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## NOTICE OF THE 2020 ANNUAL GENERAL MEETING

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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)**

### **NOTICE OF THE 2020 ANNUAL GENERAL MEETING**

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

**NOTICE IS HEREBY GIVEN** that the 2020 Annual General Meeting (the “AGM”) of ZTE Corporation (the “Company”) will be convened at 2:30 p.m., on Friday, 25 June 2021 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 to consider and if thought fit, approve, the following resolutions (terms defined in this notice shall have the same meanings as those in the circular of the Company dated 26 May 2021, unless otherwise required by the context):

#### **Ordinary Resolutions**

- 1. 2020 Annual Report (including 2020 financial report audited by the PRC and Hong Kong auditors);**
- 2. 2020 Report of the Board of Directors;**
- 3. 2020 Report of the Supervisory Committee;**
- 4. 2020 Report of the President;**
- 5. Final Financial Accounts for 2020;**

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### **6. Proposal for Profit Distribution for 2020;**

“That:

Proposal for Profit Distribution for 2020 tabled by the Board of Directors of the Company be approved.

Proposal for Profit Distribution for 2020:

Distribution of RMB2 in cash (before tax) for every 10 shares to all shareholders based on the total share capital (including A shares and H shares) as at the record date for profit distribution and dividend payment. In the event of changes in the Company’s total share capital after the announcement of the Company’s profit distribution proposal for 2020 but before its implementation, the total amount of distribution shall be readjusted in accordance with the law on the basis of the total share capital (including A shares and H shares) as at the record date for profit and dividend distribution for the purpose of the profit distribution proposal for 2020 according to the existing proportion for distribution.

The Board of Directors hereby request the general meeting to authorise any Directors or the Secretary to the Board of Directors to deal in accordance with the law with matters relating to profit distribution for 2020.”

Dividend payments are expected to be made to Shareholders on 20 August 2021.

### **7. Resolution on the Feasibility Analysis of Derivative Investment and the Application for Derivative Investment Limits for 2021;**

- (1) That the Report on the Feasibility Analysis of Derivative Investment be approved, and is of the view that the derivative investment is feasible.
- (2) That the Company be authorised by the general meeting to invest in value protection derivative products with a limit of the equivalent of USD3.0 billion (namely, the outstanding investment amount at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD3.0 billion, and such limit may be applied on a revolving basis during the effective period of the authorisation). The authorisation shall be effective from the date on which it is approved by way of resolution at the general meeting to the date on which the next annual general meeting of the Company closes or to the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier. The details of the limit are as follows:
  - i. The investment limit for foreign exchange derivatives shall be USD2.7 billion, such foreign exchange derivative being used for value protection against foreign exchange exposure, future income or forecast of future revenue and expenditure.

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- ii. The limit for interest rate swap shall be USD0.3 billion, such interest rate swap being used for value protection against foreign currency loans at floating interest rates.

**8. Resolution on the Provision of Performance Guarantee for PT. ZTE INDONESIA, a Subsidiary;**

- (1) It is agreed that the Company shall provide joint-liability guarantee in respect of the performance obligations of PT. ZTE INDONESIA (“ZTE Indonesia”) under the “Equipment Purchase Contract” and the “Technical Support Contract” for an amount of USD40 million, with a term commencing on the date of issuance of a letter of guarantee by the Company and ending on the date on which the performance obligations of ZTE Indonesia under the “Equipment Purchase Contract” and the “Technical Support Contract” are completed in full.
- (2) It is agreed that the Company shall apply to the relevant bank for the issuance of a bank letter of guarantee to provide guarantee with an amount of IDR400 billion in respect of the performance obligations of ZTE Indonesia under the “Equipment Purchase Contract” and the “Technical Support Contract”, effective from the date of issuance of the bank letter of guarantee for a period of 3 years and 6 months or until the date on which the performance obligations of ZTE Indonesia under the “Equipment Purchase Contract” and the “Technical Support Contract” are completed in full, whichever is later.
- (3) It is agreed that the legal representative of the Company or his duly appointed attorney be authorized to sign pertinent legal contracts and documents in law.

**9. Resolution on the Provision of Performance Guarantee Limits for Overseas Subsidiaries for 2021;**

- (1) That the provision of guarantee limits for 11 overseas subsidiaries involved in MTN Group projects by the Company be approved, the details of which are as follows:
  - i. It is agreed that the Company shall provide guarantee in respect of the performance obligations of 11 overseas subsidiaries involved in MTN Group projects under the “Framework Agreement” and its subsidiary contracts for an amount of not more than USD160 million, effective from the date on which a guarantee certificate is issued by the Company to MTN Group to the date on which the “Framework Agreement” expires, in any event not more than 5 years from the date on which the “Framework Agreement” comes into effect.

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- ii. It is agreed that the Company shall apply to the relevant bank for the issuance of a bank letter of guarantee to provide guarantee with an amount of not more than USD16 million in respect of the performance obligations of 11 overseas subsidiaries involved in MTN Group projects under the “Framework Agreement” and its subsidiary contracts, effective from the date of issuance of the letter of guarantee by the bank to the date on which the performance of obligations under the “Framework Agreement” and its subsidiary contracts is completed.
  - iii. It is agreed that the legal representative of the Company or his duly appointed attorney be authorized to sign pertinent legal contracts and documents in law.
- (2) That the provision of performance guarantee limits for 11 overseas subsidiaries by the Company be approved (excluding the aforesaid provision of guarantee limits for MTN Group projects), the details of which are as follows:
- i. That the provision of performance guarantee (including but not limited to the execution of guarantee agreements by the parent company) with a total amount of not more than USD400 million for 11 overseas subsidiaries (excluding the aforesaid provision of guarantee limits for MTN Group projects) by the Company on a revolving basis for an effective term commencing on the date on which the said matter is considered and approved at the general meeting of the Company and ending on the date on which the next annual general meeting of the Company is convened be approved.
  - ii. That the authorisation of the Board of Directors to approve specific guarantees within the aforesaid limit be approved.

### Special Resolution

#### **10. Resolution on the Proposed Application for Consolidated Registration for Issuance of Multiple Types of Debt Financing Instruments for 2021;**

- (1) That the consolidated registration for issuance of multiple types of debt financing instruments by the Company be approved.
- (2) That the authorization to the Company’s legal representative or the competent representative authorised by the legal representative to deal with matters pertaining to the registration and issuance of multiple types of debt financing instruments be approved, including but not limited to: (i) to the extent permitted under laws and regulations, the formulation, revision and adjustment of specific issuance plans for debt financing instruments (including but not limited to the type, timing, amount and number of tranches of issuance and all other matters pertaining to the registration and issuance of specific debt financing instruments) in accordance with the

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issuance policy of regulatory authorities, market conditions and the Company's requirements, and examination, revision, execution, submission and implementation of and decision to publish agreements, announcements, forms, letters and all other requisite documents, including but not limited to issuance application documents, issue memorandum, underwriting agreements and relevant legal documents, among others, pertaining to the registration and issuance of debt financing instruments; (ii) appointment of intermediary institutions, including but not limited to the lead underwriter and bookkeeper, in relation to the registration and issuance; (iii) processing the registration, issuance, listing and trading, principal and interest payment and all other matters pertaining to the multiple types of debt financing instruments; (iv) in the event of changes in regulatory policies or market conditions, making appropriate adjustments to pertinent matters such as specific plans for the issuance of multiple types of debt financing instruments or determining, based on actual conditions, whether to proceed with procedures relating to the specific issuance of debt financing instruments in accordance with the opinion of regulatory authorities; (v) performing information disclosure in accordance with applicable regulatory provisions; (vi) dealing with other matters pertaining to the issuance of multiple types of debt financing instruments not included in the above; (vii) the authorisation shall come into effect on the date of consideration and approval at the general meeting and shall remain in effect during the valid period of registration of the multiple types of debt financing instruments.

### Ordinary Resolutions

#### **11. Resolution on the Proposed Application for Composite Credit Facilities for 2021;**

That the Company's application to China Development Bank, Shenzhen Branch for USD4.0 billion composite credit facilities be approved. The said composite credit facilities are subject to approval by the bank. The Company is required to undergo necessary approval procedures in accordance with its current internal regulations and the requirements of pertinent laws, regulations and the listing rules when processing specific transactions under such composite credit facilities.

That the Board of Directors be authorised to adjust the details and actual duration of the credit facilities pursuant to the Company's requirements or negotiations with the bank, subject to the aforesaid cap of USD4.0 billion for the composite credit facilities and within the period considered and approved by the general meeting. The Board of Directors and legal representative of the Company or his authorised signatory are authorised to negotiate with the banks and sign all legal contracts and documents relating to the aforesaid composite credit facilities or transactions under such composite credit facilities.

The resolution shall be valid with effect from the date on which it is considered and approved at the 2020 Annual General Meeting until (1) the approval of the next new credit facilities with the financial institution by the Company's internal competent

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authorities, or (2) 30 June 2022 (whichever is earlier). Unless otherwise stipulated under laws and regulations or the Articles of Association or owing to business requirements, no subsequent resolution of the Board of Directors is required with respect to any single application for financing operations within such cap under such credit facility. The legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to sign, during the effective period of the composite credit facilities granted by the bank and to the extent permitted under laws and regulations and the Articles of Association, all legal contracts and documents relating to the composite credit facilities or transactions under the composite credit facilities.

**12. Resolution on the Alignment in Preparation of Financial Statements in accordance with PRC ASBEs and Cessation to Re-appoint Overseas Financial Report Auditor;**

That the alignment in preparation of financial statements and disclosure of relevant financial information in accordance with PRC accounting standards for business enterprises starting from the announcement of the half-yearly financial report and interim results of 2021 and the cessation to re-appoint Ernst & Young as the Company's overseas financial report auditor be approved.

**13. Resolutions on the Appointment of the Auditor for 2021 (vote item by item);**

13.1 Re-appointment of Ernst & Young Hua Ming LLP as the auditor of the Company's financial report for 2021 and the financial report audit fees be in the amount of RMB7.90 million (including relevant tax expenses but excluding meal expenses);

13.2 Re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2021 and the internal control audit fees be in the amount of RMB1.20 million (including relevant tax expenses but excluding meal expenses).

### Special Resolutions

**14. Resolution of the Company on the Application for General Mandate for 2021;**

“That:

- (1) Subject to the conditions set out below, the Board of Directors be hereby granted an unconditional and general mandate during the Relevant Period (as defined below) subject to the approval at the general meeting of the Company, to separately or concurrently allot, issue and deal with additional domestic shares and overseas-listed foreign shares (“H Shares”) of the

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Company (including securities convertible into domestic shares and/or H Shares of the Company) and to make or grant offers, agreements or options in respect of the above:

- I. such mandate shall not extend beyond the Relevant Period, other than in the case of the making or granting of offers, agreements or options by the Board of Directors during the Relevant Period which might require the performance or exercise of such powers after the close of the Relevant Period;
  - II. the aggregate nominal amount of the share capital of domestic shares and H shares authorised to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board of Directors, shall not exceed 20% of the aggregate nominal amount of each of the share capital of the domestic shares and H Shares of the Company in issue at the date on which this resolution is passed at the general meeting; and
  - III. The Board of Directors will only exercise the above authority in compliance with the Company Law of the People's Republic of China (as amended from time to time) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and with the necessary approvals of the China Securities Regulatory Commission and/or other relevant PRC government authorities.
- (2) For the purpose of this resolution:
- “Relevant Period” means the period from the date of the passing of this resolution at the general meeting until the earliest of:
- I. the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
  - II. the revocation or variation of the authority given to the Board of Directors under this resolution by the passing of a special resolution of the Company at a general meeting;
- (3) Where the Board of Directors resolves to issue shares (including securities convertible into domestic shares and/or H Shares of the Company) pursuant to the general mandate as stated under paragraph (1) of this resolution, the Board of Directors hereby requests the general meeting of the Company to authorise the Board of Directors to approve and execute all documents and deeds and handle all matters or to procure the execution of such documents and deeds and the handling of such matters necessary in their opinion for the issue (including but not limited to determining the time and place for issue, class and number of new shares to be issued, the pricing method and/or issue prices (including price ranges) of the shares, submitting all necessary

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applications to relevant authorities, entering into underwriting agreements (or any other agreements), determining the use of proceeds, and fulfilling filing and registration requirements of the mainland of the PRC, Hong Kong and other relevant authorities, including but not limited to registration with relevant PRC authorities of the increase in registered share capital as a result of the issue of shares pursuant to paragraph (1) of this resolution); and

- (4) The Board of Directors hereby requests the general meeting of the Company to authorise the Board of Directors to amend the Articles of Association as they deem appropriate to increase the registered share capital of the Company and to reflect the new share capital structure of the Company following the proposed allotment and issue of shares of the Company pursuant to paragraph (1) of this resolution.”

- 15. Resolution on the Shareholders’ Dividend and Return Plan (2021–2023);**
- 16. Resolution on the Amendment of Relevant Clauses in the Articles of Association, the Rules of Procedure for General Meetings of Shareholders and the Rules of Procedure for Board of Directors Meetings;**
- 17. Resolution on Expansion of the Business Scope and Corresponding Amendment of Relevant Clause in the Articles of Association;**
- 18. Resolution on the Amendment of the Rules of Procedure for Supervisory Committee Meetings.**

Resolution No. 13 will be voted upon on an item-by-item basis.

Resolutions No. 10, Nos. 14–18 are special resolutions which shall require the approval of two-thirds of the voting rights held by shareholders attending the Meeting in order to be passed. Other resolutions are ordinary resolutions which shall require the approval of one-second of the voting rights held by shareholders attending the Meeting in order to be passed.

Resolution No. 8 has been considered and approved at the Thirty-second Meeting of the Eighth Session of the Board of Directors of the Company held on 10 February 2021. For the details, please refer to the “Overseas Regulatory Announcement on Third-party Guarantee” published by the Company on 18 February 2021. Resolution No. 13 has been considered and approved at the Thirty-fourth Meeting of the Eighth Session of the Board of Directors of the Company held on 28 April 2021. For the details, please refer to the “Overseas Regulatory Announcement” published by the Company on 28 April 2021. Resolution No. 17 has been considered and approved at the Thirty-fifth Meeting of the Eighth Session of the Board of Directors of the Company held on 25 May 2021. For the details, please refer to the “Announcement Resolutions of the Thirty-fifth Meeting of the Eighth Session of the Board of Directors” published by the Company on 25 May 2021. Other resolutions have been considered and approved at the Thirty-third Meeting of the Eighth Session



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of the Board of Directors of the Company held on 16 March 2021. For the details of the aforesaid resolutions, please refer to the relevant announcements published by the Company on 16 March 2021.

**The Independent Non-executive Directors of the Company will give a report at the AGM on the performance of their duties.**

### Notes:

- 1. The Company will close its H share register from Friday, 18 June 2021 to Friday, 25 June 2021 (both days inclusive)** to determine qualifications of shareholders to attend and vote at the AGM. Any H Shareholder who wishes to attend and vote at the AGM **shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Thursday, 17 June 2021.**
- 2. The Company will close its H share register from Saturday, 3 July 2021 to Thursday, 8 July 2021 (both days inclusive)** to determine qualifications of shareholders to receive the Dividends. Any H Shareholder who wishes to qualify for the Dividends **shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 2 July 2021.**
3. In order to be valid, the instruments appointing a proxy (namely the proxy form) and the power of attorney or other authorization documents (if any) of the signatory or notarized copies of such power of attorney or authorization documents must be completed and deposited, no later than 24 hours before the time appointed for holding the AGM or any adjournment thereof at Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H shareholders). The completion and return of the proxy form shall not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof if he so wishes.
4. A Shareholder entitled to attend and vote at the AGM shall be entitled to appoint another one or more proxies to attend and vote for him. A proxy need not be a shareholder of the Company.
5. In case of joint holders of a share, any one of such holders is entitled to vote at the AGM, by himself or by proxy, as if he is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the AGM personally or by proxy.

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6. The AGM is expected to last for half a day. All transportation and accommodation expenses incurred by shareholders or their proxies in attending the AGM shall be borne by themselves. Shareholders or their proxies attending the AGM shall be required to produce identifications.

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

Shenzhen, the PRC  
26 May 2021

*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.*