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**ZTE CORPORATION**

**中興通訊股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 763)**

## **Announcement on Resolutions of the Second Extraordinary General Meeting of 2020**

*The Company and all the members of the Board of Directors confirm that all the information contained in this information disclosure is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.*

The Second Extraordinary General Meeting of 2020 (the “EGM”) of ZTE Corporation (the “Company”) was held by way of a combination of on-site voting and online voting on 6 November 2020. Details in respect of the resolutions and voting results of the EGM are as follows:

### **I. IMPORTANT NOTICE**

1. There were no veto resolutions in the EGM.
2. There were no changing resolutions approved by previous general meetings in the EGM.

### **II. INFORMATION REGARDING THE CONVENING OF THE EGM**

#### **(I) Date and time**

1. On-site meeting commenced at 3:30 p.m. on Friday, 6 November 2020.
2. Online voting by A shareholders was conducted on 6 November 2020 during the following time slots:

Online voting through the trading system of the Shenzhen Stock Exchange: from 9:15 a.m. to 9:25 a.m., from 9:30 a.m. to 11:30 a.m. and from 1:00 p.m. to 3:00 p.m. on 6 November 2020; online voting on the internet voting system (<http://wltp.cninfo.com.cn>) was conducted any time during the period from 9:15 a.m. to 3:00 p.m. on 6 November 2020.

#### **(II) Venue**

The on-site meeting was held at the Conference Room on the 4th floor of A Wing of the Company’s headquarters in Shenzhen.

### (III) Voting method

1. A shareholders may vote through:

- on-site voting, including attendance and voting in person, authorisation of proxies to attend and vote by completing and returning the relevant proxy form or authorizing Independent Non-executive Director to vote; or
- online voting on the internet voting platform provided for A shareholders by the Company via the trading system of the Shenzhen Stock Exchange and the internet voting system. A shareholders should vote online via the aforesaid systems within the timeframes set out in (I) of this section.

2. H shareholders may vote through:

- on-site voting, including attendance and voting in person, authorisation of proxies to attend and vote by completing and returning the relevant proxy form or authorizing Independent Non-executive Director to vote.

### (IV) Convener

The EGM was convened by the Board of Directors of the Company.

### (V) Chairman of the EGM

Mr. Li Zixue, the Chairman of the Board of Directors of the Company, presided over the EGM.

(VI) The convening of the EGM complied with the relevant provisions of relevant laws, administrative regulations and departmental rules including the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on The Shenzhen Stock Exchange (the "Shenzhen Listing Rules"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and the articles of association of ZTE Corporation (the "Articles of Association"), and was legal and valid.

## **III. INFORMATION REGARDING ATTENDANCE AT THE EGM**

136 shareholders (or proxies) held 1,466,089,565 shares or 31.79% of the total number of shares carrying voting rights at the EGM of the Company. Of which 131 shareholders (or proxies) each interested in less than 5% of the Company's shares (not including Directors, Supervisors and senior management of the Company, hereinafter the same) held 431,962,035 shares or 9.37% of the total number of shares carrying voting rights at the EGM of the Company. There were no shares in the Company which entitled its holders to attend the EGM but for which they were required to abstain from voting in favour of the resolutions under Rule 13.40 of the Hong Kong Listing Rules. For details of shareholders who were required to abstain from voting in respect of the resolutions tabled at the EGM in accordance with the

Shenzhen Listing Rules and the Hong Kong Listing Rules, please refer to “IV. CONSIDERATION OF AND VOTING OF RESOLUTIONS”.

Comprising:

(1) Attendance of holders of A shares

134 A shareholders (or proxies) holding 1,347,538,391 shares or 34.95% of the total number of A shares carrying voting rights of the Company participated in the on-site meeting and online voting of the EGM.

Of which: 12 A shareholders (or proxies) holding 1,103,186,469 shares or 28.61% of the total number of A shares carrying voting rights of the Company attended the on-site meeting; and 122 A shareholders holding 244,351,922 shares or 6.34% of the total number of A shares carrying voting rights of the Company participated in the online voting.

(2) Attendance of holders of H shares

2 H shareholders (or proxies) holding 118,551,174 shares or 15.69% of the total number of H shares carrying voting rights of the Company attended the on-site meeting of the EGM.

In addition, Directors, certain Supervisors and senior management of the Company, the PRC lawyers of the Company attended the EGM. Certain Supervisors and senior management of the Company did not attend the EGM due to work reasons.

#### **IV. CONSIDERATION OF AND VOTING OF RESOLUTIONS**

The following resolutions were considered and approved at the EGM by way of a combination of on-site voting and online voting (Resolution No.1, 2 and 3 at the EGM are special resolutions, which were approved by votes representing more than two-thirds of the voting rights held by shareholders attending the EGM. Resolution No.4, 5 and 6 are ordinary resolutions, which were approved by votes representing more than one-half of the voting rights held by shareholders attending the EGM. For details of the voting results, please refer to Annex “ZTE Corporation - Statistics of Voting Results in respect of Resolutions Proposed at the Second Extraordinary General Meeting of 2020 ”):

##### **Special Resolutions**

**1. Consideration and approval of the “Resolution on the ‘2020 Share Option Incentive Scheme (Draft) of ZTE Corporation’ (the ‘2020 Scheme’) and its summary”**

**2. Consideration and approval of the “Resolution on the ‘2020 Share Option Incentive Scheme Performance Appraisal System of ZTE Corporation’”**

**3. Consideration and approval of the “Resolution on a mandate granted to the Board by the General Meeting to deal with matters pertaining to the 2020 Share Option Incentive Scheme”, the details of which are as follows:**

That a mandate be granted to the Board giving it full discretion in dealing with matters relating to the 2020 Scheme. The terms and scope of the mandate shall include but shall not be limited to:

- (1) To confirm the qualifications and conditions of Participants for participation in the 2020 Scheme, to confirm the list of Participants and the number of share options to be granted and to confirm the grant price of the subject shares;
- (2) To examine and confirm whether the Company and the Participants are qualified to exercise their options and are in compliance with the conditions for exercise and to examine and confirm the number and amount of options to be exercised;
- (3) To determine the date of grant and method of exercise for the 2020 Scheme, decide whether the Participants may exercise their options, grant share options to Participants upon their fulfillment of relevant conditions and handle all matters required for the grant and exercise of share options;
- (4) To adjust the number of Options or the exercise price of the Options in accordance with the principles and in the manner stipulated under the 2020 Scheme in the event of any capitalisation issue, bonus issue, sub-division or rights issue or consolidation of Shares in relation to the A Shares of the Company;
- (5) To decide upon changes in the process of implementation of the 2020 Scheme based on actual conditions, including but not limited to annulling the qualifications of the Participants for exercising their options, cancelling outstanding share options of the Participants and withdrawal and cancellation of unexercised share options of the Participants;
- (6) To manage and adjust the 2020 Scheme based on actual conditions and, subject to the terms and principles of the 2020 Scheme, to formulate or modify provisions for the administration and implementation of the 2020 Scheme from time to time, provided that if such modifications are required by the laws, regulations or relevant regulatory authorities to be subject to the approval of the general meeting of the Company and / or relevant regulatory authorities, the corresponding approvals for such modifications by the Board must be obtained;
- (7) To sign, execute, modify and terminate any agreements relating to the 2020 Scheme and other relevant agreements;
- (8) To authorise the Board to adjust the relevant terms of the 2020 Scheme in accordance with any amendments to relevant laws, regulations, rules and regulatory documents in the event of such amendments;

(9) To appoint receiving banks, accountants, legal advisers and other intermediaries for the implementation of the 2020 Scheme;

(10) To conduct other necessary matters required for the implementation of the 2020 Scheme, save for rights expressly stipulated in relevant documents to be exercised by the general meeting of the Company;

(11) To process examination, registration, filing, ratification, approval and other procedures with relevant governments and authorities in connection with the 2020 Scheme; to sign, execute, modify and complete documents submitted to relevant governments, authorities, organisations and individuals; and to do all acts, deeds and matters it deems necessary, proper or appropriate in connection with the 2020 Scheme;

(12) The mandate granted to the Board shall be coterminous with the 2020 Scheme.

Save for matters expressly stipulated by the law, administrative regulations, rules of the CSRC, regulatory documents, the 2020 Scheme or the Articles of Association to be approved by the Board of Directors by way of resolution, other authorisations described above may be exercised by the chairman of the Board or other suitable persons on behalf of the Board upon its delegation.

### **Ordinary Resolutions**

**4. Consideration and approval of the “Resolution on ‘Management Stock Ownership Scheme (Draft) of ZTE Corporation’ and its summary”**

**5. Consideration and approval of the “Resolution on ‘Measures for the Administration of the Management Stock Ownership Scheme of ZTE Corporation’”**

**6. Consideration and approval of the “Resolution on a mandate granted to the Board by the General Meeting to deal with matters pertaining to the Management Stock Ownership Scheme”, the details of which are as follows:**

That a mandate be granted to the Board giving it full discretion in dealing with matters relating to the Management Stock Ownership Scheme. The terms and scope of the mandate shall include but shall not be limited to:

(1) To formulate the specific plan for the Management Stock Ownership Scheme, including but not limited to the determination of the number of target participants, eligibility of target participants, finalised list of target participants, source of fund, size of scheme, volume and price of subject shares, term, lock-up period and management, among others, within the framework of the “Management Stock Ownership Scheme (Draft) of ZTE Corporation” considered and approved at the general meeting based on the actual conditions of the Company in accordance with pertinent provisions of applicable laws, regulations and regulatory authorities and resolutions of the general meeting;

- (2) To make adjustments to matters pertaining to the Management Stock Ownership Scheme according to the opinions of regulatory authorities, policy changes or changes in market conditions, other than matters required to be put to vote again at the general meeting under pertinent laws, regulations and the Articles of Association and handling matters pertaining to the Management Stock Ownership Scheme, including consideration of any modifications, extension (including extension of the term) and termination (including early termination), among others;
- (3) To process with full discretion various approvals required by the Management Stock Ownership Scheme in accordance with pertinent provisions, including but not limited to the processing of ratifications, filings, registrations and declarations, among others, as well as the preparation, revision, submission and endorsement of relevant materials, and the disclosure of information in accordance with pertinent provisions of relevant laws, regulations and listing rules of the stock exchange of the place where the Company's securities are listed;
- (4) To confirm the asset management agency and custodian of the Management Stock Ownership Scheme in accordance with pertinent provisions of applicable laws, regulations and regulatory authorities and resolutions of the general meeting to assist the Company in the implementation of the Management Stock Ownership Scheme;
- (5) To handle formalities relating to the securities accounts, fund accounts and other relevant accounts involved in the Management Stock Ownership Scheme, as well as all matters pertaining to the registration, settlement, lock-up and unlocking of share purchased;
- (6) To deal with other matters as are required under the Management Stock Ownership Scheme, other than rights specifically required to be exercised by the general meeting under pertinent provisions;
- (7) Authorisation for the Board to delegate authorisations set out in (3) to (5) above to the Company's management for handling in accordance with pertinent regulations and processes, unless otherwise required under pertinent laws, regulations, regulatory documents and the Articles of Association, subject to the obtaining of the aforesaid authorisations.

If any of the aforesaid matters delegated to the Board by the general meeting require consideration at a meeting of the Holders of the Management Stock Ownership Scheme, such matters shall be submitted to the Holders' meeting or the management committee authorised by the Holders' meeting. The aforesaid authorisation shall come into effect on the date on which the Management Stock Ownership Scheme is being considered and approved at the general meeting of the Company and remain effective until the completion of the implementation of the Management Stock Ownership Scheme.

**Note:** Proposed grantees under the 2020 Scheme and the Management Stock Ownership Scheme and their close associates shall be required to abstain from voting in respect of the relevant resolutions to be proposed at the EGM under the Shenzhen Listing Rules and the Hong Kong Listing Rules to approve the 2020 Scheme and the Management Stock

Ownership Scheme, respectively. Mr. Xu Ziyang, Ms. Li Ying attending the EGM (total interested in 138,600 A shares of ZTE on the record date for the EGM) as scheme participants of the 2020 Share Option Incentive Scheme of the Company, did not participate in the voting respect of the Resolution No.1 to Resolution No.3 in accordance with relevant provisions of the Shenzhen Listing Rules and the Hong Kong Listing Rules. Mr. Xu Ziyang, Mr. Xie Daxiong, Ms. Li Ying attending the EGM (total interested in 634,403 A shares of ZTE on the record date for the EGM) as scheme participants of the Management Stock Ownership Scheme of the Company, did not participate in the voting respect of the Resolution No.4 to Resolution No.6 in accordance with relevant provisions of the Shenzhen Listing Rules and the Hong Kong Listing Rules.

The Company appointed the witnessing lawyers, two shareholder representatives and two supervisors representatives to act as scrutineers for vote-taking at the EGM.

## **V. LEGAL OPINION BY LAWYERS**

1. Name of Law Firm: Beijing Jun He Law Offices (Shenzhen Office)

2. Name of Lawyers: Huang Wei and Chen Shanshan

3. Conclusive opinion:

Beijing Jun He Law Offices (Shenzhen Office) is of the view that matters relating to the convening and holding procedures, qualifications of the attendees on-site and the convener and the voting procedures of the Second Extraordinary General Meeting of 2020 are in compliance with relevant provisions of laws and regulations of the People's Republic of China, and of the Articles of Association, and the "Resolutions of the Second Extraordinary General Meeting of 2020 of ZTE Corporation" approved at the EGM were legal and valid.

## **VI. DOCUMENTS AVAILABLE FOR INSPECTION**

1. Document of the Second Extraordinary General Meeting of 2020 of ZTE Corporation;

2. Resolutions of the Second Extraordinary General Meeting of 2020 of ZTE Corporation;

3. Legal opinion of Beijing Jun He Law Offices (Shenzhen Office) on the Second Extraordinary General Meeting of 2020 of ZTE Corporation.

By Order of the Board  
**Li Zixue**  
*Chairman*

Shenzhen, the PRC

6 November 2020

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Gordon Ng, Zhuang Jiansheng.*



## Annex:

**ZTE Corporation**  
**Statistics of Voting Results in respect of Resolutions Proposed at the Second Extraordinary General Meeting of 2020**

No.	Matters considered	Class of shares	For		Against		Abstain	
			Number of shares	As a percentage of shares held by shareholders with voting rights attending the EGM	Number of shares	As a percentage of shares held by shareholders with voting rights attending the EGM	Number of shares	As a percentage of shares held by shareholders with voting rights attending the EGM
<b>Special Resolutions (3 resolutions)</b>								
1.00	<b>Resolution on the “2020 Share Option Incentive Scheme (Draft) of ZTE Corporation” and its summary</b>	Total	1,410,400,994	96.2107%	55,549,371	3.7893%	600	0.0000%
		Of which: shareholders each interested in less than 5% of the Company’s shares attending the EGM	376,412,064	87.1401%	55,549,371	12.8598%	600	0.0001%
		Domestic shares (A shares)	1,337,472,655	99.2632%	9,926,536	0.7367%	600	0.0000%
		Overseas-listed foreign shares (H shares)	72,928,339	61.5163%	45,622,835	38.4837%	0	0.0000%
2.00	<b>Resolution on the “2020 Share Option Incentive Scheme Performance Appraisal System of ZTE Corporation”</b>	Total	1,410,311,794	96.2046%	55,638,571	3.7954%	600	0.0000%
		Of which: shareholders each interested in less than 5% of the Company’s shares attending the EGM	376,322,864	87.1194%	55,638,571	12.8804%	600	0.0001%
		Domestic shares (A shares)	1,337,434,255	99.2604%	9,964,936	0.7396%	600	0.0000%
		Overseas-listed foreign shares (H shares)	72,877,539	61.4735%	45,673,635	38.5265%	0	0.0000%
3.00	<b>Resolution on a mandate granted to the Board by the General Meeting to deal with matters pertaining to the 2020 Share Option Incentive Scheme</b>	Total	1,410,389,194	96.2098%	55,561,171	3.7901%	600	0.0000%
		Of which: shareholders each interested in less than 5% of the Company’s shares attending the EGM	376,400,264	87.1373%	55,561,171	12.8625%	600	0.0001%
		Domestic shares (A shares)	1,337,460,855	99.2624%	9,938,336	0.7376%	600	0.0000%
		Overseas-listed foreign shares (H shares)	72,928,339	61.5163%	45,622,835	38.4837%	0	0.0000%
<b>Ordinary Resolutions (3 resolutions)</b>								

No.	Matters considered	Class of shares	For		Against		Abstain	
			Number of shares	As a percentage of shares held by shareholders with voting rights attending the EGM	Number of shares	As a percentage of shares held by shareholders with voting rights attending the EGM	Number of shares	As a percentage of shares held by shareholders with voting rights attending the EGM
4.00	<b>Resolution on “Management Stock Ownership Scheme (Draft) of ZTE Corporation” and its summary</b>	Total	1,368,311,251	93.3711%	97,143,311	6.6289%	600	0.0000%
		Of which: shareholders each interested in less than 5% of the Company’s shares attending the EGM	334,818,124	77.5110%	97,143,311	22.4889%	600	0.0001%
		Domestic shares (A shares)	1,327,550,793	98.5631%	19,352,595	1.4368%	600	0.0000%
		Overseas-listed foreign shares (H shares)	40,760,458	34.3822%	77,790,716	65.6178%	0	0.0000%
5.00	<b>Resolution on “Measures for the Administration of the Management Stock Ownership Scheme of ZTE Corporation”</b>	Total	1,368,448,051	93.3804%	97,006,111	6.6195%	1,000	0.0001%
		Of which: shareholders each interested in less than 5% of the Company’s shares attending the EGM	334,954,924	77.5427%	97,006,111	22.4571%	1,000	0.0002%
		Domestic shares (A shares)	1,327,687,593	98.5733%	19,215,395	1.4266%	1,000	0.0001%
		Overseas-listed foreign shares (H shares)	40,760,458	34.3822%	77,790,716	65.6178%	0	0.0000%
6.00	<b>Resolution on a mandate granted to the Board by the General Meeting to deal with matters pertaining to the Management Stock Ownership Scheme</b>	Total	1,368,559,132	93.3880%	96,895,430	6.6120%	600	0.0000%
		Of which: shareholders each interested in less than 5% of the Company’s shares attending the EGM	335,066,005	77.5684%	96,895,430	22.4315%	600	0.0001%
		Domestic shares (A shares)	1,327,747,874	98.5778%	19,155,514	1.4222%	600	0.0000%
		Overseas-listed foreign shares (H shares)	40,811,258	34.4250%	77,739,916	65.5750%	0	0.0000%