

ASIAINFO HOLDINGS INC
Form DEF 14A
March 05, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under §240.14a-12

ASIAINFO HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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No fee required.

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1) Title of each class of securities to which transaction applies:

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ASIAINFO HOLDINGS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON APRIL 21, 2009

March 5, 2009

TO THE STOCKHOLDERS OF ASIAINFO HOLDINGS, INC.:

You are cordially invited to attend the annual meeting of stockholders of AsiaInfo Holdings, Inc., a Delaware corporation, to be held on Tuesday, April 21, 2009 at 3:00 p.m., local time, at 4th Floor, Zhongdian Information Tower, 6 Zhongguancun South Street, Haidian District, Beijing, People's Republic of China. At this year's annual meeting, we are asking stockholders to:

1. Elect two directors to serve for three-year terms to expire at the 2012 Annual Meeting of stockholders and until their successors are duly elected and qualified;
2. Ratify the selection of Deloitte Touche Tohmatsu as the independent registered public accounting firm of AsiaInfo for the fiscal year ending December 31, 2009; and
3. Transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement. This year we are using new U.S. Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders primarily over the Internet. We believe that providing our proxy materials over the Internet increases the ability of our stockholders to connect with the information they need, while reducing the cost and environmental impact of our Annual Meeting. On or about March 5, 2009, we mailed our stockholders a notice containing instructions on how to access our 2009 Proxy Statement and 2008 Annual Report to Stockholders. The notice also included instructions on how to receive a paper copy of the annual meeting materials, including the notice of annual meeting, proxy statement, and proxy card. If you receive your annual meeting materials by mail, the notice of annual meeting, proxy statement, and proxy card will be enclosed. If you receive your annual meeting materials via e-mail, the e-mail contains links to the annual report and the proxy statement on the Internet, which are both available at <http://bnymellon.mobular.net/bnymellon/asia>.

Stockholders of record at the close of business on February 23, 2009 are entitled to notice of and to vote at the annual meeting and any adjournment thereof. A list of these stockholders will be available for inspection during ordinary business hours at our principal executive offices, at 4th Floor, Zhongdian Information Tower, 6 Zhongguancun South Street, Haidian District, Beijing, PRC, from April 11, 2009 until the date of our annual meeting. The list will also be available for inspection at the annual meeting.

IMPORTANT: All stockholders are cordially invited to attend the annual meeting in person. However, to assure your representation at the annual meeting, you are urged to vote your shares by telephone, the Internet, or if you receive your annual meeting materials by mail, by signing and returning the enclosed proxy card as promptly as possible in the enclosed self-addressed envelope. Any stockholder attending the annual meeting may vote in person even if he or she returned a proxy. However, if a stockholder's shares are held of

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record by a broker, bank or other nominee and the stockholder wishes to vote at the annual meeting, the stockholder must obtain from the record holder a proxy issued in his or her name.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ JAMES DING
James Ding

Chairman of the Board of Directors

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ASIAINFO HOLDINGS, INC.

4th Floor, Zhongdian Information Tower

6 Zhongguancun South Street

Haidian District

Beijing 100086, PRC

PROXY STATEMENT

2009 ANNUAL MEETING OF STOCKHOLDERS

This proxy statement and accompanying proxy was first mailed to stockholders (or made available electronically over the Internet) on or about March 5, 2009, in connection with the solicitation of proxies by the Board of Directors of AsiaInfo Holdings, Inc., a Delaware corporation, for use at the Annual Meeting of Stockholders to be held on Tuesday, April 21, 2009, at 3:00 p.m., local time, at AsiaInfo's principal executive offices located at 4th Floor, Zhongdian Information Tower, 6 Zhongguancun South Street, Haidian District, Beijing, PRC, or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. AsiaInfo's telephone number at its principal executive offices is +8610 8216 6688.

INFORMATION CONCERNING SOLICITATION AND VOTING

Record Date and Share Ownership

Stockholders of record at the close of business on February 23, 2009, which date is referred to herein as the record date, are entitled to notice of and to vote at the Annual Meeting. As of the record date, 43,486,816 shares of AsiaInfo's common stock were issued and outstanding and held of record by approximately 109 registered stockholders.

Voting, Solicitation and Revocability of Proxy

Registered stockholders can vote by mail, telephone or the Internet. Please note that voting via the Internet is a valid proxy voting method under the laws of the State of Delaware (our state of incorporation). Telephone voting can be accessed by calling the toll-free number (in the United States only) 1-866-580-9477. Internet voting can be accessed by logging on to the following Internet address: <http://www.eproxy.com/asia>. Telephone and Internet voting information is provided on the proxy card. A control number located on the proxy card is designed to verify each stockholder's identity and allow stockholders to vote their shares and confirm that their voting instructions have been properly recorded. If your shares are held in the name of a bank or broker, follow the voting instructions on the form you receive from your bank or broker. The availability of telephone or Internet voting will depend on your bank or broker's voting process.

If you do not choose to vote by telephone or the Internet, you may still return your proxy card, properly signed, and the shares represented will be voted in accordance with your directions. You can specify your choices by marking the appropriate boxes on the proxy card. If your proxy card is signed and returned without specifying choices, the shares will be voted in favor of proposals 1 and 2. If you vote by telephone or the Internet, it is not necessary to return your proxy card.

You may revoke your proxy at any time before it is voted at the Annual Meeting by casting a different vote by telephone or the Internet, by executing a later-voted proxy by mail, by voting by ballot at the Annual Meeting, or by providing written notice of the revocation to Susie Shan, Legal Counsel of AsiaInfo, at our principal executive offices.

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Your vote is important. Accordingly, regardless of whether you plan to attend the Annual Meeting, you are urged to vote by telephone, by the Internet, or by signing and returning the accompanying proxy card. If you do attend, you may vote by ballot at the Annual Meeting, thereby canceling any proxy previously given. However, attendance at the Annual Meeting will not revoke a proxy unless you actually vote in person at the meeting.

In the event that any matter not described in this Proxy Statement properly comes before the Annual Meeting, the proxy holders named in the accompanying proxy will vote the shares represented by the proxy in accordance with their best judgment. As of the date of this Proxy Statement, AsiaInfo is not aware of any other matter that might be presented at the Annual Meeting.

Each share of common stock outstanding on the record date is entitled to one vote. The required quorum for the transaction of business at the Annual Meeting is a majority of the votes eligible to be cast by holders of shares of common stock issued and outstanding on the record date, present in person or represented by proxy. Stockholders may withhold authority to vote for one or more of the nominees for director and may abstain on one or more of the other matters that may come before the Annual Meeting. The inspector of election appointed for the Annual Meeting will determine the existence of a quorum and will tabulate the votes cast at the Annual Meeting. Broker non-votes (shares held by a broker or nominee that does not have the authority, either express or discretionary, to vote on a particular matter) will not be counted in determining the number of votes cast with respect to a proposal. For purposes of determining the presence of a quorum, abstentions and broker non-votes will be counted by AsiaInfo as present at the Annual Meeting. Abstentions will also be counted by AsiaInfo in determining the total number of votes cast with respect to a proposal (other than the election of directors). If, however, a quorum shall not be present or represented, the stockholders present in person or represented by proxy shall have the power to adjourn the Annual Meeting from time to time, without notice other than announcement at the Annual Meeting until a quorum shall be present or represented. If a broker indicates on a proxy that such broker does not have discretionary authority to vote on a particular matter, under applicable Delaware law those shares will be counted as present for purposes of determining the presence of a quorum, but will not be counted as votes cast on the matter and will have no effect on the outcome of the vote on such matter.

The cost of soliciting proxies will be borne by AsiaInfo. Proxies may be solicited by certain of AsiaInfo's directors, officers and employees, without additional compensation, in person or by telephone, email or facsimile. In addition, AsiaInfo has retained Morrow & Co., Inc. to assist in such solicitation. The fee to be paid to such firm is not expected to exceed \$5,500 plus reasonable out-of-pocket costs and expenses. In addition, AsiaInfo may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners.

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The Bylaws of AsiaInfo provide that the authorized number of directors shall be no less than three nor more than ten directors. There are presently eight directors of AsiaInfo, divided into three classes: Class I, Class II and Class III. Each class has a three-year term. The Class I Directors are Messrs. James Ding and Yungang Lu, the Class II Directors are Messrs. Steve Zhang, Tom Manning and Tao Long, and the Class III Directors are Messrs. Edward Tian, Davin A. Mackenzie and Qingtong Zhou. At the Annual Meeting, the stockholders will vote on the election of two Class I Directors to serve for three-year terms until the 2012 annual meeting of stockholders. The Class II Directors will hold office until our 2010 annual meeting of stockholders and the Class III Directors will hold office until our 2011 annual meeting of stockholders. All directors will hold office until the annual meeting of stockholders at which their terms expire and the election and qualification of their successors. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the nominees named below, all of whom are presently AsiaInfo directors. If any nominee is unable or declines to serve as a director at the time of the Annual Meeting, although we know of no reason to anticipate that this will occur, the proxies will be voted for any nominee designated by the present Board to fill the vacancy. If stockholders properly nominate persons other than AsiaInfo's nominees for election as directors, the proxy holders will vote all proxies received by them to assure the election of as many of AsiaInfo's nominees as possible, with the proxy holder making any required selection of specific nominees to be voted for. There are no family relationships among any of our directors or executive officers.

Nominees for Class I Directors

Certain information regarding the nominees is set forth below:

Name of Nominee	Age	Principal Occupation	Director Since
James Ding	43	Chairman of AsiaInfo Holdings, Inc.	1993
Yungang Lu	45	Managing Director of APAC Capital Advisor Limited	2004

James Ding has served as the Chairman of our Board since April 1, 2003 and has served as a member of our Board of Directors since our inception. Mr. Ding is currently a general partner of GSR Ventures, a position he has held since June 2005. He has also served as Chairman of the Board of United ITV, Inc. since September 2004 and as an independent director of Baidu.com, Inc. since August 2005. He served as our Chief Executive Officer from May 1999 until April 2003. He was also our Senior Vice President for Business Development and Chief Technology Officer from 1997 to 1999. Prior to that, from 1993 to 1997, Mr. Ding was our Senior Vice President and Chief Technology Officer. Mr. Ding received an M.S. in Information Science from the University of California, Los Angeles in 1990. Mr. Ding is also a graduate of the Executive Program of Haas Business School at the University of California, Berkeley.

Yungang Lu has served as a member of our Board of Directors since July 2004. Mr. Lu is now Managing Director of APAC Capital Advisors Limited, an investment manager based in Hong Kong. Mr. Lu also serves as a director of the following listed companies: China Techfaith Wireless Communication Technology Ltd., Spreadtrum Communications Inc., Enerchina Holdings Ltd., and Kasen International Holdings. Prior to APAC, Mr. Lu was a research analyst with Credit Suisse First Boston (Hong Kong) during 1998-2004, where his last position was as the head of China Research. Before moving to Credit Suisse First Boston, he worked as an equity analyst focused on regional infrastructure at JP Morgan Securities Asia in Hong Kong. Mr. Lu received a B.S. degree in Biology from Beijing University, an M.S. in Biochemistry from Brigham Young University and a Ph.D. in Finance from the University of California, Los Angeles.

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Vote Required

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote, assuming a quorum is present. Abstentions and broker non-votes have no effect on the vote. Stockholders do not have cumulative voting rights in the election of Directors.

Recommendation of the Board

The Board of Directors recommends that AsiaInfo stockholders vote **FOR** the election of the two Class I nominees listed above.

CORPORATE GOVERNANCE

Director Independence

Our Board of Directors consists of eight directors. In accordance with the current listing standards of The NASDAQ Stock Market, our Board of Directors, on an annual basis, affirmatively determines the independence of each director or nominee for election as a director. Our Board has determined that, with the exception of James Ding and Steve Zhang, all of its members are independent directors, using the definition of that term in the listing standards of The NASDAQ Stock Market. The Board has also determined that Anders Cheung, who served as a director until October 28, 2008, was not independent at the time he served as a director and Yichen Zhang, who served as a director until December 25, 2008, was independent at the time he served as a director. In making these determinations, the Board has concluded that none of those members has a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Executive Session

The independent members of our Board of Directors meet in executive session (without the participation of executive officers or other non-independent directors) at least two times each year, after a regularly scheduled Board meeting, and at any other time requested by any independent director. The Chairman of the Board, provided he or she is an independent director, is responsible for calling and presiding over executive sessions. To the extent that the Chairman of the Board is not an independent director, those responsibilities are carried out by the Chairman of the Nominating and Corporate Governance Committee.

Committees and Meeting Attendance

Our Board of Directors held four regular meetings during the fiscal year ended December 31, 2008, and acted nine times by unanimous written consent.

Our Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The three committees of the Board of Directors held meetings as follows:

the Audit Committee held five meetings (including one special meeting) and acted two times by unanimous written consent;

the Compensation Committee held one meeting and acted two times by unanimous written consent; and

the Nominating and Corporate Governance Committee acted one time by unanimous written consent.

In 2008, each director, with the exception of Mr. Qingtong Zhou, who replaced Mr. Anders Cheung as a Class III director in October 2008, attended 75% or more of the meetings of the Board and of the committees of the Board on which such director served during the period for which he was a director or committee member.

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Our Bylaws provide that the Chairman of the Board shall preside at all meetings of the stockholders. Otherwise, we have no requirements for our directors to attend our Annual Meeting. Steve Zhang attended the 2008 annual meeting of stockholders.

Committee Composition

The following table provides the current membership of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each member of these committees is an independent director, using the definition of that term in the listing standards of The NASDAQ Stock Market.

Nominating and Corporate		
Audit Committee	Compensation Committee	Governance Committee
Yungang Lu	Davin A. Mackenzie	Tao Long
Tao Long	Tom Manning	Yungang Lu
Davin A. Mackenzie	Edward Tian	Tom Manning

Audit Committee. The Audit Committee currently consists of Messrs. Lu (Chair), Long and Mackenzie. The Audit Committee falls within the definition of audit committee under Section 3(a)(58)(A) of the Securities Exchange Act of 1934, or the Exchange Act. In addition to meeting The NASDAQ Stock Market's tests for director independence, directors on our Audit Committee must meet two basic criteria set forth in the rules promulgated by the Securities and Exchange Commission, or SEC. First, Audit Committee members are barred from accepting, directly or indirectly, any consulting, advisory or other compensatory fee from AsiaInfo or an affiliate of AsiaInfo, other than in the member's capacity as a member of the Board of Directors and any Board committee. Second, a member of our Audit Committee may not be an affiliated person of AsiaInfo or any subsidiary of AsiaInfo apart from his or her capacity as a member of the Board and any Board committee. The Board of Directors has determined that each member of the Audit Committee meets these independence requirements, in addition to the independence criteria established by The NASDAQ Stock Market. In addition, the Board has determined that each member of the Audit Committee is an Audit Committee Financial Expert as defined by the SEC in Item 407(d) of Regulation S-K. The Audit Committee's primary duties and responsibilities include:

appointing and retaining our independent registered public accounting firm, approving all audit, review, and other services to be provided by our independent registered public accounting firm and determining the compensation to be paid for such services;

overseeing the integrity of our financial reporting process and systems of internal controls regarding accounting and finance;

overseeing the qualification, independence, and performance of our independent registered public accounting firm;

reviewing and, if appropriate, approving any related party transactions; and

monitoring compliance with legal and regulatory requirements.

Our Board of Directors has adopted a written charter for the Audit Committee, a copy of which is available on the Investor Relations section of our website at www.asiainfo.com. For more information on our Audit Committee, please see the discussion below under the heading Audit Committee Report.

Compensation Committee. The Compensation Committee currently consists of Messrs. Mackenzie (Chair), Tian and Manning. The Compensation Committee administers AsiaInfo's stock option plans and stock incentive plan and makes recommendations concerning salaries and incentive compensation for AsiaInfo's employees (including officers). The Board has adopted a written charter for the Compensation Committee, a copy of which is attached as Appendix No. 1 to this Proxy Statement. For more information about our Compensation Committee, please see the discussion below under the heading Compensation Committee Report.

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Nominating and Corporate Governance Committee. Messrs. Yichen Zhang (Chair), Lu and Manning served as members of the Nominating and Corporate Governance Committee, or Governance Committee, during 2008, until December 25, 2008. On December 25, 2008, Mr. Zhang resigned as a member of our Board of Directors. At our regular Board meeting on February 9, 2009, the Board appointed Mr. Tao Long to replace Mr. Zhang as Chair of the Governance Committee. The Governance Committee currently consists of Messrs. Long (Chair), Lu and Manning. The Governance Committee makes recommendations to the Board regarding the nomination of candidates to stand for election or re-election as members of the Board, evaluates the Board's performance, provides oversight of corporate governance and ethical standards and establishes and administers Board committee member compensation policy. The Board has adopted a written charter for the Governance Committee, a copy of which is attached as Appendix No. 2 to this Proxy Statement.

Compensation Committee Interlocks and Insider Participation

Messrs. Mackenzie, Tian and Manning served as members of the Compensation Committee during 2008. Neither of Messrs. Mackenzie or Manning has been an officer or employee of AsiaInfo. Dr. Tian co-founded AsiaInfo in 1993 and served as AsiaInfo's President through May 1999. During 2008, no member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Regulation S-K. No member of the Compensation Committee served as a member of a board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee during 2008.

Steve Zhang, our President, Chief Executive Officer and a member of the Board, participates in the discussions and decisions regarding salaries and incentive compensation for all of our executive officers, except that Mr. Zhang is excluded from discussions regarding his own salary and incentive compensation.

Director Nomination

We have adopted Corporate Governance Guidelines that address the composition of the Board, criteria for Board membership and other Board governance matters. The Corporate Governance Guidelines set out our director nomination process. A copy of our Corporate Governance Guidelines is available on the Investor Relations section of our website at www.asiainfo.com.

The Governance Committee annually evaluates the Board and its committees, and the needs of the Board for various skills, experience, expected contributions and other characteristics, in determining the director candidates to be nominated at the annual meeting. The Governance Committee will evaluate candidates for directors proposed by directors, stockholders or management in light of the Committee's views of the current needs of the Board for certain skills, experience or other characteristics, the candidate's background, skills, experience, other characteristics and expected contributions and the qualification standards established from time to time by the Governance Committee. If the Governance Committee believes that the Board requires additional candidates for nomination, the Governance Committee may engage, as appropriate, a third-party search firm to assist in identifying qualified candidates. The Governance Committee will also consider candidates for Board membership proposed by stockholders. Any such proposals should be made in writing to AsiaInfo Holdings, Inc., 4th Floor, Zhongdian Information Tower, 6 Zhongguancun South Street, Haidian District, Beijing 100086, PRC, Attention: Legal Department. All nominees will submit a completed form of directors' and officers' questionnaire as part of the nominating process. The process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Governance Committee. In making the determinations regarding nominations of directors, the Governance Committee may take into account the benefits of diverse viewpoints as well as the benefits of a constructive working relationship among directors.

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Code of Ethics

We have adopted a Code of Ethics that applies to all of our officers, directors and employees. The most recent version is available on the Investor Relations section of our website at www.asiainfo.com. If we make any substantive amendments to the code or grant any waiver from a provision of the code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website, as well as via any other means required by applicable law.

Communications by Stockholders with Directors

Stockholders may communicate with any and all of our directors by transmitting correspondence by mail, facsimile or email, addressed as follows:

Chairman of the Board

or Board of Directors

c/o Corporate Secretary

AsiaInfo Holdings, Inc.

4th Floor, Zhongdian Information Tower

6 Zhongguancun South Street, Haidian District

Beijing 100086, China

Fax: +8610 8216 6655 or

Email Address: shanhua@asiainfo.com

Our Corporate Secretary maintains a log of such communications and transmits as soon as practicable such communications to the identified director addressee(s), unless there are safety or security concerns that mitigate against further transmission of the communications, as determined by the Corporate Secretary. The Board or individual directors so addressed shall be advised of any communication withheld for safety or security reasons as soon as practicable. The Corporate Secretary shall relay all communications to directors absent safety or security issues.

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PROPOSAL NO. 2:

RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General

Our Board of Directors has selected the firm of Deloitte Touche Tohmatsu as AsiaInfo's independent registered public accounting firm to audit the consolidated financial statements and internal control over financial reporting of AsiaInfo for the fiscal year ending December 31, 2009, and recommends that stockholders vote for ratification of this appointment. Deloitte Touche Tohmatsu has audited AsiaInfo's financial statements since our inception in 1993.

Stockholder ratification of the selection of Deloitte Touche Tohmatsu as AsiaInfo's independent registered public accounting firm is not required by AsiaInfo's Bylaws or otherwise. However, the Board is submitting the selection of Deloitte Touche Tohmatsu to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee and the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Board in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such change would be in the best interests of AsiaInfo and its stockholders. Representatives of Deloitte Touche Tohmatsu are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

The following discussion describes the fees billed by Deloitte Touch Tohmatsu for services rendered on behalf of AsiaInfo during 2007 and 2008. For additional information on the types of fees discussed below, and the Audit Committee's pre-approval procedures, please see the discussion below under the heading "Audit Committee Report."

Audit Fees

The aggregate fees billed by Deloitte Touche Tohmatsu for the fiscal years ended December 31, 2008 and December 31, 2007 were approximately \$1,358,000 and \$1,089,000, respectively. Services provided include professional services rendered for the audit of AsiaInfo's consolidated financial statements included in our Annual Report on Form 10-K, audit of our internal control over financial reporting, reviews of the condensed consolidated financial information included in our Quarterly Reports on Form 10-Q and professional services rendered in connection with our filing of registration statements.

Audit-Related Fees

Deloitte Touche Tohmatsu billed no audit-related services fees for the fiscal years ended December 31, 2008 and December 31, 2007.

Tax Fees

The aggregate fees billed by Deloitte Touche Tohmatsu for professional services for tax compliance, tax advice and tax planning for the fiscal years ended December 31, 2008 and December 31, 2007 were approximately \$130,591 and \$107,859, respectively.

All Other Fees

Deloitte Touche Tohmatsu did not bill any fees for any other services for either of the last two fiscal years.

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Vote Required and Recommendation of the Board

Approval of this proposal requires the affirmative vote of a majority of the votes cast affirmatively or negatively on the proposal at the Annual Meeting, as well as the presence of a quorum representing a majority of all outstanding shares of our common stock, either in person or by proxy. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the proposal.

The Board recommends that the stockholders vote **FOR** the ratification of the appointment of Deloitte Touche Tohmatsu as AsiaInfo's independent registered public accounting firm for the fiscal year ending December 31, 2009.

Table of Contents**MANAGEMENT****Executive Officers**

The following table sets forth certain information with respect to our current directors and our executive officers:

Board of Directors	Age	Position
James Ding	43	Chairman of the Board and Board Member
Steve Zhang	45	President, Chief Executive Officer and Board Member
Tao Long	56	Board Member
Yungang Lu	45	Board Member
Davin A. Mackenzie	48	Board Member
Tom Manning	53	Board Member
Edward Tian	45	Board Member
Qingtong Zhou	35	Board Member
Executive Officers	Age	Position
Steve Zhang	45	President and Chief Executive Officer
Wei Li	40	Vice President and Chief Financial Officer
Feng Liu	37	Vice President and General Manager of Research & Development of AsiaInfo Technologies Division
Jian Qi	48	President and Chief Executive Officer of Lenovo-AsiaInfo Division
Yinhu Zhang	47	Vice President and General Manager of Human Resources & Administration

For biographical summaries of James Ding and Yungang Lu, please see the section headed "Election of Directors" beginning on page 4 of this Proxy Statement.

Steve Zhang has been our President and Chief Executive Officer, as well as a member of our Board of Directors, since May 2005. Mr. Zhang joined AsiaInfo in December 1999 as Vice President for Software and went on to hold several prominent positions with us, including head of our Software Products Strategic Business Unit, General Manager of our Operations Support Systems Strategic Unit, as well as Chief Technology Officer and Acting General Manager of our China Mobile Customer Account. Most recently, Mr. Zhang served as President and CEO of AsiaInfo Technologies, a wholly-owned subsidiary of AsiaInfo. During the ten years before he joined AsiaInfo, Mr. Zhang worked for several information technology companies in Silicon Valley, including Blue Martini Software, Inc., Hyperion Solutions, Inc., Arbor Software, Versant Object Technology, Inc. and Sun Microsystems. Mr. Zhang received an M.S. in Computer Sciences from Rice University and a Doctorate in Information Science from the University of Pisa, Italy.

Tao Long has served as a member of our Board since January 2003. He founded and has served as Chairman of Beijing Investment Consultants, Inc. since 1991. Mr. Long also worked for KPMG LLP as an auditor from 1987 to 1989. Mr. Long has been an Associate Professor at Central University of Finance & Economics since 1992. Mr. Long received an M.S. in Accounting from the Institute of Public Finance Science Research of the Ministry of Finance in 1985 and a Bachelor of Economics degree in Planning and Statistics from Inner Mongolia University in 1982.

Davin A. Mackenzie has served as a member of our Board of Directors since August 2004. Mr. Mackenzie is currently the Managing Director and Beijing Representative of Arctic Capital Limited, a private equity firm. Previously he was with Peak Capital, a boutique private equity firm focused on China. Prior to his joining Peak Capital, Mr. Mackenzie served for seven years with the International Finance Corporation, the private sector arm of the World Bank, including four years as the Country Manager for China and Mongolia. Mr. Mackenzie also

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served as a senior associate at Mercer Management Consultants in Washington, D. C, and as a manager in the Taipei branch of the First National Bank of Boston in Taiwan. Mr. Mackenzie is a graduate of Dartmouth College with a B.A in Government. He received an M. A. in International Studies and an M.B.A at the University of Pennsylvania. Mr. Mackenzie has also completed the World Bank Executive Development Program at Harvard Business School in Boston, Massachusetts.

Tom Manning has been a member of our Board of Directors since October 2005. Mr. Manning currently serves as Chairman of China Board Directors Limited, a board advisory firm based in Hong Kong, and as Chief Executive Officer of Indachin Limited, a venture management firm based in Hong Kong. He also serves as an independent director of Bank of Communications, an Hong Kong Stock Exchange (HKSE) listed company which is the fifth largest bank in China, as an independent director of Gome Electrical Appliances Company, one of the largest retailers in China and an HKSE-listed company, and as a director of several private enterprises in China. Mr. Manning previously served as a director of Bain & Company where he was also a member of Bain's China Board and head of Bain's information technology strategy practice in Silicon Valley and Asia. Prior to commencing employment with Bain, Mr. Manning was Global Managing Director of the Strategy & Technology Business of Capgemini, Chief Executive Officer of Capgemini Asia Pacific and Chief Executive Officer of Ernst & Young Consulting Asia Pacific, where he led the development of consulting and IT service and outsourcing businesses across Asia. Mr. Manning received a B.A. in East Asian Studies with honors from Harvard University and an M.B.A from Stanford University.

Edward Tian has served as a member of our Board of Directors since our inception. Dr. Tian is currently the founder and Chairman of China Broadband Capital Partners, L.P. Dr. Tian has also served as an Independent Director of MasterCard International since April 2006, a Senior Advisor of Kohlberg Kravis Roberts & Co. since November 2006, an Independent Director of Lenovo Group Limited since August, 2007 and an Independent Director of Taikang Life Insurance Company Limited since July 2008. From April 2002 to May 2006, he served as Chief Executive Officer of China Netcom (Group) Company Limited (formerly known as China Netcom Corporation Ltd.) and Vice President of China Network Communication Group Corporation. His other directorships include serving as a Director of China Netcom Group between 2001 and May 2006 and Vice Chairman of PCCW Limited from 2005 to 2007. Prior to joining China Netcom Group in 2002, Dr. Tian and James Ding co-founded AsiaInfo in Dallas, Texas in 1993 and Dr. Tian served as AsiaInfo's President through May 1999. Dr. Tian received a Master of Science degree from the Graduate School of the Chinese Academy of Science in Beijing and a Ph.D. in Environmental Management from Texas Tech University.

Qingtong Zhou has been a member of our Board of Directors since October 2008. Mr. Zhou currently serves as the Chief Financial Officer of Greater China & Russia for Lenovo Group Limited, or Lenovo, where he is responsible for various corporate finance issues including financial planning, accounting, treasury, tax, as well as finance-related business transformation. Prior to joining Lenovo, Mr. Zhou worked for Bain & Company, a global management consulting firm, and two other IT companies. Mr. Zhou received his master's degree in Business Administration from the University of Chicago and master's and bachelor's degrees in Engineering from Tsinghua University in Beijing.

Wei Li has been Chief Financial Officer of AsiaInfo since January 19, 2009. Ms. Li previously served as the Chief Financial Officer of Sony Ericsson China in Beijing. From 2003 to 2007, Ms. Li served in various roles at Dell Inc. in both China and the United States. Ms. Li holds a Master of Business Administration from The Wharton School at the University of Pennsylvania, a Master of Science in accounting from the American University Kogod School of Business and a Bachelor of Science in economics from Shanghai Jiao Tong University. Ms. Li has been a Certified Public Account in the state of Maryland since 1997.

Feng Liu has been Vice President of our AsiaInfo Technologies Division and General Manager of the division's research and development department since June 2005. Prior to that, from 1996 to 2005, he was our Chief Director of Software Development and the Assistant General Manager of our research and development department, responsible for the development and design of several of our core software products. Mr. Liu received a B.S. in Engineering Mechanics from Tsinghua University in 1995.

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Jian Qi has been President and Chief Executive Officer of our Lenovo-AsiaInfo Division since January 2006. Prior to that, beginning in 2000, he served as Vice President of our AsiaInfo Technologies Division and General Manager of our China Unicom Business Unit. Mr. Qi joined AsiaInfo in 1995 as an engineer and, in 1999, was promoted to Vice President, Sales for the Northern China region. Mr. Qi graduated from the Communication Engineering Institute of China's People's Liberation Army.

Yinhu Zhang has served as our Vice President and General Manager of Human Resource and Administration since August 2004. Prior to that, since the commencement of his employment with AsiaInfo in 2000, Mr. Zhang served as our Director of Human Resources and Organizational Development. His responsibilities include human resources management, organizational development, corporate culture building and administration. Prior to joining AsiaInfo, from 1995 to 2000, Mr. Zhang served as the Human Resource Manager of Nortel Networks China. Mr. Zhang also spent three years as the Human Resource Manager at Beijing Foreign Enterprise Service Corporation, or FESCO, in Beijing, China. Mr. Zhang received a Bi-Bachelors degree in Laws and Arts from Peking University.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section discusses the principles underlying our executive compensation policies and decisions and the most important factors relevant to an analysis of those policies and decisions. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our executive officers and places in perspective the detailed information presented in the tables below under the heading Compensation Paid to Named Executive Officers. The tables that you find in this Proxy Statement contain specific information about the compensation earned or paid in 2006, 2007 and 2008 to the following individuals, including our Chief Executive Officer, our former Chief Financial Officer who resigned on January 19, 2009, and our three other most highly-compensated executive officers, whom we also refer to as our named executive officers :

Steve Zhang, President and Chief Executive Officer

Eileen Chu, Former Vice President and Chief Financial Officer

Yinhu Zhang, Vice President and General Manager of Human Resources and Administration

Jian Qi, President and Chief Executive Officer - Lenovo-AsiaInfo Division

Feng Liu, Vice President and General Manager of Research and Development - AsiaInfo Technologies Division

Overview of Compensation Program

The Compensation Committee of our Board has responsibility for establishing, implementing and continually monitoring adherence with our compensation philosophy and objectives. The Compensation Committee is responsible for ensuring that the total compensation paid to our executive officers is fair, reasonable and competitive. Our compensation decisions with respect to executive officer salaries, annual incentives and long-term incentive opportunities are influenced by (a) the officer's level of responsibility and function; (b) the overall financial performance of AsiaInfo and, in some cases, the officer's business unit; and (c) our assessment of the competitive marketplace, including other peer companies.

Compensation Philosophy and Objectives

All of our compensation programs, including our executive compensation programs, are designed to attract and retain key employees in the highly competitive information technology software and services marketplace in China. Our executive compensation programs are also designed to motivate our executives to achieve and reward them for superior performance in attaining corporate and individual objectives that create stockholder value. Different programs, including both cash and stock-based compensation, are geared toward short and long-term performance, respectively, with the goal of aligning employee interests with stockholder interests and increasing stockholder value over the long term. Executive compensation programs impact all employees by setting general levels of compensation and creating an environment of goals, reward and expectations. Finally, we endeavor to ensure that our compensation programs are viewed as fundamentally fair to our stockholders.

Compensation Programs and Process

Elements of compensation for our named executive officers include base salary, non-equity incentive compensation, long-term equity incentive rewards, health, disability and life insurance and certain other perquisites. We use salary as the base amount necessary to match our competitors for executive talent. We utilize cash incentive payments to reward performance achievements over the course of a one-year horizon and we use equity incentive awards to reward long-term performance, with excellent corporate performance and extended tenure producing potentially significant value for our named executive officers. We believe that this combination of programs provides an appropriate mix of fixed and variable pay, balances short-term operational performance with long-term stockholder value, and encourages executive recruitment and

retention.

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The Compensation Committee is responsible for establishing, implementing and monitoring the compensation of our named executive officers. The Compensation Committee meets outside the presence of all executive officers, including the named executive officers, to consider appropriate compensation for our Chief Executive Officer, or CEO. The Compensation Committee conducts its analysis with input from our Human Resources department, or HR, which receives comparative salary data generated from participation in annual benchmarking compensation surveys, or the Salary Surveys, administered by Mercer Human Resource Consulting LLC, or Mercer, and Taihe Business Management Consulting Co. Ltd., or Taihe, each of which are independent consulting firms.

When making compensation decisions, the Compensation Committee analyzes the dollar amount of each component of the executive officer's compensation, including current cash compensation (base salary and non-equity plan incentive compensation), long-term equity incentive program compensation, and any other compensation.

Steve Zhang, our CEO, is responsible for conducting an annual review of each other named executive officer's performance and recommending the appropriate base salary and other forms of compensation for such officer to the Compensation Committee. Mr. Zhang receives base salary recommendations from our HR department based on the Salary Surveys described above. In addition, Mr. Zhang recommends annual performance milestones, for each other named executive officer for the purpose of determining annual non-equity incentive compensation. Finally, Mr. Zhang recommends to the Compensation Committee the number of equity awards to be granted to each other named executive officer as long-term equity compensation.

Mr. Zhang's base salary is set by our Compensation Committee, which analyzes the Salary Surveys to ensure that his pay is competitive. Our Compensation Committee also determines Mr. Zhang's equity and non-equity incentive compensation based on corporate performance milestones which are set by the Compensation Committee. Finally, the Compensation Committee grants long-term equity awards to Mr. Zhang and considers Mr. Zhang's recommendations for long term equity awards to other named executive officers.

Except as set forth below, our Compensation Committee has not adopted any formal or informal policies or guidelines for allocating compensation between long-term and currently paid out compensation, or between cash and non-cash compensation. However, our philosophy is to pay our executive officers competitive levels of compensation that best reflect their individual responsibilities and contributions to AsiaInfo. In general, we typically make a greater percentage of an employee's compensation performance-based as he or she becomes more senior. We attempt to keep cash compensation to the minimum competitive level while providing the opportunity to be well rewarded through equity if AsiaInfo performs well over time.

We choose to pay each element of compensation in order to attract and retain necessary talent, reward annual performance (on an individual, business unit and enterprise-wide basis) and provide incentives for achieving long-term strategic goals as well as short-term objectives. The amount of each element of compensation is determined by our Compensation Committee in consultation with our CEO with respect to the other named executive officers, and, with respect to the CEO, by our Compensation Committee. Compensation decisions for all named executive officers take into account the following factors:

Performance against corporate and individual objectives for the previous year;

Value of skills and capabilities to support our long-term performance;

Performance of general management responsibilities; and

Contribution as a member of our executive management team.

Base Salary

Base salary levels for our named executive officers are intended to compensate executives competitively within the information technology marketplace in China. Base salary rewards core competence in an executive

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role relative to an officer's skills, experience and contributions to our business. Base salaries are determined on an individual basis by evaluating each executive officer's scope of responsibility, past performance, and data on prevailing compensation levels in an appropriate market comparison group. Each year our Human Resources department participates in two salary surveys, which collect compensation data, including base salary statistics, from peer companies in the IT, software and telecommunications industries. The survey conducted by Taihe covers Chinese companies in the IT industry (including, for example, Lenovo, Digital China, Sohu, Sina, Tom Online, UT Starcom, Datang Mobile, ZTE Corporation and TCL), while the participants in the Mercer survey are primarily Chinese subsidiaries of foreign-owned businesses (and include, for example, BEA, Cisco Systems, EMC Beijing, HP Beijing, IBM Beijing, Motorola Beijing, NCR Beijing and Microsoft Beijing). We generally receive results from the Salary Surveys during the second quarter of each year and begin to analyze base salary adjustments at that time. Assuming that a named executive officer has achieved satisfactory individual performance, our general approach is to compensate named executive officers at or near (a) the 50th percentile of salaries of executives with similar roles at comparable companies that participate in the Mercer Salary Survey, and (b) the 80th or 90th percentile of salaries of executives with similar roles at comparable companies that participate in the Taihe Salary Survey. We use a lower percentile benchmark when analyzing the Mercer Salary Survey, in general, because the base salaries paid to executives at foreign-owned companies are substantially higher than those paid to their counterparts at Chinese-owned companies. We believe that these percentile benchmarks for base salaries, in combination with the other elements of compensation discussed below, provide the minimum cash compensation level that would allow us to attract and retain talented officers. We believe that, given the industry in which we operate and the corporate culture that we have created, base compensation at this level is sufficient to retain our existing named executive officers and to hire new executive officers when and as required.

After considering job performance and marketplace competitiveness, the base salaries of our named executive officers for 2008 were changed from those in effect at the end of fiscal year 2007. The salary levels fixed in 2008 for our named executive officers are reflected in the Summary Compensation Table below. We believe that the base salary paid to our named executive officers during 2008 achieves our objectives, compares favorably to our peer group and is within our target of providing a base salary at the market median (with respect to international competitors) and at the higher range of the market with respect to our Chinese competitors.

Non-Equity Incentive Compensation

In 2008 we adopted various non-equity incentive compensation programs, also referred to as ICPs, which are designed to reward our named executive officers with an opportunity to earn annual cash bonuses based on both AsiaInfo's achievement of certain pre-established performance goals as well as the performance of the individual named executive officer's functional business unit or department, as the case may be. We anticipate that we will continue to establish similar ICPs on an annual basis for succeeding years. The goals for our company-wide and individual measures are established so that target attainment is not assured under any ICP. The attainment of payment for performance at target or above requires significant effort on the part of our executives. Details on how payments were calculated under these plans in 2008 for our named executive officers are set forth below. While we do not target annual bonus opportunities at any particular percentage of total compensation, we target bonuses for our named executive officers at 25%-43% of base salary.

For 2008, the Compensation Committee determined, with input from our HR department, to base our CEO's incentive compensation on our achievement of Board-established targets for net revenue and operating profits. These financial goals were set by our Board in January 2008. The Compensation Committee believes that net revenues are an appropriate measure of our overall growth while operating profit is a valid indicator of cost-effectiveness. Both of these elements are weighted equally in determining Mr. Zhang's incentive compensation for 2008. We first determine our percentage achievement for each financial target and then multiply the aggregate achievement percentage by Mr. Zhang's target incentive compensation, which, for 2008, is equal to 42.8% of his base salary. No incentive compensation is payable to Mr. Zhang if the aggregate achievement percentage for these two performance goals falls below 75%.

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Our named executive officers, other than our CEO, received non-equity incentive compensation awards pursuant to the following ICPs, each of which was established in January of 2008:

The 2008 Employee Incentive Program of AsiaInfo's Functional Departments, or the 2008 EIP, governs non-equity incentive compensation for our former Chief Financial Officer (Eileen Chu) and our Vice President and General Manager of HR & Administration (Yinhu Zhang). Awards under the 2008 EIP are payable based on the following equally-weighted factors: (i) AsiaInfo's achievement of targets for net income and operating profits, which goals were set by our Board in January 2008, and (ii) the applicable functional department's satisfaction of certain performance measures which were established by our CEO in early 2008. These non-financial objectives may change from year to year as our business and departmental priorities evolve. Our CEO determined all incentive compensation payable under the 2008 EIP to Ms. Chu and Mr. Yinhu Zhang. In order to determine incentive compensation payable under the 2008 EIP, the target realization bonus for all employees of an individual functional department, which equals 25% of such employees' aggregate base salaries, is multiplied by that department's aggregate achievement percentage of all of its goals. No incentive compensation is payable to any member of a functional department if the department's overall achievement percentage is below 75%. Achievement percentages are calculated based on the overall achievement of our net income and operating profit targets, as well as the achievement of comparable targets within the employee's department. The bonus pool allocable to a department is then further allocated among individual employees by the head of each department, and our CEO determines the amount allocable to each individual department head.

The 2008 AsiaInfo Performance Incentive Plan (Non-Sales), or the 2008 PIP, establishes the incentive pay components for one of our named executive officers, Feng Liu. Under the 2008 PIP, various business unit and functional heads are awarded incentive cash compensation based upon (i) a 20% weighting accorded to AsiaInfo's achievement of certain net income and marginal profit targets, which goals were set by our Board in January 2008, and (ii) an 80% weighting accorded to the achievement of certain performance goals, which are, in the case of the research and development department, or the R&D Department, largely measured by contribution to various business units. The contribution of the R&D Department to the customer-focused business units within our AsiaInfo Technologies division is, in turn measured by considering the achievement of performance goals by those units in combination with the percentage of R&D cost allocable to those business units. Because our R&D Department plays such a critical role in supporting these units, we believe that it is appropriate, in large part, to align incentive compensation for the R&D Department by looking at a combination of the success of each business unit that it contributes to and the amount of resources it devotes to that business unit. A bonus pool for the R&D Department is established by multiplying the overall