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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)**

**Overseas Regulatory Announcement  
Announcement on 2022 A Share Repurchase Mandate Proposal  
(effective from the 2021 Annual General Meeting)**

*This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.*

*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.*

**The mandate shall be in effect from the date on which the “Resolution on 2022 A Share Repurchase Mandate Proposal (effective from the 2021 Annual General Meeting)” is considered and passed at the 2021 Annual General Meeting of the Company to the earlier of the following: (i) the date on which the 2022 Annual General Meeting of the Company concludes (unless extended by way of resolution at the said meeting); or (ii) the date of the general meeting at which the mandate is revoked or modified by the shareholders by way of resolution.**

Pursuant to the “Resolution on the tabling of the 2022 A share repurchase mandate proposal of the Company at the General Meeting for approval” passed at the Forty-fifth Meeting of the Eighth Session of the Board of Directors and the First Extraordinary General Meeting of 2022 of ZTE Corporation (the “Company”) held on 8 March 2022 and 30 March 2022, respectively, a mandate was granted to the Board of Directors of the Company (the “Board”) for the repurchase of shares representing not more than 2% of the Company’s A share capital as at 30 March 2022 (the “Said Repurchase Mandate”), which Said Repurchase Mandate shall lapse upon the conclusion of the 2021 Annual General Meeting (i.e., 21 April 2022).

Pursuant to the “Resolution on 2022 A Share Repurchase Mandate Proposal (effective from the 2021 Annual General Meeting)” (the “Resolution”) considered and passed at the First Meeting of the Ninth Session of the Board of the Company held on 30 March 2022, the tabling of the Resolution at the 2021 Annual General Meeting (the “AGM”) for consideration was approved. Pursuant to the Resolution, the Company proposed to request the AGM to renew the A share repurchase mandate granted to the Board, for a volume of A shares to be determined by the Board in accordance with pertinent laws and regulations as authorised by the AGM subject to a limit representing 2% of the A share capital of the Company in issue as at the date on which

the Resolution is considered and passed at the AGM. The mandate shall be in force for a period commencing on the date on which the Resolution is considered and passed at the AGM and ending on the earlier of the following: (i) the date on which the 2022 Annual General Meeting of the Company concludes (unless extended by way of a resolution passed at such meeting); or (ii) such mandate being revoked or varied by shareholders by way of resolution at the general meeting.

According to the Resolution, the Company has proposed to seek the mandate of the AGM authorising the Board of the Company to determine upon and implement the Company's repurchase of A shares in accordance with the law (hereafter the "Share Repurchase"). The mandate is required to be approved by way of resolution at a Board meeting at which over two-thirds of the Directors were present, the details of which are set out as follows:

### **I. Purpose and use of the Share Repurchase**

The purpose of conducting the Share Repurchase is to sustain the Company's operations and development, protect the long-term interests of investors, and procure the maximisation of shareholders' value and, at the same time, to further improve and perfect the Company's long-term incentive and restraint mechanism and ensure the sustainable and sound development of the Company's operations.

The Share Repurchase shall be conducted in connection with any one of the following: (i) employee share ownership schemes or share incentives; (ii) conversion of convertible bonds ("CBs") issued by the Company.

### **II. Method of the Share Repurchase and source of funds**

The Share Repurchase shall be conducted by way of call auction in the share trading system of Shenzhen Stock Exchange. Funds applied in the Share Repurchase shall be the Company's internal funds or other funds in compliance with the requirements of laws and regulations.

### **III. Price of the Share Repurchase**

The price of the Share Repurchase shall be determined and finalised by the Board as authorised by the AGM in accordance with pertinent laws and regulations, taking into account a number of factors, such as conditions in the capital market, movements in the share price of the Company and the Company's financial and operating conditions, among others.

### **IV. Class and volume of shares to be repurchased**

Class of shares to be repurchased: RMB ordinary shares (A shares) issued by the Company.

The volume of shares to be repurchased shall be determined by the Board as authorised by the AGM in accordance with pertinent laws and regulations within the limit of its mandate subject to a cap of 2% of the issued A share capital of the Company as at the date on which the Resolution is considered and passed at the AGM.

### **V. Scope and term of the mandate**

In order to capture market opportunities in a timely manner, the AGM shall grant to the Board

a mandate, which may be delegated by the Board to relevant persons, with full discretion to deal with matters relating to the Share Repurchase. The scope of the mandate shall include, but not be limited to, the following:

1. To confirm the final plan and terms of repurchase and deal with matters pertaining to the Share Repurchase in accordance with the provisions of laws, regulations, rules and regulatory documents, taking into account the actual conditions of the Company and the market;
2. To amend, adjust or determine at its discretion based on prevailing circumstances matters relating to the repurchase plan, including but not limited to: the specific use of the Share Repurchase, the total repurchase amount, the price of the Share Repurchase, the volume of the Share Repurchase, implementation of the repurchase, or whether the repurchase plan shall proceed or be terminated, save in relation to matters required to be voted upon anew at the general meeting under pertinent laws, regulations, rules, regulatory documents, requirements of regulatory authorities and the Articles of Association of ZTE Corporation (hereafter the “Articles”);
3. To open a dedicated securities account and other relevant securities accounts for the repurchase;
4. To repurchase shares at timings deemed appropriate during the repurchase period, including the timing, price and volume of repurchase;
5. To adjust the repurchase plan and continue to deal with matters pertaining to the Share Repurchase in accordance with pertinent laws and regulations and requirements of regulatory authorities, taking into account market conditions and the actual conditions of the Company, in the event of new requirements on the policy for share repurchases stipulated under laws and regulations or announced by securities regulatory authorities or changes in market conditions, save in relation to matters required to be voted upon anew at the general meeting under pertinent laws, regulations, requirements of regulatory authorities or the Articles;
6. To prepare, amend, supplement, execute, deliver, submit and implement all agreements, contracts and documents incurred in the course of the Share Repurchase and to report as required;
7. To notify creditors and communicate with creditor to reach debt settlements;
8. To deal with all other matters that are not stated above but are necessary for the Share Repurchase.

The mandate shall be in effect from the date on which the Resolution is considered and passed at the AGM to the earlier of the following: (i) the date on which the 2022 Annual General Meeting of the Company concludes (unless extended by way of resolution at the said meeting); or (ii) the date of the general meeting at which the mandate is revoked or modified by the shareholders by way of resolution.

## **VI. Others**

In the event that shares repurchased under the mandate are applied in the future in employee share ownership schemes or as share incentives or in the conversion of CBs issued by the Company, the Company shall fulfill the procedures of consideration required for the

implementation of employee share ownership schemes, share incentives or issue of CBs in accordance with the pertinent provisions of laws and regulations and the Articles. In the event that the transfer of shares repurchased under the mandate (including the transfer to participants in employee share ownership schemes or share incentives or the conversion of CBs issued by the Company) is not completed within the period stipulated under laws and regulations, the Company shall cancel such shares in accordance with relevant procedures of consideration in accordance with the pertinent provisions of laws and regulations and the Articles.

## **VII. Risk reminder**

The Resolution tabled at the AGM for consideration seeks to give mandate to the Board of the Company only to deal with matters pertaining to the Share Repurchase. At present, the Company has yet to formulate a detailed plan for the Share Repurchase. Subject to consideration and approval at the AGM, the Company will confirm whether to proceed with the repurchase based on factors such as conditions in the capital market and volatility and movement in the Company's share price, among others.

The Company will fulfill its obligations in information disclosure in a timely manner in strict accordance with the requirements under pertinent laws and regulations. Investors are advised to exercise caution in investment and beware of risks.

By Order of the Board

**Li Zixue**

*Chairman*

Shenzhen, the PRC

30 March 2022

*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.*