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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in AsiaInfo Technologies Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) SUBSCRIPTION OF NEW SHARES
UNDER SPECIFIC MANDATE
(2) POSSIBLE CONTINUING CONNECTED TRANSACTIONS —
SOFTWARE PRODUCTS AND
SERVICES FRAMEWORK AGREEMENT
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of AsiaInfo Technologies Limited to be held at AsiaInfo Plaza, Dong Qu, 10 Xibeiwang Dong Lu, Haidian District, Beijing, PRC on Thursday, 18 June 2020 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.asiainfo.com). Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish, and in such event the form of proxy shall be deemed to be revoked.

28 May 2020

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DEFINITIONS

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

“Articles”	the articles of association of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day(s) (other than a Saturday or Sunday) on which licensed banks in Hong Kong are generally open for business
“CMC”	China Mobile Communication Co., Ltd., a company established in the PRC with limited liability and a wholly-owned subsidiary of China Mobile Limited
“China Mobile Group”	CMC and its associates
“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)
“Completion”	the completion of the Subscription
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CRM”	customer relationship management
“Definitive Agreements”	any individual definitive agreements in respect of the transactions contemplated under the Software Products and Services Framework Agreement which may from time to time be entered into in pursuance thereto
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened at AsiaInfo Plaza, Dong Qu, 10 Xibeiwang Dong Lu, Haidian District, Beijing, PRC on Thursday, 18 June 2020 at 10:00 a.m. (i) for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (ii) for the Independent Shareholders to consider and, if thought fit, approve the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps)
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders as to whether the terms of the Software Products and Services Framework 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
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps)
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to approve (i) the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (ii) the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps)
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“IoT”	the Internet of things
“Latest Practicable Date”	25 May 2020, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mainland China” or “PRC” or “China”	the People’s Republic of China and for the sole purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules
“OSS”	operations support systems

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Software Products and Services Framework Agreement”	the agreement entered into between the Company and CMC on 20 April 2020 in relation to, <i>inter alia</i> , the provision of software products and related services by the Group to the China Mobile Group
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the EGM to allot, issue and deal with the Subscription Shares to the Subscriber as contemplated under the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Mobile International Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Mobile Limited
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 April 2020 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$7.6 per Subscription Share
“Subscription Shares”	182,259,893 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“%”	per cent.



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)

Executive Directors:

Dr. TIAN Suning (*Chairman*)

Mr. DING Jian

Mr. GAO Nianshu (*Chief Executive Officer*)

Non-executive Directors:

Mr. ZHANG Yichen

Mr. XIN Yuesheng

Mr. ZHANG Liyang

Independent Non-executive Directors:

Dr. GAO Jack Qunyao

Dr. ZHANG Ya-Qin

Mr. GE Ming

Registered office:

Craigmuir Chambers

Road Town

Tortola, VG1110

British Virgin Islands

*Head office and principal place of
business in China:*

AsiaInfo Plaza, Dong Qu

10 Xibeiwang Dong Lu

Haidian District

Beijing 100193

PRC

Principal place of

business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

28 May 2020

To the Shareholders

Dear Sir or Madam,

**(1) SUBSCRIPTION OF NEW SHARES
UNDER SPECIFIC MANDATE
AND
(2) POSSIBLE CONTINUING CONNECTED TRANSACTIONS —
SOFTWARE PRODUCTS AND
SERVICES FRAMEWORK AGREEMENT**

LETTER FROM THE BOARD

INTRODUCTION

On 14 April 2020, the Company and the Subscriber entered into the Subscription Agreement under which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 182,259,893 new Shares at the Subscription Price of HK\$7.6 per Subscription Share.

The total number of Subscription Shares represents approximately 24.997% of the existing total number of issued Shares as at the Latest Practicable Date and approximately 19.998% of the total number of issued Shares as enlarged only by the allotment and issue of the Subscription Shares and assuming that there will be no further change in the total number of issued Shares between the Latest Practicable Date and the date of Completion.

Upon Completion, the Subscriber will become a substantial Shareholder under the Listing Rules and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CMC (a wholly-owned subsidiary of China Mobile Limited) will become an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the continuous provision of products and services to the China Mobile Group as contemplated under the Software Products and Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules after Completion.

In order to regulate these continuing connected transactions and facilitate the compliance with relevant requirements under the Listing Rules, the Company entered into the Software Products and Services Framework Agreement with CMC on 20 April 2020 and the principal terms and conditions of which are set out in this circular.

The purpose of this circular is to provide you with (i) information regarding ordinary resolutions to be proposed at the EGM in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) and the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps), (ii) the advice of the Independent Financial Adviser regarding the terms of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps), (iii) the recommendation of the Independent Board Committee regarding the terms of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps), and (iv) a notice of the EGM, to enable you to make an informed decision on whether to vote for or against the said resolutions.

SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised as below.

Date

14 April 2020

LETTER FROM THE BOARD

Parties

Issuer: the Company; and

Subscriber: the Subscriber, a company incorporated in Hong Kong 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) and the American Depositary Shares of which are listed on the New York Stock Exchange (stock code: CHL). 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 Mainland China and Hong Kong. The Subscriber is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

Subscription Shares

The Subscriber conditionally agreed to subscribe for 182,259,893 Subscription Shares (with an aggregate nominal value of approximately HK\$2.3), representing (i) approximately 24.997% of the existing total number of issued Shares as at the Latest Practicable Date and (ii) approximately 19.998% of the total number of issued Shares as enlarged only by the allotment and issue of the Subscription Shares and assuming that there will be no further change in the total number of issued Shares between the Latest Practicable Date and the date of Completion.

Subscription Price

The Subscription Price of HK\$7.6 per Subscription Share was arrived at after arm's length negotiation between the Company and the Subscriber with reference to, among other factors, the historical and then prevailing market price of the Shares and volatile market conditions (in particular, with the outbreak of COVID-19 under which the stock market was volatile and seriously affected). Also, during the negotiation and determination of the Subscription Price with the Subscriber, the Company has taken into account that the Subscriber is a good strategic investor, and the synergistic effects, potential cooperation opportunities and development prospects that will be brought to the Group, which will further improve the financial and business prospects of the Group and will help facilitate and strengthen the strategic cooperation between the Group and the China Mobile Group in the information and communication industries in the PRC.

To assess the fairness and reasonableness of the Subscription Price, the Directors have considered the range of closing prices of the Shares in the 12-month period immediately before and including the date of the Subscription Agreement, i.e. between HK\$6.9 and

LETTER FROM THE BOARD

HK\$10.68, and the Subscription Price falls within such range. In addition, the Subscription Price represents a premium of approximately 30.5% over the audited consolidated net asset value of approximately RMB5.4 (equivalent to approximately HK\$5.8) per Share as at 31 December 2019 (based on the audited consolidated statement of financial position of the Company as at 31 December 2019 and the total number of Shares in issue as at the Latest Practicable Date). Accordingly, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Subscription Price represents:

- (i) a discount of approximately 27.6% to the closing price of HK\$10.5 per Share as quoted on the Stock Exchange on 14 April 2020, being the date of the Subscription Agreement;
- (ii) a discount of approximately 26.4% to the average closing price of approximately HK\$10.3 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement;
- (iii) a discount of approximately 21.5% to the average closing price of approximately HK\$9.7 per Share as quoted on the Stock Exchange for the last thirty trading days immediately prior to the date of the Subscription Agreement;
- (iv) a discount of approximately 19.7% to the average closing price of approximately HK\$9.5 per Share as quoted on the Stock Exchange for the last ninety trading days immediately prior to the date of the Subscription Agreement;
- (v) a discount of approximately 13.3% to the average closing price of approximately HK\$8.8 per Share during the 12-month period immediately before and including the date of the Subscription Agreement; and
- (vi) a discount of approximately 21.6% to the closing price of HK\$9.7 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

Ranking

The Subscription Shares shall be duly authorised and issued fully paid, and rank *pari passu* in all respects with all other Shares outstanding on the date of Completion and be entitled to all dividends and distributions attached to the Shares the record date for which falls on a date on or after the date of the issue.

Conditions

Completion is conditional upon, among other things, the fulfillment or waiver by the Subscriber in writing (where applicable) of the following:

- (i) the warranties provided by the Company having remained true and accurate, and not misleading, on the date of the Subscription and the date of Completion;

LETTER FROM THE BOARD

- (ii) the passing by the Shareholders of resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder, including the allotment and issue of the Subscription Shares at the EGM;
- (iii) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange and the Listing Committee not having withdrawn or revoked such listing and permission on or before Completion;
- (iv) all necessary acknowledgements, consents and approvals (if any) for the transactions contemplated under the Subscription Agreement (including payment) from the relevant governmental, statutory and regulatory authorities and banks have been received by the Company and/or the Subscriber (or its holding company);
- (v) before Completion, there shall not have occurred any of the following situations:
 - a any material adverse change in the financial or other positions, or the income, assets, business or operations of the Group; or any development which, is reasonably believed to, possibly lead to such material adverse change;
 - b any suspension of trading of Shares (other than any temporary suspension relating to the clearance of any announcement in respect of the Subscription Agreement);
 - c any outbreak or escalation of hostilities or terrorist acts in Hong Kong, the Mainland China or any other jurisdictions, laws of which are applicable to the Group; or any declaration of a state of emergency, war or other disaster or crisis by any of the said jurisdictions;
 - d any major disruption to the commercial banks, securities settlement or clearing services in Hong Kong, the Mainland China or any other jurisdictions, laws of which are applicable to the Group; or any announcement made by the relevant departments stating that all commercial bank activities have been completely suspended; and
 - e any material adverse change in the financial market or the international finance, the political or economic status, exchange rates, foreign exchange control or taxation policies of Hong Kong, the Mainland China or any other jurisdictions, laws of which are applicable to the Group; or any development relating to such material adverse change; and
- (vi) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Subscription Agreement on or before the date of Completion.

LETTER FROM THE BOARD

In the event that any of the above conditions shall not have been fulfilled or waived by the Subscriber (for items (i), (v) and (vi)) prior to the date falling on the sixth month from the date of the Subscription Agreement or such later date which may be agreed by the Company and the Subscriber, the Subscription Agreement shall cease to be of any effect and terminate pursuant to the terms of the Subscription Agreement.

Completion

Completion is expected to take place on the 15th Business Days after all of the above conditions have been fulfilled (or such later date as the Company and the Subscriber may agree in writing).

Lock-up Undertakings

The Subscriber undertakes to the Company that the Subscription Shares are subject to a lock-up period of one (1) year from the date of Completion during which the Subscriber shall not offer, lend, contract to sell, pledge, grant any option to purchase or otherwise dispose of, any of the Subscription Shares.

Nomination of Director by the Subscriber

The Company undertakes that the Subscriber shall have the right to nominate two (2) candidates as non-executive Directors to the Board after Completion as long as the Subscriber is a Shareholder. The Company undertakes to take all necessary steps to convene a meeting of Shareholders or the Board and the nomination committee of the Company (as appropriate) for the consideration of such appointment. The said candidates will need to go through the Company's usual procedures for nomination and appointment of Directors, and if any such candidates are appointed as Directors, will be subject to re-election by the Shareholders in general meeting(s) of the Company, in accordance with the Listing Rules, the Articles and the terms of reference of the nomination committee of the Company.

Shareholders also have rights of nomination of Directors pursuant to Articles 10.3 of the Articles, pursuant to which any Shareholders (individually or collectively holding 10% or more shareholdings) who wish to put forward proposals and/or resolutions (including any proposal for nomination of Directors (without limit on number of candidates to be nominated)) may requisition an extraordinary general meeting and include a proposal and/or resolution at such meeting.

LETTER FROM THE BOARD

REASONS AND BENEFITS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS

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 is the leading provider of software products, solutions and services in the PRC with business focus on, among others, communication, broadcasting, postal, finance, insurance, energy and transportation 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.

The Subscription will facilitate long-term cooperation of the Group and the China Mobile Group in strategic aspect, to fully leverage on the advantages of market-oriented mechanism operations of the Company, and to jointly explore development opportunities in face with new strategic areas. With further cooperation in terms of 5G network intelligent operation, data-driven operation, vertical industry and corporate cloudification, both parties will offer customers from various industries with richer and multi-dimensional communication, information infrastructures and digital services. By fostering the integration and innovation as well as rapid development of the information and communication industries in the PRC, both parties will create new deployment for industry development while bringing new momentum to society transformation and innovative development. The Directors also consider that the Subscription could consolidate the Company's financial position to provide the Group with additional fundings for exploring future development.

The Company will also further deepen cooperation with its telecom operator customers such as China Telecom, China Mobile and China Unicom, as well as customers in the related vertical industries, and continue to provide customers in various industries with better products and services.

Upon Completion, the gross proceeds from the Subscription are approximately HK\$1,385.2 million. The net proceeds from the Subscription (after deducting related professional fees and related expenses) are approximately HK\$1,384.1 million. The net issue price per Subscription Share will be approximately HK\$7.6. The Company currently intends to use the net proceeds from the Subscription in the following manner: (i) approximately 40% will be applied for the Group's research and development on new products and new technologies and the development of the OSS, data-driven operation, vertical industry and enterprises cloudification business; (ii) approximately 35% will be applied for investment or acquisition of assets and businesses that are complementary to the Group's business and consistent with the Group's development strategy; and (iii) approximately 25% will be used as general working capital of the Group (of which approximately 15% will be used for administrative purpose (such as salary and welfare, professional services fee, rental payment, etc.) and approximately 10% will be used for sales and marketing purpose (such as salary and welfare, travel and entertainment expenses, marketing activities, etc.), respectively).

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and the transactions contemplated under the Subscription Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on public filings, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion (assuming that there will be no further changes in the total number of Shares in issue, save for the issue and allotment of the Subscription Shares, between the Latest Practicable Date and prior to Completion) are as follows:

Name of Shareholders	As at the Latest Practicable Date		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Skipper Investment Limited <i>(Note 1)</i>	213,924,952	29.34	213,924,952	23.47
Other Directors <i>(Note 2)</i>	151,178,040	20.73	151,178,040	16.59
Subscriber	—	—	182,259,893	20.00
Public Shareholders	<u>364,032,580</u>	<u>49.93</u>	<u>364,032,580</u>	<u>39.94</u>
Total	<u><u>729,135,572</u></u>	<u><u>100.00</u></u>	<u><u>911,395,465</u></u>	<u><u>100.00</u></u>

Notes:

- Each of Power Joy (Cayman) Limited (as the controlling shareholder of Skipper Investment Limited), CITIC Capital China Partners II L.P. (as the sole shareholder of Power Joy (Cayman) Limited), CCP II GP, Ltd. (as the general partner of CITIC Capital China Partners II L.P.), CCP LTD (as the general partner of CCP II GP, Ltd. and as the shareholder of CCP II Advisory Ltd.), CITIC Capital Partners Limited (as the sole shareholder of CCP LTD), CITIC Capital Holdings Limited and CP Management Holdings Limited (which hold 51% and 49% shareholding of CITIC Capital Partners Limited, respectively) and Mr. ZHANG Yichen (as the sole shareholder of CP Management Holdings Limited) is deemed or taken to be interested in all the Shares which are beneficially owned by Skipper Investment Limited for the purpose of the SFO.

LETTER FROM THE BOARD

2. Amongst these Shares,
 - i. Dr. TIAN Suning is interested in 133,915,128 Shares, of which he is the beneficial owner of 42,961,400 Shares; and for the purpose of the SFO, is deemed or taken to be interested in 39,442,000 Shares beneficially owned by PacificInfo Limited (a company wholly owned by him), 20,302,368 Shares beneficially owned by Info Addition Capital Limited Partnership (general partner of which is Info Addition Limited, a company wholly owned by him), and 31,209,360 Shares beneficially owned by CBC TMT III Limited (a company wholly owned by China Broadband Capital Partners II, L.P., general partner of which is CBC Partners II L.P., a partnership fully controlled by him);
 - ii. Mr. DING Jian is interested in 12,715,144 Shares, of which he is the beneficial owner of 11,516,704 Shares; and for the purpose of the SFO, is deemed to be interested in 1,198,440 Shares in which New Media China Investment I Limited (a company wholly owned by him) is interested in; and
 - iii. Mr. GAO Nianshu is the beneficial owner of 4,547,768 Shares.

SPECIFIC MANDATE

The Company will seek the Specific Mandate from the Shareholders at the EGM to allot and issue the Subscription Shares.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

POSSIBLE CONTINUING CONNECTED TRANSACTIONS

Members of the Group, in their ordinary course of business, regularly entered into continuing transactions with members of the China Mobile Group in relation to, among other things, the provision of software products and services to members of the China Mobile Group, including but not limited to, the provision of software products and related deployment services (including but not limited to CRM, billing account and big data, IoT and 5G intelligent network products), ongoing operation and maintenance services, data-driven operation services, business consulting services, system integration services, corporate trainings and procurement and sale of third-party hardware and software for and to members of the China Mobile Group. The said software products and services are provided by the Group regularly to its customers in its ordinary and usual course of business, and the occasions/arrangement of providing such products and services are subject to customer demand.

LETTER FROM THE BOARD

Upon Completion, the Subscriber will become a substantial Shareholder and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CMC (a wholly-owned subsidiary of China Mobile Limited) will become an associate of a connected person of the Company under Chapter 14A of the Listing Rules. The continuing transactions entered into or to be entered into between members of the Group on one side, and members of the China Mobile Group on the other will become continuing connected transactions of the Company under the Listing Rules.

As such, the Software Products and Services Framework Agreement was entered into by the Company to regulate the above-mentioned continuing connected transactions upon Completion in accordance with the requirements under the Listing Rules, details of which are set out below:

Software Products and Services Framework Agreement

Date: 20 April 2020

Parties: (i) the Company; and

(ii) CMC, a company established in the PRC with limited liability, is a wholly-owned subsidiary of China Mobile Limited. CMC is principally engaged in the business of network and business coordination center.

Duration: Subject to the fulfilment of the conditions precedent, the Software Products and Services Framework Agreement shall be for an initial term commencing on the date of Completion and ending on 31 December 2022 (both days inclusive).

Subject to compliance with the applicable requirements of the Listing Rules at the relevant time, the Software Products and Services Framework Agreement can be renewed for a successive period of three years (or such other period as required under the Listing Rules or by the Stock Exchange) upon expiration of its initial term or any subsequently renewed term.

Conditions precedent: The Software Products and Services Framework Agreement is subject to the fulfilment of the following conditions:

- (a) the Subscriber becoming a substantial Shareholder; and
- (b) the passing by the Independent Shareholders in accordance with the Listing Rules and all applicable laws at the EGM of resolution approving the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps).

LETTER FROM THE BOARD

- Products and services to be provided:** Provision of software products and services to members of the China Mobile Group, including but not limited to, the provision of software products and related deployment services, ongoing operation and maintenance services, data-driven operation services, business consulting services, system integration services, corporate trainings and procurement and sale of third-party hardware and software for and to members of the China Mobile Group.
- Definitive agreement:** Members of the Group and members of the China Mobile Group will, from time to time during the term of the Software Products and Services Framework 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 terms of the Software Products and Services Framework Agreement.
- Pricing:** The prices to be charged by the Group for products and/or services to be provided to the China Mobile Group under any separate Definitive Agreements pursuant to the Software Products and Services Framework Agreement shall be determined based on arm's length negotiation between the parties and on order-by-order basis 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 the same or nearby service area and subject to normal commercial terms and in accordance with the principle of fairness and reasonableness.
- The Group will compare similar transactions or quotations for similar type and specification of products and/or services with Independent Third Parties to ensure that the terms offered to the China Mobile Group are no more favourable than those available to Independent Third Parties.
- Payment:** The fees to be charged for products and/or services under the Software Products and Services Framework Agreement 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 Definitive Agreements.

In the event that the parties are willing to enter into transactions relating to other types of services which are substantially different from those as stated in the Software Products and Services Framework Agreement, the Company intends to enter into separate contracts to govern those transactions, and comply with the relevant Listing Rules requirements.

LETTER FROM THE BOARD

Historical Figures

Set out below is the aggregate products and service fees paid by the China Mobile Group to the Group for transactions contemplated under the Software Products and Services Framework Agreement for the three years ended 31 December 2019:

	For the financial year ended 31 December		
	2017	2018	2019
	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
	<i>(approximate)</i>	<i>(approximate)</i>	<i>(approximate)</i>
Products and services fees paid by the China Mobile Group to the Group	2,668.8	2,934.9	3,351.4

Annual Caps

The proposed annual caps in respect of the transactions contemplated under the Software Products and Services Framework Agreement for the three years ending 31 December 2022 are set out below:

	For the financial year ending 31 December		
	2020	2021	2022
	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
Proposed annual caps for products and services fees payable by the China Mobile Group to the Group	4,210.0	4,840.0	5,730.0

The annual caps set out above are determined based on the following:

- (a) the historical amounts of the relevant transactions between the Group and the China Mobile Group increased from RMB2,668.8 million in 2017 to RMB3,351.4 million in 2019, representing a compound annual growth rate of approximately 12.1%, with the year-on-year increase from 2018 to 2019, being approximately 14.2%. The products and service fees paid by the China Mobile Group to the Group in 2019 already represented up to approximately 79.6% of the proposed annual cap for 2020;
- (b) the continuing growth of the investment in software products and services in the telecom industry in the wake of the 5G era in 2020 and the coming years; and the Group has solid leading position in the operators' market with high customer

LETTER FROM THE BOARD

recognition as well as strong technical capability and in-depth understanding on the operating environment and key areas of its customers' business, and is in a favourable position to grasp this opportunity for future growth and development:

- (i) the China Mobile Group's 5G development and business transformation will inevitably require software products and related services for the provision of business support in relation to its 5G business support system transformation, upgrading and corporate cloudification. According to the growth of the above business of the Group from 2017 to 2019 (with a compound annual growth rate of the amounts of transaction between the Group and the China Mobile Group of approximately 10%), it is expected that from 2020 to 2022, the products and services provided by the Group to the China Mobile Group for related businesses will still maintain a compound annual growth rate of approximately 10%; and
- (ii) the Company actively carried out collaboration on the 5G OSS network intelligent aspect with the telecom operators, including the China Mobile Group, their provincial companies and research and development organizations and achieved 17 commercialised collaboration pilot works during the year 2019. Moreover, the data-driven operation business has also shown rapid growth in 2019 with the relevant revenue from the China Mobile Group increasing by approximately 95.7% from the previous year. It is expected that the number of the potential provincial branches and specialized companies of the China Mobile Group which the Group plans to serve in these aspects will be further increased during the three years ending 31 December 2022. At the same time, the richness and diversity of products and services provided are also expected to be further increased, which will inevitably lead to an expected higher compound annual growth rate of the amounts of transaction for products and services provided by the Group to the China Mobile Group from 2020 to 2022;
- (c) the anticipated need and demand of the Group's software products and services from the China Mobile Group as a result of its extensive deployment of 5G which will require vast amount of support and services from service providers such as the Group, and in particular, the Group has developed insights into the business and operational needs of the China Mobile Group over the years;
- (d) further synergies and strategic cooperation between the Group and the China Mobile Group as a result of the Subscription in the area of 5G network intelligent operation, data-driven operation, vertical industry and corporate cloudification, both parties will offer customers from various industries with richer and multi-dimensional communication, information infrastructures and digital services, which will create further products and services provision from the Group to the China Mobile Group; and
- (e) the inclusion of a buffer to cater for the development plan of, and any unexpected increase in demand from, the China Mobile Group.

LETTER FROM THE BOARD

Such projection is assumed solely for determining the annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group or the China Mobile Group.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE SOFTWARE PRODUCTS AND SERVICES FRAMEWORK 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 is the leading provider of software products, solutions and services in the PRC with business focus on, among others, communication, broadcasting, postal, finance, insurance, energy and transportation 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.

The transactions contemplated under the Software Products and Services Framework Agreement are of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group and the China Mobile Group.

In line with the market practice and the Company's past practice, the Company considered it necessary for purposes of compliance with the Listing Rules and administrative convenience to enter into a framework agreement with CMC in order to better document and manage these continuing connected transactions. The Software Products and Services Framework Agreement serves to streamline such continuing transactions between members of the Group and members of the China Mobile Group by providing a single basis upon which the Company could comply with the applicable reporting, annual review, announcement and (where applicable) Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules and thereby reducing the administrative burden and costs of the Company in complying with these requirements.

The Directors believe that the maintenance of the strategic business relationships with the China Mobile Group will not only allow the realisation of synergies and economies of scale but will also continue to bring sustainable contribution to the Group's growth in the long run.

The Directors (including the independent non-executive Directors) consider the transactions contemplated under the Software Products and Services Framework Agreement are conducted on normal commercial terms and in the ordinary and usual course of business of the Group and the terms of the Software Products and Services Framework 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.

LETTER FROM THE BOARD

INTERNAL CONTROL MEASURES

The Group has established the following internal control measures for reporting and monitoring on continuing connected transactions which will be implemented on the transactions between the Group and the China Mobile Group once CMC has become a connected person to the Group to ensure the compliance with Chapter 14A of the Listing Rules:

- (1) generally, the mechanism of the price quotation and determination process of the Group shall be in accordance with the “AsiaInfo Technologies’ Quotation and Business Response Approval Procedure” and the agreement execution process shall be in accordance with the “AsiaInfo Technologies’ Agreement Execution and Management Procedure”, which the relevant procedures have set out clear provisions and requirements for tender response, commercial terms negotiation, price quotation and determination, agreement execution, assessment of legal risks, etc. during the preparation of quotation response, with details summarized as follows:
 - (i) the Group adopted the same quotation and price determination process applicable to all customers including connected persons and Independent Third Parties;
 - (ii) during the project quotation management process, the agreement management department of the Group will be mainly responsible for the analysis of requirements specified in the tender, the price quotation and agreement execution and seeking approval and also for coordinating with different departments to carry out relevant works;
 - (iii) the preparation of the price quotation by the sales department and other relevant department(s) will be based on many factors, including the estimated costs of project execution and delivery (such as the number of staff and the number of days required for provision of services, and materials and products costs), complexity of the projects, the costs required for meeting the specific technical specifications, or types of products to be procured and the prevailing prices charged by competitors on similar products or services, and the price charged by the Group for providing similar products or services to other customers who are Independent Third Parties;
 - (iv) the legal department will assess the risks and commercial terms of the projects; and
 - (v) prior to the execution of any agreement for projects, each of the internal departments of the Group will, pursuant to its relevant responsibilities, manage and seek applicable level of approval (i.e. if a project reaches a certain scale, it will be approved by the management of the Company);

LETTER FROM THE BOARD

- (2) the Group will conduct an annual assessment of all agreements signed by the sales department, scope of which includes various factors such as commercial terms, quotations and costs, etc.;
- (3) the agreement management department will immediately report to the Board office and the finance department with details of the possible notifiable or connected transactions to be entered by the Group for review and checking in order to determine the appropriate type of disclosure in compliance with Chapter 14A of the Listing Rules. The agreement management department is also responsible for monitoring the prices of the transactions with connected persons by reviewing samples of the relevant sales contracts and costs, etc. to ensure such prices are in compliance with the pricing policies under the terms of their respective continuing connected transaction master or framework agreements;
- (4) before entering into any definitive agreements pursuant to the respective continuing connected transaction master or framework agreements (including the Software Products and Services Framework Agreement), the relevant personnel of the sales department will compare other historical or contemporaneous transactions or quotations for similar transactions with Independent Third Parties for similar products or services in similar quantities and ensure that the terms offered to the relevant connected persons are no more or no less favourable than those available to or from Independent Third Parties, respectively. The relevant agreement must also be submitted to the finance department for review (especially to check whether the annual cap will be exceeded);
- (5) the finance department will check and monitor with the total transaction amounts and ensure that the transaction amounts will not exceed the annual caps of the continuing connected transactions. If the total transaction amounts reach 80% of the annual caps, or are expected to exceed the annual caps within the next two months, the designated person of the finance department shall inform the Board office immediately so as to determine the appropriate actions to be taken;
- (6) the Board office and relevant departments in each subsidiary of the Company has a designated person to record the entering into of continuing connected transactions into the office automation system of the Company;
- (7) the finance department will monitor and disclose the continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions;
- (8) the Board office will also check the terms and implementation status of the Group's policies and requirements related to continuing connected transactions from time to time, including the identification of connected persons and their procedures for dealing with continuing connected transactions; and

LETTER FROM THE BOARD

- (9) the finance department will carry out annual and semi-annual assessments of the continuing connected transactions conducted by the Group for each financial year, the content of which includes whether the price terms are fair and reasonable and the usage of annual cap, and report to the Board. One of the assessment objectives is to ensure that the continuing connected transactions are carried out at arm's length and the terms are comparable to those with Independent Third Parties.

Furthermore, pursuant to Chapter 14A of the Listing Rules:

- (1) the independent non-executive Directors shall, on an annual basis, review the transactions contemplated under the Software Products and Services Framework Agreement and confirm such transactions have been entered into according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (2) the external auditors of the Group shall, on an annual basis, report on the transactions contemplated under the Software Products and Services Framework Agreement and confirm whether anything has come to their attention that causes them to believe such transactions were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions.

IMPLICATION UNDER THE LISTING RULES

Upon Completion, the Subscriber will become a substantial Shareholder under the Listing Rules and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CMC (a wholly-owned subsidiary of China Mobile Limited) will become an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the continuous provision of products and/or services to the China Mobile Group as contemplated under the Software Products and Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for these continuing connected transactions under the Software Products and Services Framework Agreement are more than 5%, the transactions contemplated thereunder will constitute non-exempt continuing connected transactions and will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

No Director has a material interest in the transactions contemplated under the Software Products and Services Framework Agreement, and thus no Director had abstained from voting on the Board resolution approving the transactions contemplated under the Software Products and Services Framework Agreement (including the annual caps).

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise and make recommendation to the Independent Shareholders in respect of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps).

Opus Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise and make recommendation to the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps).

EGM

The EGM will be convened by the Company at AsiaInfo Plaza, Dong Qu, 10 Xibeiwang Dong Lu, Haidian District, Beijing, PRC on Thursday, 18 June 2020 at 10:00 a.m. for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and for the Independent Shareholders to consider and, if thought fit, approve the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps). A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the relevant resolution(s) at the EGM approving the Subscription Agreement and the transactions contemplated thereunder and the Software Products and Services Framework Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed, a copy of which can also be obtained via the website of the Company at www.asiainfo.com or the website of the Stock Exchange at www.hkexnews.hk. Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that (a) the terms of the Subscription Agreement (including the grant of the Specific Mandate) are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole; and (b) the

LETTER FROM THE BOARD

terms of the Software Products and Services Framework Agreement (including the annual caps) are fair and reasonable and the transactions contemplated thereunder are (i) entered into in the ordinary and usual course of business of the Group, (ii) on normal commercial terms on 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.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions for approving the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) and the Independent Shareholders to vote in favour of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the additional information as set out in the appendix to this circular.

WARNING NOTICE

Shareholders and potential investors of the Company should be aware that the transactions contemplated in this circular is subject to a number of conditions being satisfied, including but not limited to the approval of the transactions contemplated in this circular at the EGM by the Independent Shareholders, and consequently the transactions may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.

Yours faithfully,
For and on behalf of the Board
AsiaInfo Technologies Limited
Dr. TIAN Suning
Chairman and Executive Director



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)

28 May 2020

To the Independent Shareholders

Dear Sir or Madam,

**POSSIBLE CONTINUING CONNECTED TRANSACTIONS —
SOFTWARE PRODUCTS AND
SERVICES FRAMEWORK AGREEMENT**

We refer to the circular dated 28 May 2020 (the “**Circular**”) issued by AsiaInfo Technologies Limited (the “**Company**”) to the Shareholders, of which this letter forms part. Terms used herein have the same meanings as defined in the Circular unless specified otherwise.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the terms of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) are fair and reasonable and whether such transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to recommend whether or not the Independent Shareholders approve the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) as set out in the Circular.

Opus Capital Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser have taken into consideration, are set out on pages IFA-1 to IFA-18 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps). Your attention is also drawn to the additional information set out in the appendices to the Circular.

Having considered the terms of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps), the advice of the Independent Financial Adviser and the relevant information contained in the Letter of the Board, we consider that the terms of the Software Products and Services Framework Agreement (including the annual caps) are fair and reasonable and the transactions contemplated thereunder are (i) entered into in the ordinary and usual course of business of the Group, (ii) on normal commercial terms on 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.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution for approving the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) to be proposed at the EGM.

Yours faithfully,
The Independent Board Committee of
AsiaInfo Technologies Limited

Dr. GAO Jack Qunyao
Independent non-executive Director

Dr. ZHANG Ya-Qin
Independent non-executive Director

Mr. GE Ming
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Opus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) for the purpose of inclusion in this circular.



18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

28 May 2020

To: The Independent Board Committee and the Independent Shareholders of AsiaInfo Technologies Limited

Dear Sirs/Madams,

POSSIBLE CONTINUING CONNECTED TRANSACTION SOFTWARE PRODUCTS AND SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the possible continuing connected transactions contemplated under the Software Products and Services Framework Agreement (including the annual caps (the “**Annual Caps**”)), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 28 May 2020 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined or the context requires otherwise.

SOFTWARE PRODUCTS AND SERVICES FRAMEWORK AGREEMENT

On 14 April 2020, the Company and the Subscriber entered into the Subscription Agreement under which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 182,259,893 new Shares at the Subscription Price of HK\$7.6 per Subscription Share.

The total number of Subscription Shares represents approximately 24.997% of the existing total number of issued Shares as at the Latest Practicable Date and approximately 19.998% of the total number of issued Shares as enlarged only by the allotment and issue of the Subscription Shares and assuming that there will be no change in the total number of issued Shares between the Latest Practicable Date and the date of Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Upon Completion, the Subscriber will become a substantial Shareholder under the Listing Rules and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CMC (a wholly-owned subsidiary of China Mobile Limited (“China Mobile”)) will become an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the continuous provision of products and services to the China Mobile Group as contemplated under the Software Products and Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules after Completion.

In order to regulate these continuing connected transactions and facilitate the compliance with relevant requirements under the Listing Rules, the Company entered into the Software Products and Services Framework Agreement with CMC on 20 April 2020.

As the applicable percentage ratios for these continuing connected transactions under the Software Products and Services Framework Agreement are more than 5%, the transactions contemplated thereunder will constitute non-exempt continuing connected transactions and will be subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the relevant resolution at the EGM approving the Software Products and Services Framework Agreement and the transactions contemplated thereunder.

As no Director has a material interests in the transactions contemplated under the Software Products and Services Framework Agreement, no Director had abstained from voting on the Board resolution approving the transactions contemplated under the Software Products and Services Framework Agreement (including the Annual Caps).

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Gao Jack Qunyao, Dr. Zhang Ya-Qin and Mr. Ge Ming, has been established to advise and make recommendation to the Independent Shareholders in respect of the transactions contemplated under the Software Products and Services Framework Agreement and, accordingly, the Annual Caps. Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders as to: (i) whether the entering into of the Software Products and Services Framework Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Software Products and Services Framework Agreement (including the Annual Caps) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned; and (iii) how the Independent Shareholders should vote on the relevant resolution at the EGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company, CMC or any other parties that could reasonably be regarded as relevant to our independence. We have not acted as a financial adviser or independent financial adviser to the Company, CMC or any of their respective associates within the last two years. Apart from normal independent financial advisory fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the Software Products and Services Framework Agreement;
- (ii) the Company's annual results for the year ended 31 December 2019 (the "**2019 Annual Results**");
- (iii) China Mobile's 2019 annual report; and
- (iv) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We considered that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the transactions contemplated under the Software Products and Services Framework Agreement (including the Annual Caps), and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the transactions contemplated under the Software Products and Services Framework Agreement (including the Annual Caps), we have taken into consideration the following principal factors and reasons:

1. Information of the Group

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. According to the Letter from the Board, the Group is the leading provider of software products, solutions and services in the PRC with business focus on, among others, communication, broadcasting, postal, finance, insurance, energy and transportation 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. According to the 2019 Annual Results, the Group had 247 telecom operator customers, including the headquarters, provincial, municipal and specialised companies and joint ventures of China Mobile, China Unicom and China Telecom as at 31 December 2019. The Group had 59 large enterprise customers in the postal, cable TV, financial, energy, government, transportation and automobile industries as at 31 December 2019. According to the 2019 Annual Results, the Group recorded revenue from the software business of approximately RMB5,718.7 million in 2019, representing an increase of 10.1% from 2018. Profit for the year in 2019 amounted to approximately RMB408.8 million, representing an increase of 100.2% from 2018. As at 31 December 2019, the Group's net assets amounted to approximately RMB3,907.2 million.

2. Information of CMC

CMC is a company established in the PRC with limited liability, is a wholly-owned subsidiary of China Mobile, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00941) and the American Depositary Shares of which are listed on the New York Stock Exchange (stock code: CHL). China Mobile, together with its subsidiaries, is principally engaged in the provision of telecommunications and related services in the Mainland China and Hong Kong. CMC is principally engaged in the business of network and business coordination center. China Mobile Group is the leading telecommunications services provider in Mainland China, providing full communications services in all 31 provinces, autonomous regions and directly-administered municipalities throughout Mainland China and in Hong Kong. Its businesses primarily consist of mobile voice and data business, wireline broadband and other information and communication services. As disclosed in China Mobile's 2019 annual report, China Mobile Group had a total of 950 million mobile customers and 187 million wireline broadband customers as at 31 December 2019, and its annual revenue reaching over RMB745.9 billion in 2019, making it a world-class telecommunications operator with the world's largest network and customer base.

3. Reasons for and Benefits of Entering into the Software Products and Services Framework Agreement

According to the Letter from the Board, the Group is the leading provider of software products, solutions and services in the PRC with business focus on, among others, communication, broadcasting, postal, finance, insurance, energy and transportation 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. The transactions contemplated under the Software Products and Services Framework Agreement are of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group and the China Mobile Group.

In line with the market practice and the Company's past practice, the Company considered it necessary for purposes of compliance with the Listing Rules and administrative convenience to enter into a framework agreement with CMC in order to better document and manage these continuing connected transactions. The Software Products and Services Framework Agreement serves to streamline such continuing transactions between members of the Group and members of the China Mobile Group by providing a single basis upon which the Company could comply with the applicable reporting, annual review, announcement and (where applicable) Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules and thereby reducing the administrative burden and costs of the Company in complying with these requirements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We understand from the Management that the Group has established longstanding business and strategic relationship with China Mobile Group which can be traced back to the 1990s. Since then, the Group has been providing software products and services to the China Mobile Group and the Group is currently serving China Mobile Group's headquarters, numerous provincial companies, municipal companies and specialised companies. The China Mobile Group is one of the Group's key customers and the Group has developed deep insights into its business and operational needs over the years. As such, we agree with the Directors that the maintenance of the strategic business relationships with the China Mobile Group will allow the realisation of synergies and economies of scale and continue to bring sustainable contribution to the Group's growth in the long run.

In view of the above, in particular, that (i) the continuing connected transactions contemplated under the Software Products and Services Framework Agreement are in the ordinary and usual course of business of the Group; (ii) the Group's long established business relationship with the China Mobile Group (iii) the industry leading position of China Mobile Group; (iv) the entering into of the Software Products and Services Framework Agreement will allow the Group to maintain strategic business relationships with the China Mobile Group which will contribute to the Group's sustainable growth in the long run, we concur with the Directors' view that the entering into of the Software Products and Services Framework Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4. Principal Terms of the Software Products and Services Framework Agreement

A summary of the principal terms of the Software Products and Services Framework Agreement is set out below:

Date: 20 April 2020

Parties: (i) the Company; and
(ii) CMC.

Duration: Subject to the fulfilment of the conditions precedent, the Software Products and Services Framework Agreement shall be for an initial term commencing on the date of Completion and ending on 31 December 2022 (both days inclusive).

Subject to compliance with the applicable requirements of the Listing Rules at the relevant time, the Software Products and Services Framework Agreement can be renewed for a successive period of three years (or such other period as required under the Listing Rules or by the Stock Exchange) upon expiration of its initial term or any subsequently renewed term.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions precedent: The Software Products and Services Framework Agreement is subject to the fulfillment of the following conditions:

- (a) the Subscriber becoming a substantial Shareholder; and
- (b) the passing by the Independent Shareholders in accordance with the Listing Rules and all applicable laws at the EGM of resolution approving the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps).

Products and services to be provided: Provision of software products and services to members of the China Mobile Group, including but not limited to, the provision of software products and related deployment services, ongoing operation and maintenance services, data-driven operation services, business consulting services, system integration services, corporate trainings and procurement and sale of third-party hardware and software for and to members of China Mobile Group.

Definitive agreement: Members of the Group and members of the China Mobile Group will, from time to time during the term of the Software Products and Services Framework 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 terms of the Software Products and Services Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing:

The prices to be charged by the Group for products and/or services to be provided to the China Mobile Group under any separate Definitive Agreements pursuant to the Software Products and Services Framework Agreement shall be determined based on arm's length negotiation between the parties and on order-by-order basis 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 the same or nearby service area and subject to normal commercial terms and in accordance with the principle of fairness and reasonableness.

The Group will compare similar transactions or quotations for similar type and specification of products and/or services with Independent Third Parties to ensure that the terms offered to the China Mobile Group are no more favourable than those available to Independent Third Parties.

Payment:

The fees to be charged for products and/or services under the Software Products and Services Framework Agreement 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 Definitive Agreements.

According to the Letter from the Board, in order to ensure the compliance with Chapter 14A of the Listing Rules and that the transactions between the Group and the China Mobile Group will be conducted in accordance with the terms of the Software Products and Services Framework Agreement and the terms offered to the China Mobile Group are no more favourable than those available to Independent Third Parties, the Group has established the following internal control measures which will be implemented once CMC has become a connected person to the Group:

- (1) generally, the mechanism of the price quotation and determination process of the Group shall be in accordance with the "AsiaInfo Technologies' Quotation and Business Response Approval Procedure" and the agreement execution process shall be in accordance with the "AsiaInfo Technologies' Agreement Execution and Management Procedure", which the relevant procedures have set out clear provisions and requirements for tender

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response, commercial terms negotiation, price quotation and determination, agreement execution, assessment of legal risks, etc. during the preparation of quotation response, with details summarized as follows:

- (i) the Group adopted the same quotation and price determination process applicable to all customers including connected persons and Independent Third Parties;
 - (ii) during the project quotation management process, the agreement management department of the Group will be mainly responsible for the analysis of requirements specified in the tender, the price quotation and agreement execution and seeking approval and also for coordinating with different departments to carry out relevant works;
 - (iii) the preparation of the price quotation by the sales department and other relevant department(s) will be based on many factors, including the estimated costs of project execution and delivery (such as the number of staff and the number of days required for provision of services, and materials and products costs), complexity of the projects, the costs required for meeting the specific technical specifications, or types of products to be procured and the prevailing prices charged by competitors on similar products or services, and the price charged by the Group for providing similar products or services to other customers who are Independent Third Parties;
 - (iv) the legal department will assess the risks and commercial terms of the projects; and
 - (v) prior to the execution of any agreement for projects, each of the internal departments of the Group will, pursuant to its relevant responsibilities, manage and seek applicable level of approval (i.e. if a project reaches a certain scale, it will be approved by the management of the Company);
- (2) the Group will conduct an annual assessment of all agreements signed by the sales department, scope of which includes various factors such as commercial terms, quotations and costs, etc.;

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- (3) the agreement management department will immediately report to the Board office and the finance department with details of the possible notifiable or connected transactions to be entered by the Group for review and checking in order to determine the appropriate type of disclosure in compliance with Chapter 14A of the Listing Rules. The agreement management department is also responsible for monitoring the prices of the transactions with connected persons by reviewing samples of the relevant sales contracts and costs etc. to ensure such prices are in compliance with the pricing policies under the terms of their respective continuing connected transaction master or framework agreements;
- (4) before entering into any definitive agreements pursuant to the respective continuing connected transaction master or framework agreements (including the Software Products and Services Framework Agreement), the relevant personnel of the sales department will compare other historical or contemporaneous transactions or quotations for similar transactions with Independent Third Parties for similar products or services in similar quantities and ensure that the terms offered to the relevant connected persons are no more or no less favourable than those available to or from Independent Third Parties, respectively. The relevant agreement must also be submitted to the finance department for review (especially to check whether the annual cap will be exceeded);
- (5) the finance department will check and monitor with the total transaction amounts and ensure that the transaction amounts will not exceed the annual caps of the continuing connected transactions. If the total transaction amounts reach 80% of the annual caps, or are expected to exceed the annual caps within the next two months, the designated person of the finance department shall inform the Board office immediately so as to determine the appropriate actions to be taken;
- (6) the Board office and relevant departments in each subsidiary of the Company has a designated person to record the entering into of continuing connected transactions into the office automation system of the Company;
- (7) the finance department will monitor and disclose the continuing connected transactions by reviewing the minutes of important meetings as well as accounting records to identify if the Group has any undisclosed connected transactions;
- (8) the Board office will also check the terms and implementation status of the Group's policies and requirements related to continuing connected transactions from time to time, including the identification of connected persons and their procedures for dealing with continuing connected transactions; and

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- (9) the finance department will carry out annual and semi-annual assessments of the continuing connected transactions conducted by the Group for each financial year, the content of which includes whether the price terms are fair and reasonable and the usage of annual cap, and report to the Board. One of the assessment objectives is to ensure that the continuing connected transactions are carried out at arm's length and the terms are comparable to those with Independent Third Parties.

Furthermore, pursuant to Chapter 14A of the Listing Rules:

- (1) the independent non-executive Directors shall, on an annual basis, review the transactions contemplated under the Software Products and Services Framework Agreement and confirm such transactions have been entered into according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (2) the external auditors of the Group shall, on an annual basis, report on the transactions contemplated under the Software Products and Services Framework Agreement and confirm whether anything has come to their attention that causes them to believe such transactions were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions.

We have obtained and reviewed the internal control policy, the “AsiaInfo Technologies’ Quotation and Business Response Approval Procedure” and the “AsiaInfo Technologies’ Agreement Execution and Management Procedure”, and noted that in preparing price quotation to its customers, the Group will consider the location, nature, complexity and technical specification requirements of the relevant projects or services to be provided as well as costs and the prevailing market prices. Generally, the same quotation process will be adopted for all customers but for transactions with connected persons, additional measures and approvals are required to be carried out in accordance with the internal control policy. We noted that such internal control procedures include assigning specific responsibilities to various designated departments of the Group in performing regular review and cross-checking in order to ensure that the transactions contemplated under the Software Products and Services Framework Agreement will be conducted in accordance with the Software Products and Services Framework Agreement and the terms offered to the relevant connected persons are no more favourable than the terms offered to Independent Third Parties for similar products and services, with review and approval by management and measures to monitor the transaction amounts under the Software Products and Services Framework Agreement to ensure the Annual Caps will not be exceeded. In addition, the Company will comply with the relevant annual review requirements under Chapter 14A of the Listing Rules on an on-going basis.

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Furthermore, when determining the prices to be charged for products and/or services under the Software Products and Services Framework Agreement, the Group will compare similar transactions or quotations for similar type and specification of products and/or services with Independent Third Parties. We consider that such requirement would allow the Group to obtain the then prevailing market prices of the products and/or services in comparing the prices to be offered under the Software Products and Services Framework Agreement. In addition, we note from the principal terms of the Software Products and Services Framework Agreement that the members of the Group and members of the China Mobile Group will, from time to time during the term of the Software Products and Services Framework 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 terms of the Software Products and Services Framework Agreement.

Having considered the above, we concur with the view of the Directors that the above are effective procedures to ensure that the continuing connected transactions will be conducted in accordance with the Software Products and Services Framework Agreement and on terms no more favourable to the connected person than terms offered to Independent Third Parties.

As such, we are of the view that the terms of the Software Products and Services Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

5. Annual Caps

As stated in the Letter from the Board, the aggregate products and services fees paid by the China Mobile Group to the Group for transactions contemplated under the Software Products and Services Framework Agreement for the three years ended 31 December 2019 were as follows:

	For the financial year ending 31 December		
	2017	2018	2019
	<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
	<i>(approximate)</i>	<i>(approximate)</i>	<i>(approximate)</i>
Products and services fees paid by the China Mobile Group to the Group	2,668.8	2,934.9	3,351.4

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The proposed Annual Caps in respect of the transactions contemplated under the Software Products and Services Framework Agreement for the three years ending 31 December 2022 (the “**Relevant Period**”) are as follows:

	For the financial year ending 31 December		
	2020	2021	2022
	RMB (million)	RMB (million)	RMB (million)
Proposed Annual Caps for products and services fees payable by the China Mobile Group to the Group	4,210.0	4,840.0	5,730.0

As stated in the Letter from the Board, the Annual Caps were determined with reference to: (i) the historical amounts of the relevant transactions between the Group and the China Mobile Group; (ii) the continuing growth of the investment in software products and services in the telecom industry in the wake of the 5G era in 2020 and the coming years and the Group’s leading position in the operators’ market with high customer recognition as well as strong technical capability and in-depth understanding on the operating environment and key areas of its customers’ business; (iii) the anticipated need and demand of the Group’s software products and services from the China Mobile Group as a result of its extensive deployment of 5G; (iv) further synergies and strategic cooperation between the Group and the China Mobile Group as a result of the Subscription; and (v) the inclusion of a buffer to cater for the development plan of, and any unexpected increase in demand from, the China Mobile Group. In order to assess the fairness and reasonableness of the Annual Caps, we have discussed with the Management on the bases and assumptions underlying the determination of the Annual Caps and were given to understand that the Management has taken into account the major factors as bases of determination of the Annual Caps of which details are set out as below:

(i) Historical amounts and the expected growth and technological development of the telecom software products and services market

As illustrated in the table above, the historical amounts of products and services fees paid by China Mobile Group (the “**Historical Amounts**”) to the Group increased from RMB2,668.8 million in 2017 to RMB3,351.4 million in 2019, representing a compound annual growth rate (“**CAGR**”) of approximately 12.1%, with the year-on-year increase from 2018 to 2019 being approximately 14.2%. The proposed Annual Caps during the Relevant Period represent a CAGR of approximately 16.7%. We note that the products and services fees paid by China Mobile Group to the Group in 2019 represents approximately 79.6% of the proposed Annual Cap for 2020.

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We have obtained from the Management the computation of the Annual Caps and noted that in determining the Annual Caps, the Management has considered the development of its key business sectors which include (i) software products and related services for the provision of business support system including 5G system transformation, upgrading and corporate cloud services to the China Mobile Group, which is estimated at a CAGR of 10% during the Relevant Period based on the historical growth rate of the Historical Amounts from 2017 to 2019; (ii) operating support system in assisting the China Mobile Group to accelerate the development of the ability to support the operation in the network integration which is estimated based on the Group's expansion plan after achieving commercialised collaboration pilot works in 2019; (iii) data-driven operation in the digitalisation, utilisation and innovative application of operation data, artificial intelligence and other new technologies, which is estimated based on the Group's expansion plan; and (iv) other services which include business consulting services, system integration services, corporate trainings and procurement and sale of third-party hardware and software, which is estimated at approximately 4% to 5% of the Annual Caps during the Relevant Period.

In reviewing the above, we noted that (i) the Historical Amounts for software products and related services for the provision of business support system increased at a CAGR of approximately 10% from 2017 to 2019 with the year-on-year increase of approximately 11.8% from 2018 to 2019, being the year of official commercialisation of 5G. Considering that the China Mobile Group was granted the 5G license in June 2019 and since then had begun to extensively deploy its 5G development, we consider the estimated growth rate of 10% based on the historical growth of the Historical Amounts adopted by the Management is reasonable; (ii) for the operating support system business sector, we noted that during 2019, the Company carried out collaboration on 5G operating support system with the three major operators, including the China Mobile Group, their provincial companies and research and development organizations and achieved 17 commercialised collaboration pilot works during the year 2019. We have also reviewed the expansion plan provided by the Management and noted that the relevant amounts are estimated based on the number of potential provincial branches and specialised companies of the China Mobile Group which the Group plans to provide products and services during the Relevant Period; (iii) for the data-driven operation, we noted that the business sector has shown rapid growth in 2019 with the relevant revenue from the China Mobile Group increased by approximately 95.7% from the previous year. We have also reviewed the expansion plan provided by the Management and noted that the relevant amounts are estimated based on the number of potential provincial branches and specialised companies of the China Mobile Group which the Group plans to provide products and services during the Relevant Period; and (iv) for the other services, we noted that the relevant amounts for this sector represent approximately 4% to 5% to the proposed Annual Caps during the Relevant Period, which is in line with the Historical Amounts for such sector ranging from 4% to 6% of the aggregate products and services fees from the China Mobile Group during 2017 to 2019.

In addition, we noted the development of the Group's business from the 2019 Annual Results that, with the official commercialisation of 5G in 2019, the telecom industry had fully ignited a new round of investment, upgrading and construction of the new-generation network system. The three major operators in China had steadily promoted 5G business support, IT system transformation and upgrading, 5G intelligent operation, mobile number portability and other upgrading and transformation as required under various policies. During 2019, the Company actively followed the 5G and IT support strategies of operators and participated in relevant top-level planning of customers on 5G business and IT support, thereby further consolidating its leading position. According to the 2019 Annual Results, as of 31 December 2019, the Company provided services to 247 telecom operator customers, including the headquarters, provincial, municipal and specialised companies and joint ventures of China Mobile, China Unicom and China Telecom, representing an increase of 33 or 15.4% as compared to 2018. In addition, the Company had been actively exploring and rolling out new business initiatives and services. During 2019, the Company carried out collaboration on 5G operating support system with the three major operators, their provincial companies and research and development organizations and achieved 17 commercialised collaboration pilot works in the first year. In 2019, the Company further explored and developed its data-driven operation business with telecom operators as well as other industries including the government, finance, transportation, and media sectors and achieved a year-on-year increase in revenue of approximately 83.9%. Furthermore, during 2019, the Company entered into strategic cooperation agreements with China Mobile Group and China Unicom IoT Co., Ltd., and entered into contracts with China Telecom Group, to jointly promote the development of 5G technology and provide more diversified and multi-layered communication and information infrastructure and digitalised services. It has become a core partner of Alibaba Cloud and Huawei Cloud, and entered into a strategic cooperation agreement with China Mobile Cloud Centre, to jointly provide enterprise customers with rapid, reliable and customised cloud services and facilitate the building of cloud ecosystem. As discussed with the Management, they expect that the investments in the telecommunication sector will continue to grow in the wake of the 5G new era and believe that the Company, having a solid leading position in the operators' market with high customer recognition as well as its strong technical capability and in-depth understanding on the operating environment and key areas of its customers' business, is in a favourable position to grasp this opportunity for future growth and development. We note from the 2019 Annual Results, the 2018 annual report of the Company and the prospectus of the Company dated 6 December 2018, that the Company has maintained a retention rate of higher than 99% for their telecom operators and large enterprise customers for five consecutive years.

To further assess the reasonableness of the proposed Annual Caps, we have noted that according to Frost & Sullivan, a global research and consulting firm with more than 50 years of industry expertise, the telecom software products and related services market in China grew at a CAGR of approximately 8.9% from 2017 to 2019. It is expected that the market will experience further accelerated growth which is driven by factors including (i) telecom operators' increased investment in the development of the 5G networks, as encouraged by new government policies (such as the Notice on the 3-Year Action Plan of Expanding and Upgrading of Information Consumption (2018–2020) 《擴大和升級信息消費三年行動計劃(2018–2020年)》 released by the Ministry of Industry and Information Technology (MIIT) and the National Development and Reform Commission (NDRC); (ii) Chinese telecom operators will continue to expand their business and conduct system upgrades and expansions to keep abreast of new technology trends; and (iii) to cater to each enterprise's specific business model and customer needs, tailored operation and integration services are becoming increasingly favored by Chinese telecom operators. As a result, the market size of China's telecom software product and related services market by revenue is estimated to reach RMB30.5 billion by 2022, representing a CAGR of approximately 12.3% during the Relevant Period.

Based on the higher CAGR of the Group's historical transactions with China Mobile Group of approximately 12.1% from 2017 to 2019 as compared to that of the general market of approximately 8.9%, we consider that it is reasonable for the Management to adopt a higher growth rate of 16.7% than that of the general market in determining the proposed Annual Caps.

(ii) Anticipated demand of the Group's software products and services from the China Mobile Group

We noted from China Mobile's 2019 annual report that since it was granted the 5G license in June 2019, it had sped up the development of 5G and the implementation of its "5G+" plan by formulating well-coordinated development of 5G and 4G. It had constructed and begun operating more than 50,000 5G base stations and launched 5G commercial services in 50 cities. Furthermore, it assimilated emerging technologies such as artificial intelligence, IoT (Internet of Things), cloud computing, big data and edge computing into 5G (5G+AICDE) and developed more than 200 critical capabilities, while making breakthroughs in over 100 5G joint projects. The China Mobile Group had also led 61 key projects in relation to 5G international standards settings and owned more than 2,000 5G patents. It planned to continue to speed up technology, network, application, operations and ecosystem upgrades, accelerate industry transformation by converging technologies, integrate data to strengthen information transmission in society, and introduce digitised management to build the foundation for digital society development. The Management expects that the extensive deployment of 5G by the China Mobile Group will require vast amount of support and services from service providers such as the Group.

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As mentioned above, the Group has begun its collaboration with the China Mobile Group since 1990s and has developed insights into its business and operational needs over the years. It is expected that the Subscription will facilitate long-term cooperation between both parties in strategic aspect, to fully leverage on the advantages of market-oriented mechanism operations of the Company, and to jointly explore development opportunities in face with new strategic areas. With further cooperation in terms of 5G network intelligent operation, data-driven operation, vertical industry and corporate cloudification, both parties will offer customers from various industries with richer and multi-dimensional communication, information infrastructures and digital services. By fostering the integration and innovation as well as rapid development of the information and communication industries in the PRC, both parties will create new deployment for industry development while bringing new momentum to society transformation and innovative development.

Based on the above, we agree with the Management that there will be more in-depth cooperation between the Group and the China Mobile Group as a result of the Subscription which will in turn give rise to further increase in demand for the Group's products and services by the China Mobile Group.

Moreover, the Management considers that it would be in the interest of the Group to provide sufficient buffer when determining the Annual Caps, so as to cater for the development plans of and any unexpected increase in demand from the China Mobile Group, where the magnitude of which cannot be ascertained at the moment. Given that the development of 5G is undergoing an accelerating pace and the related investment, upgrading and construction is anticipated to further increase, the Management considers that it is possible that the Group may require and utilise a higher percentage of the Annual Caps.

Having considered the factors stated above and in particular: (i) the reasons for and benefits of entering into the Software Products and Services Framework Agreement; (ii) the historical amounts and the expected growth and technological development of the telecom software products and services market; and (iii) the anticipated demand of the Group's software products and services from the China Mobile Group, we concur with the Director's view that the Annual Caps and the major factors considered as the bases of determining the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

However, the Shareholders should note that as the Annual Caps are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2022, they do not represent forecasts of revenue to be generated from the operations of the Group. Consequently, we express no opinion as to how closely the actual future transacted amounts of the transactions contemplated under the Software Products and Services Framework Agreement will correspond with the relevant Annual Caps.

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RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the opinion that (i) the entering into of the Software Products and Services Framework Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Software Products and Services Framework Agreement (including the Annual Caps) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the EGM to approve the Software Products and Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,
For and on behalf of
Opus Capital Limited
Fok Wai Shun, Wilson
Managing Director

Mr. Fok Wai Shun, Wilson is a Managing Director of Opus Capital Limited and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Fok has over 15 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm to the best of their knowledge and belief that the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

a) Directors' and chief executives' interests and short positions in Shares, underlying Shares or Debentures

At the Latest Practicable Date, the interests and short positions of the Directors or the chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them had taken or was deemed to have taken under the provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director/ chief executive	Nature of interest ¹	Number of Shares	Percentage of total number of Shares in issue ²
Dr. TIAN Suning ³	Beneficial owner (L)	42,961,400	5.89%
	Interest in controlled corporation (L)	39,442,000	5.41%
	Interest in controlled corporation (L)	20,302,368	2.78%
	Interest in controlled corporation (L)	31,209,360	4.28%
Mr. DING Jian ⁴	Beneficial owner (L)	11,516,704	1.58%
	Interest in controlled corporation (L)	1,198,440	0.16%
Mr. GAO Nianshu ⁵	Beneficial owner (L)	4,547,768	0.62%
	Beneficiary of a trust (L)	4,395,448	0.60%
Mr. ZHANG Yichen ⁶	Interest in controlled corporation (L)	213,924,952	29.34%

Notes:

1. (L) — Long position; (S) — Short position.
2. The percentage represents the number of the shares interested divided by the total number of the issued Shares as at the Latest Practicable Date of 729,135,572.
3. Dr. TIAN is the sole shareholder of Info Addition Limited which in turn is a general partner of Info Addition Capital Limited Partnership. As such, Dr. TIAN is deemed to be interested in the 20,302,368 shares in which Info Addition Capital Limited Partnership is interested. Dr. TIAN indirectly has full control over CBC Partners II L.P. which is the general partner of China Broadband Capital Partners II, L.P. which in turn is the sole shareholder of CBC TMT III Limited. Therefore, Dr. TIAN is deemed to be interested in the 31,209,360 shares in which CBC TMT III Limited is interested. PacificInfo Limited is wholly owned by Dr. TIAN and therefore Dr. TIAN is deemed to be interested in the 39,442,000 shares in which PacificInfo Limited is interested.
4. New Media China Investment I Limited is wholly owned by Mr. DING and therefore Mr. DING is deemed to be interested in the 1,198,440 shares in which New Media China Investment I Limited is interested.
5. These interests comprise (i) 4,547,768 shares; (ii) 596,792 underlying shares in respect of the outstanding restricted stock units granted to Mr. GAO under the pre-IPO restricted share award scheme; and (iii) 3,798,656 underlying shares in respect of the outstanding share options granted to Mr. GAO under the pre-IPO share option scheme. 4,395,448 underlying shares of the above interests were held by AsiaInfo Technologies Trust on trust for Mr. GAO, who is one of the beneficiaries of AsiaInfo Technologies Trust.
6. Each of Power Joy (Cayman) Limited (as the controlling shareholder of Skipper Investment Limited), CITIC Capital China Partners II L.P. (as the sole shareholder of Power Joy (Cayman) Limited), CCP II GP, Ltd. (as the general partner of CITIC Capital China Partners II L.P.), CCP LTD (as the general partner of CCP II GP, Ltd. and as the shareholder of CCP II Advisory Ltd.), CITIC Capital Partners Limited (as the sole shareholder of CCP LTD), CITIC Capital Holdings Limited and CP Management Holdings Limited (which hold 51% and 49% shareholding of CITIC Capital Partners Limited, respectively) and Mr. ZHANG Yichen (as the sole shareholder of CP Management Holdings Limited) is deemed or taken to be interested in all the shares which are beneficially owned by Skipper Investment Limited for the purpose of Part XV of the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

b) Substantial Shareholders' interest in the Company

As at the Latest Practicable Date, according to the register of interests kept by the Company under Section 336 of the SFO, and so far as was known to the Directors or chief executives of the Company, the following persons, other than Directors or chief executives of the Company, had an interest or short position in the Shares which would require to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of any class of issued Share carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholders	Nature of interest⁷	Number of Shares	Percentage of total number of Shares in issue⁸
Skipper Investment Limited ⁹	Beneficial owner (L)	213,924,952	29.34%
Power Joy (Cayman) Limited ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CITIC Capital China Partners II L.P. ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CCP II GP, Ltd. ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CCP II Advisory Ltd. ⁹	Investment manager (L)	213,924,952	29.34%
CCP LTD ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CITIC Capital Partners Limited ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CITIC Capital Holdings Limited ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CP Management Holdings Limited ⁹	Interest in controlled corporation (L)	213,924,952	29.34%
CA Software Investment Limited ¹⁰	Beneficial owner (L)	62,418,728	8.56%
CPEChina Fund, L.P. ¹⁰	Interest in controlled corporation (L)	62,418,728	8.56%
CITIC PE Associates, L.P. ¹⁰	Interest in controlled corporation (L)	62,418,728	8.56%

Name of Shareholders	Nature of interest ⁷	Number of Shares	Percentage of total number of Shares in issue ⁸
CITIC PE Funds Limited ¹⁰	Interest in controlled corporation (L)	62,418,728	8.56%
CITICPE Holdings Limited ¹⁰	Interest in controlled corporation (L)	62,418,728	8.56%
Noble (Nominees) Limited ¹¹	Custodian (L)	50,975,476	6.99%
The Core Trust Company Limited ¹¹	Custodian (L)	50,975,476	6.99%
Ellington Investments Pte. Ltd. ¹²	Beneficial owner (L)	52,015,608	7.13%
Bartley Investments Pte. Ltd. ¹²	Interest in controlled corporation (L)	52,015,608	7.13%
Tembusu Capital Pte. Ltd ¹²	Interest in controlled corporation (L)	52,015,608	7.13%
Temasek Holdings (Private) Limited ¹²	Interest in controlled corporation (L)	52,015,608	7.13%
Al Gharrafa Investment Company ¹³	Beneficial owner (L)	52,015,608	7.13%
Qatar Holding LLC ¹³	Interest in controlled corporation (L)	52,015,608	7.13%
Qatar Investment Authority ¹³	Interest in controlled corporation (L)	52,015,608	7.13%
InnoValue Capital Ltd. ¹⁴	Beneficial owner (L)	52,015,608	7.13%
Ms. LIU Tzu-Lien ¹⁴	Interest in controlled corporation (L)	52,015,608	7.13%
China Mobile (Hong Kong) Group Limited ¹⁵	Interest in controlled corporation (L)	182,259,893	25.00%
China Mobile Communications Group Co., Ltd. ¹⁵	Interest in controlled corporation (L)	182,259,893	25.00%

Name of Shareholders	Nature of interest ⁷	Number of Shares	Percentage of total number of Shares in issue ⁸
China Mobile Hong Kong (BVI) Limited ¹⁵	Interest in controlled corporation (L)	182,259,893	25.00%
China Mobile Limited ¹⁵	Interest in controlled corporation (L)	182,259,893	25.00%

Notes:

7. (L) — Long position; (S) — Short position.
8. The percentage represents the number of the shares interested divided by the total number of the issued Shares as at the Latest Practicable Date of 729,135,572.
9. Each of Power Joy (Cayman) Limited (as the controlling shareholder of Skipper Investment Limited), CITIC Capital China Partners II L.P. (as the sole shareholder of Power Joy (Cayman) Limited), CCP II GP, Ltd. (as the general partner of CITIC Capital China Partners II L.P.), CCP LTD (as the general partner of CCP II GP, Ltd. and as the shareholder of CCP II Advisory Ltd.), CITIC Capital Partners Limited (as the sole shareholder of CCP LTD), CITIC Capital Holdings Limited and CP Management Holdings Limited (which hold 51% and 49% shareholding of CITIC Capital Partners Limited, respectively) and Mr. ZHANG Yichen (as the sole shareholder of CP Management Holdings Limited) is deemed or taken to be interested in all the shares which are beneficially owned by Skipper Investment Limited for the purpose of Part XV of the SFO.
10. Each of CPEChina Fund, L.P. (as the sole shareholder of CA Software Investment Limited), CITIC PE Associates, L.P. (as the general partner of CPEChina Fund, L.P.), CITIC PE Funds Limited (as the general partner of CITIC PE Associates, L.P.) and CITICPE Holdings Limited (as the controlling shareholder of CITIC PE Funds Limited) is deemed or taken to be interested in all the shares which are beneficially owned by CA Software Investment Limited for the purpose of Part XV of the SFO.
11. Noble (Nominees) Limited is the wholly-owned subsidiary of The Core Trust Company Limited. Such shares are held in the interest of certain participants of the share incentive scheme of the Company.
12. Each of Bartley Investments Pte. Ltd. (as the sole shareholder of Ellington Investments Pte. Ltd.), Tembusu Capital Pte. Ltd. (as the sole shareholder of Bartley Investments Pte. Ltd.) and Temasek Holdings (Private) Limited (as the sole shareholder of Tembusu Capital Pte. Ltd.) is deemed or taken to be interested in all the shares which are beneficially owned by Ellington Investments Pte. Ltd. for the purpose of Part XV of the SFO.
13. Each of Qatar Holding LLC (as the sole shareholder of Al Gharrafa Investment Company) and Qatar Investment Authority (as the sole shareholder of Qatar Holding LLC) is deemed or taken to be interested in all the shares which are beneficially owned by Al Gharrafa Investment Company for the purpose of Part XV of the SFO.
14. Ms. LIU Tzu-Lien (as the sole shareholder of InnoValue Capital Ltd.) is deemed or taken to be interested in all the shares which are beneficially owned by InnoValue Capital Ltd. for the purpose of Part XV of the SFO.

15. Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe for 182,259,893 new Shares (i.e. the Subscription Shares). The Subscriber is wholly owned by China Mobile Limited, which is owned as to 72.72% by China Mobile Hong Kong (BVI) Limited. China Mobile Hong Kong (BVI) Limited is wholly owned by China Mobile (Hong Kong) Group Limited, which is wholly owned by China Mobile Communications Group Co., Ltd. Hence, each of China Mobile (Hong Kong) Group Limited, China Mobile Communications Group Co., Ltd., China Mobile Hong Kong (BVI) Limited and China Mobile Limited is deemed or taken to be interested in the interests so acquired by the Subscriber for the purpose of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the substantial Shareholders had an interest or short position in the Shares which would require to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 5% or more of any class of issued Shares carrying rights to vote in all circumstances at general meetings of the Company.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. MATERIAL INTERESTS

Save as disclosed in the section headed “Directors’ Report — Continuing Connected Transactions” of the 2019 annual report of the Company (pages 88–90), as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group taken as a whole.

5. COMPETING INTERESTS

Apart from the businesses of the Group, Dr. TIAN, the chairman and executive Director of the Company, currently holds interests in the following businesses, which complete or are likely to compete, directly or indirectly, with the Group’s businesses:

Name of Entity Engaging in Such Business	Equity Interest	Summary of Business
AsiaInfo Security Limited	Indirectly held approximately 81.14%	Operation of software products and services related to network security

Name of Entity Engaging in Such Business	Equity Interest	Summary of Business
Nanjing AsiaInfo Rongxin Enterprise Management Center (Limited Partnership) (南京亞信雲互聯網信息科技有限公司)	Indirectly held approximately 70.00%	Operation of software research and development (research and development), sales, product system (platform and cooperation) and other related businesses
Beijing AsiaInfo Data Co., Ltd. (北京亞信數據有限公司)	Indirectly held approximately 3.66% in its controlling shareholder	Engaged in the operation of intellectual property platforms
Beijing Youyou Tianyu System Technology Co., Ltd. (北京友友天宇系統技術有限公司)	Indirectly held approximately 26.52%	Operation of software technology development, data processing and other related business
Beijing Tianyun Rongchuang Software Technology Co., Ltd. (北京天雲融創軟件技術有限公司)	Indirectly held approximately 28.14%	Operation of software technology development business
Tianyun Rongchuang Data Technology (Beijing) Co., Ltd. (天雲融創數據科技(北京)有限公司)	Indirectly held approximately 9.89%	Operation of technology development, application software services and other related businesses

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor their respective close associates (as defined in the Listing Rules) had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the businesses of Group.

6. DIRECTORS' AND EXPERT'S INTEREST IN ASSETS

None of the Directors nor the expert (as named in this circular) had any interest, directly or indirectly, in any asset which has, since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had not been any material adverse change in the financial or trading position of the Company since 31 December 2019, being the date of the latest published audited financial statements of the Company.

8. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. EXPERT AND CONSENT

The followings are the name and the qualifications of the professional adviser who has given opinions or advice which are contained or referred to in this circular:

Name	Qualifications
Opus Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Opus Capital Limited had no beneficial interest in the share of any member of the Group nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group or do not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2019, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group. Opus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which they appear.

10. GENERAL

- a) The company secretary of the Company is Ms. YU Wing Sze of TMF Hong Kong Limited (a company secretarial service provider); and
- b) In the event of any inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text for the purpose of interpretation.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (i.e. from 10:00 a.m. to 4:00 p.m. on Monday to Friday except public holidays) on any Business Day at the principal place of business in Hong Kong of the Company (31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong) from the date of this circular till the date of the EGM:

- a) the Subscription Agreement;
- b) the Software Products and Services Framework Agreement;
- c) the articles of association of the Company;
- d) the “Letter from the Independent Board Committee”, the text of which is set out on pages IBC-1 to IBC-2 of this circular;
- e) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages IFA-1 to IFA-18 of this circular;
- f) the written consent referred to in the paragraph headed “9. Expert and Consent” of this appendix;
- g) the annual reports of the Company for the years ended 31 December 2018 and 2019; and
- h) this circular.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of the shareholders of AsiaInfo Technologies Limited (the “Company”) will be held at AsiaInfo Plaza, Dong Qu, 10 Xibeiwang Dong Lu, Haidian District, Beijing, PRC on Thursday, 18 June 2020 at 10:00 a.m. for the following purpose:

To consider and if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the 182,259,893 new shares of the Company (the “**Subscription Shares**”) to be allotted and issued by the Company pursuant to the subscription agreement (the “**Subscription Agreement**”) dated 14 April 2020 entered into between the Company as issuer and China Mobile International Holdings Limited as subscriber (the “**Subscriber**”):
 - (a) the Subscription Agreement (a copy of which has been produced to the EGM marked exhibit “A” and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
 - (b) the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to allot and issue the Subscription Shares to the Subscriber credited or fully paid pursuant to the Subscription Agreement;
 - (c) subject to the fulfilment (or waiver as the case may be) of the conditions set out in the Subscription Agreement, the allotment and issuance of the Subscription Shares pursuant to and in accordance with the terms and conditions of the Subscription Agreement be and are hereby approved; and
 - (d) any Director(s) be and is/are hereby authorised, for and on behalf of the Company, to enter into any agreement, deed or instrument and/or to execute and deliver all such documents and/or do all such acts on behalf of the

NOTICE OF EXTRAORDINARY GENERAL MEETING

Company as he may consider necessary, desirable or expedient for the purpose of, or in connection with (i) the Subscription Agreement; and (ii) any amendment, variation or modification of the Subscription Agreement and the transactions contemplated thereunder upon such terms and conditions as the board of Directors (the “**Board**”) may think fit.”

2. “**THAT**, conditional upon completion of the Subscription Agreement:
- (a) the Software Products and Services Framework Agreement dated 20 April 2020 entered into between the Company and China Mobile Communication Co., Ltd. (the “**Software Products and Services Framework Agreement**”), a copy of which has been produced to the EGM marked exhibit “B” and signed by the chairman of the EGM for identification purpose) and the annual caps for the continuing connected transactions contemplated thereunder for the period from completion of the Subscription Agreement to 31 December 2022, be and are hereby approved, confirmed and ratified; and
 - (b) any Director(s) be and is/are hereby authorised, for and on behalf of the Company, to enter into any agreement, deed or instrument and/or to execute and deliver all such documents and/or do all such acts on behalf of the Company as he may consider necessary, desirable or expedient for the purpose of, or in connection with (i) the Software Products and Services Framework Agreement; and (ii) any amendment, variation or modification of the Software Products and Services Framework Agreement and the transactions contemplated thereunder upon such terms and conditions as the Board may think fit.”

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

Hong Kong, 28 May 2020

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (ii) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iii) In order to be valid, the completed form of proxy, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such

NOTICE OF EXTRAORDINARY GENERAL MEETING

certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

- (iv) The register of members of the Company will be closed from 15 June 2020 to 18 June 2020, both days inclusive, in order to determine the eligibility of shareholders to attend the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 12 June 2020.
- (v) Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolutions set out in this notice will be taken by poll at the above meeting.
- (vi) If any shareholders have any particular access request or special needs for participating in the above meeting, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (telephone: +852 2862 8555) on or before 18 June 2020.

As at the date of this notice, 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.