asset per share:</b>	HK\$1.57 – HK\$1.92
<b>Market Cap (post-IPO):</b>	HK\$7,494.6m - HK\$9,636.0m
<b>Open:</b>	6 Dec 2018
<b>Close:</b>	12.00 noon on 11 Dec 2018
<b>Trading:</b>	19 Dec 2018
<b>Sponsor:</b>	CLSA and Citigroup

<b>Year ended 31 Dec</b>	<b>(RMB'000)</b>	<b>yoy % chg</b>
Revenue		
2016	4,855,953	1.9%
2017	4,948,324	1.9%
Profit (loss) for the year/period		
2016	-220,853	N.A.
2017	317,943	N.A.

**BACKGROUND**

- The Group is 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. It is 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.
- The Group is the provider of China's first-generation telecom software. It has collaborated extensively with each of China Mobile, China Unicom and China Telecom since the 1990s, supporting over one billion subscribers nationwide.
- As of December 31, 2015, 2016 and 2017 and June 30, 2018, the Group 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.
- 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 revenue from continuing operations, respectively.

**BUSINESS STRATEGY AND FUTURE PLANS**

- Reinforce its leading position in the telecom software products and related service market.
- Actively expand 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.
- Selectively pursue strategic alliances and acquisitions.

**COMPETITIVE STRENGTHS**

- 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.
- Seasoned and visionary management with proven track record.

### KEY RISKS

- Its dependence on Chinese telecom operators subjects it to events that may cause material fluctuations or declines in revenues.
- Industry restructurings and consolidations among telecom operators may impact the demand for the Group's products and services.
- If the Group is unable to execute its growth strategies effectively, business and prospects may be materially and adversely affected.
- If the Group fails 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, business operations could be materially and adversely affected.
- Its business could be materially and adversely affected if it fails to anticipate or adapt to changes in evolving industry standards and technologies.
- The markets in which it operates are competitive, and it cannot assure that it will be able to compete successfully against competitors, grow at a rate comparable to its growth rate in the past or successfully maintain or enhance the awareness of its brand.
- The Group recognized goodwill from the Linkage Merger. Such goodwill represents a significant portion of its assets. It 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 its results of operations and financial position may be adversely affected.

### DIVIDEND POLICY

- Will adopt a non-binding general dividend policy with a dividend payout ratio of no less than 40% of annual distributable net profits in each fiscal year, commencing from the fiscal year ending December 31, 2019 and thereafter.

### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
To enhance its R&D capabilities and increase its presence and market share in the emerging data-driven operation services, IoT and intelligent network industry sectors.	346.5	35.0%
To repay certain of its outstanding bank loans.	297.0	30.0%
To selectively pursue strategic investments and acquisitions.	247.5	25.0%
For working capital and other general corporate purposes.	98.9	10.0%
<b>Total:</b>	<b>989.9</b>	<b>100.00%</b>

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