
NOTICE OF THE 2022 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)

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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 2022 Annual General Meeting (the “AGM”) of ZTE Corporation (the “Company”) will be convened at 3:00 p.m., on Thursday, 6 April 2023 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 16 March 2023, unless otherwise required by the context):

Ordinary Resolutions

- 1. 2022 Annual Report (including 2022 financial report of the Company audited by the Auditor);**
- 2. 2022 Working Report of the Board of Directors;**
- 3. 2022 Working Report of the Supervisory Committee;**
- 4. 2022 Working Report of the President;**
- 5. Final Financial Accounts for 2022;**
- 6. Proposal of Profit Distribution for 2022;**

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“That:

Proposal of Profit Distribution for 2022 tabled by the Board of Directors of the Company be approved.

Proposal of Profit Distribution for 2022:

Distribution of RMB4 in cash (before tax) for every 10 shares to all shareholders based on the total share capital 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 2022 but before its implementation, the total share capital shall be readjusted on the basis of the total share capital as at the record date for profit and dividend distribution for the purpose of the profit distribution proposal for 2022 according to the existing proportion for distribution.

The Board of Directors hereby request the AGM to authorise any Directors or the Secretary to the Board of Directors to deal with matters pertaining to profit distribution for 2022 in accordance with the law.”

7. Resolution on the Feasibility Analysis of Hedging Derivatives Trading and the Application for Trading Limits for 2023;

- (1) That the Report on the Feasibility Analysis of Hedging Derivatives Trading be approved, and Board of Directors is of the view that the derivatives trading is feasible.
- (2) That the Company be authorised by the AGM for hedging derivatives trading with a limit of the equivalent of USD4.1 billion for 2023 (namely, the trading balance at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD4.1 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 AGM to the date on the Company’s next annual general meeting. The details of the limit are as follows:
 - i. The limit for foreign exchange derivatives trading shall be the equivalent of USD3.8 billion, such foreign exchange derivative being used for value protection against foreign exchange exposure, future receipts, future receipt and payment forecast and net investment in overseas operations, among others.
 - ii. The limit for interest rate swap shall be the equivalent of USD0.3 billion, such interest rate swap being used for value protection against foreign currency loans.

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- (3) That the authorization to the Company's legal representative or the competent representative authorised by the legal representative to sign the derivatives trading agreement and deal with the related matters.

8. Resolution on the Provision of Guarantee Limits for Subsidiaries for 2023;

- (1) That the provision of performance guarantee limits for 4 subsidiaries for 2023 by the Company be approved, the details of which are as follows:

- i. That the provision of performance guarantee with a total amount of not more than USD300 million for 4 subsidiaries by the Company on a revolving basis for an effective term commencing from the date on which the said matter is considered and approved at the AGM and ending on the date of the Company's next annual general meeting be approved.
- ii. That the Board of Directors be authorised by the AGM, within the scope and validity of the limits, to make decisions on specific guarantees matters, and the Board of Directors, while obtaining the authorization of the AGM, sub-authorizes the management of the Company to make decisions and timely disclose the guarantee when it occurs.

- (2) That the reciprocal provision of guarantee for 2023 among NETAŞ TELEKOMÜNİKASYON A.Ş. ("Netaş"), a subsidiary of the Company, and its subsidiaries be approved, the details of which are as follows:

- i. That the proposed reciprocal provision of joint-liability guarantee among Netaş and its subsidiaries in respect of composite credit facilities sought from financial institutions for an amount of the equivalent of not more than USD120 million to be applied on a revolving basis for an effective period commencing from the date on which the said matter is considered and approved at the AGM and ending on the date of the Company's next annual general meeting be approved.
- ii. That Netaş and its subsidiaries be authorised to determine the actual amount and term of guarantee based on negotiations with the financial institutions and actual conditions be approved.

9. Resolution on the Appointment of the Auditor for 2023;

- (1) That Ernst & Young Hua Ming LLP be re-appointed as the auditor of the Company's financial report for 2023 and the financial report audit fees be in the amount of RMB8.3 million (including relevant tax expenses but excluding meal expenses) be approved.

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- (2) That Ernst & Young Hua Ming LLP be re-appointed as the internal control auditor of the Company for 2023 and the internal control audit fees be in the amount of RMB1.26 million (including relevant tax expenses but excluding meal expenses) be approved.

Special Resolutions

10. Resolution on the Proposed Application for Consolidated Registration for Issuance of Multiple Types of Debt Financing Instruments for 2023;

- (1) That the consolidated registration for issuance of multiple types of debt financing instruments by the Company be approved for an effective term commencing from the date on which the said matter is considered and approved at the AGM and ending on the date of the Company's next annual general meeting 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: ① 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 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; ② appointment of intermediary institutions, including but not limited to the lead underwriter and bookkeeper, in relation to the registration and issuance; ③ processing the registration, issuance, listing and trading, principal and interest payment and all other matters pertaining to the multiple types of debt financing instruments; ④ 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; ⑤ performing information disclosure in accordance with applicable regulatory provisions; ⑥ dealing with other matters pertaining to the issuance of multiple types of debt financing instruments not included in the above; ⑦ the authorisation shall come into effect on the date of consideration and

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approval at the AGM and shall remain in effect during the valid period of registration of the multiple types of debt financing instruments.

11. Resolution on Expansion of the Business Scope and Corresponding Amendment of Relevant Clause in the Articles of Association;

- (1) That the addition of “real estate development and operation” to the business scope of the Company be approved;
- (2) That the amendment of the relevant clause in the Articles of Association in accordance with the law be approved, the details of which are set out as follows:

| Existing Article | To be amended as |
|---|---|
| <p>Article 14. The Company’s scope of business shall be consistent with the scope of business approved by the authority responsible for the Company’s registration.</p> <p>The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, new energy power generation and application systems; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); research and development, production, sales, technical servicing, work installation and maintenance of communication power source and power distribution systems; research and development, production, sales, technical servicing, work installation and maintenance of data centre infrastructure and ancillary products (including power supply and distribution, air-conditioning refrigeration equipment, cooling passage and smart management systems); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties; technological certification services. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.</p> | <p>Article 14. The Company’s scope of business shall be consistent with the scope of business approved by the authority responsible for the Company’s registration.</p> <p>The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, new energy power generation and application systems; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); research and development, production, sales, technical servicing, work installation and maintenance of communication power source and power distribution systems; research and development, production, sales, technical servicing, work installation and maintenance of data centre infrastructure and ancillary products (including power supply and distribution, air-conditioning refrigeration equipment, cooling passage and smart management systems); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties; technological certification services; real estate development and operation. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.</p> |

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- (3) As the amendment of the scope of business is subject to the completion of relevant procedures with the industrial and commercial registration authorities, the amended scope of business of the Company is subject to the finalised scope of business approved by the industrial and commercial registration authorities. Authorisation is sought from the AGM for the Board of Directors and its delegated parties to process registration, filing of the Articles of Association and other matters in relation to the aforesaid amendment of scope of business with the industrial and commercial registration authorities and to make necessary modifications to matters relating to the amendment of the scope of business of the Company in accordance with the approval opinion or requirements of the industrial and commercial registration authorities or other pertinent authorities;
- (4) That any Directors or the Secretary to the Board of Directors of the Company be authorised to handle the formalities of filing, amendment and registration (where necessary) and other matters pertaining to the amendment of the Articles of Association in accordance with the law on behalf of the Company.

12. Resolution on the Application for General Mandate of the Issuance of Shares for 2023;

“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 AGM, to separately or concurrently allot, issue and deal with additional RMB ordinary shares (A Shares) and overseas-listed foreign shares (H Shares) of the Company (including securities convertible into A 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 A 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 A Shares and H Shares of the Company in issue at the date on which this resolution is passed at the AGM; and

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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 AGM 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 A Shares and/or H Shares of the Company) pursuant to the general mandate for 2023 as stated under paragraph (1) of this resolution, the Board of Directors hereby requests the AGM 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 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 AGM 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.”

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13. Resolution on the Application for Mandate of the Repurchase of A Shares for 2023;

- (1) The Board of Directors of the Company proposed to request the AGM to the A share repurchase for 2023 (“**Share Repurchase**”) mandate granted to the Board, the share repurchase shall be used in the employee share ownership schemes or share incentives, and shall be conducted by way of call auction in the share trading system of Shenzhen Stock Exchange. Funds shall be the Company’s internal funds or other funds in compliance with the requirements of laws and regulations. The price 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. The volume 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.
- (2) 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:
 - i. 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;
 - ii. 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;
 - iii. To open a dedicated securities account and other relevant securities accounts for the repurchase;
 - iv. To repurchase shares at timings deemed appropriate during the repurchase period, including the timing, price and volume of repurchase;

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- v. 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 securities 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 securities regulatory authorities or the Articles;
 - vi. 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;
 - vii. To notify creditors and communicate with creditor to reach debt settlements;
 - viii. To deal with all other matters that are not stated above but are necessary for the Share Repurchase.
- (3) 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 2023 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.

The application for the mandate for share repurchase for 2023, to be tabled at the AGM for consideration seeks to give mandate to the Board of Directors of the Company to deal with matters pertaining to the share repurchase. Subject to consideration and approval at the AGM, the Company will consider whether to proceed with the repurchase based on factors such as conditions in the capital market, volatility and movement in the Company's share price and incentive effect, among others. In the event of subsequent repurchases, the Company will formulate a specific share repurchase plan, which shall be reviewed and approved by the Board of Directors attended by more than two-thirds of the Directors.

Explain:

Resolutions No. 10 to 13 are special resolutions which shall require the approval of two-thirds of the voting rights held by shareholders attending the AGM 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 AGM in order to be passed.

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For Resolutions No. 1 to 13: Resolutions No.1 to 2 and Resolutions No.4 to 13 have been considered and approved at Tenth Meeting of the Ninth Session of the Board of Directors of the Company held on 10 March 2023. Resolution No.3 has been considered and approved at the Eighth Meeting of the Ninth Session of the Supervisory Committee of the Company held on 10 March 2023. For the details of the aforesaid resolutions, please refer to the relevant announcements published on by the Company on 10 March 2023.

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 Thursday, 30 March 2023 to Thursday, 6 April 2023 (both dates 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., Wednesday, 29 March 2023.**
- 2. The Company will close its H share register from Saturday, 15 April 2023 to Thursday, 20 April 2023 (both dates 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, 14 April 2023.**
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. In such cases, the voting proxy shall be deemed to have been withdrawn.
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. The proxies shall not be a shareholder of the Company. If a shareholder appoints more than two (including two) proxies, the total number of shares of the shareholder whose proxies exercise the voting rights shall not exceed the total number of shares that the shareholder has the right to vote at the AGM, and each share shall not be repeatedly exercised by different proxies.

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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.
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
16 March 2023

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.