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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**  
**LEASE AGREEMENT**

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On 30 December 2019, AsiaInfo (China) (a wholly-owned subsidiary of the Company) entered into the Lease Agreement with AsiaInfo (Chengdu), pursuant to which AsiaInfo (China) agreed to provide work spaces and certain ancillary office maintenance services to AsiaInfo (Chengdu) for a term of three years commencing from 1 January 2020.

**IMPLICATIONS UNDER THE LISTING RULES**

As AsiaInfo (Chengdu) is a company controlled by Dr. Tian (the founder, chairman and an executive Director of the Company), it is a connected person of the Company pursuant to the Listing Rules. The transactions contemplated under the Lease Agreement constitute continuing connected transactions of the Company.

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

Reference is made to the prospectus of the Company dated 6 December 2018 in relation to the existing office premise services framework agreement entered into between the Company and AsiaInfo (Chengdu) on 26 November 2018, transactions under which constituted fully exempt continuing connected transactions of the Company.

On 30 December 2019, AsiaInfo (China) and AsiaInfo (Chengdu) entered into the Lease Agreement to replace the said existing office premise services framework agreement, with details as follows:

## **LEASE AGREEMENT**

**Date:** 30 December 2019

**Parties:**

- (1) Lessor: AsiaInfo (China), a wholly foreign-owned enterprise incorporated in the PRC, which is an indirect wholly-owned subsidiary of the Company, is principally engaged in the development and production of computer network systems, software, computer network integration systems, computer and software information consulting, system integration services, and technical consulting; and
- (2) Lessee: AsiaInfo (Chengdu), a company established under the laws of the PRC with limited liability and is ultimately controlled by Dr. Tian (the founder, chairman and an executive Director of the Company), is principally engaged in the provision of network security related products and services.

**Term:** Three years commencing from 1 January 2020

**Subject matter:** AsiaInfo (China) shall lease the work spaces located on the 6th floor of No. 19 AsiaInfo Building at No. 10 Xibeiwang East Road, Haidian District, Beijing, PRC for use as offices (with initial total areas of 3,663.4 sq.m.) and provide certain ancillary office maintenance services to AsiaInfo (Chengdu). The initial areas to be leased by AsiaInfo (Chengdu) shall not be reduced during the term of the Lease Agreement. If AsiaInfo (Chengdu) intends to increase the areas of work spaces to be leased, it shall notify AsiaInfo (China) 30 days in advance.

**Rentals and fees:** The fees payable under the Lease Agreement shall not exceed approximately RMB9,500,000 for the first year ending 31 December 2020 (assuming no change in the leased areas), which include rentals for the work spaces and fees arising from the ancillary office maintenance services to be provided by AsiaInfo (China) to AsiaInfo (Chengdu).

The specific amount of the fees payable under the Lease Agreement shall be calculated per RMB7.10/sq.m./day, comprising (i) rental fee at RMB6.00/sq.m./day; and (ii) service fee at RMB1.10/sq.m./day, subject to the actual office area to be used by AsiaInfo (Chengdu), which are inclusive of facilities usage charges and management fee and exclusive of other IT utilities charges and tax.

<b>Payment:</b>	The rentals and fees shall be payable on a quarterly basis to AsiaInfo (China) by AsiaInfo (Chengdu).
<b>Historical amounts:</b>	The historical fees paid by AsiaInfo (Chengdu) to the Group for the two years ended 31 December 2017 and 2018 and the eleven months ended 30 November 2019 were approximately RMB3,442,000 (audited), approximately RMB4,031,000 (audited) and approximately RMB3,874,000 (unaudited), respectively.
<b>Estimated annual caps:</b>	The Directors estimate that the annual caps for the continuing connected transactions contemplated under the Lease Agreement will be approximately RMB14,500,000, approximately RMB15,000,000 and approximately RMB15,500,000 for each of the years ending 31 December 2020, 2021 and 2022, respectively.
<b>Basis for determination of the annual caps:</b>	The rentals and fees payable under the Lease Agreement are determined between the parties on an arm's length basis with reference to (i) the estimated areas to be used by AsiaInfo (Chengdu); (ii) the expected amount of ancillary office services required; (iii) the prevailing market rent and the office services charges of comparable properties in the vicinity; and (iv) the expected increase in fees to be charged at approximately 5% per annum.

The Directors (including the independent non-executive Directors) have confirmed that the annual rentals and fees paid and expected to be paid by AsiaInfo (Chengdu) to AsiaInfo (China) for the leasing of work spaces have been determined on an arm's length basis by reference to the prevailing property rental market price of comparable properties in the vicinity which in any event is not lower than the rentals and fees charged by the Group against Independent Third Parties at the relevant time and the proposed annual caps under the Lease Agreement is fair and reasonable to the Company and the Shareholders as a whole.

The independent non-executive Directors and the auditor of the Company will be provided on a regular basis with the (i) the Lease Agreement; (ii) lease agreements entered into between the Group and Independent Third Parties for comparable properties in similar locations; and (iii) fee quotations provided by Independent Third Parties for the lease of comparable properties in the vicinity for review and comparison purpose. The independent non-executive Directors will also review and compare the relevant payment terms, payment method and rentals and fees payable under these agreements to ensure that the transactions contemplated under the Lease Agreement are conducted on normal commercial terms. The auditor of the Company will review and confirm the transactions contemplated under the Lease Agreement are conducted in accordance with the terms of the Lease Agreement.

## **REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The Group is principally engaged in provision of (i) software products and related services; (ii) data-driven operation 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, in its ordinary and usual course of business, has leased out office premises in AsiaInfo Building to other companies to generate rental income. Hence, the continuous leasing of the work spaces to AsiaInfo (Chengdu) is in the ordinary and usual course of business of the Group.

The Directors (including the independent non-executive Directors) consider the terms of the Lease Agreement and the transactions contemplated thereunder (including the annual caps) 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.

## **IMPLICATION UNDER LISTING RULES**

As AsiaInfo (Chengdu) is a company controlled by Dr. Tian (the founder, chairman and an executive Director of the Company), it is a connected person of the Company pursuant to the Listing Rules. The transactions contemplated under the Lease Agreement constitute continuing connected transactions of the Company.

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

Save and except Dr. Tian, no other Director has a material interests in the transactions contemplated under the Lease Agreement, and thus no other Director had abstained from voting on the Board resolution approving the transactions contemplated under the Lease Agreement (including the annual caps).

## DEFINITIONS

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

“AsiaInfo Building”	a building located at No. 10 Xibeiwang East Road, Haidian District, Beijing, PRC
“AsiaInfo (Chengdu)”	AsiaInfo Technologies (Chengdu), Inc. (亞信科技(成都)有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Dr. Tian, as lessee
“AsiaInfo (China)”	AsiaInfo Technologies (China), Inc. (亞信科技(中國)有限公司), a wholly foreign-owned enterprise incorporated in the PRC, which is an indirect wholly-owned subsidiary of the Company, as lessor
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected person(s)
“Lease Agreement”	the agreement to be entered into between AsiaInfo (China) and AsiaInfo (Chengdu) in relation to the lease of work spaces and provision of certain ancillary office maintenance services to AsiaInfo (Chengdu) by AsiaInfo (China)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 December 2019

*As at the date of this announcement, the Board comprises Dr. TIAN Suning, Mr. DING Jian and Mr. GAO Nianshu as executive Directors, Mr. ZHANG Yichen, Mr. XIN Yuesheng and Mr. ZHANG Liyang as non-executive Directors and Dr. GAO Jack Qunyao, Dr. ZHANG Ya-Qin and Mr. GE Ming as independent non-executive Directors.*