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**If you have sold** all your shares in **ZTE Corporation**, you should hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, licensed securities dealers or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**ZTE**

**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)**

- (1) Proposal of Profit Distribution for 2022**  
**(2) Proposed General Mandate of the Issuance of Shares for 2023**  
**(3) Proposed Mandate to the Board to Repurchase A Shares for 2023**  
**(4) Proposed Limits of Hedging Derivatives Trading for 2023**  
**(5) Proposed Provision of Guarantee Limits for Subsidiaries for 2023**  
**(6) Proposed Application for Consolidated Registration  
for Issuance of Multiple Types of Debt Financing Instruments for 2023**  
**(7) Proposed Expansion of the Business Scope and  
Corresponding Amendment of Relevant Clause  
in the Articles of Association**  
**And**  
**(8) Notice of the 2022 Annual General Meeting**

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A letter from the Board is set out in pages 4 to 15 of this circular.

A notice of the AGM to be held at 4/F, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China at 3:00 p.m. on Thursday, 6 April 2023 is set out in pages 16 to 26 of this circular.

A proxy form for use at the AGM is enclosed with this circular and uploaded on the websites of the SEHK and the Company. Whether or not you are able to attend the AGM, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof should you so wish.

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## DEFINITIONS

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*In this circular, the following terms shall have the following meaning unless otherwise required by the context:*

AGM	the 2022 annual general meeting of the Company to be held at 4/F, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China at 3:00 p.m. on Thursday, 6 April 2023
AGM Notice	notice of the 2022 annual general meeting
Articles of Association	the articles of association of the Company
A Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SZSE
A Shareholders	holders of A Shares
Board	the Board of Directors of the Company
China or the PRC	the People's Republic of China
Company	ZTE Corporation, a joint stock limited company incorporated under the Company Law in the PRC, whose shares are listed on the SEHK and the SZSE
Company Law	the Company Law of the People's Republic of China
Director(s)	member(s) of the Board of Directors of the Company
Dividend(s)	proposed final dividend of RMB4 in cash (before tax) for every 10 Shares on the basis of the total share capital on the A Share Record Date and the H Share Record Date
General Mandate	a general mandate to allot, issue or otherwise deal with Shares proposed to be granted to the Directors at the AGM, the details of which are set out in Special Resolution No. 12 of AGM Notice
Hedging Derivatives	derivatives trading business carried out by the Company utilising the foreign exchange and interest rate products provided by financial institutions for the purpose of preserving value, primarily involving foreign exchange forwards, currency swaps, interest rate swaps, call options and structured forward contracts
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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H Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SEHK
H Shareholders	holders of H Shares
H Share Record Date	20 April 2023, the date determined by the Board for determining the H Shareholders' entitlements to the Dividends
Latest Practicable Date	Wednesday, 15 March 2023, being the latest practicable date prior to the printing of this circular for determining certain information set out in this circular
4 subsidiaries	ZTE Corporation Bangladesh LTD, ZTE (H.K.) Limited, ZTE ITALIA S.R.L. and PT. ZTE INDONESIA, the subsidiaries of the Company
Netaş	NETAŞ TELEKOMÜNİKASYON A.Ş., a subsidiary of the Company, listed in Turkey
Netaş and its subsidiaries	Netaş and its three subsidiaries including Netaş Bilişim Teknolojileri A.Ş, BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret.A.Ş. and Netas Telecom Limited Liability Partnership
SEHK	The Stock Exchange of Hong Kong Limited
Shareholders	A Shareholders and H Shareholders
Shares	A Share(s) and H Share(s)
Shenzhen Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Supervisor(s)	member(s) of the supervisory committee of the Company
Supervisory Committee	the Supervisory Committee of the Company
SZSE	The Shenzhen Stock Exchange

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## EXPECTED TIMETABLE

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**2023**

Latest time for lodging transfers of the H Shares  
to qualify for attendance and voting at the AGM . . . 4:30 p.m., Wednesday, 29 March

H Share register closed . . . . .Thursday, 30 March to Thursday, 6 April  
(both dates inclusive)

Latest time for lodging proxy forms for the AGM . . . . .3:00 p.m., Wednesday, 5 April

AGM . . . . . 3:00 p.m., Thursday, 6 April

H Share register re-opens . . . . . Tuesday, 11 April

Last day of dealings in the H Shares cum-entitlements  
to the Dividends . . . . . Wednesday, 12 April

First day of dealings in the H Shares ex-entitlements  
to the Dividends . . . . . Thursday, 13 April

Latest time for lodging transfers of the H Shares  
to qualify for the Dividends . . . . . 4:30 p.m., Friday, 14 April

H Share register closed . . . . .Saturday, 15 April to Thursday, 20 April  
(both dates inclusive)

H Share Record Date . . . . . Thursday, 20 April

H Share register re-opens . . . . . Friday, 21 April



**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)**

*Executive Directors:*

Li Zixue  
Xu Ziyang  
Gu Junying

*Non-executive Directors:*

Li Buqing  
Zhu Weimin  
Fang Rong

*Independent Non-executive Directors:*

Cai Manli  
Gordon Ng  
Zhuang Jiansheng

*Registered Address:*

ZTE Plaza  
Keji Road South  
Hi-Tech Industrial Park  
Nanshan District  
Shenzhen, 518057  
Guangdong Province  
The PRC

*Principle place of business  
in Hong Kong:*

31/F, Tower Two  
Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

*To the Shareholders*

Dear Sir or Madam,

- (1) Proposal of Profit Distribution for 2022**
  - (2) Proposed General Mandate of the Issuance of Shares for 2023**
  - (3) Proposed Mandate to the Board to Repurchase A Shares for 2023**
  - (4) Proposed Limits of Hedging Derivatives Trading for 2023**
  - (5) Proposed Provision of Guarantee Limits for Subsidiaries for 2023**
  - (6) Proposed Application for Consolidated Registration  
for Issuance of Multiple Types of Debt Financing Instruments for 2023**
  - (7) Proposed Expansion of the Business Scope and  
Corresponding Amendment of Relevant Clause  
in the Articles of Association**
- And**
- (8) Notice of the 2022 Annual General Meeting**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The purpose of this circular is to give the AGM Notice to you and provide relevant information for your informed decision when voting for the ordinary resolutions and special resolutions to be proposed at the AGM in respect of, among others, the following matters:

1. Proposal of Profit Distribution for 2022
2. Proposed General Mandate of the Issuance of Shares for 2023
3. Proposed Mandate to the Board to Repurchase A Shares for 2023
4. Proposed Limits of Hedging Derivatives Trading for 2023
5. Proposed Provision of Guarantee Limits for Subsidiaries for 2023
6. Proposed Application for Consolidated Registration for Issuance of Multiple Types of Debt Financing Instruments for 2023
7. Proposed Expansion of the Business Scope and Corresponding Amendment of Relevant Clause in the Articles of Association

### II. PROPOSAL OF PROFIT DISTRIBUTION FOR 2022

The Company will propose an ordinary resolution at the AGM for the consideration and, if thought fit, approval of the declaration and payment of Dividends. A final Dividend 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, and any Director or the Secretary to the Board of Directors of the Company will be authorized to deal in accordance with the law with matters relating to profit distribution for 2022. 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. Dividend payments are expected to be made to Shareholders on 12 May 2023.

The Company's total share capital was 4,736,112,508 shares as at the Latest Practicable Date. There are total 52,644,995 outstanding options exercisable in the second exercise period of the initial grant and the first exercise period of the reserved grant under the 2020 A share option incentive scheme of the Company. Assuming the said options are fully exercised prior to the A share record date of dividend distribution, 4,788,757,503 shares in the Company will be entitled to dividend payment, which will result in a total dividend amount of not more than RMB1.916 billion.

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## LETTER FROM THE BOARD

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In respect of the Company's distribution of final Dividend to Shareholders whose names appear on the H share register of the Company on the H Share Record Date, the Company will process income tax payable on dividends and profit distributions in accordance with relevant taxation laws and regulations of China. The details are as follow:

1. In connection with overseas non-resident corporate H shareholders, a 10% enterprise income tax to be withheld and paid on behalf of such shareholders by the Company shall apply in accordance with relevant provisions of the "Notice of the State Administration of Taxation on issues concerning the withholding and payment of enterprise income tax on dividends paid by Chinese resident enterprises to overseas non-resident corporate H shareholders" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)). Upon receipt of the dividend, overseas non-resident corporate H shareholders may apply, either directly or through the Company, for entitlements to preferential treatments under relevant agreements by furnishing evidence of their status as beneficial owners in compliance with provisions under relevant taxation agreements (arrangements).
2. In connection with overseas non-resident individual H shareholders, in accordance with pertinent provisions of the "Notice on the collection and administration of personal income tax after the repeal of Document Guo Shui Fa [1993] No. 045" (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), (1) non-resident individual H shareholders being residents of Hong Kong or Macau, or residents for tax purposes of other countries which have entered into taxation agreements with China with a dividend tax rate lower than or equivalent to 10% shall be subject to a 10% personal income tax to be withheld and paid on behalf of such shareholders by the Company, provided that if the dividend tax rate stipulated under the relevant taxation agreement is below 10%, the Company may apply on behalf of the shareholder for entitlements to preferential treatments under such agreement in accordance with the "Announcement of the State Administration of Taxation on the promulgation of the 'Administrative Measures on Non-resident Taxpayers' Entitlements to Treatments Under Taxation Agreements" (SAT Announcement 2019 No. 35) (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》(國家稅務總局公告2019年第35號)); (2) if the dividend tax rate stipulated under the taxation agreement is higher than 10% but lower than 20%, personal income tax shall be withheld and paid on behalf of the shareholders by the Company at the effective tax rate; (3) in the absence of any applicable taxation agreements and otherwise, personal income tax shall be withheld and paid on behalf of the shareholders by the Company at a 20% tax rate.



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## LETTER FROM THE BOARD

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3. In connection with dividends and profit distributions obtained by Mainland investors (including individuals and corporates) from investments in the Company's H Shares listed on SEHK through the SZSE and the Shanghai Stock Exchange (the "Southbound Trading"), a personal income tax shall be withheld and paid on behalf of investors by the Company in respect of dividends and profit distributions received by individual Mainland investors and Mainland securities investment funds from their investments in the Company's H shares via Southbound Trading at a 20% tax rate; while no enterprise income tax shall be withheld and paid on behalf of corporate Mainland investors by the Company in respect of dividends and profit distributions received by such corporate Mainland investors from their investments in the Company's H shares via Southbound Trading, and corporate Mainland investors shall process their own tax returns and payments directly, in accordance with the "Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program" (Cai Shui [2016] No. 127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號) and "Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Program" (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號).

In accordance with Article 67 of the Articles of Association, approval of the proposal of profit distribution for 2022 will be sought at the AGM.

For details, please refer to Ordinary Resolution No. 6 of the AGM Notice.

### III. PROPOSED GENERAL MANDATE OF THE ISSUANCE OF SHARES FOR 2023

At the previous annual general meeting of the Company held on 21 April 2022, the Board was granted a general mandate to exercise the general power of the Company to allot, issue and otherwise deal with Shares in the Company not exceeding 20% of the aggregate nominal amount of its share capital in issue as at held on 21 April 2022. The aforesaid general mandate will expire at the end of AGM.

To afford the Board the flexibility of issuing new Shares at its discretion as and when appropriate, a special resolution will be proposed at the AGM to grant a General Mandate to the Board to allot, issue and otherwise deal with the A Shares and H Shares, not exceeding 20% of the aggregate nominal amount of each of the Company's A Shares and H Shares in issue as at the date on which this resolution is passed.

As at the Latest Practicable Date, the Company's issued share capital comprised 3,980,609,974 A Shares and 755,502,534 H Shares. Subject to the granting of the General Mandate being approved and assuming that no additional Shares will be issued prior to the AGM, the Board shall be entitled to issue a maximum of 796,121,994 A Shares (subject to adjustment in the event of exercise of share options under the share option incentive scheme of A Shares of the Company, if any) and 151,100,506 H Shares.

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## LETTER FROM THE BOARD

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The General Mandate will remain in effect until the earlier of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the revocation or variation of the authority given under this resolution by way of a special resolution of the general meeting.

The Board shall comply with pertinent provisions of the Hong Kong Listing Rules, the Articles of Association and applicable PRC laws and regulations when exercising powers pursuant to the General Mandate. Notwithstanding the granting of the General Mandate, the Company is still required to seek Shareholders' approval at the general meeting for the issue of any A Shares according to pertinent PRC laws and regulations.

For details, please refer to Special Resolution No. 12 of the AGM Notice.

#### **IV. PROPOSED MANDATE TO THE BOARD TO REPURCHASE A SHARES FOR 2023**

At the previous annual general meeting of the Company held on 21 April 2022, a mandate was granted to the Board for the repurchase of A shares representing not more than 2% of the Company's A share capital as at 21 April 2022. The aforesaid general mandate will expire at the end of AGM.

The Board of Directors of the Company proposed to request the AGM to grant mandate to the Board to repurchase A shares for 2023, 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 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. 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. 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.

As at the Latest Practicable Date, the Company's issued share capital comprised 3,980,609,974 A Shares. Subject to the granting of the mandate being approved and assuming that no additional Shares will be issued prior to the AGM, the Board will be entitled to repurchase a maximum of 79,612,199 A Shares (subject to adjustment in the event of exercise of share options under the share option incentive scheme of A Shares of the Company, if any).

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## LETTER FROM THE BOARD

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In order to capture market opportunities in a timely manner, the general meeting 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;
- (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 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;
- (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.

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## LETTER FROM THE BOARD

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The application for the mandate for share repurchase for 2023 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.

The abovementioned mandate to repurchase A shares will not cause the percentage of shares in the Company held by the public to fall below 25% of the total issued shares of the Company. The Directors are not aware of any consequences under The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong that might result from any repurchase of A shares pursuant to the mandate.

For details, please refer to Special Resolution No.13 of the AGM Notice.

### **V. PROPOSED LIMITS OF HEDGING DERIVATIVES TRADING FOR 2023**

Reference is made to the "Overseas Regulatory Announcement Announcement on the Feasibility Analysis of Hedging Derivatives Trading and the Application for Trading Limits for 2023" published by the Company on 10 March 2023.

At the previous annual general meeting of the Company held on 21 April 2022, the Board was authorized to deal with matters pertaining to derivatives trading within certain limits. The authorization will expire upon the conclusion of the forthcoming AGM.

In order to prevent the volatility of exchange rate or interest rate from adversely affecting the Company's assets, liabilities and profitability, it is necessary for the Company to conduct hedging derivatives trading. The Company intends to apply for the limits of hedging derivatives trading for an amount of equivalent of USD4.1 billion (namely, the investment balance at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD4.1 billion) for 2023. Such limit may be applied on a revolving basis during the effective period of the authorisation. In accordance with Article 158 of the Articles of Association, a derivative trading which is relevant to the principal business of the Company and is more than 10% of the Company's latest audited net asset value shall be subject to approval of the Company's shareholders. Therefore, approval of the proposed limits of hedging derivatives trading for 2023 will be sought at the AGM.

For details, please refer to Ordinary Resolution No. 7 of the AGM Notice.

### **VI. PROPOSED PROVISION OF GUARANTEE LIMITS FOR SUBSIDIARIES FOR 2023**

Reference is made to the "Overseas Regulatory Announcement Announcement Provision of Guarantee Limits for Subsidiaries for 2023" published by the Company on 10 March 2023.

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## LETTER FROM THE BOARD

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At the previous annual general meeting of the Company held on 21 April 2022, the Board of Directors were authorised to handle the provision of contract performance guarantee for subsidiaries within certain limits. Such authorisation will expire upon the conclusion of the AGM.

To consistently ensure smooth progress of the Group's business, the Company and its subsidiaries have proposed to provide a guarantee amount of not exceeding USD420 million in aggregate for the following subsidiaries for 2023.

**(I) Provision of guarantee limits for subsidiaries by the Company**

The Company has proposed to provide performance guarantees with an aggregate amount of not more than USD300 million for 4 subsidiaries. The aforesaid guarantee amount will be applied on a revolving basis during an effective period commencing on 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. Any unused amount outstanding upon the expiry of the effective period will be cancelled by the Company.

In order to improve the decision-making efficiency, within the scope and validity of the limits, the Board of Directors requests the AGM to authorize the Board of Directors to make decisions on specific guarantee matters. 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.

**(II) Provision of guarantee limits provided between the Company's subsidiaries and its subsidiaries**

Netaş, a subsidiary of the Company and its 3 subsidiaries have proposed the reciprocal provision of joint-liability guarantee in respect of composite credit facilities sought from financial institutions for an amount of not more than USD120 million. The guaranteed parties shall apply to financial institutions for credit facilities such as, among others, loans, guarantee letters and reverse supply-chain financing. The aforesaid guarantee amount will be applied on a revolving basis during an effective period commencing on the date which the said matter is considered and approved at the AGM and ending on the date of the Company's next annual general meeting. The actual amount and term of guarantee shall be confirmed by Netaş and its subsidiaries based on negotiations with the financial institutions and actual conditions, subject to the authorised limit of guarantee.

In accordance with Chapter 6 of the Shenzhen Listing Rules, the aforesaid matter shall be subject to approval of the Company's shareholders. Hence approval at the AGM of the provision of a guarantee amount for said subsidiaries for 2023 is sought.

For details, please refer to Ordinary Resolution No. 8 of the AGM Notice.

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## LETTER FROM THE BOARD

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### **VII. PROPOSED APPLICATION FOR CONSOLIDATED REGISTRATION FOR ISSUANCE OF MULTIPLE TYPES OF DEBT FINANCING INSTRUMENTS FOR 2023**

To further broaden the financing channels of the Company, optimise the Company's debt structure, exercise reasonable control over its finance cost, enable flexible choice of financing options and fulfill its funding requirements in a timely manner, the Company has proposed to apply to National Association of Financial Market Institutional Investors for the consolidated registration of multiple types of debt financing instruments, including super short-term commercial paper, short-term commercial paper, medium-term note, perpetual note and asset-backed note, among others, such that the effective period commencing on 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. In accordance with Article 107 of the Articles of Association, the aforesaid matter shall require the approval of the Company's shareholders. Hence approval at the AGM of the application for consolidated registration for issuance of multiple types of debt financing instruments for 2023 is sought.

For details, please refer to Special Resolution No. 10 of the AGM Notice.

### **VIII. PROPOSED EXPANSION OF THE BUSINESS SCOPE AND CORRESPONDING AMENDMENT OF RELEVANT CLAUSE IN THE ARTICLES OF ASSOCIATION**

On 27 June 2017, the Company won the No. T208-0049 land use rights of Shenzhen Bay Super Headquarters Base. Considering that the Company does not have the capabilities for land development, construction, sales, and operation, and focuses on core businesses, the Company entrusted Shenzhen Vanke Development Co., Ltd. ("Vanke") to develop, build, sell, and operate the land, and both parties signed the Framework Agreement for Entrustment Development, Construction, Sales, and Operation. For details, please refer to the "DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHTS IN SHENZHEN" published by the Company on 27 June 2017, and "DISCLOSEABLE TRANSACTION FRAMEWORK AGREEMENT FOR ENTRUSTMENT OF DEVELOPMENT, CONSTRUCTION, SALES AND OPERATION", "UPDATE ON DISCLOSEABLE TRANSACTION SUPPLEMENTAL AGREEMENT TO THE FRAMEWORK AGREEMENT FOR ENTRUSTMENT OF DEVELOPMENT, CONSTRUCTION, SALES AND OPERATION" published by the Company on 9 February 2018 and 11 July 2019, respectively.

Based on the smooth progress of the project, it is expected to reach the pre-sale status. In accordance with the agreement between the Company and Vanke, the Company is obliged to cooperate with Vanke in handling the relevant certificates of pre-sale license for the project. It is necessary for the Company to add the content of "real estate development and operation" in the business scope and modify the Articles of Association to ensure the implementation of the project.

The Articles of Association is drafted in Chinese without any official English versions. Hence, any English versions are provided for reference only and the Chinese version shall prevail in case of any discrepancies.

## LETTER FROM THE BOARD

Proposed the amendment of the Articles of Association 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; <b>real estate development and operation</b>. 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>

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.

For details, please refer to Special Resolution No. 11 of the AGM Notice.

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## LETTER FROM THE BOARD

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### IX. AGM

#### **AGM Notice, Proxy Form**

The AGM will be convened by the Company at 3:00 p.m. on Thursday, 6 April 2023 at 4/F, 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, pass, among others, the following resolutions: (1) Proposal of Profit Distribution for 2022; (2) Proposed General Mandate of the Issuance of Shares for 2023; (3) Proposed Mandate to the Board to Repurchase A Shares for 2023; (4) Proposed Limits of Hedging Derivatives Trading for 2023; (5) Proposed Provision of Guarantee Limits for Subsidiaries for 2023; (6) Proposed Application for Consolidated Registration for Issuance of Multiple Types of Debt Financing Instruments for 2023; (7) Proposed Expansion of the Business Scope and Corresponding Amendment of Relevant Clause in the Articles of Association. The AGM Notice is set out on pages 16 to 26 of this circular.

A proxy form for use at the AGM is enclosed with this circular and uploaded on the websites of the SEHK and the Company. Whether or not you are able to attend the AGM, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof should you so wish.

#### **Close of share register**

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.

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.

The record date and method of payment for the Dividends of A Shareholders shall be separately notified.



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## LETTER FROM THE BOARD

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### **Voting by way of poll at a general meeting**

In accordance with Rule 13.39 (4) of the Hong Kong Listing Rules, all resolutions proposed at a general meeting for consideration and approval if though fit shall be voted upon by way of poll, provided that resolutions pertaining to procedural or administrative matters only may be voted upon by a show of hands if permission for the same is given in good faith by the chairman of the general meeting.

### **X. RECOMMENDATION**

The Board is of the view that the resolutions set out in the AGM Notice in respect of the: (1) Proposal of Profit Distribution for 2022; (2) Proposed General Mandate of the Issuance of Shares for 2023; (3) Proposed Mandate to the Board to Repurchase A Shares for 2023; (4) Proposed Limits of Hedging Derivatives Trading for 2023; (5) Proposed Provision of Guarantee Limits for Subsidiaries for 2023; (6) Proposed Application for Consolidated Registration for Issuance of Multiple Types of Debt Financing Instruments for 2023; (7) Proposed Expansion of the Business Scope and Corresponding Amendment of Relevant Clause in the Articles of Association, are in the best interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

### **XI. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

Shenzhen, the PRC  
16 March 2023

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## 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)**

### **NOTICE OF THE 2022 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 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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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

## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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; <b>real estate development and operation</b>. 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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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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## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

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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.*