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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 2018**

*The Company and all the members of the Board of Directors confirm that all the information contained in this announcement 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 2018 (the “EGM”) of ZTE Corporation (the “Company”) was held by way of a combination of on-site voting and online voting on 28 August 2018. Details in respect of the resolutions and voting results of the EGM are as follows:

### **I. IMPORTANT NOTICE**

Additional resolutions proposed: On 9 August 2018, the Board of Directors of the Company received one ex-tempore motion (being the “Resolution on the Election of Executive Director”) from its shareholder, Zhongxingxin Telecom Company Limited, who requested the Board of Directors of the Company to table such motion for consideration at the Second Extraordinary General Meeting of 2018. The supplementary notice of EGM has been dispatched to the shareholders of the Company on 13 August 2018.

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

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

1. On-site meeting commenced at 9:00 a.m. on Tuesday, 28 August 2018.
2. Online voting by A shareholders was conducted from 27 August 2018 to 28 August 2018 during the following time slots:

Online voting through the trading system of the Shenzhen Stock Exchange: from 9:30 a.m. to 11:30 a.m. and from 13:00 p.m. to 15:00 p.m. on 28 August 2018; online voting on the internet voting system (<http://wltp.cninfo.com.cn>) was conducted any time during the period from 15:00 on 27 August 2018 to 15:00 on 28 August 2018.

## (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 or authorisation of proxies to attend and vote by completing and returning the relevant proxy form; 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 in person or authorisation of proxies to attend and vote by completing and returning the relevant proxy form.

## (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 "Company law"), 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**

On the record date of the EGM (i.e., 27 July 2018), the total number of shares issued by the Company is 4,192,671,843 shares, comprising 3,437,169,309 domestic shares (A shares) and 755,502,534 overseas-listed foreign shares (H shares).

56 shareholders (or proxies) held 1,469,684,219 shares or 35.05% of the total number of shares carrying voting rights at the EGM of the Company. Of which, 51 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 199,280,156 shares or 4.75% 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. There were no 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.

Comprising:

(1) Attendance of holders of A shares

55 A shareholders (or proxies) holding 1,297,028,601 shares or 37.74% 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: 15 A shareholders (or proxies) holding 1,291,560,943 shares or 37.58% of the total number of A shares carrying voting rights of the Company attended the on-site meeting; and 40 A shareholders holding 5,467,658 shares or 0.16% 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

1 H shareholder (or proxy) holding 172,655,618 shares or 22.85% of the total number of H shares carrying voting rights of the Company attended the on-site meeting of the EGM.

In addition, certain Directors and senior management, Supervisors of the Company, the PRC lawyers and other person attended the EGM. Certain Directors 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 passed by voting by open ballot at the EGM (of which the ordinary resolution was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the EGM; and the special resolution was passed by votes representing more than two-thirds of the total number of shares held by shareholders with voting rights attending the EGM. For details of the voting results, please refer to Annex I “ZTE Corporation - Statistics of Voting Results in respect of Resolutions Proposed at the Second Extraordinary General Meeting of 2018”):

#### **Special Resolution**

**1. Consideration and approval of the “Resolution on the amendment of relevant clauses in the Articles of Association and the Rules of Procedure of the Board of Directors Meetings”, the details of which are as follows:**

(1) That the amendment of relevant clauses of the Articles of Association in accordance with the law be approved, the details of which are set out as follows:

Existing Article	To be amended as
<p><b>Article 151</b> .....</p> <p>Independent non-executive directors shall account for at least one-third of the Board of Directors, 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>Independent non-executive directors shall account for at least one-third of the Board of Directors <b>and shall be no less than three</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>
<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 shall account for at least one-third of the Board of 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 <b>seven to</b> fourteen directors, including one Chairman, two Vice Chairmen. Independent non-executive directors shall account for at least one-third of the Board of Directors <b>and shall be no less than three. A balanced composition of executive directors and non-executive directors (including independent non-executive directors) shall be maintained.</b></p>

(2) That the amendment of relevant clauses of the Rules of Procedure of the Board of Directors Meetings in accordance with the law be approved, the details of which are set out as follows:

Existing Article	To be amended as
<p>Article 4 A Director of the Company shall be a natural person and shall not be required to hold shares in the Company. Members of the Board of Directors may comprise shareholders' representatives, staff representatives and social experts. Executive directors shall account for at least one-fifth of the total number of directors on the board.</p>	<p>Article 4 A Director of the Company shall be a natural person and shall not be required to hold shares in the Company. Members of the Board of Directors may comprise shareholders' representatives, staff representatives and social experts. <b>A balanced composition of executive directors and non-executive directors (including independent non-executive directors) shall be maintained.</b></p>

(3) That any Director or the Secretary to the Board of the Company be authorized to process on behalf of the Company the filing, modification and registration (if necessary) procedures and other matters relating to the amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings.

The amended Articles of Association of ZTE Corporation (August 2018) and the Rules of Procedure of the Board of Directors Meetings of ZTE Corporation (August 2018) has been published on the same date as this announcement.

### Ordinary Resolution

**2. Consideration and approval of the “Resolution on the Election of Executive Director”, with details as follows:**

(1) That Mr. Xu Ziyang be elected by way of accumulative voting as an 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 EGM and ending upon the conclusion of the term of office of the Seventh Session of the Board of Directors of the Company (namely 29 March 2019).

Please refer to Annex II for brief biography of the Executive Director listed above.

The Company appointed the witnessing lawyer(s), two shareholder representatives and two supervisor 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: Liu Yongzhao, Huang Wei
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 2018 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 approved at the EGM were legal and valid.

**VI. DOCUMENTS AVAILABLE FOR INSPECTION**

1. Document of the Second Extraordinary General Meeting of 2018 of ZTE Corporation;
2. Resolutions of the Second Extraordinary General Meeting of 2018 of ZTE Corporation;
3. Legal opinion of Beijing Jun He Law Offices (Shenzhen Office) on the Second Extraordinary General Meeting of 2018 of ZTE Corporation.

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

Shenzhen, the PRC  
28 August 2018

*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, Yuming Bao, Gordon Ng.*

Annex I:

ZTE Corporation

Statistics of Voting Results in respect of Resolutions Proposed at the Second Extraordinary General Meeting of 2018

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 resolution (1 resolution)</b>								
1.00	<b>Resolution on the amendment of relevant clauses in the Articles of Association and the Rules of Procedure of the Board of Directors Meetings</b>	Total	1,469,681,719	99.9998%	1,900	0.0001%	600	0.0000%
		Of which: shareholders each interested in less than 5% of the Company's shares attending the EGM	199,277,656	99.9987%	1,900	0.0010%	600	0.0003%
		Domestic shares (A shares)	1,297,026,101	99.9998%	1,900	0.0001%	600	0.0000%
		Overseas-listed foreign shares (H shares)	172,655,618	100.0000%	0	0.0000%	0	0.0000%
<b>Ordinary Resolution (1 resolution)</b>								
2.00	<b>Resolution on the Election of Executive Director (by way of accumulative voting)</b>							
2.01	That Mr. Xu Ziyang be elected as an 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 EGM and ending upon the conclusion of the term of office of the Seventh Session of the Board of Directors of the Company (namely 29 March 2019).	Total	1,432,198,478	97.4494%				
		Of which: shareholders each interested in less than 5% of the Company's shares attending the EGM	161,794,415	81.1894%				
		Domestic shares (A shares)	1,296,937,329	99.9930%				
		Overseas-listed foreign shares (H shares)	135,261,149	78.3416%				

## **Annex II: Brief Biography of the Executive Director**

**Mr. Xu Ziyang (徐子陽)**, born in 1972, the President of the Company. He graduated from University of Electronic Science and Technology of China with a bachelor's degree in engineering majoring in physical electronics technology in 1994. Mr. Xu joined the Company in 1998, and served successively as programmer, section chief of GSM product line development department of Nanjing Research and Development Center, head of PS development department, deputy general manager of core network, and product general manager of core network of the Company, from 1998 to 2011. From 2011 to 2013, Mr. Xu acted as general manager of MKT fourth branch of the Company in charge of European and United States systems products. From 2014 to 2016, Mr. Xu acted as general manager of ZTE Services Deutschland GmbH, a subsidiary of the Company. From 2016 to July 2018, Mr. Xu acted concurrently as assistant to the President of the Company and product general manager of the CCN core network product line products of wireless operation department of the Company. Since July 2018, Mr. Xu has been President of the Company and director of ZTE Microelectronics Technology Company Limited, a subsidiary of the Company, and he has been chairman of the ZTE Microelectronics Technology Company Limited since August 2018. Mr. Xu has many years of operational and management experience in the telecommunication industry. Mr. Xu has been granted 252,000 A share options as a participant of the 2017 Share Option Incentive Scheme of the Company. Mr. Xu is not connected with the controlling shareholder of the Company, or with other directors, supervisors, and senior management of the Company. Mr. Xu has not been subject to any penalties by China Securities Regulatory Commission (the "CSRC") or other authorities or disciplinary sanctions by any stock exchanges. Mr. Xu has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by the CSRC for violation of laws or regulations. Mr. Xu 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 Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.