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AsiaInfo Technologies Limited

亞信科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1675)

CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 29 December 2020, 10 December 2024 and 24 December 2024 in relation to, among other things, the continuing connected transactions between the Company and AsiaInfo Security.

CONTINUING CONNECTED TRANSACTIONS

The Group, in its ordinary and usual course of business, has provided technological services and products and personnel support to the AsiaInfo Security Group, to generate income. The Group has also, in its ordinary and usual course of business, received technological services and products, in particular, those relating to network security, from the AsiaInfo Security Group. Hence, the transactions contemplated under the CCT Agreements are recurring in nature and also occur on a regular and continuing basis in the ordinary and usual course of business of the Group. The Company and AsiaInfo Security are both committed to strengthening their strategic cooperation in the areas of “cloud, network, security” across various sectors for mutual business expansion.

On 10 March 2025, the Company entered into the CCT Agreements with AsiaInfo Security to continue to regulate the said recurring transactions.

IMPLICATIONS UNDER THE LISTING RULES

AsiaInfo Security is a company ultimately beneficially controlled by Dr. TIAN (the founder, chairman and an executive Director of the Company), and thus is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. The transactions contemplated under the CCT Agreements constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios for the proposed annual caps under each of the CCT Agreements are more than 0.1% but less than 5% on an annual basis, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 10 March 2025, the Company entered into the CCT Agreements with AsiaInfo Security to continue to regulate the said recurring transactions with details as follows:

THE CCT AGREEMENTS

Technological Service Framework Agreement

Date: 10 March 2025

Parties: (1) The Company, as the service provider; and
(2) AsiaInfo Security, as the service recipient.

Term: Three years commencing from 1 January 2025

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

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

Pricing: The fees payable by the AsiaInfo Security Group to the Group under any separate definitive agreements are determined based on an arm's length negotiation between the parties with reference to: (i) the cost of services (including staff costs, material costs and administrative costs) or the cost of products; (ii) prevailing market prices charged by Independent Third Parties for similar services or products; and (iii) the fees charged for the provision of similar services/sale of similar products by the Group to its independent customers. In any event, such fees shall not be lower than the fees charged by the Group to its independent customers for similar products or services.

Payment: The fees shall generally be payable according to the stage of completion of the various projects/products/services to be provided according to the separate definitive agreements entered into between the Group and the AsiaInfo Security Group.

Historical amounts:	Actual transaction amounts (RMB)	Previous annual caps (if any) (RMB)
For the year ended 31 December		
2022	884,000	20,000,000
2023	1,864,000	20,000,000
2024	2,320,000	—
For the two months ended 28 February 2025	0	—

Estimated annual caps: RMB30,000,000, RMB40,000,000 and RMB50,000,000 for each of the years ending 31 December 2025, 2026 and 2027, respectively.

Basis for
determination of
the annual caps:

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

- (i) Digital Intelligence and Private Networks: with the rapid development of the digital economy, new technologies such as 5G private networks, intelligent systems and data elements have become important components of modern quality and productivity. The parties intend to launch a “Digital Intelligence + Security” joint solution for the thriving emerging market from the digital economy. The Group will provide 5G private networks, edge computing, scenario-based intelligent operation systems and data services etc. Meanwhile, AsiaInfo Security will provide security protection products covering the “cloud, network, terminals”, as well as delivery and operation services. AsiaInfo Security will promote 5G private networks and other joint solutions for enterprise customers in high-end manufacturing, new energy, electrical power, transportation and other industries, driving the rapid development of the Group’s 5G-related products;
- (ii) Large Model Delivery: since 2024, large enterprises have increasingly recognised the value of development of the large model business, and the demand for the privatisation of industry deployment and application has increased rapidly. At the present time, AsiaInfo Security and the Company have jointly launched a large model solution for enterprise customers for the secure deployment and application of large models to unlock the value of AI. The Group is a leading enterprise in the private deployment and delivery of large models in the industry, providing planning and implementation of delivery solutions for application scenarios in different industries. AsiaInfo Security is a leader in the field of network security, providing comprehensive security protection capabilities revolving around large models at the infrastructure, model, tool and AI application levels, as well as evaluation and security professional services. AsiaInfo Security will promote large model joint solutions for enterprise customers in finance, energy, electrical power and intelligent manufacturing, to drive the rapid growth of the Group’s large model delivery business, hence the Group has set a higher annual cap to capitalise on such emerging business opportunities;

- (iii) Pipeline Projects: despite that the parties have suspended transactions contemplated under the Technological Service Framework Agreement prior to the issue of this announcement, the resumption of transactions after this announcement is expected to quickly ramp up as the pipeline projects of the AsiaInfo Security Group which might require technological services and products from the Group have already reached an estimated amount of approximately RMB10,000,000; and
- (iv) Normal Growth: the annual cap will increase by RMB10,000,000 each year i.e. RMB40,000,000 for 2026 and RMB50,000,000 for 2027, to accommodate for the normal year-on-year business growth and the rising staff costs, material costs and administrative costs due to inflation.

Technological Security Service Framework Agreement

- Date: 10 March 2025
- Parties: (1) AsiaInfo Security, as the service provider; and
(2) the Company, as the service recipient.
- Term: Three years commencing from 1 January 2025
- Subject matter: The provision of (i) professional technical staff to support projects undertaken by the Group; and (ii) certain network security services and products by the AsiaInfo Security Group to the Group.
- Definitive agreement: The Group and the AsiaInfo Security Group will, from time to time, during the term of the agreement enter into separate definitive agreements in respect of the transactions contemplated thereunder which shall always be in compliance with the requirements under the Listing Rules and the Technological Security Service Framework Agreement.

Pricing: The fees payable by the Group to the AsiaInfo Security Group under any separate definitive agreements are determined based on an arm's length negotiation between the parties with reference to: (i) the cost of services (including staff costs, material costs and administrative costs) or the cost of products; (ii) prevailing market prices charged by Independent Third Parties for the provision of similar products or services; and (iii) the fees charged for the provision of similar services/sale of similar products by the AsiaInfo Security Group to its independent customers. In any event, such fees shall not be higher than the fees charged by the AsiaInfo Security Group to its independent customers for similar products or services.

Payment: The fees shall generally be payable according to the stage of completion of the various kinds of projects/products/services to be provided according to the separate definitive agreements entered into between the Group and the AsiaInfo Security Group. The service fees payable under the Technological Security Service Framework Agreement shall be funded by the Group's internal resources.

Historical amounts:

For the year ended 31 December	Actual transaction amounts (RMB)	Previous annual caps (RMB)
2022	2,359,000	15,000,000
2023	158,000	15,000,000
2024	6,008,000	15,850,000
For the two months ended 28 February 2025	0	—

Estimated annual caps: RMB60,000,000, RMB70,000,000 and RMB80,000,000 for each of the years ending 31 December 2025, 2026 and 2027, respectively.

Basis for the determination of the annual caps: The Company has set the annual cap of RMB60,000,000 for the year ending 31 December 2025 with reference to approximately 1.0% of the Group's revenue for the year ended 31 December 2024 (i.e RMB6,646 million). This cap further increases by an additional RMB10,000,000 each year, resulting in RMB70,000,000 for 2026 and RMB80,000,000 for 2027, to accommodate for the normal year-over-year business growth and the rising staff costs, material costs and administrative costs due to inflation.

The Company's substantial increase in the above annual caps was made after taking into account the following factors:

- (i) Operator "Business + Security": the Group has been deeply rooted in the telecommunications market for 30 years, establishing itself as a leading provider of software products, solutions, services and digital intelligence full-stack capabilities in this field, of which the BSS and OSS businesses serve as critical information systems for operators, supporting customer service, operation management and network operation and maintenance. These systems can be integrated with network security products and services of AsiaInfo Security, including cloud security, terminal security, identity security, security management, secure big data centers etc., forming a joint solution for the deep integration of business operation with security measures. Based on the Group's current business and needs, this integration will lead to rapid growth in the Group's demand for AsiaInfo Security's security products and services;
- (ii) Large Model Security and Network Security: with the rapid development of the digital economy, new technologies and new production elements represented by large models, 5G private networks, intelligent systems and data elements have become important components of modern quality and productivity. The parties intend to launch joint solutions, including large models and "Digital Intelligence + Security". The Company will provide the large models deployment, 5G private networks, intelligent operation systems etc., while AsiaInfo Security will provide security protection products covering "cloud, network, terminals", along with delivery and operation services. The Group will promote these joint solutions such as large models, 5G private networks and intelligent operations for enterprise customers in sectors like finance, government affairs and new energy. This initiative is expected to drive a rapid growth in the Group's demand for AsiaInfo Security's related products and services;

- (iii) Growth Trend: in 2024, there was a significant surge in customer orders for products and services requiring network security services, resulting in the historical transaction amount for 2024 significantly increasing by approximately 38 times as compared to 2023, and the demand is expected to continue. The Group will continue increasing its investment in network security and strengthen its cooperation with AsiaInfo Security in this aspect; and
- (iv) Pipeline Projects: despite that the parties have suspended transactions contemplated under the Technological Security Service Framework Agreement prior to the issue of this announcement, the resumption of transactions after this announcement is expected to quickly ramp up to align with the historical growth rate as the pipeline projects of the Group which might require security services and products from the AsiaInfo Security Group have already reached an estimated amount of approximately RMB20,000,000.

INTERNAL CONTROL MEASURES

The Group has established internal control measures for reporting and monitoring on continuing connected transactions (including transactions contemplated under the CCT Agreements) and adopted the same quotation and price determination process applicable to all customers/suppliers (including connected persons and Independent Third Parties). For details of the prevailing internal management systems and procedures for connected transactions, please refer to pages 10–12 of the circular of the Company dated 29 November 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1128/2022112800371.pdf>).

The independent non-executive Directors and the auditor of the Company will be provided on a regular basis with (i) the CCT Agreements; (ii) agreements entered into between the Group and Independent Third Parties for comparable technological services or products; and (iii) fees charged against Independent Third Parties for the provision of similar services or products by the Group (or the AsiaInfo Security Group) or fees paid by the Group (or the AsiaInfo Security Group) to Independent Third Parties for the purchase of similar services or products for review and comparison purposes. The independent non-executive Directors will also review and compare the relevant payment terms and payment methods under these agreements to ensure that the transactions contemplated under the CCT Agreements are conducted on normal commercial terms. The auditor of the Company will review and confirm that the transactions contemplated under the CCT Agreements are conducted in accordance with the terms of the CCT Agreements.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE CCT AGREEMENTS

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

As a leader in China's network security software field, AsiaInfo Security is a network security company that "understand the network, understand the cloud" with its main business of providing network security products and services to government and enterprise customers, and its customers are widely distributed in key information infrastructure industries such as operators, finance, government affairs, manufacturing, energy, healthcare, and transportation.

The Group, in its ordinary and usual course of business, has provided technological services and products and personnel support to the AsiaInfo Security Group, to generate income. The Group has also, in its ordinary and usual course of business, received technological services and products, in particular, those relating to the network security, from the AsiaInfo Security Group. Hence, the transactions contemplated under the CCT Agreements are of a recurring nature and also occur on a regular and continuing basis in the ordinary and usual course of business of the Group. Additionally, as mentioned above, the Company and AsiaInfo Security are committed to strengthening their strategic cooperation in "cloud, network, security" across different areas and actively enhancing their integrated capabilities in digital intelligence and security. By combining the Company's extensive experience in large model products and AsiaInfo Security's technical strength in the field of network security, the Company aims to enhance the innovation of large model applications in different areas and capture such emerging business opportunities for their mutual business expansion.

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

IMPLICATION UNDER LISTING RULES

AsiaInfo Security is a company ultimately controlled and beneficially owned as to approximately 51.38% by Dr. TIAN (the founder, chairman and an executive Director of the Company), and thus is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. The transactions contemplated under the CCT Agreements constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios for the proposed annual caps under each of the CCT Agreements are more than 0.1% but less than 5% on an annual basis, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Transactions (if any) under each of the CCT Agreements which took place since 1 January 2025 and prior to the date of this announcement represented de minimis transactions under Rule 14A.76 of the Listing Rules.

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

DEFINITIONS

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

“AsiaInfo Security”	AsiaInfo Security Technology Limited (亞信安全科技股份有限公司) (whose shares are listed on the Shanghai Stock Exchange, stock code: 688225), a substantial shareholder of the Company, was incorporated in the PRC on 25 November 2014 with limited liability. As at the date of this announcement, it was ultimately controlled and beneficially owned as to approximately 51.38% by Dr. TIAN
“AsiaInfo Security Group”	AsiaInfo Security and its subsidiaries
“Board”	the board of Directors of the Company

“BSS”	business support systems, used for the management of customer information, customer business and service processes and customer related services and resources, often used together with OSS to form end-to-end comprehensive business and operation management systems for the telecommunications industry
“Company”	AsiaInfo Technologies Limited (亞信科技控股有限公司), an international business company incorporated in the British Virgin Islands on 15 July 2003, whose shares are listed on the Stock Exchange (stock code: 1675)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CCT Agreements”	collectively, the Technological Security Service Framework Agreement and Technological Service Framework Agreement
“Director(s)”	the director(s) of the Company
“Dr. TIAN”	Dr. TIAN Suning (田溯寧博士), the founder, chairman and an executive Director of the Company
“Group”	the Company and its subsidiaries
“Independent Third Parties”	third party(ies) independent of and not connected with the Company and any of its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OSS”	operations support systems, a collective term for the software solutions telecom operators use to support their network operations, often used together with BSS to support various end-to-end telecommunications services
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Technological Security Service Framework Agreement”	the technological security service framework agreement dated 10 March 2025 entered into between the Company and AsiaInfo Security in relation to the provision of (i) professional technical staff to support projects undertaken by the Group; and (ii) certain network security services and products by the AsiaInfo Security Group to the Group

“Technological Service Framework Agreement”	the technological service framework agreement dated 10 March 2025 entered into between the Company and AsiaInfo Security in relation to the provision of (i) professional technical staff to support the projects undertaken by the AsiaInfo Security Group; and (ii) certain technological services and products by the Group to the AsiaInfo Security Group
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three New business”	consists of digital intelligence-driven operation, vertical industries digitisation and OSS business
“%”	per cent

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

Hong Kong, 10 March 2025

As at the date of this announcement, the Board comprises Dr. TIAN Suning, Mr. GAO Nianshu and Mr. KWOK Bernard Chuen Wah as executive Directors; Mr. DING Jian, Mr. HE Zheng, Mr. YANG Lin, Ms. LIU Hong and Mr. E Lixin as non-executive Directors; Dr. ZHANG Ya-Qin, Mr. GE Ming, Ms. TAO Ping and Dr. WANG Lei as independent non-executive Directors.