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**XIAOMI CORPORATION**

**小米集团**

*(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1810)**

## **SHARE TRANSACTION**

# **ACQUISITION OF 27.44% SHAREHOLDING IN ZIMI INTERNATIONAL INCORPORATION INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

### **THE ACQUISITION**

The Board is pleased to announce that on May 21, 2020 (after trading hours), the Company entered into the (i) Zifone Agreement with Zifone and (ii) the Shareholder Vendors Agreement with the Shareholder Vendors, pursuant to which, the Company has conditionally agreed to acquire, and each of Zifone and the Shareholder Vendors has conditionally agreed to sell, the Sale Shares, representing an aggregate of 27.44% of the entire issued share capital of the Target Company, at a total Consideration of approximately US\$102.84 million. The Consideration shall be satisfied (i) as to approximately US\$25.78 million in cash; and (ii) as to approximately US\$77.06 million by the allotment and issue of 54,379,044 Consideration Shares, credited as fully paid, by the Company.

The Consideration Shares will be allotted and issued pursuant to the General Mandate and is not subject to the approval of the Shareholders. The Consideration Shares, when allotted and issued, shall rank pari passu with the Shares in issue.

An aggregate of 54,379,044 Consideration Shares will be allotted and issued to Zifone and the Shareholder Vendors in accordance with the schedule set out in the section headed “The Agreements — Consideration” below, which represent approximately 0.23% of the issued share capital of the Company as at the date of this announcement and approximately 0.23% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon Closing, the Company will hold 49.91% of the shareholding of the Target Company.

## **LISTING RULES IMPLICATIONS**

### **Share Transaction**

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are less than 5% but the Consideration for the Acquisition will partly be satisfied by the allotment and issue of the Considerations Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential inventors should note that the Acquisition is subject to the satisfaction of certain conditions and accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing the Shares and other securities of the Company.**

## **THE ACQUISITION**

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## **THE AGREEMENTS**

The principal terms of the Agreements are set out as follows:

### **Date**

May 21, 2020

## **Parties**

- Zifone Agreement : (1) the Company; and  
(2) Zifone
- Shareholder Vendors Agreement : (1) the Company; and  
(2) an aggregate of 8 employees of the Target Company (the “**Employee Shareholders**”); and  
(3) an aggregate of 3 senior management personnel of the Target Company (the “**Senior Management Personnel**”)

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Employee Shareholders, Senior Management Personnel as well as Zifone and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

## **Assets to be acquired**

Subject to the terms and conditions in the Agreements, the Company has conditionally agreed to acquire, and each of Zifone and the Shareholder Vendors has conditionally agreed to sell, the Sale Shares, representing an aggregate of 27.44% of the entire issued share capital of the Target Company.

## **Consideration**

Pursuant to the Agreements, the total Consideration is approximately US\$102.84 million and shall be satisfied by the Company in the following manner:

1. approximately US\$25.78 million shall be settled by the Company by wire transfer of immediately available funds to the bank account designated by each of the Shareholder Vendors on the date of the Closing in accordance with the following:
  - (a) approximately US\$22.46 million to Zifone; and
  - (b) an aggregate of approximately US\$1.32 million to the Senior Management Personnel; and
  - (c) an aggregate of approximately US\$2.00 million to the Employee Shareholders;

2. approximately US\$77.06 million shall be settled by the Company by way of issue and allotment of 54,379,044 Consideration Shares to Zifone, the Senior Management Personnel and the Employee Shareholders:
- (a) an aggregate of 44,992,256 Consideration Shares will be issued and allotted to Zifone in the following manners: (i) 23,773,796 Consideration Shares at Closing; (ii) 21,218,460 Consideration Shares in four equal installments within ten Business Days after each of the first four anniversaries following the Closing in settlement of approximately US\$63.76 million of the Consideration thereto, subject to the Key Performance Indicators being reached;
  - (b) an aggregate of 3,735,789 Consideration Shares will be issued and allotted to the Senior Management Personnel in the following manners: (i) 1,400,921 Consideration Shares at Closing; (ii) 2,334,868 Consideration Shares in four equal installments within ten Business Days after each of the first four anniversaries following the Closing in settlement of approximately US\$5.29 million of the Consideration thereto, subject to the Key Performance Indicators being reached; and
  - (c) an aggregate of 5,650,999 Consideration Shares will be issued and allotted to the Employee Shareholders in the following manners: (i) 2,119,125 Consideration Shares at Closing; (ii) 3,531,874 Consideration Shares within ten Business Days after the first anniversary following the Closing in settlement of approximately US\$8.01 million of the Consideration thereto.

The Consideration was determined based on arm's length negotiations among the Company, Zifone and the Shareholder Vendors on normal commercial terms principally with reference to, among others, (a) a valuation range of historical price-to-earnings ratio of certain listed comparable companies in the power-supply-related and IoT industries; (b) the historical performance of the Target Company and its business review and outlook; and (c) the Company's assessment on the prospects of the power-supply-related and IoT industry and the synergistic benefits that can be created between the Target Company and the Company as described under the paragraph headed "Reasons for and benefits of the acquisition".

### **Consideration Shares**

The Consideration Shares shall be allotted and issued pursuant to the General Mandate, credited as fully paid, and shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Closing and will be issued free and clean of all liens, encumbrances, equities or other third party rights. The allotment and issue of the Consideration Shares under the General Mandate is not subject to the approval of the Shareholders.

An aggregate of 54,379,044 Consideration Shares will be allotted and issued to Zifone and the applicable Shareholder Vendors in accordance with the schedule set out in the section headed "The Agreements — Consideration" above, which represent approximately 0.23% of the issued share capital of the Company as at the date of this announcement and approximately 0.23% of the issued share capital of the Company as enlarged by the Consideration Shares;

The issue price of each Consideration Share is HK\$10.9840, which represents:

- (1) a discount of approximately 13.5% to the closing price of HK\$12.70 per Share as quoted on the Stock Exchange on May 21, 2020, being the date of the Agreements;
- (2) a discount of approximately 10.6% to the average closing price of HK\$12.28 per Share as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of the Agreements; and
- (3) a premium of approximately 0.1% to the average closing price of HK\$10.97 per Share as quoted on the Stock Exchange for the 20 trading days immediately prior to the date of the Agreements.

### **Conditions precedent**

The Closing of the Agreements shall be subject to the fulfilment or, where applicable, waiver of the following conditions:

- (i) no provision of the applicable laws and no other injunction, judgment, order, decree, stipulation or determination by or with any relevant governmental authorities prohibiting the Closing;
- (ii) the representations and warranties provided by the relevant Parties being true, correct and accurate in all material respects as of Closing;
- (iii) no material adverse effect on the financial condition, business, prospects or operations of the Target Group;
- (iv) the relevant Parties having performed and complied in all material respects with all covenants, agreements, obligations and conditions contained in the respective Agreement and the other transaction documents (including the Shareholders Agreement) that are required to be performed or complied with by it on or before the Closing;
- (v) all final transaction documents (including the Shareholders Agreement) having been duly executed by Zifone or each of the Shareholder Vendors, as the case may be, and all other parties thereto, including without limitation the respective Agreement, and delivered the same to the Company;
- (vi) all corporate and other proceedings in connection with the transactions contemplated by the respective Agreement and all documents and instruments incident to such transactions having been passed, executed and/or delivered by the Company to the satisfaction of Zifone or the Shareholder Vendors, as the case may be;
- (vii) all corporate and other proceedings in connection with the transactions contemplated by the respective Agreement and all documents and instruments incident to such transactions having been passed, executed and/or delivered by Zifone or each of the Shareholder Vendors, as the case may be, to the satisfaction of the Company;

- (viii) the restated articles of association and memorandum of the Target Company having been duly adopted and such adoption having been duly submitted for filing with the Companies Registry of the Cayman Islands as of the Closing;
- (ix) the relevant Parties having obtained all necessary consents from any relevant governmental or regulatory authorities or other relevant third parties for the consummation of the transactions contemplated by the respective Agreement and other transaction documents (including the Shareholders Agreement), which are in full force and effect as of the Closing, and does not impose any terms or conditions that could be reasonably expected to materially impair the Company's ability to consummate, or prevent or materially delay, the transactions contemplated by the respective Agreement and other transaction documents (including the Shareholders Agreement);
- (x) the Company having completed its business, legal, financial, management, technology and IP due diligence of the Target Group and is satisfied with the result thereof; and
- (xi) the approval for the listing of, and permission to deal in the Consideration Shares by the Stock Exchange having been obtained by the Company, and such approval not having been revoked or withdrawn prior to the date of Closing.

## **Closing**

Closing shall take place on the tenth (10th) Business Day after the day on which the conditions precedent of the respective Agreement have been satisfied or, as the case may be, waived by the Party entitled to that condition or such other day as the Parties otherwise agree in writing. If Closing has not been consummated within 90 days after the execution of the respective Agreement, either the Company, on the one hand, or Zifone or the Shareholder Vendors, on the other hand, shall have the right to terminate the relevant Agreement and the relevant Agreement will be of no further effect except for antecedent breach of any obligations of any Parties thereto.

## **SHAREHOLDERS AGREEMENT**

Pursuant to the Agreements, the execution and delivery of the Shareholders Agreement is a condition precedent to Closing. The principal terms of the Shareholders Agreement are set out below:

### **Board of directors**

The Target Company shall have a board of directors consisting of no more than six directors. Each of the Company and Red Better shall be entitled to appoint one director to the board of directors of the Target Company who shall also sit on the board of directors of each of Zimi HK, Zimi Jiangsu and Jiangsu Zimi Electron (collectively, the “**Target Subsidiaries**”).

## **Right of participation**

Red Better, Shunwei, Melly and Little Smart and their permitted transferees shall have the right of first refusal to purchase such holder's pro rata share of all (or any part) of any new securities, including any preferred shares, ordinary shares or other voting shares of the Target Company, whether now authorized or not, and rights, options or warrants to purchase such shares, that the Target Company may from time to time issue.

## **Right of first refusal and co-sale right**

If any shareholder of the Target Company (the "**Selling Target Shareholder**") proposes to sell or otherwise deal with or dispose of any shares or other equity interest of the Target Company (the "**Offered Shares**") to any third party (the "**Transferee**"), then Shunwei and Red Better shall have a right of first refusal to purchase such Offered Shares in accordance with the Shareholders Agreement.

If Red Better or Shunwei does not exercise its right of first refusal to acquire any of the Offered Shares, such shareholder shall have the right, but not the obligation, to participate in the sale of such Offered Shares for the same price and on the same terms as the Transferee in accordance with the Shareholders' Agreement.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

The shareholding structure of the Target company as at the date of this announcement and immediately after Closing (assuming there is no change in the issued share capital of the Target Company before Closing) is as follows:

Name of shareholder of Target Company	As at the date of this announcement		Immediately after Closing	
	<i>No. of shares of the Target Company</i>	<i>Approximate % of total issued shares of the Target Company</i>	<i>No. of shares of the Target Company</i>	<i>Approximate % of total issued shares of the Target Company</i>
<b>Shareholder Vendors</b>				
Zifone	29,477,100	29.97%	6,845,928	6.96%
Senior Management Personnel	1,737,000	1.77%	0	0%
Employee Shareholders	2,627,500	2.67%	0	0%
<b>Other shareholders of Target Company</b>				
Red Better	22,098,050	22.47%	22,098,500	22.47%
Company	0	0.00%	26,995,672	27.44%
Melly	4,215,700	4.29%	4,215,700	4.29%
Shunwei	22,098,050	22.47%	22,098,050	22.47%
Power&Fun	6,307,200	6.41%	6,307,200	6.41%
Little Smart	9,803,900	9.97%	9,803,900	9.97%
<b>Total</b>	<b><u>98,364,500</u></b>	<b><u>100.00%</u></b>	<b><u>98,364,500</u></b>	<b><u>100.00%</u></b>

Notes:

- (1) This represents the ordinary shares, series A preferred share and series B preferred shares of the Target Company.
- (2) The percentage figures have been subject to rounding adjustments. Accordingly, figures shown in totals may not be an arithmetic aggregation of the figures preceding them.



## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect of allotment and issue of the Consideration Shares on the shareholding structure of Class B Shares of the Company upon Closing is set out as below:

Name of Shareholder	As at the date of this announcement		Immediately after the Closing, the allotment and issue of all Consideration Shares <sup>(1)</sup>	
	No. of Shares	Approximate % of number of same class Shares in issue <sup>(6)</sup>	No. of Shares	Approximate % of number of same class Shares in issue <sup>(6)</sup>
Mr. Lei <sup>(2)</sup>	2,435,384,095	13.86%	2,435,384,095	13.82%
Lin Bin <sup>(3)</sup>	476,902,632	2.71%	476,902,632	2.71%
Liu Qin <sup>(4)</sup>	287,871,764	1.64%	287,871,764	1.63%
Chew Shou Zi <sup>(5)</sup>	44,331,008	0.25%	44,331,008	0.25%
Public Shareholders	14,325,770,688	81.54%	14,380,149,732	81.59%
<b>Total</b>	<b><u>17,570,260,187</u></b>	<b><u>100.00%</u></b>	<b><u>17,624,639,231</u></b>	<b><u>100.00%</u></b>

Notes:

- (1) Assuming no change in the total issued share capital of the Company other than the allotment and issue of all Consideration Shares.
- (2) Smart Mobile Holdings Limited and Smart Player Limited are both wholly-owned by Sunrise Vision Holdings Limited which is in turn wholly-owned by Parkway Global Holdings Limited. Team Guide Limited is wholly-owned by Techno Frontier Investments Limited. The entire interests in Parkway Global Holdings Limited and Techno Frontier Investments Limited are held by ARK Trust (Hong Kong) Limited as trustee for the trusts established by Lei Jun (as settlor) for the benefit of Lei Jun and his family. Accordingly, Lei Jun is deemed to be interested in (i) the 2,283,917,423 Class B Shares held by Smart Mobile Holdings Limited; and (ii) the 59,221,630 Class B Shares held by Smart Player Limited and (iii) the 92,245,042 Class B Shares held by Team Guide Limited under the SFO.
- (3) Lin Bin personally held 49,920,210 Class B Shares and was deemed to be interested in 93,438,272 Class B Shares through the interest of Bin Lin Family Trust and 333,544,150 Class B Shares through the interest of his controlled corporations, which 325,857,550 Class B Shares were held by Apex Star LLC and 7,686,600 Class B Shares were held by Bin Lin and Daisy Liu Family Foundation (all are controlled corporations by Lin Bin).
- (4) Liu Qin is entitled to exercise or control the exercise of one-third of the voting power at general meetings of TMT General Partner Ltd. and is therefore deemed to be interested in the Shares in which TMT General Partner Ltd. is interested. TMT General Partner Ltd. controls Morningside China TMT GP, L.P. and Morningside China TMT GP II, L.P., which respectively controls Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P. (the "Morningside Funds"). Consequently, TMT General Partner Ltd. is deemed to be interested in the Shares in which the Morningside Funds have an interest.
- (5) Tamarind Limited is wholly-owned by Chew Shou Zi. Accordingly, Chew Shou Zi is deemed to be interested in the 25,344,772 Class B Shares held by Tamarind Limited under the SFO.
- (6) The percentage figures have been subject to rounding adjustments. Accordingly, figures shown in totals may not be an arithmetic aggregation of the figures preceding them.

## INFORMATION OF THE TARGET GROUP

The Target Group is a high-tech company focusing on smart hardware, mobile accessories and IoT products. The Target Group's own brand, ZMI, is committed to the research and development and production of advanced smartphone accessories and smart hardware, including power banks, chargers, wireless chargers, data cables, smart home appliances, and a variety of other products.

Based on the unaudited consolidated financial statements of the Target Group, the financial information of the Target Group for the two years ended December 31, 2019 are set out as follows:

	<b>For the year ended December 31, 2019 (unaudited) (RMB'000)</b>	For the year ended December 31, 2018 (unaudited)
(Loss)/profit before taxation	<b>382,025</b>	267,972
(Loss)/profit after taxation	<b>326,103</b>	227,832

As at December 31, 2019, based on the unaudited consolidated financial statements of the Target Group, the Target Group had unaudited consolidated total assets of approximately RMB1,086.51 million.

## INFORMATION OF THE COMPANY

The Company is an internet company with smart phones and smart hardware connected by an IoT platform at its core.

## INFORMATION ON ZIFONE AND THE SHAREHOLDER VENDORS

### **Zifone**

Zifone is a limited liability company incorporated in the British Virgin Islands that is principally engaged in investment activities.

### **Employee Shareholders and Senior Management Personnel**

Each of the Employee Shareholders and Senior Management Personnel is an employee of the Target Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors are of the view that the Acquisition provides a good opportunity for the Group. The Target Company has technological and research and development capabilities in electrical power supply and IoT, which can enhance the technological competitiveness of the Company in 5G+AIoT. The power-related technology of the Target Company can be applied to the smartphones and other IoT products of the Company for higher competitiveness, standardization of power-supply of our products to reach cost saving. In addition, the leading R&D capability and outstanding industry resources and operating experience of the Target Company in power-related products, camera, speakers and other products in the IoT sector will facilitate and improve the competitiveness of the Company's future ecosystem products.

Upon Closing, the Company will hold 49.91 % of the shareholding of the Target Company.

Given (i) the above reasons for and the benefits of the Acquisition; and (ii) the factors considered in determining the Consideration for the Acquisition as set out in the sub-paragraph headed "Consideration", the Directors (including independent non-executive Directors) are of the view that the terms and conditions of the Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **APPLICATION FOR LISTING**

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## **LISTING RULES IMPLICATIONS**

### **Share Transaction**

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are less than 5% but the Consideration for the Acquisition will partly be satisfied by the allotment and issue of the Considerations Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that the Acquisition is subject to the satisfaction of certain conditions and accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing the Shares and other securities of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

“Acquisition”	the acquisition of the Sale Shares by the Company from the Shareholder Vendors pursuant to the terms and conditions set out in the Agreements
“Agreements”	the Zifone Agreement and the Shareholder Vendors Agreement
“Board”	the Board of Directors
“Business Day(s)”	day(s) (other than a Saturday or a Sunday) that the banks in Hong Kong, the PRC, and the Cayman Islands are generally open for business
“Closing”	closing of the Acquisition in accordance with the terms and conditions of the Agreements, as described in the paragraph headed “The Agreements — Closing”
“Company”	Xiaomi Corporation 小米集团, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1810)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration for the Acquisition
“Consideration Share(s)”	the aggregate new Shares to be allotted and issued by the Company to the Shareholder Vendors pursuant to the Agreements as part of the Consideration
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on May 14, 2019 to allot, issue and deal with new Shares with a total nominal value not exceeding 20% of the aggregate nominal value of the Shares in issue as at May 14, 2019 (subject to adjustment in the case of any consolidation or subdivision of the Shares after May 14, 2019)
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of China
“IoT”	internet of things
“Jiangsu Zimi Electron”	Jiangsu Zimi Electron Technology Co., Ltd. (江蘇紫米電子技術有限公司), a limited liability company established under the laws of the PRC
“Key Performance Indicators”	for the applicable year: <ul style="list-style-type: none"> <li>(a) the aggregate of the Target Company’s revenue generated from Xiaomi branded power banks and the revenue of Xiaomi India generated from power banks produced by the Target Company; or</li> <li>(b) the aggregate of the Target Company’s total revenue and the revenue of Xiaomi India generated from products produced by the Target Company,</li> </ul> having reached the stipulated level
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Little Smart”	Little Smart Limited, a limited liability company incorporated in the British Virgin Islands whose entire interests are held on trust established for the benefit of Mr. Lei and his family members, and a shareholder of the Target Company
“Melly”	MELLY Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a shareholder of the Target Company
“Mr. Lei”	Mr. Lei Jun, the chairman, the executive Director and the ultimate controlling Shareholder of the Company
“Party(ies)”	the party(ies) to the relevant Agreement
“Power&Fun”	Power&Fun Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a shareholder of the Target Company
“PRC”	People’s Republic of China

“Red Better”	Red Better Limited, a limited liability company incorporated under the laws of the British Virgin Islands, a wholly-owned subsidiary of the Company, and a shareholder of the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	26,995,672 shares of the Target Company, being the number of shares of the Target Company to be acquired by the Company under the Acquisition
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)” or “Class B Shares”	class B ordinary shares of the share capital of the Company with a par value of US\$0.0000025 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company’s general meetings
“Shareholder Vendors”	the vendors of shares of the Target Company in the Acquisition (excluding Zifone), namely, the Employee Shareholders and the Senior Management Personnel
“Shareholder Vendors Agreement”	the sale and purchase agreement dated May 21, 2020 and entered between the Company and the Shareholder Vendors in relation to the Acquisition
“Shareholder(s)”	the holder(s) of the Share(s)
“Shareholders Agreement”	the shareholders’ agreement to be entered into among the Target Company, Zimi HK, Zimi Jiangsu, Jiangsu Zimi Electron, Zhang Feng (張峰) and Huang Wen Yuan (黃文元), Zifone, Power&Fun, Red Better, Shunwei, Melly and Little Smart and the Company, in relation to, among other matters, the affairs, business and management of the Target Company, and the relationship among the shareholders of the Target Company
“Shunwei”	Shunwei Technology II Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a shareholder of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zimi International Incorporation, a company incorporated in the Cayman Islands with limited liability
“Target Group”	the Target Company and its subsidiaries

“US\$”	United States dollars, the lawful currency of the United States
“Zifone”	Zifone Holdings Limited, a company with limited liability incorporated under the laws of the British Virgin Islands, whose entire interests are held on trust established for the benefit of Zhang Feng (張峰), an employee and a senior management of the Company, and his family members, and a shareholder of the Target Company
“Zifone Agreement”	the sale and purchase agreement dated May 21, 2020 and entered between the Company and Zifone in relation to the Acquisition
“Zimi HK”	Zimi International Company Limited (紫米國際有限公司), a limited liability company established under the laws of Hong Kong
“Zimi Jiangsu”	Zimi Communication Technology (Jiangsu) Co., Ltd. (紫米通訊技術(江蘇)有限公司), a wholly foreign owned enterprise organized under the laws of the PRC and established by Zimi HK
“%”	per cent.

By order of the Board  
**Xiaomi Corporation**  
**Lei Jun**  
*Chairman*

Hong Kong, May 21, 2020

*As at the date of this announcement, the Board comprises Mr. Lei Jun as Chairman and Executive Director and Mr. Lin Bin as Vice-Chairman and Executive Director, Mr. Chew Shou Zi as Executive Director, Mr. Liu Qin as Non-executive Director, and Dr. Chen Dongsheng, Prof. Tong Wai Cheung Timothy and Mr. Wong Shun Tak as Independent Non-executive Directors.*