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## NOTICE OF THE 2021 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 2021 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 2021 Annual General Meeting (the “AGM”) of ZTE Corporation (the “Company”) will be convened at 3:00 p.m., on Thursday, 21 April 2022 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 1 April 2022, unless otherwise required by the context):

#### **Ordinary Resolutions**

- 1. 2021 Annual Report (including 2021 financial report of the Company audited by the Auditor);**
- 2. 2021 Report of the Board of Directors;**
- 3. 2021 Report of the Supervisory Committee;**
- 4. 2021 Report of the President;**
- 5. Final Financial Accounts for 2021;**

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### **6. Proposal of Profit Distribution for 2021;**

Proposal of Profit Distribution for 2021 tabled by the Board of Directors of the Company be approved.

Proposal of Profit Distribution for 2021:

Distribution of RMB3 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 2021 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 2021 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 with matters pertaining to profit distribution for 2021 in accordance with the law.

### **7. Resolution on the Feasibility Analysis of Derivative Investment and the Application for Derivative Investment Limits for 2022;**

- (1) That the Report on the Feasibility Analysis of Derivative Investment be approved, and Board of Directors 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 USD2.8 billion (namely, the outstanding investment amount at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD2.8 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 the equivalent of USD2.5 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 the equivalent of USD0.3 billion, and such interest rate swap being used for value protection against foreign currency loans at floating interest rates.

### **8. Resolution on the Provision of Guarantee Limits for Subsidiaries for 2022;**

- (1) That the provision of performance guarantee limits for 8 subsidiaries by the Company be approved, 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 USD300 million for 8 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 general meeting of the Company and ending from 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.

- (2) That the reciprocal provision of guarantee 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 general meeting of the Company and ending from the date on which the next annual general meeting of the Company is convened 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 Proposed Application for Composite Credit Facilities for 2022;**

That the Company’s application to China Development Bank, Shenzhen Branch for USD5.0 billion composite credit facilities be approved. The said composite credit facilities are subject to approval by the financial institution. 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.

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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 financial institution, subject to the aforesaid cap of USD5.0 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 financial institution 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 2021 Annual General Meeting until (1) the approval of the next new credit facilities with the financial institution by the Company's internal competent authorities, or (2) 30 June 2023 (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 financial institution 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.

### **10. Resolution on the Appointment of the Auditor for 2022 ;**

- (1) That Ernst & Young Hua Ming LLP be re-appointed as the auditor of the Company's financial report for 2022 and the financial report audit fees be in the amount of RMB8.30 million (including relevant tax expenses but excluding meal expenses).
- (2) That Ernst & Young Hua Ming LLP be re-appointed as the internal control auditor of the Company for 2022 and the internal control audit fees be in the amount of RMB1.26 million (including relevant tax expenses but excluding meal expenses).

### **Special Resolutions**

### **11. Resolution of the Company on the Application for General Mandate for 2022;**

**“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.”

### **12. Resolution on 2022 A Share Repurchase Mandate Proposal (effective from the 2021 Annual General Meeting).**

The proposed 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 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. 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 A share repurchase. At present, the Company has yet to formulate a detailed plan for the A 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.

For the details of the resolution, please refer to the “Overseas Regulatory Announcement on 2022 A Share Repurchase Mandate Proposal (effective from the 2021 Annual General Meeting)” published by the Company on 30 March 2022.

Explanation:

Resolutions No. 11, 12 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.

For Resolutions No. 1 to 11: Resolution No.3 has been considered and approved at Thirty-sixth Meeting of the Eighth Session of the Supervisory Committee of the Company held on 8 March 2022; Other resolutions have been considered and approved

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at the Forty-fifth Meeting of the Eighth Session of the Board of Directors of the Company held on 8 March 2022. For the details of the aforesaid resolutions, please refer to the relevant announcements published by the Company on 8 March 2022.

Resolution No.12 has been considered and approved at the First Meeting of the Ninth Session of the Board of Directors of the Company held on 30 March 2022. For the details of the aforesaid resolution, please refer to the relevant announcements published by the Company on 30 March 2022.

**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, 14 April 2022 to Thursday, 21 April 2022 (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, 13 April 2022.**
- 2. The Company will close its H share register from Thursday, 28 April 2022 to Tuesday, 3 May 2022 (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., Wednesday, 27 April 2022.**
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.



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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  
1 April 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.*