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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 TECHNOLOGICAL SECURITY FRAMEWORK AGREEMENT

On 10 December 2024, the Company entered into the Agreement with AsiaInfo Security, pursuant to which AsiaInfo Security (a substantial Shareholder) agreed to provide technological services and products to the Group for a term of one year commencing from 1 January 2024.

The Group has, in its ordinary and usual course of business, received technological services and products, in particular, relating to network security, from the AsiaInfo Security Group. The transactions contemplated under the Agreement are recurring in nature and continue in the ordinary and usual course of business of the Group. The Group has set annual caps before for these transactions for the three years ended 31 December 2023. Given the low historical amounts for the year ended 31 December 2023, the Group expected the total transaction amounts for the year ending 31 December 2024 to remain low. However, due to the increased business needs of the Group in December 2024, the transaction amounts for the year ending 31 December 2024 will soon exceed the de minimis threshold under the Listing Rules. As such, the Company entered into the Agreement to regulate the transactions and set an annual cap for the transactions contemplated thereunder for the year ending 31 December 2024.

In compliance with the Listing Rules, the Company has been closely monitoring the continuing connected transactions between the Group and AsiaInfo Security Group as contemplated under the Agreement. For the eleven months ended 30 November 2024 and up to the date of this announcement, all applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of such continuing connected transactions completed and settled are less than 0.1%.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap of the Agreement exceed 0.1% and are less than 5%, the continuing connected transactions contemplated under the Agreement are only subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 10 December 2024, the Company entered into the Agreement with AsiaInfo Security, pursuant to which AsiaInfo Security agreed to provide technological services and products to the Group for a term of one year commencing from 1 January 2024.

AGREEMENT

Date: 10 December 2024

Parties: (1) AsiaInfo Security, as the service provider. AsiaInfo Security is principally engaged in the provision of network security related products and services; and is ultimately controlled and beneficially owned as to approximately 51.35% by Dr. TIAN (the founder, chairman and an executive Director of the Company); and
(2) the Company, as the service recipient.

Term: One year commencing from 1 January 2024

Subject matter: The provision of (i) professional support staff to support projects undertaken by the Group; and (ii) certain network security services and products by the AsiaInfo Security Group to the Group.

Definitive agreement: The Group and the AsiaInfo Security Group will, from time to time during the term of the Agreement, enter into separate technological service agreements in respect of the transactions contemplated thereunder which shall always be in compliance with the Listing Rules and the Agreement.

- Pricing:** The service fees payable by the Group to the AsiaInfo Security Group under any separate technological service agreements are determined based on an arm's length negotiation between the parties and with reference to (i) the staff costs (including staff salaries and disbursements); and/or (ii) market rate of similar products and services. In any event, such service fees shall not be higher than the price charged by the AsiaInfo Security Group to its independent customers for similar services and products.
- Payment:** The fees shall generally be payable according to the stage of completion of the various projects/products/services to be provided according to the specific and separate technological service agreements to be entered into between the Group and the AsiaInfo Security Group.
- Historical amounts:** The historical fees paid by the Group to the AsiaInfo Security Group for the two years ended 2022, 2023 and the eleven months ended 30 November 2024 were approximately RMB2,359,000, approximately RMB158,000 and approximately RMB595,000, respectively.
- Annual cap:** The annual cap for the continuing connected transactions contemplated under the Agreement is RMB15,850,000 for the year ending 31 December 2024, which is determined based on the historical amounts as set out above and the increased business needs of the Group and customer demands in light of the digital transformation of the customers.

In compliance with the Listing Rules, the Company has been closely monitoring the continuing connected transactions between the Group and AsiaInfo Security Group as contemplated under the Agreement. For the eleven months ended 30 November 2024 and up to the date of this announcement, all applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of such continuing connected transactions completed and settled are less than 0.1%.

The independent non-executive Directors and the auditor of the Company will be provided on a regular basis with (i) the Agreement; (ii) those definitive agreements; (iii) agreements entered into between the Group and Independent Third Parties for comparable technological services and products; and (iv) 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 Agreement are conducted on normal commercial terms. The auditor of the Company will review and confirm the transactions contemplated under the Agreement are conducted in accordance with the terms of the Agreement.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in the provision of (i) traditional business, including BSS business and sales of third-party hardware and software, system integration services and corporate training; and (ii) Three New Business, including digital intelligence-driven operations, vertical industries digitisation business and OSS business. The Group is the leading provider of software products, solutions and services in the PRC with business focuses on, among others, communication, energy, finance, transportation, government and postal services. Leveraging on strong products, services, operation and integration capabilities, the Group continues to explore new customers, new businesses and new models to facilitate the digital transformation for various industries and enterprises.

The Group has, in its ordinary and usual course of business, received technological services and products, in particular, relating to network security, from the AsiaInfo Security Group. The transactions contemplated under the Agreement are recurring in nature and continue in the ordinary and usual course of business of the Group. The Group has set annual caps before for these transactions for the three years ended 31 December 2023. Given the low historical amounts for the year ended 31 December 2023, the Group expected the total transaction amounts for the year ending 31 December 2024 to remain low. However, due to the increased business needs of the Group in December 2024, the transaction amounts for the year ending 31 December 2024 will soon exceed the de minimis threshold under the Listing Rules. As such, the Company entered into the Agreement to regulate the transactions and set an annual cap for the transactions contemplated thereunder for the year ending 31 December 2024.

The Directors (including the independent non-executive Directors) consider the terms of the Agreement and the transactions contemplated thereunder (including the annual cap) are (i) fair and reasonable and in the ordinary and usual course of business of the Group; (ii) on normal commercial terms on an arm's length basis or on terms no more favourable than terms available to Independent Third Parties; and (iii) in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

AsiaInfo Security is ultimately controlled by Dr. TIAN (the founder, chairman and an executive Director of the Company). Accordingly, AsiaInfo Security is a connected person of the Company under Chapter 14A of the Listing Rules, and therefore, the transactions contemplated under the Agreement constitute continuing connected transactions for the Company.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap of the Agreement exceed 0.1% and are less than 5%, the continuing connected transactions contemplated under the Agreement are only subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save and except for Dr. TIAN and Mr. HE Zheng (the chairman of the board of directors of AsiaInfo Security) who had abstained from voting on the Board resolution approving the transactions contemplated under the Agreement (including the annual cap), no other Director had a material interest in the transactions contemplated under the Agreement, and thus no other Director had abstained from voting on the said Board resolution.

DEFINITIONS

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

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| “Agreement” | the technological security framework agreement dated 10 December 2024 entered into between the Company and AsiaInfo Security in relation to, among other things, the provision of (i) professional support staff to support projects undertaken by the Group; and (ii) certain network security services and products by the AsiaInfo Security Group to the Group |
| “AsiaInfo Security” | AsiaInfo Security Technology Limited (亞信安全科技股份有限公司), a limited liability company incorporated in the PRC on 25 November 2014 whose shares are listed on the Shanghai Stock Exchange (stock code: 688225), which is ultimately controlled and beneficially owned as to approximately 51.35% by Dr. TIAN |
| “AsiaInfo Security Group” | AsiaInfo Security and its subsidiaries |
| “Board” | the board of Directors of the Company |
| “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 telecom industry |

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| “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 |
| “Director(s)” | the director(s) of the Company |
| “Dr. TIAN” | Dr. TIAN Suning (田溯寧博士), the founder, chairman and an executive Director of the Company |
| “Group” | the Company and its subsidiaries |
| “Independent Third Parties” | party(ies) who is/are independent of the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “OSS” | operations support system, a software solution used by communications operators for supporting their network operations, often used together with BSS to support various end-to-end telecommunications services |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Three New Business” | consists of digital intelligence-driven operation, vertical industries digitisation and OSS business |
| “%” | per cent. |

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

Hong Kong, 10 December 2024

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

Executive Directors: Dr. TIAN Suning, Mr. GAO Nianshu and Mr. KWOK Bernard Chuen Wah

Non-executive Directors: Mr. DING Jian, Mr. HE Zheng, Mr. JIANG Jian, Mr. YANG Lin and Ms. LIU Hong

Independent non-executive Directors: Dr. ZHANG Ya-Qin, Mr. GE Ming, Ms. TAO Ping and Dr. WANG Lei