

ASIAINFO HOLDINGS INC  
 Form 4  
 May 24, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 DING JAMES

2. Issuer Name and Ticker or Trading Symbol  
 ASIAINFO HOLDINGS INC  
 [ASIA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
 (Month/Day/Year)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

4/F ZHONGDIAN INFORMATION TOWER, 6 ZHONGGUANCUN S. ST., HAIDIAN DIST.

05/22/2006

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

BEIJING, F4 100086

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
Common Stock				(A) or (D)	1,308,053	D	
Common Stock				V	246,000	I	In New Media China Investment I, Ltd., which is beneficially owned by James Ding
					86,947	I	

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Common  
Stock

In a grantor retained annuity trust for the benefit of James Ding and his family

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to acquire Common Stock)	\$ 2.75					11/15/1998 <sup>(1)</sup>	11/15/2007	Common Stock	300,000
Stock Options (Right to acquire Common Stock)	\$ 7.6					10/04/1999	10/04/2009	Common Stock	345,000
Stock Options (Right to acquire Common Stock)	\$ 4.03					08/15/2003 <sup>(2)</sup>	08/15/2012	Common Stock	200,000

Pre-paid variable delivery forward contract <sup>(3)</sup>	\$ 0 <sup>(4)</sup>	05/22/2006	05/22/2006	Common Stock	200,000
Pre-paid variable delivery forward contract <sup>(3)</sup>	\$ 0 <sup>(5)</sup> <sup>(6)</sup>	01/24/2007	01/24/2007	Common Stock	250,000
Restricted Stock Units (right to acquire common stock)	\$ 0	12/26/2006 <sup>(7)</sup>	12/26/2009	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DING JAMES 4/F ZHONGDIAN INFORMATION TOWER 6 ZHONGGUANCUN S. ST., HAIDIAN DIST. BEIJING, F4 100086	X			

## Signatures

James Ding 05/24/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Options were granted on November 15, 1997, and vested on an annual schedule of 30%, 30% and 40%, beginning on the first anniversary of the grant date.
- 200,000 stock options with an exercise price of \$4.03 were granted on August 15, 2002. These options vest in two installments of 25%
- (2) each on the first and second anniversary of the grant date, and in eight subsequent quarterly installments of 6.25% each, commencing on November 15, 2004 and ending on August 15, 2006.
- (3) Obligation to sell Common Stock.
- (4) See Note 5 on Mr. Ding's Form 4 for May 22, 2003 filed with the SEC on May 27, 2003.
- Mr. Ding entered into a pre-paid variable delivery forward transaction with Morgan Stanley & Co. International Limited. In exchange for a purchase price of \$1,495,000, which will be paid on July 29, 2003, Mr. Ding acquired an obligation to deliver on January 29, 2007,
- (5) either (i) up to 250,000 shares (the "Base Amount") of Common Stock or, at the option of Mr. Ding, (ii) the cash equivalent of such shares. The exact number of shares of Common Stock that Mr. Ding will be required to deliver will be determined on January 24, 2007 (the "Settlement Date").

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On the Settlement Date, if the arithmetic mean of the closing bid price and the closing offer price (the "Settlement Price") of the Common Stock is less than or equal to \$7.4417 (the "Floor Price"), Mr. Ding shall be obligated to deliver 250,000 shares of Common Stock. If the Settlement Price is greater than the Floor Price but less than \$12.4028 (the "Ceiling Price"), Mr. Ding shall be obligated to deliver a

(6) number of shares of Common Stock equal to the product of (i) the Base Amount and (ii) the quotient of the Floor Price divided by the Settlement Price. If the Settlement Price is greater than or equal to the Ceiling Price, Mr. Ding shall be obligated to deliver a number of shares of Common Stock equal to the difference of 1 minus the quotient of (i) the difference of the Ceiling Price minus the Floor Price, divided by (ii) the Settlement Price.

5,000 restricted stock units were granted on December 26, 2005 and vest on an annual schedule of 25% each, beginning on the first

(7) anniversary of the grant date. Upon each vesting, one share of common stock shall be issuable for each restricted stock units on such vest date.

On May 22, 2006, the pre-paid variable delivery forward contract involving delivery of up to 200,000 shares of Common Stock entered

(8) into by Mr. Ding and Morgan Stanley & Co. International Limited ("MS") on May 27, 2003, was terminated through cash settlement pursuant to the terms and conditions of the Closing of Pre-paid Variable Delivery Forward Transaction dated on August 5, 2003 between Mr. Ding and MS.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.