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**ZTE**

**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)**

**(1) Proposed Amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings**

**(2) Proposed Election and Appointment of Non-independent Directors and**

**(3) Proposed Election and Appointment of Independent Non-executive Directors**

According to the superseding settlement agreement entered into by the Company and Shenzhen ZTE Kangxun Telecom Company Limited, its wholly-owned subsidiary, with the United States Department of Commerce Bureau of Industry and Security, all Directors will resign from the position of Directors and the duties of each specialist committee under the Board of Directors upon the approval of the appointment of new Directors at the AGM of the Company. On 13 June 2018, the Board received three ex tempore motions from Zhongxingxin, the Company's Shareholder (which held 1,269,830,333 A Shares and 2,038,000 H Shares of the Company, representing 30.34% of the total number of Shares of the Company in aggregate, as at 13 June 2018) which requested the Board to table such motions for consideration at the AGM.

In accordance with the pertinent provisions of laws and regulations and the Articles of Association based on the actual circumstances of the Company, the Chairman of the Company has decided to postpone the AGM originally scheduled to be held at 9:00 a.m. on Friday, 11 May 2018 to 9:00 a.m. on Friday, 29 June 2018. The venue of the meeting will remain unchanged at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China. The resolutions set out in the AGM Notice and the following supplementary resolutions for (i) proposed amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings, (ii) proposed election and appointment of non-independent Directors and (iii) proposed election and appointment of independent non-executive Directors will be considered and passed, if thought fit, in the AGM. The AGM Supplementary Notice and revised proxy form will be despatched to the Shareholders in due course.

## **INTRODUCTION**

Reference is made to the circular and the AGM Notice dated 27 March 2018 of the Company which contains the details of the resolutions to be tabled before the AGM for the Shareholder's approval, and the announcement dated 8 May 2018 in relation to the postponement of the AGM and extension of book closure period of the

Company. This announcement shall be read in conjunction with the circular, the AGM Notice and postponement announcement.

According to the superseding settlement agreement entered into by the Company and Shenzhen ZTE Kangxun Telecom Company Limited, its wholly-owned subsidiary, with the United States Department of Commerce Bureau of Industry and Security, all Directors will resign from the position of Directors and the duties of each specialist committee under the Board of Directors upon the approval of the appointment of new Directors at the AGM of the Company. On 13 June 2018, the Board received three ex tempore motions for (i) proposed amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings, (ii) proposed election and appointment of non-independent Directors and (iii) proposed election and appointment of independent non-executive Directors from Zhongxingxin, the Company's Shareholder (which held 1,269,830,333 A Shares and 2,038,000 H Shares, representing 30.34% of the total number of Shares of the Company in aggregate, as at 13 June 2018) which requested the Board to table such motions for consideration at the AGM.

**Proposed Amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings**

(1) The proposed amendments to the Articles of Association in accordance with the actual circumstances of the Company and the relevant laws and regulations are set out as follows:

Existing articles	To be amended as
<p><b>Article 143.</b> .....</p> <p>The Chairman and Vice Chairmen shall be elected and removed by a simple majority vote of all members of the Board of Directors. The Chairman must be elected from directors or members of the senior officers of the Company who have served for three years or more. The term of office of the Chairman and Vice Chairmen shall not be more than three years, which is renewable upon re-election.</p> <p>.....</p>	<p><b>Article 143.</b> .....</p> <p>The Chairman and Vice Chairmen shall be elected and removed by a simple majority vote of all members of the Board of Directors. <del>The Chairman must be elected from directors or members of the senior officers of the Company who have served for three years or more.</del> The term of office of the Chairman and Vice Chairmen shall not be more than three years, which is renewable upon re-election.</p> <p>.....</p>
<p><b>Article 151.</b> .....</p> <p>Independent non-executive directors shall comprise one-third or more of the Board of Directors of the Company, of whom there shall be at least one accounting professional. An independent non-executive director shall faithfully fulfill his duties and protect the Company's interests, in particular, ensuring that the legal interests of public shareholders are not impaired.</p>	<p><b>Article 151.</b> .....</p> <p><b>Independent non-executive directors shall account for at least one-third of the Board of Directors,</b> of whom there shall be at least one accounting professional. An independent non-executive director shall faithfully fulfill his duties and protect the Company's interests, in particular, ensuring that the legal interests of public shareholders are not impaired.</p>

Existing articles	To be amended as
<p><b>Article 159.</b> The Company shall establish a Board of Directors. The Board of Directors shall consist of fourteen directors, including one Chairman, two Vice Chairmen and five independent non-executive directors. Executive directors shall account for at least one-fifth of the total number of directors on the board.</p>	<p><b>Article 159.</b> The Company shall establish a Board of Directors. The Board of Directors shall consist of fourteen directors, including one Chairman, two Vice Chairmen. Independent non-executive directors <b>shall account for at least one-third of the Board of Directors.</b> Executive directors shall account for at least one-fifth of the total number of directors on the board.</p>

(2) The proposed amendments to the Rules of Procedure of the Board of Directors Meetings in accordance with the actual circumstances of the Company and the relevant laws and regulations are set out as follows:

Existing articles	To be amended as
<p><b>Article 25</b> Qualifications for appointment as Chairman of the Company:</p> <p>.....</p> <p>(VI) Having served in the capacity of the Company's Director or senior management for 3 years or above; and</p> <p>(VII) Being in compliance with other requirements stipulated under the laws, regulations and Articles of Association.</p> <p>.....</p>	<p><b>Article 25</b> Qualifications for appointment as Chairman of the Company:</p> <p>.....</p> <p><del>(VI) Having served in the capacity of the Company's Director or senior management for 3 years or above;</del> and</p> <p>(VI) Being in compliance with other requirements stipulated under the laws, regulations and Articles of Association.</p> <p>.....</p>

The proposal will be submitted, by way of special resolution, for the Shareholders' consideration and approval at the AGM.

### **Proposed Election and Appointment of Non-independent Directors**

It is proposed that Mr. Li Zixue, Mr. Li Buqing, Mr. Gu Junying, Mr. Zhu Weimin, Ms. Fang Rong be elected as an non-independent Director of the Seventh Session of the Board of Directors of the Company for a term commencing on the date on which the resolution is considered and approved at the AGM and ending upon the conclusion of the term of office of the Seventh Session of the Board of Directors (namely 29 March 2019).

Please refer to Appendix I and Appendix II for the brief biographies and other information of the candidates for the non-independent Directors listed above.

The proposal will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

### **Proposed Election and Appointment of Independent Non-executive Directors**

It is proposed that Ms. Cai Manli, Mr. Yuming Bao, Mr. Gordon Ng be elected as an independent non-executive Director of the Seventh Session of the Board of Directors of the Company for a term commencing on the date on which the resolution is considered and approved at the AGM and ending upon the conclusion of the term of office of the Seventh Session of the Board of Directors (namely, 29 March 2019).

Please refer to Appendix I and Appendix II for the brief biographies and other information of the candidates for independent non-executive Directors listed above.

The tabling of the resolutions for voting at the AGM is subject to SZSE's approval without dissent for the record in respect of the qualifications and independence for the aforesaid candidates for independent non-executive Directors.

The proposal will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

## **AGM**

In accordance with the pertinent provisions of laws and regulations and the Articles of Association based on the actual circumstances of the Company, the Chairman of the Company has decided to postpone the AGM originally scheduled to be held at 9:00 a.m. on Friday, 11 May 2018 to 9:00 a.m. on Friday, 29 June 2018. The venue of the meeting will remain unchanged at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China. The resolutions set out in the AGM Notice and the following supplementary resolutions for (i) proposed amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings, (ii) proposed election and appointment of non-independent Directors and (iii) proposed election and appointment of independent non-executive Directors will be considered and passed, if thought fit, in the AGM. The AGM Supplementary Notice and the revised proxy forms will be despatched to the Shareholders in due course.

## **DEFINITIONS**

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

A Share(s) or Domestic Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SZSE
A Shareholders	holders of A Shares
Articles of Association	the articles of association of the Company

Board	the board of Directors
China or the PRC	the People's Republic of China
CSRC	China Securities Regulatory Commission
Company or ZTE	ZTE Corporation, a joint stock limited company incorporated on 11 November 1997 under the Company Law in the PRC, whose Shares are listed on the SEHK and the SZSE
Company Law	the Company Law of the People's Republic of China
Director(s)	member(s) of the Board of the Company
Candidate(s) for Director(s)	candidate(s) for non-independent Director(s) and independent non-executive Director(s)
AGM	the 2017 annual general meeting of the Company to be held at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China at 9: 00 a.m. on Friday, 29 June 2018
AGM Notice	Notice of the 2017 annual general meeting dated 27 March 2018 of the Company
AGM Supplementary Notice	supplementary notice of the 2017 annual general meeting
Group	the Company and the subsidiaries included in its consolidated financial statements
H Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SEHK
H Shareholders	holders of H Shares
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
RMB	renminbi, the statutory currency of the PRC
SEHK	The Stock Exchange of Hong Kong Limited
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shares	A Share(s) and H Share(s)
Shareholders	A Shareholders and H Shareholders
Shenzhen Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange

SZSE	The Shenzhen Stock Exchange
Zhongxingxin	Zhongxingxin Telecommunication Company Limited

By Order of the Board  
**Yin Yimin**  
*Chairman*

Shenzhen, the PRC  
13 June 2018

*As at the date of this announcement, the Board of Directors of the Company comprises two executive directors, Yin Yimin and Zhao Xianming; seven non-executive directors, Zhang Jianheng, Luan Jubao, Wang Yawen, Tian Dongfang, Zhan Yichao, Wei Zaisheng and Zhai Weidong; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.*

**I. BRIEF BIOGRAPHIES OF THE CANDIDATES FOR NON-INDEPENDENT DIRECTORS**

**Mr. Li Zixue (李自學)**, born in 1964, graduated from Xi'an Jiaotong University with a bachelor's degree in engineering majoring in electronic components and materials in 1987, and currently holds the professional title of researcher. Mr. Li joined Xi'an Microelectronics Technology Research Institute in 1987, working on research and development and management in relation to microelectronic technology. From 1987 to 2010, Mr. Li served successively as technician and deputy head, deputy chief and chief of hybrid integrated circuit department. From 2010 to 2014, Mr. Li acted successively as deputy head, deputy secretary of party committee, general secretary of discipline inspection committee and chairman of the supervisory committee of Xi'an Microelectronics Technology Research Institute. From 2014 to 2015, he was general secretary of party committee and general secretary of discipline inspection committee, chairman of the supervisory committee and deputy head of Xi'an Microelectronics Technology Research Institute. Mr. Li has been acting as general secretary of party committee and deputy head of Xi'an Microelectronics Technology Research Institute since 2015. Mr. Li has rich experience in practice and management in the electronics industry. Mr. Li does not hold any shares of the Company. Mr. Li acts as general secretary of party committee and deputy head of Xi'an Microelectronics Technology Research Institute, which is a shareholder of Zhongxingxin, the controlling shareholder of the Company, and he is not connected with the directors, supervisors and senior management of the Company. Mr. Li has not been subject to any penalties by China Securities Regulatory Commission ("CSRC") or other authorities or disciplinary sanctions by any stock exchanges. Mr. Li has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Mr. Li is not a discredited person subject to enforcement or a discredited party subject to liabilities. His qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

**Mr. Li Buqing (李步青)**, born in 1972, graduated from Jiangxi University of Finance & Economics with a bachelor's degree in economics majoring in financial accounting in 1994, and currently holds the professional title of senior economist. From 1994 to 2001, Mr. Li worked in Shenzhen Aerospace Guangyu Industrial Company Limited. From 2001 to 2009, Mr. Li served successively as deputy general manager and

general manager of Shenzhen Zhenfeng Industry Limited. From 2009 to 2012, Mr. Li served as deputy general manager of Shenzhen Aerospace Real Estate Development Co., Ltd. From 2011 to 2017, Mr. Li worked as general manager and chairman of Shenzhen Aerospace Real Estate Consultation Co., Ltd. He also acted as chairman of Aerospace Science & Industry Europe Co., Ltd. from 2017 to 2018. Since 2015, Mr. Li has successively acted as deputy chief economist and director of CASIC Shenzhen (Group) Company Limited, while concurrently serving as chairman of Nanjing Aerospace Yinshan Electronic Co., Ltd. Since 2016, Mr. Li has successively acted as deputy chief economist and chief accountant of Shenzhen Aerospace Industrial Technology Research Institute Limited. At present, he is concurrently serving as chairman of Shenzhen Aerospace Liye Industry Development Co., Ltd., director of Shenzhen Aerospace Guangyu Industrial Company Limited, Shenzhen Aerospace Property Management Co., Ltd. and HT-Hysa Security Technology Engineering Co., Ltd.. Mr. Li has rich experience in management and operations. Mr. Li does not hold any shares of the Company. Mr. Li acts as a director of Shenzhen Aerospace Guangyu Industrial Company Limited, which is a shareholder of Zhongxingxin, the controlling shareholder of the Company, and he is not connected with the directors, supervisors and senior management of the Company. Mr. Li has not been subject to any penalties by CSRC or other authorities or disciplinary sanctions by any stock exchanges. Mr. Li has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Mr. Li is not a discredited person subject to enforcement or a discredited party subject to liabilities. His qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

**Mr. Gu Junying (顧軍營)**, born in 1967, graduated from the Department of Aerospace Engineering of Shenyang Institute of Aeronautical Industry with a bachelor's degree in engineering majoring in aircraft manufacturing in 1989 and from Beijing Institute of Technology with a master's degree in industrial engineering majoring in management engineering in 2002, and currently holds the professional title of researcher. From 1989 to 2003, Mr. Gu served successively as processor, workshop director, division chief, deputy plant manager, and deputy plant manager and deputy party secretary at Factory 211. From 2003 to 2009, Mr. Gu served successively as head of human resources department/head of party committee work department, head of manager department and assistant to general manager of China Aerospace Times Electronics Limited. From June 2008 to December 2008, Mr. Gu also concurrently acted as general manager of Aerospace Times Real Estate Development Limited. Mr. Gu has been serving as assistant to the dean of China



Aerospace Electronics Technology Research Institute and concurrently acting as director of China Times Prospect Technology Co., Ltd. since 2009. From 2009 to 2017, Mr. Gu successively acted as general manager of China Times Prospect Technology Co., Ltd., chairman of Beijing Huafeng Test & Control Co., Ltd., chairman of Beijing Aerospace Sed Technology Development Co., Ltd. and vice chairman of Aerospace Electric Group Co., Ltd. Mr. Gu has been acting as vice president of China Aerospace Times Electronics Co., Ltd. (a company listed on the Shanghai Stock Exchange), and chairman of Aerospace IoT Technology Co., Ltd. since 2017. Mr. Gu has rich experience in management and operations. Mr. Gu does not hold any shares of the Company. Mr. Gu acts as assistant to the dean of China Aerospace Electronics Technology Research Institute, which is an indirect shareholder of Zhongxingxin, the controlling shareholder of the Company, and he is not connected with the directors, supervisors and senior management of the Company. Mr. Gu has not been subject to any penalties by the CSRC or other authorities or disciplinary sanctions by any stock exchanges. Mr. Gu has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Mr. Gu is not a discredited person subject to enforcement or a discredited party subject to liabilities. His qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

**Mr. Zhu Weimin (諸為民)**, born in 1966, graduated from the Department of Electronic Engineering of Shanghai Jiaotong University with a bachelor's degree in engineering majoring in electronic engineering in 1988 and obtained an MBA degree from China Europe International Business School in Shanghai in 2003. Mr. Zhu served successively as a technician and deputy head of Suzhou Dongfeng Communication Equipment Factory Research Institute from 1988 to 1991; research engineer and deputy director of the development department of Shenzhen Zhongxing Semiconductor Co., Ltd. from 1991 to 1993; research engineer of Zhongxingxin, the controlling shareholder of the Company and head of Nanjing Research Institute of Zhongxingxin from 1993 to 1997. Mr. Zhu served as Director and deputy general manager of the Company from 1997 to 2000; deputy general manager of Zhongxingxin from 2002 to 2003; general manager of Shenzhen Changfei Investment Co., Ltd. from 2004 to 2013; and director of Shenzhen Jufei Optoelectronics Co., Ltd. (a company listed on the Shenzhen Stock Exchange in 2012) from 2009 to 2015. Mr. Zhu has served as director of Shenzhen Techaser Technologies Co., Ltd. since 2008 and concurrently acted as advisor from 2013 to 2018; and chairman/ director of Shenzhen Zhongxing International Investment Co., Ltd. and its certain subsidiaries

since 2018. At present, he is concurrently serving as director of Shenzhen Zhongxing WXT Equipment Company Limited, Shenzhen Xinyu Tengyue Electronics Co., Ltd. and Shenzhen FDC Electronics Co., Ltd. Mr. Zhu does not hold any shares of the Company. He is a director of Shenzhen Zhongxing WXT Equipment Company Limited, which is a shareholder of Zhongxingxin, the controlling shareholder of the Company. He is not connected with the directors, supervisors and senior management of the Company. Mr. Zhu has not been subject to any penalties by CSRC or other authorities or disciplinary sanctions by any stock exchanges. Mr. Zhu has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Mr. Zhu is not a discredited person subject to enforcement or a discredited party subject to liabilities. His qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

**Ms. Fang Rong (方榕)**, born in 1964, graduated from Nanjing Institute of Posts and Telecommunications (now known as Nanjing University of Posts and Telecommunications) in 1987 with a bachelor's degree in engineering, majoring in telecommunications engineering. From 1987 to 1995, Ms. Fang worked at Wuhan Posts and Telecommunications and Science Research Institute under the Ministry of Posts and Telecommunications. She worked in Zhongxingxin from 1995 to 1997; and worked in the Company from 1997 to 2009, acting as Senior Vice President of the Company from 1998 to 2009 in charge of the General Product Division and Sales and Marketing Division IV of the Company. She has been director and deputy vice president of Zhongxing Development Company Limited since 2009. Ms. Fang has many years of operational and management experience in the telecommunication industry. Ms. Fang does not hold any shares of the Company. She is director and executive vice president of Zhongxing Development Company Limited, an investee company of Zhongxingxin, the controlling shareholder of the Company. She is not connected with the directors, supervisors and senior management of the Company. Ms. Fang has not been subject to any penalties by CSRC or other authorities or disciplinary sanctions by any stock exchanges. Ms. Fang has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Ms. Fang is not a discredited person subject to enforcement or a discredited party subject to liabilities. Her qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules

Governing the Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

## **II. BRIEF BIOGRAPHIES OF THE CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Ms. Cai Manli (蔡曼莉)**, born in 1973, graduated from Renmin University of China with a bachelor's degree in economics majoring in accounting in 1998 and obtained a master's degree in management from Central University of Finance and Economics in 2006. She is a certified public accountant of the PRC and certified tax agent of the PRC. From 2002 to 2015, Ms. Cai was involved in regulatory governance of listed companies at CSRC, holding successively the positions of deputy chief of the M&A Governance Office II and chief of the M&A Governance Office I while also serving as the leader of the accounting and evaluation group at the Department for the Governance of Listed Companies. Since 2015, she has been general manager of HEYI Rising Assets Management Co., Ltd. and senior advisor at King & Wood Mallesons. Since 2016, she has been external supervisor of Sichuan Xinwang Bank Co., Ltd. Ms. Cai has rich experience in consultation and equity investments relating to capital markets. Ms. Cai does not hold any shares of the Company. She is not connected with the controlling shareholder of the Company, nor with the directors, supervisors and senior management of the Company. Ms. Cai has not been subject to any penalties by CSRC or other authorities or disciplinary sanctions by any stock exchanges. Ms. Cai has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Ms. Cai is not a discredited person subject to enforcement or a discredited party subject to liabilities. Her qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

**Mr. Yuming Bao (鮑毓明)**, born in 1972, graduated from Tianjin University with a bachelor's degree in engineering in 1994, obtained a master's degree in management science and engineering in 1999 from Tianjin University. In 2001, he obtained a master's degree in computer science from the University of Bridgeport, United States. He is a qualified PRC lawyer and a licensed Supreme Court attorney of the United States. Mr. Bao has been engaged in the legal practice since 1996, working as a partner with law firms in the Beijing / Tianjin region and posting in New York and California in the United States for close to 10 years. He has served as senior legal advisor to multinational enterprises including Cisco and News Corporation of the United States and South China Holdings of Hong Kong. Mr. Bao is currently vice

president and chief legal officer of Yantai Jereh Oilfield Services Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange) and its subsidiaries (the “Jereh Group”). Mr. Bao is an overseas senior talent recognized by the Ministry of Education, a foreign expert accredited by the State Administration of Foreign Experts Affairs and one of the top 10 chief legal officers in the country. Mr. Bao also has extensive experience in teaching and research as a lecturer of Long Island Business Institute in New York, a researcher in Southwest University of Political Science & Law and a professor of China Behavioral Jurisprudence Institute. He has extensive experience in law and compliance in the PRC and the United States, as well as a strong background in management and technology. Mr. Bao does not hold any shares of the Company. He is not connected with the controlling shareholder of the Company, nor with the directors, supervisors and senior management of the Company. Mr. Bao has not been subject to any penalties by CSRC or other authorities or disciplinary sanctions by any stock exchanges. Mr. Bao has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by CSRC for violation of laws or regulations. Mr. Bao is not a discredited person subject to enforcement or a discredited party subject to liabilities. He is not subject to any conditions under which the undertaking of directorship at the Company is prohibited under the Company Law and other pertinent laws and regulations and the provisions of the Articles of Association. Currently, Mr. Bao has yet to obtain the certificate of qualification for independent directors, but has undertaken in writing to enroll in the next training session for independent directors available to obtain the certificate of qualification for independent directors recognized by the Shenzhen Stock Exchange.

**Mr. Gordon Ng (吳君棟)**, born in 1964, graduated with a bachelor’s degree in microbiology and biochemistry in 1987 and further obtained a master’s degree in intellectual property rights in 1988 from the University of London. He is a solicitor admitted in England and Wales and in Hong Kong. Mr. Ng has been the head of the Asian Corporate Finance / Capital Markets Department at the Hong Kong Office of Dentons, an international law firm, since July 2013. He is currently an independent non-executive director of China Energin International (Holdings) Limited (a company listed on The Stock Exchange of Hong Kong Limited) and Mainland Headwear Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited), respectively. Mr. Ng brings with him extensive experience in corporate listing and merger and acquisition. Mr. Ng does not hold any shares of the Company. He is not connected with the controlling shareholder of the Company, nor with the directors, supervisors and senior management of the Company. Mr. Ng has not been subject to any penalties by CSRC or other authorities or disciplinary sanctions by any stock exchanges. Mr. Ng has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official

investigation by CSRC for violation of laws or regulations. Mr. Ng is not a discredited person subject to enforcement or a discredited party subject to liabilities. He is not subject to any conditions under which the undertaking of directorship at the Company is prohibited under the Company Law and other pertinent laws and regulations and the provisions of the Articles of Association. Currently, Mr. Ng has yet to obtain the certificate of qualification for independent directors, but has undertaken in writing to enroll in the next training session for independent directors available to obtain the certificate of qualification for independent directors recognized by the Shenzhen Stock Exchange.

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**APPENDIX II OTHER INFORMATION RELATING TO THE CANDIDATES FOR DIRECTORS**

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**I. Interests of the Candidates for Directors**

As at the date of this announcement, none of the candidates for Directors had any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that is required to be recorded in the register to be kept under Section 352 of the SFO, or otherwise notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules.

As at the date of this announcement, none of the candidates for Directors, or their respective spouses or children under the age of 18 had been granted or had exercised any rights to subscribe for the share capital or debentures of the Company or its associated corporations.

**II. Positions held with the Company or other members of the Group**

As at the date of this announcement, none of the candidates for Directors held positions in the Company or other members of the Group.

**III. Relationship with substantial or controlling shareholder, other Directors, Supervisors and senior management of the Company**

As at the date of this announcement, the following candidates for Directors are also the directors or employees of companies which are substantial or controlling shareholders of the Company:

<b>Name</b>	<b>Name of Shareholders</b>	<b>Position with Shareholders</b>
Li Zixue	Xi'an Microelectronics Technology Research Institute (shareholder of Zhongxingxin)	General secretary of party committee and deputy head
Li Buqing	Shenzhen Aerospace Guangyu Industrial Company Limited (shareholder of Zhongxingxin)	Director
	CASIC Shenzhen (Group) Company Limited (indirect shareholder of Zhongxingxin)	Director
	Shenzhen Aerospace Industrial Technology Research Institute Limited (indirect shareholder of Zhongxingxin)	Chief accountant
Gu Junying	China Aerospace Electronics Technology Research Institute (indirect shareholder of Zhongxingxin)	Assistant to the dean
Zhu Weimin	Shenzhen Zhongxing WXT Equipment Company Limited (shareholder of Zhongxingxin)	Director

Save as disclosed in this announcement, none of the candidates for Directors had any relationship with substantial or controlling shareholder, any Director, Supervisor and senior management of the Company.

#### **IV. Service agreements and emoluments**

Upon election, each of the elected Directors will enter into a service contract with the Company. According to the service contract, the emolument of non-executive Director is RMB100,000 per year (before tax), the emolument of independent non-executive Director is RMB250,000 per year (before tax) which shall be approved by the AGM, and executive Director does not receive emolument. The emoluments payable to each of the non-executive Directors and independent non-executive Directors will be determined and reviewed by the Board (as the case may be) with reference to his or her duties and responsibilities with the Company from time to time and subject to the approval by the Shareholders at a general meeting.

#### **V. Directorships held at other listed companies and other major appointments and professional qualifications**

Save as disclosed in this announcement, none of the candidates for Directors has held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments or professional qualifications in the past three years.

#### **VI. Others**

Save as disclosed in this announcement, as at the date of this announcement, so far as the Directors are aware, there were no other matters, information required to be disclosed under Rule 13.51(2) (h) to (v) of the Hong Kong Listing Rules in relation to the candidates for Directors in particular, that need to be brought to the attention of the Shareholders.