

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



AsiaInfo Technologies Limited

亞信科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1675)

CONTINUING CONNECTED TRANSACTIONS

On 22 September 2021, the Company and CMC entered into the Master Procurement Agreement regarding provision of information and telecommunication technology services and products by members of the China Mobile Group to the members of the Group.

LISTING RULES IMPLICATIONS

CMC is a wholly-owned subsidiary of China Mobile Limited, which is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the continuous provision of services and products from the China Mobile Group as contemplated under the Master Procurement Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios based on the original expected annual fees payable to the China Mobile Group for the information and telecommunication technology services and products for the year ending 31 December 2021 were less than 0.1%, the provision of the information and telecommunication technology services and products by the China Mobile Group to the Group constituted de minimis transactions for the Company under Rule 14A.76 of the Listing Rules and were not subject to announcement, reporting and independent Shareholders' approval requirements.

Based on the information currently available to the Company and the preliminary assessment of the unaudited management financial statements of the Group, the Board anticipates that the fees payable for the financial year ending 31 December 2021 would exceed the abovementioned exemption threshold. The Company is therefore required to comply with the requirements under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the annual caps set for these continuing connected transactions under the Master Procurement Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE MASTER PROCUREMENT AGREEMENT

Date: 22 September 2021

Parties: (1) The Company; and

(2) CMC, a company established in the PRC with limited liability, is a wholly-owned subsidiary of China Mobile Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00941). The ultimate controlling shareholder of China Mobile Limited is China Mobile Communications Group Co., Ltd., which through the China Mobile Group, is principally engaged in the provision of telecommunications and related services in the PRC. CMC is principally engaged in the business of network and business coordination center.

Term: 22 September 2021 to 31 December 2022 (both days inclusive)

Subject matter: The provision of information and telecommunication technology services and products, including but not limited to voice services, information services (such as SMS, MMS, hotline, prepaid cards, wireless/wired broadband services), mobile cloud business related services and products, advertising and sales, customised application technology, application and other services, smart end and communication products etc., by members of the China Mobile Group to the members of the Group.

Definitive Agreement: Members of the Group and members of the China Mobile Group will, from time to time during the term of the Master Procurement Agreement, enter into separate Definitive Agreements in respect of the transactions contemplated thereunder which shall always be in compliance with the Listing Rules and the Master Procurement Agreement.

Pricing:	The prices to be charged by the China Mobile Group for the services and products to be provided to the Group under any separate Definitive Agreements pursuant to the Master Procurement Agreement shall be determined based on arm's length negotiation between the parties and subject to normal commercial terms and in accordance with the principles of fairness and reasonableness.
	Such prices shall be determined with reference to the prevailing market price, being the price offered to or charged by Independent Third Parties in contemporaneous transactions in respect of similar types of products or services in the ordinary course of business in nearby service areas.
Payment:	The fees under the Master Procurement Agreement shall be payable to the specific member(s) of the China Mobile Group in accordance with the terms of the specific and separate Definitive Agreements and funded by the Group's internal resources.
Historical amounts:	The historical fees paid by the Group to the China Mobile Group for the transactions contemplated under the Master Procurement Agreement for the two years ended 31 December 2019 and 2020 and the eight months ended 31 August 2021 were approximately RMB3.4 million, approximately RMB5.9 million and approximately RMB5.98 million, respectively.
Estimated annual caps:	The Directors estimate that the annual caps for the continuing connected transactions contemplated under the Master Procurement Agreement will be RMB60 million and RMB90 million for each of the years ending 31 December 2021 and 2022, respectively.
Basis for determination of the annual caps:	The annual caps set out above are determined based on the following factors (i) the historical amounts of the relevant transactions between the Group and the China Mobile Group; (ii) the anticipated substantial increase in demand for the China Mobile Group's information and telecommunication technology services and products from the Group due to the rapid development of the "Three New" businesses of the Group in the last quarter of 2021; and (iii) the inclusion of a buffer to cater for the business development of, and any unexpected increase in demand for such services and products from the Group.

The independent non-executive Directors and the auditors of the Company will be provided on a regular basis with the (i) Master Procurement Agreement and the Definitive Agreements; (ii) agreements entered into between the Group and Independent Third Parties for comparable information and telecommunication technology services and products; and (iii) fees charged by Independent Third Parties for the provision of similar services and products to the Group for review and comparison purposes. The independent non-executive Directors will also review and compare the relevant payment terms and payment methods under these agreements to ensure that the transactions contemplated under the Master Procurement Agreement are conducted on normal commercial terms. The auditors of the Company will review and confirm the transactions contemplated under the Master Procurement Agreement are conducted in accordance with the terms therein and have not exceeded the annual caps.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE MASTER PROCUREMENT AGREEMENT

The Group is principally engaged in the provision of (i) BSS software products and related services; (ii) data-driven operation, OSS, vertical industries and enterprises cloudification services; and (iii) others, including sale of third-party hardware and software, the provision of system integration services, business consulting services and corporate training. The Group is the leading provider of software products, solutions and services in the PRC with business focus on, among others, communication, finance, energy, transportation, postal and governmental industries. Leveraging on its strong products, services, operation and integration capabilities, the Company continues to explore new customers, new businesses and new models to facilitate the digital transformation for various industries and enterprises.

As the applicable percentage ratios based on the original expected annual fees payable to the China Mobile Group for the information and telecommunication technology services and products for the year ending 31 December 2021 were less than 0.1%, the provision of the information and telecommunication technology services and products by the China Mobile Group to the Group constituted de minimis transactions for the Company under Rule 14A.76 of the Listing Rules and were not subject to announcement, reporting and independent Shareholders' approval requirements.

As the China Mobile Group is among the main telecommunication services providers in the PRC, members of the Group have been using, and will continue to use, the information and telecommunication technology services and products provided by members of the China Mobile Group from time to time. Given the further expansion of the scale of operations of the Group, in particular the "Three New" businesses, it is expected that the corresponding demand for information and telecommunication technology services and products to be provided by the China Mobile Group will increase rapidly. Based on the information currently available to the Company and the preliminary assessment of the unaudited management financial statements of the Group,

the Board anticipates that the fees payable for the financial year ending 31 December 2021 would exceed the abovementioned exemption threshold. The Company is therefore required to comply with the requirements under Chapter 14A of the Listing Rules.

In line with the market practice and the Company's past practice, the Company therefore considered it necessary for purposes of compliance with the Listing Rules and administrative convenience to enter into the Master Procurement Agreement with CMC in order to better document and manage these continuing connected transactions, thereby reducing the administrative burden and costs of the Company in complying with the applicable reporting, annual review, announcement and (where applicable) independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Master Procurement Agreement are conducted on normal commercial terms and in the ordinary and usual course of business of the Group and the terms of the Master Procurement Agreement and the transactions contemplated thereunder (including the annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

CMC is a wholly-owned subsidiary of China Mobile Limited, which wholly owns China Mobile International Holdings Limited (a substantial Shareholder) and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the continuous provision of services and products from the China Mobile Group as contemplated under the Master Procurement Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the annual caps set for these continuing connected transactions under the Master Procurement Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save for Mr. YANG Lin and Ms. LIU Hong (who are employees of the China Mobile Group), no Director is considered to have a material interest in the transactions contemplated under the Master Procurement Agreement, and thus no other Directors had abstained from voting on the Board resolution approving the transactions contemplated under the Master Procurement Agreement (including the annual caps).

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“BSS”	business support systems, used for the management of customer information, customer business and service processes and customer related services and resources, often used together with OSS to form end-to-end comprehensive business and operation management systems for the communications industry
“China Mobile Group”	CMC and its subsidiaries
“CMC”	China Mobile Communication Co., Ltd., a company established in the PRC with limited liability and a wholly-owned subsidiary of China Mobile Limited
“Company”	AsiaInfo Technologies Limited (亞信科技控股有限公司), an international business company incorporated in the British Virgin Islands on 15 July 2003, whose Shares are listed on the Stock Exchange (stock code: 1675)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Definitive Agreements”	any individual definitive agreements in respect of the transactions contemplated under the Master Procurement Agreement which may from time to time be entered into in pursuance thereto
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Master Procurement Agreement”	the master information and telecommunication technology services and products procurement framework agreement entered into between the Company and CMC on 22 September 2021 in relation to the provision of information and telecommunication technology services and products by the China Mobile Group to the Group
“OSS”	operations support systems, a software solution used by communications operators for supporting their network operations, often used together with BSS to support various end-to-end communications services
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three New businesses”	consists of OSS, DSaaS, vertical industries and enterprises cloudification businesses
“%”	per cent.

By Order of the Board
AsiaInfo Technologies Limited
Dr. TIAN Suning
Chairman and Executive Director

Hong Kong, 23 September 2021

As at the date of this announcement, the Board comprises:

Executive Directors: Dr. TIAN Suning, Mr. DING Jian and Mr. GAO Nianshu

*Non-executive Directors: Mr. ZHANG Yichen, Mr. XIN Yuesheng,
Mr. YANG Lin, Ms. LIU Hong and Mr. CHENG Xike*

*Independent non-executive Directors: Dr. GAO Jack Qunyao, Dr. ZHANG Ya-Qin,
Mr. GE Ming and Ms. TAO Ping*