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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)

ADOPTION OF SHARE AWARD SCHEME

On 7 January 2020, the Board adopted the Share Award Scheme with immediate effect for the purposes of (i) recognising the contributions and to fully motivate the potential and vitality of talents of the Eligible Persons; and (ii) encouraging the Eligible Persons to continue contributing to the long-term growth and development of the Group.

THE SHARE AWARD SCHEME

On 7 January 2020, the Board adopted the Share Award Scheme which has taken effect immediately. The Share Award Scheme is not a share option scheme and is therefore not subject to the provisions of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms and conditions of the Share Award Scheme:

1. Eligible Persons to the Share Award Scheme

Subject to the criteria and conditions as set out in paragraph 11 below, any core management personnel whom the Board or the Remuneration Committee or their respective delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. However, no individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Remuneration Committee or their respective delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

2. Purposes of the Share Award Scheme

The purposes of the Share Award Scheme are (i) to recognise the contributions and fully motivate the potential and vitality of talents of the Eligible Persons; and (ii) to encourage the Eligible Persons to continue contributing to the long-term growth and development of the Group.

3. Awards

An Award gives a Selected Participant a conditional incentive, when the Award Shares vest, to obtain the Award Shares or, if in the absolute discretion of the Board or the Remuneration Committee or their respective delegate(s), it is not practicable for the Selected Participant to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted to the date the Award vests. For the avoidance of doubt, the Trust Management Committee at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares be paid to the Selected Participant even though the Award Shares have not yet vested.

4. Grant of Award

(a) Making the Grant

The Board or the Remuneration Committee or their respective delegate(s) may, from time to time, at their absolute discretion, grant an Award to a Selected Participant by way of an Award Letter. The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Award Shares to connected persons of the Company.

(b) Restrictions on Grants and Timing of Grants

The Board or the Remuneration Committee or their respective delegate(s) may not grant any Award Shares to any Selected Participant in any of the following circumstances:

- (i) where any applicable requisite approval from any applicable regulatory authorities has not been granted;

- (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Share Award Scheme, unless the Board or the Remuneration Committee or their respective delegate(s) determines otherwise;
- (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (iv) where such grant of Award would result in a breach of the Share Award Scheme Limit (as defined in paragraph 5 below) or would otherwise cause the Company to issue Shares in excess of the permitted amount in the general and specific mandate(s) approved by the Shareholders in general meeting(s) of the Company from time to time;
- (v) where any Director is in possession of unpublished inside information in relation to the Shares or the Company or where dealings in the Shares by Directors are prohibited under any code or requirements of the Listing Rules or in any circumstances which are prohibited under the Listing Rules, the SFO or any other applicable laws, rules or regulations, from time to time;
- (vi) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (vii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

5. Maximum Number of Shares to be Granted

The aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Share Award Scheme) shall not exceed 5.0% (i.e. 36,302,245 Shares) of the total number of issued Shares as at the Adoption Date (the “**Share Award Scheme Limit**”) which can be adjusted and/or refreshed by the Board as it may deem appropriate.

6. Voting Rights

The Trust Management Committee may or may not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares and any scrip Shares) and may instruct the Trustee in writing to appoint a person as the Trustee’s proxy for voting

or acting on behalf of the Trustee in relation to any Shares held under the Trust, in each case, as and when the Trust Management Committee considers to be appropriate or desirable at its absolute discretion, provided that the Trustee shall have no duty or power to exercise any voting powers any Shares held under the Trust until such instruction is received from the Trust Management Committee.

7. Rights Attached to the Award

Save that the Trust Management Committee at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares be paid to the Selected Participants even though the Award Shares have not yet vested, the Selected Participant only has a contingent interest in the Award Shares underlying an Award unless and until such Award Shares are actually transferred to the Selected Participant, nor does he/she have any rights to any cash or non-cash income until the Award Shares and Related Income vest.

Neither the Selected Participant nor the Trustee may exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares and any scrip Shares).

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the cash component, which shall be treated as Related Income (for the cash income derived from Award Shares) or Returned Income (for the cash income derived from Returned Shares).

8. Rights Attached to the Shares

Any Award Shares transferred to a Selected Participant in respect of any Awards will be subject to all the provisions of the Articles and to any restrictions under the applicable laws, rules and regulations, and shall rank *pari-passu* in all respects among themselves and with all the Shares in issue from time to time.

9. Issue of Shares and/or Transfer of Funds to the Trustee

The Company shall (i) issue and allot Shares to the Trustee under the general or specific mandates granted or to be granted by the Shareholders at the general meetings from time to time; and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire Shares so as to satisfy the Awards.

The Company shall comply with the relevant Listing Rules when issuing new Award Shares and application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the new Award Shares to be issued. The Company may use the general mandate available at the time of granting the Award

Shares in accordance with the terms of the Share Award Scheme, subject to the compliance of the additional requirements under Chapter 14A of the Listing Rules for any grant of Award Shares to connected persons of the Company.

10. Assignment of Awards

Any Award Shares granted under the Share Award Scheme but not yet vested are personal to the Selected Participants to whom they are granted and cannot be assigned or transferred. A Selected Participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

11. Vesting of Awards

The Trust Management Committee may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Within a reasonable time period as agreed between the Trustee and the Trust Management Committee from time to time prior to any Vesting Date, the Trust Management Committee will send a vesting notice to the relevant Selected Participant which states the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant. Subject to the receipt of the vesting notice and notification from the Trust Management Committee, the Trustee will transfer, release and/or manage the relevant Award in the manner as determined by the Trust Management Committee.

For the purposes of vesting of the Award, the Trust Management Committee may direct and procure the Trustee to either (i) transfer the relevant Award Shares to that Selected Participant; (ii) sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds arising from such sale based on the Actual Selling Price of such Award Shares and Related Income derived from such Award Shares in cash as set out in the vesting notice; or (iii) carry out any other instruction as may be considered reasonable and appropriate by the Trust Management Committee.

If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, the Trust Management Committee shall at its sole discretion determine whether the Vesting Date of any Awards will be accelerated to an earlier date.

12. Consolidation, Sub-division, Bonus Issue and Other Distribution

In the event the Company undertakes a sub-division or consolidation of the Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner

as the Board or the Remuneration Committee or their respective delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Share Award Scheme for the Selected Participants. All fractional shares (if any) arising out of such consolidation or subdivision in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date. The Trustee shall hold Returned Shares to be applied in accordance with the provisions of the Scheme Rules for the purpose of the Share Award Scheme.

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves, the Shares attributable to any Award Shares held by the Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Trustee as if they were Award Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board or the Remuneration Committee or their respective delegate(s) considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each Selected Participant as the Board or the Remuneration Committee or their respective delegate(s) shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Share Award Scheme for the Selected Participants. The Company shall provide such funds, or such directions on application of the Returned Shares or Returned Income, as may be required to enable the Trustee to purchase Shares on-market at the prevailing market price to satisfy the additional Award.

In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall seek instructions from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

13. Lapse of the Award

Any granted Awards shall lapse and be automatically cancelled and not vested in the Selected Participant on the earliest of:

- (i) seven (7) Business Days after the date of the commencement of the mandatory winding-up of the Company;

- (ii) seven (7) Business Days after the date on which the proposed compromise or arrangement between the Company and its Shareholders or creditors in connection with a scheme for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated under Rule 7.14(3) of the Listing Rules) becomes effective;
- (iii) the end of the prescribed period (as set out in the Award Letter, if any) commencing from the date on which the Selected Participant ceases to be an Employee;
- (iv) the date on which the Selected Participant sells, transfers, charges, mortgages, encumbers or creates any interest in favor of any third party over or in relation to any Award (except for the transfer of the Awards to the Trustee as the Trustee may direct);
- (v) the date on which the Selected Participant commits a breach of any terms or conditions (if any) attached to the grant of the Award, unless otherwise resolved to the contrary by the Trust Management Committee; or
- (vi) the date on which the Trust Management Committee resolves that the Selected Participant has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed by the Trust Management Committee,

provided that a resolution of the Board to the effect that the Award shall lapse and not be exercisable on one or more of the grounds as specified above shall be conclusive and binding on the Selected Participant and that in each case above the Remuneration Committee and/or any one of the executive Directors in its/his absolute discretion may decide that such Award shall not so lapse or determine subject to such conditions or limitations as it/he may decide; and that any of such decision shall be conclusive and binding on the Selected Participant.

Notwithstanding any other provision in the Share Award Scheme, if the Selected Participant ceases to be an Employee before any vesting of the Award, the Trust Management Committee shall determine at its absolute discretion and shall notify the Selected Participant whether any unvested Awards granted to such Selected Participant shall vest and the period within which such Awards shall vest. If the Trust Management Committee determines that such Award shall not vest, such Award shall be cancelled automatically with effect from the date on which the Selected Participant's employment is terminated.

14. Termination

The Share Award Scheme shall terminate on the earlier of:

- (a) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Share Award Scheme; and
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Scheme Rules, provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this paragraph 14(b) refers solely to any change in the rights in respect of the Award Shares already granted to a Selected Participant.

15. Administration of the Share Award Scheme

The Board has the power to administer the Share Award Scheme, including the power to construe and interpret the rules of the Share Award Scheme, the terms of the Awards granted under the Share Award Scheme, and where applicable, the trust deed to be entered into with the Trustee. The Board may delegate the authority to administer the Share Award Scheme to such committees or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third-party contractors to assist in the administration of the Share Award Scheme as they think fit.

The Share Award Scheme may be altered in any respect by a resolution of the Board.

16. Duration

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

- “Actual Selling Price” the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, the Securities and Futures Commission of Hong Kong transaction levy and any other applicable costs) on vesting of an Award pursuant to the Share Award Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company, the consideration receivable under the related scheme or offer
- “Adoption Date” 7 January 2020, being the date on which the Board approved the adoption of the Share Award Scheme
- “Affiliate” a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of the holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling Shareholder; or (f) a company controlled by the controlling Shareholder; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) an associated company of the Company; or (j) an associated company of the controlling Shareholder
- “Articles” the articles of association of the Company
- “Award” an award granted by the Board or the Remuneration Committee or their respective delegate(s) to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Trust Management Committee may determine in accordance with the terms of the Scheme Rules
- “Award Letter” the letter issued by the Company to each Selected Participant in such form as determined from time to time by the Board or the Remuneration Committee or their respective delegate(s), specifying the date on which the grant of an Award is made to a Selected Participant (being the date of the Award Letter), the number of Award Shares, the vesting criteria and conditions, the Vesting Date and such other details as they may consider necessary

“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth (10th) anniversary of the Adoption Date
“Award Shares”	the Shares granted under the Share Award Scheme to a Selected Participant in an Award
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“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 persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person”	subject to the criteria and conditions set out in paragraph 11 above, any core management personnel whom the Board or the Remuneration Committee or their respective delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award; however, no individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Remuneration Committee or their respective delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person
“Employee”	any employee (whether full-time or part-time employee) of any members of the Group or any Affiliate provided that he/she shall not cease to be an employee in the case of (a) any leave of absence approved by the Company or the relevant Affiliate; or (b) transfer amongst the Company and any Affiliates or any successor
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Related Income”	all cash income derived from the Award Shares held on Trust for the benefit of the Selected Participant
“Remuneration Committee”	the remuneration committee of the Company
“Returned Income”	all cash income derived from the Returned Shares held on Trust for the benefit of the Share Award Scheme
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares under the Scheme Rules
“Scheme Rules”	the rules relating to the Share Award Scheme
“Selected Participant”	any Eligible Person approved for participation in the Share Award Scheme and who has been granted any Award pursuant to the Scheme Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the trust deed to be entered into between the Company and the Trustee, to service the Share Award Scheme

- “Trust Management Committee” an administrative committee to be set up and delegated with the power and authority by the Board to administer the Share Award Scheme and the Trust
- “Trustee” the trustee to be appointed by the Company for the purpose of the Trust which will be an independent third party and not connected with the Company or the Company’s connected persons
- “Vesting Date” the date or dates, as determined from time to time by the Trust Management Committee, on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter, unless a different Vesting Date is deemed to occur in accordance with the Scheme Rules

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

Hong Kong, 8 January 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.