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AsiaInfo Reports Strong First Quarter Results

Net Revenues up 77%

Company's Leading Market Position Translates into New Software & Internet Infrastructure Contract Wins

SAN FRANCISCO, Calif. – April 19, 2000 - AsiaInfo Holdings, Inc. (Nasdaq: ASIA), a leading provider of total Internet infrastructure solutions and software products in China, today announced results for the quarter ended March 31, 2000.

The company reported net revenues of US\$5.5 million in the first quarter, representing a 77% increase over net revenues of US\$3.1 million for the same period in 1999. Software revenues for the quarter were US\$1.8 million, representing 33% of total net revenues and a 33% increase over the same period in 1999. Network solutions revenues were US\$3.7 million, an increase of 118% over the same quarter of 1999. Gross revenues were US\$22.9 million during the first quarter, a 340% increase over gross revenues of US\$5.2 million of the same quarter last year. Net loss per share was \$0.16 for the first quarter of 2000, compared to a net loss of \$0.14 per share in the same quarter of 1999.

The strong growth in net revenues was primarily attributable to increased demand for software products and services as well as the expansion of infrastructure solutions projects in progress. This software revenue increase was partly driven by the release of newer versions of Internet billing and messaging software. Gross revenues increased significantly, primarily due to several large network solutions projects.

“We are extremely proud to report the results of our first quarter as a public company,” said James Ding, CEO. “This has been a great quarter for both AsiaInfo and the Chinese Internet sector. We have won a significant number of new contracts in both the Internet infrastructure and software sectors against global competitors. These contract wins clearly demonstrate AsiaInfo’s solid momentum in the rapidly growing China Internet

market. At the end of this quarter, we have US\$75 million in backlog orders of which US\$30 million is net of hardware costs.”

Software Products

AsiaInfo develops, markets and supports real-time scalable software products that can support millions of Internet users. AsiaInfo’s software products consist of two primary categories: customer management and billing software (CM&B) and email/messaging software.

Customer Management and Billing Software

AsiaInfo’s customer management and billing software consists of three customer focus areas: Internet, IP telephony and wireless telephony.

During the first quarter, AsiaInfo was awarded multiple contracts for its Internet customer management and billing software (AIOBS) product by large telecom operators such as China Netcom as well as by provincial and municipal telecommunication service providers including Hebei, Wuhan Post Telecommunication Bureaus (PTA) and Sichuan Public Information Industrial Ltd. These contract wins enhanced AsiaInfo’s market position in the CM&B software market in China.

Messaging Software

AsiaInfo’s online messaging software (AIMC) is a carrier-scale messaging product designed to support the email systems for ISPs.

During the first quarter, AsiaInfo exhibited significant momentum in this software category with many customer wins, including: 21cn.com, Email.com.cn, Shenyang Telecom Bureau, Ningxia Data Telecommunication Bureau and Inner Mongolia Telecommunication Bureau.

“We sold and installed over 9 million AIMC licenses in 1999 and over 5 million in the first quarter of 2000. We strongly believe in the future of this product and will continue to devote research and development resources to bring this high-capacity, carrier-class product to the next level,” said Ding.

Internet Infrastructure Solutions

AsiaInfo’s track record establishes the company as a leader in the Internet infrastructure solutions market. The company believes its market advantage is derived from its strong customer relationships, technical expertise and unique understanding of the local market.

During the first quarter, AsiaInfo announced several new contracts in the Internet infrastructure solutions area. Following the successful completion of China Unicom’s pilot project to provide IP telephony service, China Unicom awarded AsiaInfo a new \$40

million contract to design and implement China Unicom's Phase II Voice over IP network (VoIP). The new China Unicom VoIP network is expected to be the largest VoIP network in the world and the revenues associated with the contract will be recognized in the following three-quarters upon successful completion of the project.

China Netcom selected AsiaInfo to design and build the first broadband Internet backbone in China. This backbone will support a wide range of IP based voice, image, fax and data communications services and will provide maximum bandwidth of 40 gigabits per second (Gbps). Additionally, the Chinese Ministry of Information selected AsiaInfo to connect the four existing Chinese Internet backbones. AsiaInfo's project to connect these Internet backbones will dramatically increase China's inter-networking speed while reducing access costs to ISPs and end-users.

"These contract wins not only demonstrate the great degree of confidence our customers place in AsiaInfo, but also provide clear examples of superior execution by AsiaInfo's world class engineering team," commented Ding.

Other First Quarter Highlights

On March 3rd, AsiaInfo announced its initial public offering. The 5,750,000 shares issued by the company raised a total of \$138 million. The proceeds will be used to fund increased working capital requirements for infrastructure and systems integration projects, expand software development efforts, further develop the company's technology and systems, and facilitate possible acquisitions or investments in related businesses.

In order to further enhance the new business development function and aggressively grow through merger and acquisition (M&A) activities, AsiaInfo recently created a Division of Business Development. Heading this Division will be Mr. Fan Bao, Vice President of Business Development. Prior to joining AsiaInfo, Mr. Bao worked in the Mergers, Acquisitions and Restructuring Department at Morgan Stanley Dean Witter, focusing on the technology and telecom sectors. Mr. Bao brings a depth of experience in M&A and financing transactions.

To further support the company's rapid growth, AsiaInfo hired James Li as Vice President of Human Resources. Prior to AsiaInfo, Li worked for Lucent Technologies (China) as Human Resources Director with overall HR responsibility for the China operations of Lucent.

The company has attracted highly qualified individuals to all levels of the company, bringing the total number of employees to 544 at the end of the first quarter.

About AsiaInfo Holdings, Inc.

AsiaInfo Holdings, Inc. (Nasdaq: ASIA) is a leading provider of Internet infrastructure, total solutions and software in China, one of the world's fastest growing Internet markets. The company offers telecommunications service providers in China total network

solutions for their Internet infrastructure requirements and develops proprietary software for Internet service providers, Internet content providers and telecommunications service providers.

Since it moved its operations from the US to China in 1995, AsiaInfo has served as a chief architect of China's Internet infrastructure. AsiaInfo has been pioneering the development of China's Internet infrastructure by designing and building the first national commercial Internet backbone in China, ChinaNET, as well as the first provincial Internet backbone in China, GuangdongNET. The company is also building the other two national commercial Internet backbones in China: UniNET of China Unicom and CNCNET of China Netcom.

AsiaInfo develops, markets and supports real time, scalable and adaptable proprietary Internet software solutions tailored to meet the needs of clients in China. The company's customer management and billing software products meet the complex, mission-critical provisioning, accounting, reporting and marketing needs of Internet and telecommunications service providers. The company also offers carrier-scale-messaging products to Internet service providers in China. For more information about AsiaInfo, please visit www.asiainfo.com.

The statements in this news release contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ from anticipated results. Further information on risk factors that could affect AsiaInfo's results of operation are detailed in AsiaInfo's Registration Statement, as filed with the Securities and Exchange Commission. A copy of the registration statement, including exhibits, may be reviewed at the Commission's public reference room at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The registration statement and other company filings can also be reviewed by accessing the Commission's Internet site at <http://www.sec.gov>, which contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

ASIAINFO HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands of US\$)

	Quarters Ended	
	Mar 31, 2000	Mar 31, 1999
Revenues:		
Software license	1,793	1,348
Network solutions	21,099	3,900
Total revenues	22,892	5,248
Cost of revenues:		
Software license	2	1
Network solutions	20,215	3,444
Total cost of revenues	20,217	3,445
Gross profit	2,676	1,803
Operating expenses:		
Sales and marketing	3,451	1,095
General and administrative	2,371	1,751
Research and development	1,096	419
Amortization of deferred stock compensation	699	589
Total operating expenses	7,617	3,854
(Loss) income from operations	(4,941)	(2,051)
Other income (expenses):	346	230
Income before income taxes and minority interests	(4,595)	(1,821)
Income tax	44	70
Minority interests	0	32
Net (loss) income	(4,638)	(1,859)
Net (loss) income per share		
Basic	(0.16)	(0.14)
Diluted	(0.16)	(0.14)
Shares used in computation		
Basic	28,821,413	13,683,242
Diluted	28,821,413	13,683,242
Segment information		
Network solutions net of hardware cost	3,678	1,726
Software license	1,793	1,348
Consolidated revenues net of hardware cost	5,471	3,074
Consolidated cost of sales net of hardware cost	2,795	1,271
Consolidated gross profit	2,676	1,803

ASIAINFO HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In US\$)

	Mar 31, 2000	Dec 31, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	145,246,466	25,403,884
Restricted cash	14,222,153	12,189,794
Accounts receivable, trade (net of allowance for doubtful accounts of \$640,269 and \$507,064 at Dec 31, 1999 and Mar 31, 2000 respectively)	31,965,822	21,928,036
Inventories	5,887,755	2,908,426
Other current assets	2,865,232	2,342,433
Total current assets	200,187,428	64,772,573
Property, plant, and equipment-net	2,232,824	2,183,545
Other assets	4,165,589	4,470,861
Total assets	206,585,841	71,426,979
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-term bank loans	13,516,452	9,698,882
Accounts payable	16,556,442	11,867,188
Accrued employee benefit	6,166,078	4,810,650
Other taxes payable	1,488,948	2,295,030
Income taxes payable	164,524	180,475
Other current liabilities	5,542,245	2,786,583
Total current liabilities	43,434,689	31,638,808
Stockholders' Equity:		
Convertible preferred stock:		
Series A: 3,000,000 shares authorized; \$0.01 par value; 2,160,864 shares issued and outstanding at December 31, 1999; 0 at March 31, 2000	0	21,609
Series B: 5,000,000 shares authorized at Dec 31, 1999; \$0.01 par value; 2,630,425 shares issued and outstanding at December 31, 1999; 0 at March 31, 2000	0	26,304
Common stock, 50,000,000 shares authorized; \$0.01 par value, shares issued and outstanding: 1999, 25,532,144; Mar. 31 2000, 38,902,309	389,023	255,321
Additional paid-in capital	173,307,540	46,118,424
Deferred stock compensation	(3,166,282)	(3,865,373)
Retained earnings (accumulated deficit)	(7,403,349)	(2,764,854)
Accumulated other comprehensive income (loss)	24,220	(3,260)
Total stockholders' equity	163,151,152	39,788,171
Total Liabilities and Stockholders' Equity	206,585,841	71,426,979

