

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

*This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.*



## **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)**

## **SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

### **THE SUBSCRIPTION AGREEMENT**

On 14 April 2020 (after trading hours), 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 25.0% of the existing total number of issued Shares as at the date of this announcement and 20.0% 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 date of this announcement and the date of Completion.

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

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.

## **EGM**

The Company will convene the EGM 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). A circular containing, among other things, (i) details of the Subscription Agreement and (ii) a notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**As Completion is subject to the satisfaction of the conditions under the Subscription Agreement and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION AGREEMENT**

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

### **Date**

14 April 2020

### **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), and together with its subsidiaries, 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) 25.0% of the existing total number of issued Shares as at the date of this announcement and (ii) 20.0% 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 date of this announcement 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 the prevailing market price of the Shares and the recent market conditions.

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; and
- (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.

## **Ranking**

The Subscription Shares shall be duly authorised and issued as 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 fulfilment 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 Agreement and the date of Completion;
- (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.

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 and time 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 Day after all of the above conditions have been fulfilled (or such other 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**

Upon Completion, the Company undertakes that the Subscriber shall have the right to nominate two (2) non-executive Directors to the Board after Completion. 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.

## **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, 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.

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

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. As a result, the continuous provision of services by the Group to the China Mobile Group will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In order to streamline these continuing connected transactions and facilitate the compliance with relevant requirements under the Listing Rules, the Company will further enter into framework agreement(s) with member(s) of the China Mobile Group and the principal terms and conditions of which will be set out in an announcement to be separately issued by the Company.

## 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 date of this announcement.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on public filings, the shareholding structure of the Company (i) as at the date of this announcement; 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 date of this announcement and prior to Completion) are as follows:

Name of Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
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	20.74	151,178,040	16.59
Subscriber	—	—	182,259,893	20.00
Public Shareholders	<u>363,936,580</u>	<u>49.92</u>	<u>363,936,580</u>	<u>39.94</u>
<b>Total</b>	<u><u>729,039,572</u></u>	<u><u>100.00</u></u>	<u><u>911,299,465</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.), 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.
- Amongst these Shares,
  - 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.

## **EGM**

The EGM will be convened 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).

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.

A circular containing, among other things, (i) details of the Subscription Agreement and (ii) a notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**As Completion is subject to the satisfaction of the conditions under the Subscription Agreement and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**



## DEFINITIONS

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

“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
“China Mobile Group”	China Mobile Limited and its subsidiaries
“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
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened 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)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“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”	the People’s Republic of China and for the sole purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“OSS”	operations support systems

“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
“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.

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

Hong Kong, 14 April 2020

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