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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 Resolutions of the Twenty-eighth Meeting of the Eighth Session of the Board of Directors**

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

The stipulated length of notice for the Twenty-eighth Meeting (the "Meeting") of the Eighth Session of the Board of Directors (the "Board") of ZTE Corporation (the "Company") has been waived with the unanimous approval of all Directors. The Company issued the "Notice of the Twenty-eighth Meeting of the Eighth Session of the Board of Directors of the Company" to all Directors of the Company by electronic mail on 15 November 2020. The Meeting was convened by way of voting via telecommunication on 16 November 2020. The Meeting was presided over by Mr. Li Zixue, Chairman. 9 Directors were required to vote at the Meeting and duly voted at the Meeting. Members of the Supervisory Committee of the Company and certain personnel concerned also attended the Meeting. The Meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of ZTE Corporation, and was legal and valid.

**The following resolutions were considered and approved at the Meeting:**

#### **I. Consideration and approval of the "Resolution on the Company's fulfilment of criteria for the acquisition of assets by issuance of shares and ancillary fund-raising"**

The Company proposes to acquire 18.8219% equity interests in ZTE Microelectronics Technology Company Limited ("ZTE Microelectronics" or "Target Company"), a subsidiary of the Company, held in aggregate by Guangdong Hengjian Xinxin Investment Partnership Enterprise (Limited Partnership) ("Hengjian Xinxin") and Shenzhen Huitong Rongxin Investment Co., Ltd ("Huitong Rongxin") (the "Target Assets") by way of share issue, and to raise ancillary funds (the "Transaction").

In accordance with pertinent provisions of the Company Law of the People's Republic of China (the "Company Law"), Securities Law of the People's Republic of China (the "Securities Law"), Administrative Measures for the Major Asset Restructuring of Listed Companies and Regulations on Certain Issues Concerning the Regulation of Major Asset Restructuring of Listed Companies issued by China Securities Regulatory Commission

(“CSRC) and other laws, regulations and regulatory documents and the Articles, the Board of the Company is of the view that the Company is in compliance with various requirements and substantial conditions governing the acquisition of assets by issuance of shares and ancillary fund-raising under the current laws, regulations and regulatory documents.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

## **II. Consideration and approval of each item under the “Resolution on the Company’s plan for the acquisition of assets by issuance of shares and ancillary fund-raising”**

### **(I) General plan**

The Company proposes to acquire 18.8219% equity interests in ZTE Microelectronics, a subsidiary of the Company, held in aggregate by Hengjian Xinxin and Huitong Rongxin by way of share issue; and meanwhile to raise ancillary funds of not more than RMB2.61 billion by the non-public issuance of shares to not more than 35 specific investors. The total amount of ancillary funds to be raised thereunder shall be not more than 100% of the consideration for the proposed acquisition of the Target Assets by way of share issue. The volume of shares to be issued under the Transaction shall comply with the pertinent provisions of CSRC and other regulatory authorities and requirements under the general mandate. The Company intends to apply the ancillary funds raised (after deduction of relevant intermediary fees and relevant taxes) to finance research and development projects for core 5G chips and to replenish its working capital, of which not more than 50% of the gross proceeds of ancillary funds raised shall be used for the replenishment of working capital.

Prior to the Transaction, ZTE and its subsidiaries Shenzhen Sai Jia Xun Investment Development Enterprise (Limited Partnership) and Shenzhen Renxing Technology Company Limited together held 81.1781% equity interests in ZTE Microelectronics. Following the completion of the Transaction, ZTE will hold 100% equity interests in ZTE Microelectronics in aggregate.

Pursuant to the plan for the Transaction, the raising of ancillary funds is subject to the acquisition of assets by issuance of shares, but the acquisition of assets by issuance of shares is not conditional upon the success of the raising of ancillary funds.

Voting results: For: 9; against: 0; abstain: 0.

### **(II) Information on the acquisition of assets by issuance of shares**

#### **1. Counterparties**

The counterparties to the asset acquisition are Hengjian Xinxin and Huitong Rongxin.

Voting results: For: 9; against: 0; abstain: 0.

#### **2. Target Assets**

The Target Assets of the Transaction are the 18.8219% equity interests in ZTE Microelectronics held in aggregate by Hengjian Xinxin and Huitong Rongxin.

Voting results: For: 9; against: 0; abstain: 0.

### **3. Transaction price of the Target Assets**

The consideration payable for the 18.8219% equity interest in ZTE Microelectronics has been determined at RMB2,610,827,000 through negotiations between the parties to the Transaction based on the finalised valuation result.

Voting results: For: 9; against: 0; abstain: 0.

### **4. Method of payment**

The Company proposes to pay the full amount of the consideration for the acquisition to the counterparties by way of share issue.

Voting results: For: 9; against: 0; abstain: 0.

### **5. Class and par value of shares to be issued**

The shares to be issued for asset acquisition are RMB ordinary shares (A Shares) with a par value of RMB1.00 per share.

Voting results: For: 9; against: 0; abstain: 0.

### **6. Place of listing**

The shares to be issued for asset acquisition will be listed on the Shenzhen Stock Exchange.

Voting results: For: 9; against: 0; abstain: 0.

### **7. Issue price and pricing principles**

In accordance with Article 45 of the Administrative Measures for the Major Asset Restructuring of Listed Companies, the price of a listed company's share issue shall not be lower than 90% of the market reference price. The market reference price shall be one of the average traded prices of the Company's A shares for the 20, 60 or 120 trading days immediately before the date of announcement of the Board resolution approving the acquisition of assets by issuance of shares.

The pricing benchmark date for the acquisition of assets by issuance of shares shall be the date of announcement of the resolution of the Twenty-sixth Meeting of the Eighth Session of the Board of Directors of the Company. Following thorough consultation with the counterparties on an equal basis taking into full consideration the interests of all parties, the Company has set the issue price at RMB30.80 / share, which is not lower than 90% of the average traded price of ZTE A shares for 20 trading days immediately before the pricing benchmark date.

During the period from the pricing benchmark date to the issuance date, in case of any ex-rights or ex-dividends events of the Company, such as distribution of dividends, bonus shares, capitalisation issue or right issue, the issue price will be adjusted in accordance with relevant rules promulgated by CSRC and the Shenzhen Stock Exchange. The formula for the adjustment of the issue prices is as follows:

Assuming P0 as the issue price per share before adjustment, N as the number of bonus shares or shares to be issued upon capitalisation issue per share, K as the number of new shares to be allotted per share, A as the share allotment price, D as the dividend per share and P1 as the adjusted issue price:

Dividend distribution:  $P1 = P0 - D$

Bonus issue or capitalisation issue:  $P1 = P0 / (1 + N)$

Allotment of Shares:  $P1 = (P0 + AK) / (1 + K)$

If all three events above are conducted simultaneously:  $P1 = (P0 - D + AK) / (1 + K + N)$

Voting results: For: 9; against: 0; abstain: 0.

## **8. Proposal in relation to the adjustment of issue price**

No plan for the adjustment of the issue price has been formulated for the Transaction.

Voting results: For: 9; against: 0; abstain: 0.

## **9. Number of shares to be issued**

The number of shares proposed to be issued for the acquisition of assets shall be 84,767,110 shares. Excluding the raising of ancillary funds, the shares to be issued for the acquisition of assets shall account for 1.80% of the total share capital after the issue.

During the period from the pricing benchmark date to the issuance date, in case of any ex-rights or ex-dividends events of the Company, such as distribution of dividends, bonus shares, capitalisation issue or share placing, the issue number will be adjusted in accordance with relevant rules promulgated by CSRC and the Shenzhen Stock Exchange.

Voting results: For: 9; against: 0; abstain: 0.

## **10. Lock-up period arrangement**

The lock-up period for the shares subscribed for by Hengjian Xinxin and Huitong Rongxin under the issue is as follows:

If the equity interest in ZTE Microelectronics applied in the subscription for new shares has been continuously held for less than 12 months, new shares received by the parties as a result of the acquisition shall not be transferred within 36 months from the date of listing of the shares;

If the equity interest in ZTE Microelectronics applied in the subscription for new shares has been continuously held for more than 12 months, new shares received by the parties as a

result of the acquisition shall not be transferred within 12 months from the date of listing of the shares;

During the lock-up period for the shares, the abovementioned lock-up arrangement shall also apply to any increase of shares in the Company received by Hengjian Xinxin and Huitong Rongxin under the issue as a result of ex-right or ex-dividend events of the Company, including distribution of bonus shares, capitalisation issue or right issue, etc.

Voting results: For: 9; against: 0; abstain: 0.

#### **11. Arrangement for the retained undistributed profits**

The retained undistributed profits of the Company prior to the acquisition of assets by issuance of shares will be shared by existing and new shareholders pro-rata to their respective shareholdings in the Company after the acquisition of assets by issuance of shares.

Voting results: For: 9; against: 0; abstain: 0.

#### **12. Validity period of the resolution**

The resolution on the acquisition of assets by issuance of shares shall be effective for a period of 12 months from the date of approval of the shareholders at the general meeting. Subject to the approval of CSRC, the effective period may be extended to the date of completion of the Transaction.

Voting results: For: 9; against: 0; abstain: 0.

### **(III) Information on the ancillary fund-raising**

#### **1. Class and par value of shares to be issued**

Shares to be issued for raising ancillary funds shall be RMB ordinary shares (A Shares) with a par value of RMB1.00 per share.

Voting results: For: 9; against: 0; abstain: 0.

#### **2. Place of listing**

Shares to be issued for raising ancillary funds will be listed on the Shenzhen Stock Exchange.

Voting results: For: 9; against: 0; abstain: 0.

#### **3. Target subscribers**

The target subscribers of shares to be issued for raising ancillary funds will be not more than 35 specific subscribers.

Voting results: For: 9; against: 0; abstain: 0.

#### **4. Method of issuance and method of subscription**

It is proposed that ancillary funds will be raised by way of non-public issuance of shares through price bidding. The target subscribers will subscribe in cash for shares to be issued for raising ancillary funds.

Voting results: For: 9; against: 0; abstain: 0.

## 5. Issue price and pricing principles

The pricing determination date for the raising of ancillary funds shall be the first day of the issue period in connection with the raising of ancillary funds, and the issue prices shall not be lower than 80% of the average traded price of the Company's A shares for the 20 trading days immediately before the pricing determination date. The finalised issue price shall be determined by the Board of the Company or persons authorised by the Board under the mandate granted by the general meeting in consultation with the independent financial advisor (lead underwriter) of the issue based on the outcome of price bidding in accordance with the provisions of pertinent laws, administrative regulations and regulatory documents.

Voting results: For: 9; against: 0; abstain: 0.

## 6. Total amount of the ancillary fund-raising and number of shares to be issued

The raising of ancillary funds will be conducted by way of non-public issuance of shares to not more than 35 specific subscribers by way of price bidding to raise ancillary funds of not more than RMB2.61 billion. The total amount of ancillary funds to be raised shall not exceed 100% of the transaction price for the proposed acquisition of the Target Assets by way of share issue.

Number of shares under the ancillary fund-raising issue = total amount of the ancillary fund-raising issue / issue price of the ancillary fund-raising issue.

Voting results: For: 9; against: 0; abstain: 0.

## 7. Lock-up period arrangement

Shares to be subscribed for by the target subscribers under the ancillary fund-raising issue in connection with the Transaction shall be subject to a lock-up period of 6 months from the date of conclusion of the issue. Any transfer thereafter shall be carried out in accordance with the relevant regulations of CSRC and the Shenzhen Stock Exchange.

Voting results: For: 9; against: 0; abstain: 0.

## 8. Use of the ancillary fund-raising

The ancillary funds raised under the Transaction after deduction of relevant intermediary fees and relevant taxes shall be applied in the following manner:

Unit: RMB100 million

No.	Item	Total amount of the item utilising issue proceeds	Proposed amount of issue proceeds to be utilised
1	Research and development projects	64.38	13.10

No.	Item	Total amount of the item utilising issue proceeds	Proposed amount of issue proceeds to be utilised
	for key 5G chips		
2	Replenishment of working capital of the Company	13.00	13.00
	<b>Total</b>	<b>77.83</b>	<b>26.10</b>

Any shortfall in the gross amount of ancillary funds raised shall be met by the internal funds of or other financing options adopted by the Company. If the internal funds of the Company are used, they will be replaced by the proceeds upon receipt of the proceeds.

Voting results: For: 9; against: 0; abstain: 0.

### **9. Arrangement for the retained undistributed profits**

The retained undistributed profits of the Company prior to the ancillary fund-raising issue will be shared by existing and new shareholders pro-rata to their respective shareholdings in the Company after the ancillary fund-raising issue.

Voting results: For: 9; against: 0; abstain: 0.

### **10. Validity period of the resolution**

The resolution on the share issue for ancillary fund-raising issue shall be effective for a period of 12 months from the date of approval of the shareholders at the general meeting. Subject to the approval of CSRC, the effective period may be extended to the date of completion of the Transaction.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration on an item-by-item basis.

### **III. Consideration and approval of the “Resolution on the Report on acquisition of assets by issuance of shares and ancillary fund-raising of ZTE Corporation (Draft)’ and its summary”**

In accordance with pertinent provisions of the Company Law, Securities Law, Administrative Measures for the Major Asset Restructuring of Listed Companies, Standards for Contents and Format of Corporate Information Disclosure relating to Public Issuance of Securities No. 26 - Major Asset Restructuring of Listed Companies and other laws, regulations and regulatory documents and taking in account the details of the Transaction, the Company has formulated the Report on acquisition of assets by issuance of shares and ancillary fund-raising of ZTE Corporation (Draft) and its summary. For details, please refer to “Overseas Regulatory Announcement” published on the same date as this announcement.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

#### **IV. Consideration and approval of the “Resolution on the Transaction not constituting a connected transaction”**

Upon examination, the Board of the Company is of the view that Hengjian Xinxin and Huitong Rongxin, counterparties to the Transaction, are not connected parties of the Company. Upon completion of the acquisition of assets by issuance of shares (excluding the ancillary fund-raising issue), the percentage of the shareholdings of Hengjian Xinxin and Huitong Rongxin in the Company is not more than 5%. Accordingly, the Transaction does not constitute a connected transaction.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

#### **V. Consideration and approval of the “Resolution on the Transaction not constituting a major asset restructuring”**

Upon examination, the Board of the Company is of the view that the Transaction does not constitute a major asset restructuring under the regulations of the Administrative Measures for the Major Asset Restructuring of Listed Companies, the audit data of the Target Company and the determined price of the Transaction.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

#### **VI. Consideration and approval of the “Resolution on the Transaction not constituting reverse takeover under Article 13 of ‘the Administrative Measures for the Major Asset Restructuring of Listed Companies’”**

Upon examination, the Board of the Company is of the view that within 36 months prior to the Transaction, the controlling shareholder of the Company was Zhongxingxin Telecom Company Limited (“Zhongxingxin”) and there was no de facto controller. Following the completion of the Transaction, Zhongxingxin will remain the Company’s controlling shareholder and the Company will continue to have no de facto controller. Accordingly, the Transaction will not result in any change in the Company’s controlling shareholder and de facto controller, and the Transaction does not constitute reverse takeover.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.



**VII. Consideration and approval of the “Resolution on compliance of the Transaction with Articles 11 and 43 of the ‘Administrative Measures for the Major Asset Restructuring of Listed Companies’”**

Upon examination, the Board of the Company is of the view that the Transaction is in compliance with the pertinent provisions of Articles 11 and 43 of the Administrative Measures for the Major Asset Restructuring of Listed Companies.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**VIII. Consideration and approval of the “Resolution on the Transaction is in compliance with Article 4 of the ‘Regulations on Certain Issues Concerning the Regulation of Major Asset Restructuring of Listed Companies’”**

Upon examination, the Board of the Company is of the view that the Transaction is in compliance with pertinent provisions of Article 4 of the Regulations on Certain Issues Concerning the Regulation of Major Asset Restructuring of Listed Companies.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**IX. Consideration and approval of the “Resolution on the execution of the conditional Supplemental Agreement in respect of Share Issue for Asset Acquisition”**

The Board of the Company approves the Company’s execution of the conditional Supplemental Agreement in respect of Share Issue for Asset Acquisition with Hengjian Xinxin and Huitong Rongxin.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**X. Consideration and approval of the “Resolution on the statement of completeness and compliance of statutory procedures performed in relation to the Transaction and the validity of the submission of legal documents”**

Upon examination, the Board of the Company is of the view that the statutory procedures in relation to the Transaction performed so far by the Company are complete, lawful, valid and in compliance with the provisions of pertinent laws, regulations, departmental rules, regulatory documents and the Articles, and that the legal documents submitted by the Company in connection with the Transaction are lawful and valid.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**XI. Consideration and approval of the “Resolution on the statement of principals involved in the Transaction not being subject to Article 13 of the ‘Interim Provisions on Strengthening Regulation over Unusual Trading in Stocks relating to Major Asset Restructuring of Listed Companies’”**

Upon examination, the Board of the Company is of the view that the principals involved in the Transaction are not subject to Article 13 of the Interim Provisions on Strengthening Regulation over Unusual Trading in Stocks relating to Major Asset Restructuring of Listed Companies.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**XII. Consideration and approval of the “Resolution on the approval of the audit report, the pro forma review report and the asset valuation report in relation to the Transaction”**

For the purposes of the Transaction, the Company has engaged Ernst & Young Hua Ming LLP which has furnished an Audit Report of ZTE Microelectronics Technology Company Limited (Ernst and Young Hua Ming (2020) Shen Zi No. 61113524\_H03) and a Review Report on Pro Forma Consolidated Financial Statements of ZTE Corporation (Ernst and Young Hua Ming (2020) Zhuan Zi No. 60438556\_H06) and Vocation (Beijing) International Assets Appraisal Co., Ltd. which has furnished an Asset Valuation Report of all equity value of ZTE Microelectronics Technology Company Limited involved in the equity purchase by ZTE Corporation (Wo Ke Sen [Vocation] Ping Bao Zi (2020) No. 1685)(the “Asset Valuation Report”), in accordance with the provisions under the Administrative Measures for the Major Asset Restructuring of Listed Companies. For details, please refer to the Overseas Regulatory Announcements published on the same date as this announcement.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**XIII. Consideration and approval of the “Resolution on the independence of the appraisal institution, the reasonableness of the appraisal assumptions, the relevance between the appraisal method and the appraisal objectives and the fairness of the appraisal consideration”**

The Target Assets under the Transaction have been appraised by Vocation (Beijing) International Assets Appraisal Co., Ltd., which has furnished an asset valuation report. In

accordance with the Administrative Measures for the Major Asset Restructuring of Listed Companies, Provisions on Certain Issues relating to the Regulation of Major Asset Restructuring of Listed Companies, Standards for Contents and Format of Corporate Information Disclosure relating to Public Issuance of Securities No. 26 – Application Documents for Major Asset Restructuring of Listed Companies and other pertinent laws, regulations and regulatory documents and upon detailed examination of matters relating to the valuation, the Board of the Company is of the view that the appraisal institution is independent, the appraisal assumptions are reasonable, the appraisal method is relevant to and consistent with the appraisal objectives, and the appraisal consideration is fair.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

#### **XIV. Consideration and approval of the “Resolution on the statement of the basis for, and reasonableness and fairness of, the consideration for the Transaction”**

The transfer consideration for the Target Assets under the Transaction has been determined through negotiations between the Company and the counterparties to the Transaction based on the Asset Valuation Report (Wo Ke Sen [Vocation] Ping Bao Zi (2020) No. 1685) furnished by Vocation (Beijing) International Assets Appraisal Co., Ltd. and the appraised value of the Target Assets as at the valuation benchmark date, and the pricing of the Target Assets is reasonable.

The issue price of the share issuance for asset acquisition under the Transaction shall be not lower than 90% than the average trading price of the A shares of the Company for the twenty trading days immediately preceding the pricing benchmark date, which shall be the date of the announcement of the resolutions of the first meeting of the Board of Directors of the Company convened to consider the Transaction, namely, the date of the announcement of the resolutions of the Twenty-sixth Meeting of the Eighth Session of the Board of Directors of the Company. The issue price of the share issuance for raising ancillary funds under the Transaction shall be not lower than 80% than the average trading price of the A shares of the Company for the twenty trading days immediately preceding the pricing benchmark date for the raising of ancillary funds, which shall be the first date of the issue period for the raising of ancillary funds. The issue prices for shares under the Transaction have been determined in accordance with pertinent laws and regulations and in compliance with the principles of openness, fairness and equity. The transaction price is fair and reasonable and has been arrived at through equitable procedures without compromising the interest of the Company and its shareholders.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

#### **XV. Consideration and approval of the “Resolution on the analysis on dilution on returns for the current period and remedial measures and the relevant undertakings in relation to the Transaction”**

In accordance with relevant regulations including Opinion of the General Office of the State Council on Further Strengthening Protection for Lawful Interests of Minority Shareholders in the Capital Market (Guo Ban Fa [2013] No. 110), Opinions of the State Council on Further Facilitating the Healthy Development of the Capital Market (Guo Fa [2014] No. 17) and Guiding Opinion on Matters Pertaining to Dilution of Return for the Current Period Under Initial Public Offering, Refinancing and Significant Asset Restructuring (CSRC Announcement [2015] No. 31), the Company has conducted an analysis on the effect of the Transaction on the dilution of return for the current period, formulated specific measures in response, and provided relevant undertakings. For details, please refer to the “Overseas Regulatory Announcement” published on the same date as this announcement.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**XVI. Consideration and approval of the “Resolution on a mandate to be granted to the Board and its authorised persons by the General Meeting to deal with matters pertaining to the Transaction with full discretion”**

To ensure the smooth progress of matters pertaining to the Transaction, the Board seeks the shareholders’ mandate at the general meeting for the Board and its authorised persons to deal with full discretion with matters pertaining to the Transaction, including but not limited to the following:

1. to formulate, adjust, revise, perfect and implement the actual plan of the Transaction in accordance with the provisions of laws, regulations and regulatory documents, market conditions and resolutions of the general meeting, including but not limited to determining or adjusting the scope of relevant Target Assets based on the actual conditions, scope of the counterparties, price of the Target Assets, payment method, issue number, issue period, issue price, selection of target subscribers for the ancillary fund-raising issue, total amount of ancillary funds to be raised, exact method of subscription, amount of proceeds to be allocated to various investment projects utilising issue proceeds, order of priority in investment and other matters pertaining to the Transaction plan;
2. to deal with and determine specific matters pertaining to the Transaction in accordance with the approval of CSRC, market conditions and the plan considered and approved at the general meeting;
3. to amend, supplement, execute, submit, report and implement all agreements and documents relating to the acquisition of assets by issuance of shares and ancillary fund-raising subject to laws, regulations, pertinent regulatory documents and the Articles;
4. to adjust and revise the Transaction plan and adjust, revise, approve and sign all documents and agreements relating to the Transaction, such as relevant the report on acquisition of assets by issuance of shares and ancillary fund-raising, financial reports, audit reports, asset valuation reports, Agreement in respect of Share Issue for Asset Acquisition and Supplemental Agreement in respect of Share Issue for Asset Acquisition (including their

amended and supplemental versions) upon the request of the approving authorities, securities regulatory authorities and stock exchanges or in compliance with pertinent new laws and regulations and other regulatory documents announced by the regulatory authorities, and fulfill the obligation of information disclosure;

5. to make relevant adjustments to the detailed plan of the Transaction subject to the resolution of the general meeting based on the new policies and regulations of the securities regulatory authorities and actual market conditions during the effective period of the resolution of the general meeting, in the event of any change in the policy requirements of regulatory authorities or market conditions;

6. to deal with reporting matters pertaining to the Transaction and prepare, amend and submit reporting materials for the Transaction in accordance with the requirements of the approving authorities, securities regulatory authorities and stock exchanges; and respond to feedback from CSRC and other relevant government authorities;

7. to be in charge of the actual execution and implementation of the Transaction plan in accordance with laws, regulations and resolutions of the general meeting, including but not limited to fulfilling the obligations stipulated under the transaction contracts / agreements, processing registration changes in relation to the settlement and handover of Target Assets under the Transaction and registration of the issuance of new shares, and execution of relevant legal documents;

8. to amend relevant clauses of the Articles, process change in industrial and commercial registration and deal with other pertinent filing requirements after the completion of the Transaction;

9. to deal with registration of shares issued under the Transaction with securities registration and clearing companies and Shenzhen Stock Exchange, as well as the lock-up and listing on Shenzhen Stock Exchange of such shares, following the completion of the Transaction;

10. to select and appoint intermediaries, such as the independent financial advisor, legal advisor, appraiser and accounting firm, and to fix the relevant service fees and sign relevant service agreements;

11. to deal with other matters pertaining to the Transaction subject to laws, regulations, pertinent regulatory documents and the Articles;

12. to delegate as appropriate the handling of procedural matters under the aforesaid mandate to the Chairman of the Company and his attorney authorised in writing based on the progress of and as actually required by the Transaction.

The said mandate shall be effective for a period of 12 months from the date of consideration and approval at the general meeting. Subject to the approval of the Transaction by CSRC, the effective period may be extended to the date of completion of the Transaction.

Voting results: For: 9; against: 0; abstain: 0.

This resolution is required to be tabled at the general meeting of the Company for consideration.

**XVII. Consideration and approval of the “Resolution on convening the Third Extraordinary General Meeting of 2020”**

1. That the convening of the Company’s Third Extraordinary General Meeting of 2020 to consider the relevant resolutions in relation to the acquisition of assets by issuance of shares and ancillary fund-raising be approved;
2. That the Chairman of the Company be authorised to determine the exact timing of the Third Extraordinary General Meeting of 2020 and issue relevant announcements based on the actual conditions of the Company and in accordance with pertinent provisions of the laws, regulations, regulatory documents and the Articles.

Voting results: For: 9; against: 0; abstain: 0.

The Independent Non-executive Directors of the Company have furnished an independent opinion on matters pertaining to the Transaction. For details, please refer to the “Overseas Regulatory Announcement” published on the same date as this announcement.

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

Shenzhen, the PRC  
16 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.*