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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 2023**
(2) Proposed General Mandate of the Issuance of Shares for 2024
(3) Proposed Mandate to the Board to Repurchase A Shares for 2024
(4) Proposed Election and Appointment of Non-executive Director
**(5) Proposed Election and Appointment of
Independent Non-executive Directors**
**(6) Proposed Amendment of Relevant Clauses in the Articles of
Association, the Rules of Procedure for General Meetings of Shareholders
and the Rules of Procedure for Board of Directors Meetings**
And
(7) Notice of the 2023 Annual General Meeting

A letter from the Board is set out in pages 4 to 40 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 Friday, 28 June 2024 is set out in pages 45 to 54 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

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

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
AGM	the 2023 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 Friday, 28 June 2024
AGM Notice	notice of the 2023 annual general meeting
Articles of Association	the articles of association of the Company
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 RMB6.83 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. 11 of AGM Notice
H Share Record Date	11 July 2024, the date determined by the Board for determining the H Shareholders' entitlements to the Dividends
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
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China

DEFINITIONS

Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Latest Practicable Date	Friday, 31 May 2024, being the latest practicable date prior to the printing of this circular for determining certain information set out in this circular
SEHK	The Stock Exchange of Hong Kong Limited
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
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
Zhongxingxin	Zhongxingxin Telecom Company Limited, the controlling shareholder of the Company

EXPECTED TIMETABLE

2024

Latest time for lodging transfers of the H Shares to qualify for attendance and voting at the AGM	4:30 p.m., Thursday, 20 June
H Share register closed	Friday, 21 June to Friday, 28 June (both dates inclusive)
Latest time for lodging proxy forms for the AGM	3:00 p.m., Thursday, 27 June
AGM	3:00 p.m., Friday, 28 June
H Share register re-opens	Tuesday, 2 July
Last day of dealings in the H Shares cum-entitlements to the Dividends	Wednesday, 3 July
First day of dealings in the H Shares ex-entitlements to the Dividends	Thursday, 4 July
Latest time for lodging transfers of the H Shares to qualify for the Dividends	4:30 p.m., Friday, 5 July
H Share register closed	Saturday, 6 July to Thursday, 11 July (both dates inclusive)
H Share Record Date	Thursday, 11 July
H Share register re-opens	Friday, 12 July



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 2023**
- (2) Proposed General Mandate of the Issuance of Shares for 2024**
- (3) Proposed Mandate to the Board to Repurchase A Shares for 2024**
- (4) Proposed Election and Appointment of Non-executive Director**
- (5) Proposed Election and Appointment of
Independent Non-executive Directors**
- (6) Proposed Amendment of Relevant Clauses in the Articles of
Association, the Rules of Procedure for General Meetings of Shareholders
and the Rules of Procedure for Board of Directors Meetings**
- And**
- (7) Notice of the 2023 Annual General Meeting**

LETTER FROM THE BOARD

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 2023
- (2) Proposed General Mandate of the Issuance of Shares for 2024
- (3) Proposed Mandate to the Board to Repurchase A Shares for 2024
- (4) Proposed Election and Appointment of Non-executive Director
- (5) Proposed Election and Appointment of Independent Non-executive Directors
- (6) Proposed Amendment of Relevant Clauses in the Articles of Association, the Rules of Procedure for General Meetings of Shareholders and the Rules of Procedure for Board of Directors Meetings

II. PROPOSAL OF PROFIT DISTRIBUTION FOR 2023

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 RMB6.83 in cash (before tax) for every 10 shares to all shareholders based on the total share capital as at the record date (A share record date and H Share 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 2023. In the event of changes in the Company's total share capital after the announcement of the Company's profit distribution proposal 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 2023 according to the existing proportion for distribution. Dividend payments are expected to be made to Shareholders on 31 July 2024.

The Company's total share capital was 4,783,251,552 shares as at the Latest Practicable Date. There are total 51,856,276 outstanding options exercisable in the third exercise period of the initial grant and the second 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, 4,835,107,828 shares in the Company will be entitled to dividend payment, which will result in a total dividend amount of not more than RMB3.303 billion.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 2023 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 2024

At the previous annual general meeting of the Company held on 6 April 2023, 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 6 April 2023. 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, each not exceeding 20% of the aggregate nominal amount of the Company's A Shares and H Shares, respectively, 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 4,027,749,018 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 805,549,803 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.

LETTER FROM THE BOARD

The General Mandate will remain in effect until the earliest 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. 11 of the AGM Notice.

IV. PROPOSED MANDATE TO THE BOARD TO REPURCHASE A SHARES FOR 2024

At the previous annual general meeting of the Company held on 6 April 2023, 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 6 April 2023. The aforesaid general mandate will expire at the end of AGM.

The Board proposed to request the AGM to grant mandate to the Board to repurchase A shares for 2024, the share repurchase shall be used in the employee share ownership schemes or share incentives, or to maintain the Company's value and shareholder equity, which will be sold through centralized bidding trading 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 5% 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 2024 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 4,027,749,018 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 201,387,450 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).

LETTER FROM THE BOARD

In order to capture market opportunities in a timely manner, the AGM shall grant to the Board a mandate, which may be delegated by the Board to relevant persons, with full discretion to deal with matters relating to the share repurchase. The scope of the mandate shall include, but not be limited to, the following:

- (1) To confirm the final plan and terms of repurchase and deal with matters pertaining to the share repurchase in accordance with the provisions of laws, regulations, rules and regulatory documents, taking into account the actual conditions of the Company and the market;
- (2) To amend, adjust or determine at its discretion based on prevailing circumstances matters relating to the repurchase plan, including but not limited to: the specific use of the share repurchase, the total repurchase amount, the price of the share repurchase, the volume of the share repurchase, the implementation of the repurchase, or whether the repurchase plan shall proceed or be terminated and the sale of shares, 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 and the sale of shares 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 of Association;
- (6) To prepare, amend, supplement, execute, deliver, submit and implement all agreements, contracts and documents incurred in the course of the share repurchase and sale of shares 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.

LETTER FROM THE BOARD

The application for the mandate for share repurchase for 2024, seeks to give mandate to the Board of Directors of the Company to deal with matters pertaining to the share repurchase, which does not involve specific plans for share repurchase. Subject to consideration and approval at the general meeting, 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 and table it to the Board of Directors for consideration and disclosure.

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.12 of the AGM Notice.

V. PROPOSED ELECTION AND APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Mr. Li Buqing, the Non-executive Director of the Company, intends to no longer hold the position of Non-executive director of the Company due to work changes. Zhongxingxin, the controlling shareholder of the Company nominated Mr. Zhang Hong as the candidate for Non-executive Director of the Ninth Session of the Board of Directors of the Company for a term commencing on the date of consideration and approval at the AGM and ending upon the conclusion of the term of the Ninth Session of the Board of Directors of the Company (namely 29 March 2025). Before the election of a new director at the AGM, the former director shall continue to perform his duties as a director.

Please refer to Appendix I and Appendix III for brief biography and other information relating to the candidate for Non-executive Director listed above.

For details, please refer to Ordinary Resolution No.14 of the AGM Notice.

VI. PROPOSED ELECTION AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

At the First Extraordinary General Meeting of 2022 of the Company held on 30 March 2022, Ms. Cai Manli and Mr. Gordon Ng were elected as Independent Non-Executive Directors of the Ninth Session of the Board of Directors of the Company for a term commencing from 30 March 2022 to 28 June 2024. In accordance with the "Management Regulations of Independent Directors in Listed Companies" (《上市公司獨立董事管理辦法》) issued by the CSRC which stipulates that the consecutive term of office of independent directors of in a listed company shall not exceed six years, Ms. Cai Manli and Mr. Gordon Ng have been Independent Non-Executive Directors of the Company since 29 June 2018, and their terms of office will end on 28 June 2024.

LETTER FROM THE BOARD

Zhongxingxin, the controlling shareholder of the Company nominated Mr. Wang Qinggang and Mr. Tsui Kei Pang as the candidates for Independent Non-executive Directors of the Company for a term commencing on the date of consideration and approval at the AGM and ending upon the conclusion of the term of the Ninth Session of the Board of Directors of the Company (namely 29 March 2025). Before the election of the new directors at the AGM, the former directors shall continue to perform their duties as directors.

Please refer to Appendix II and Appendix III for brief biographies and other information relating to the candidates for Independent Non-executive Directors listed above.

Upon consultation with the relevant departments of the Company and review on the criteria for being a director of the Company, the Nomination Committee has extensively recruited candidates for election as a director and collected the information about the initial candidates, such as professions, academic qualification, position, work experience and all other concurrent employment. With the candidates' consent to nomination, the Nomination Committee convened a meeting for considering the qualification of the initial candidates according to the criteria for being a director, then the recommendation and relevant materials of the director candidates were submitted to the Board.

The Board is of the view that the candidates for election as Independent Non-executive Directors, namely Mr. Wang Qinggang and Mr. Tsui Kei Pang have professional qualifications and considerable experience in various domains, such as accounting and law, and they have built influence in the industry and fulfilled their duties in an enthusiastic manner. Mr. Wang Qinggang is a certified public accountant of the PRC with strong academic and professional background as well as extensive experience in accounting and finance, thus he is able to complement the professional background of the composition of the Board in terms of accounting and finance. Mr. Tsui Kei Pang is a solicitor admitted in Hong Kong, thus he is able to complement the professional background of the composition of the Board in terms of corporate governance.

Accordingly, the respective academic background, experience and practice of Mr. Wang Qinggang and Mr. Tsui Kei Pang allow them to offer valuable insights to the Board in the matter of, among others, finance and law, and diversity of board members can be achieved through consideration of a number of factors, such as age, cultural and educational background, or professional experience, skills and expertise upon their election as Independent Non-Executive Directors. Each of Mr. Wang Qinggang and Mr. Tsui Kei Pang has submitted to the Board a written confirmation of his independence under the requirements of the Rule 3.13 of Hong Kong Listing Rules and the Shenzhen Listing Rules. Upon considering the above factors, the Board is of the view that Mr. Wang Qinggang and Mr. Tsui Kei Pang are independent persons of the Company.

For details, please refer to Ordinary Resolution No. 15 of the AGM Notice.

LETTER FROM THE BOARD

VII. PROPOSED THE AMENDMENT OF RELEVANT CLAUSES IN THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE FOR GENERAL MEETINGS OF SHAREHOLDERS AND THE RULES OF PROCEDURE FOR BOARD OF DIRECTORS MEETINGS

Due to the increase of share capital caused by the exercise of stock options of the Company, and in accordance with the latest supervision requirements of the Guide to the Articles of Association of Listed Companies and the Management Regulations of Independent Directors of Listed Companies of the CSRC and the further regulation of corporate governance, the Company plans to revise the Articles of Association, Rules of Procedure of the General Meeting of Shareholders, and Rules of Procedure of the Board of Directors Meetings.

The Articles of Association, Rules of Procedure of the General Meetings of Shareholders and Rules of Procedure of the Board of Directors Meetings are 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.

(1) Proposed the amendment of the Articles of Association as follows:

Existing Article	To be amended as
Article 24. Subsequent to its establishment, the Company shall issue 4,613,434,898 ordinary shares, comprising 755,502,534 H Shares, accounting for 16.38% of the total number of ordinary shares issuable by the Company; and 3,857,932,364 Domestic Shares, accounting for 83.62% of the total number of ordinary shares issuable by the Company.	Article 24. Subsequent to its establishment, the Company shall issue 4,783,251,552 ordinary shares, comprising 755,502,534 H Shares, accounting for 15.79% of the total number of ordinary shares issuable by the Company; and 4,027,749,018 Domestic Shares, accounting for 84.21% of the total number of ordinary shares issuable by the Company.
Article 27. The registered capital of the Company shall be RMB4,613,434,898.	Article 27. The registered capital of the Company shall be RMB 4,783,251,552 .
Article 67. The general meeting of shareholders shall have the following powers: ... 17) to consider and approve share incentive schemes; and 18) to decide on other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders in general meetings.	Article 67. The general meeting of shareholders shall have the following powers: ... 17) to consider and approve share incentive schemes and employee stock ownership schemes ; and 18) to decide on other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders in general meetings.

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 107. The following matters shall be passed by a special resolution at a general meeting of shareholders;</p> <ol style="list-style-type: none"> 1) an increase or reduction of share capital of the Company and the issue of any class of shares, warrants and other similar securities; 2) the issue of debentures of the Company; 3) the division, merger, change of the form, dissolution and liquidation of the Company; ... 	<p>Article 107. The following matters shall be passed by a special resolution at a general meeting of shareholders;</p> <ol style="list-style-type: none"> 1) an increase or reduction of share capital of the Company and the issue of any class of shares, warrants and other similar securities; 2) the issue of debentures of the Company; 3) the division, spin-off, merger, change of the form, dissolution and liquidation of the Company; ...
<p>Article 108. When voting at a general meeting of shareholders, a shareholder (including proxies) shall exercise his voting rights based on the number of voting shares represented by him. Each share shall carry one vote, provided that shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares represented at the general meeting.</p>	<p>Article 108. When voting at a general meeting of shareholders, a shareholder (including proxies) shall exercise his voting rights based on the number of voting shares represented by him. Each share shall carry one vote, provided that shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares represented at the general meeting.</p> <p>Where material matters affecting the interests of minority shareholders are considered at the general meeting, the votes cast by minority shareholders shall be counted separately and results of the separate counting shall be publicly disclosed in a timely manner. Where shares carrying voting rights purchased by shareholders are in violation of pertinent provisions under the Securities Law, voting rights attached to the portion of such shares exceeding the stipulated percentage shall not be exercisable and shall not be counted in the total number of voting shares represented at the general meeting within a period of thirty-six months following the purchase.</p>
<p>Article 109. The Board of Directors, independent non-executive directors, shareholders holding voting shares of more than one percent, or investor protection institutions established in accordance with laws, administrative regulations, or regulations of the securities regulatory agency of the State Council may solicit from other shareholders their rights to vote in general meetings. The solicitation shall be without consideration and information shall be fully disclosed to such shareholders.</p>	<p>Article 109. The Board of Directors, independent non-executive directors, shareholders holding voting shares of more than one percent, or investor protection institutions established in accordance with laws, administrative regulations, or regulations of the securities regulatory agency of the State Council may solicit from other shareholders their rights to vote in general meetings. The solicitation shall be without consideration and information shall be fully disclosed to such shareholders. The solicitation of shareholders' voting rights by offering payments or payments in disguise is prohibited. Other than as statutorily required, the Company shall not impose minimum shareholding percentages as limits for the solicitation of voting rights.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 122. Shareholders attending the general meeting of shareholders shall express their opinion with respect to the motion tabled for resolution as in favour of, against or abstention from voting in respect of such motion.</p> <p>Ballot papers that are left in blank, unduly completed or illegible, or that have not been used, shall be treated in the way that the voters waive their right to vote and the voting results corresponding to the shares in their possession shall be treated as “abstention from voting”.</p>	<p>Article 122. Shareholders attending the general meeting of shareholders shall express their opinion with respect to the motion tabled for resolution as in favour of, against or abstention from voting in respect of such motion. Securities registration and clearance agencies shall be the nominal holder of shares held through the stock connect system of the Mainland Chinese and Hong Kong stock markets, unless it has been expressed in accordance with the intention of the actual holder that a declaration will be made.</p> <p>Ballot papers that are left in blank, unduly completed or illegible, or that have not been used, shall be treated in the way that the voters waive their right to vote and the voting results corresponding to the shares in their possession shall be treated as “abstention from voting”.</p>
<p>Article 150. The criteria for selection of the independent non-executive directors of the Company shall be as follows:</p> <ol style="list-style-type: none"> 1) having the qualifications to assume the office of a director in a listed company pursuant to the laws, administrative regulations and other relevant provisions; 2) being independent as required by laws, administrative regulations and other relevant regulations; 3) having the basic knowledge of the operation of a listed company and being familiar with relevant laws, administrative regulations together with rules and regulations; 4) having not less than five years’ working experience in the legal or economic field or other experience necessary to perform the duties of an independent non-executive director; and 5) other qualifications specified by the Articles of Association. 	<p>Article 150. The criteria for selection of the independent non-executive directors of the Company shall be as follows:</p> <ol style="list-style-type: none"> 1) having the qualifications to assume the office of a director in a listed company pursuant to the laws, administrative regulations and other relevant provisions; 2) being independent as required by laws, administrative regulations and other relevant regulations; 3) having the basic knowledge of the operation of a listed company and being familiar with relevant laws, administrative regulations together with rules and regulations; 4) having not less than five years’ working experience in the legal, accounting or economic field or other experience necessary to perform the duties of an independent non-executive director; 5) having a good personal morality without bad records such as material discredit; and 6) other conditions specified under provisions of the laws, administrative regulations and CSRC, business rules of stock exchanges and the Articles of Association.

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Existing Article	To be amended as
<p>Article 151. The following persons shall not act as the independent non-executive directors of the Company:</p> <ol style="list-style-type: none"> 1) persons working in the Company or its subsidiaries, as well as their direct family members or major social relations (in which direct family members refer to their spouses, parents and children etc.; and major social relations refer to siblings, parents-in-law, sons or daughters-in-law, spouses of their siblings and siblings of their spouses etc.); 2) natural person shareholders as well as their direct family members who directly or indirectly hold not less than 1% of the issued shares of the Company or who are ranked as the top ten shareholders of the Company; 3) persons as well as their direct family members who work in entities which are such shareholders of the Company directly or indirectly holding not less than 5% of the issued shares of the Company or which are ranked as the top five shareholders of the Company; 4) persons who have satisfied the conditions stated in the above three paragraphs within the most recent year; 5) persons who provide financial, legal and consultation services and otherwise to the Company or its subsidiaries; 6) other people specified in the Articles of Association; or 	<p>Article 151. Independent non-executive directors must maintain their independence. The following persons shall not act as the independent non-executive directors of the Company:</p> <ol style="list-style-type: none"> 1) persons working in the Company or its subsidiaries, as well as their direct family members or major social relations (in which direct family members refer to their spouses, parents and children etc.; and major social relations refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children and parents of spouses of children, etc.); 2) natural person shareholders as well as their direct family members who directly or indirectly hold not less than 1% of the issued shares of the Company or who are ranked as the top ten shareholders of the Company; 3) persons as well as their direct family members who work in entities which are such shareholders of the Company directly or indirectly holding not less than 5% of the issued shares of the Company or which are ranked as the top five shareholders of the Company; 4) Persons holding positions at subsidiaries of the Company's controlling shareholder or the person who exercises effective control over the Company and their direct family members; 5) Persons involved in substantial business dealings with the Company's controlling shareholder or the person who exercises effective control over the Company or their respective subsidiaries or persons holding positions at entities involved in substantial business dealings and their controlling shareholders or the person who exercises effective control over the Company; 6) Persons providing services such as financial, legal, consulting or sponsorship services to the Company and its controlling shareholder or the person who exercises effective control over the Company or their respective subsidiaries, including but not limited to all members of project teams, vetting personnel at all levels, personnel undersigning reports, partners, directors, senior management and principal officers of the agencies providing the services;

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Existing Article	To be amended as
<p>7) other people specified by the CSRC.</p>	<p>7) persons who have satisfied the conditions stated in the above six paragraphs within the most recent year;</p> <p>8) other persons specified as not independent persons under provisions of the laws, administrative regulations and CSRC, business rules of stock exchanges and provisions of the Articles of Association.</p>
<p>Article 152. The nomination, election and removal of independent non-executive directors shall be properly conducted according to law as follows:</p> <p>1) Candidates for independent non-executive directors may be nominated by the Board of Directors, the Supervisory Committee or shareholders individually or jointly holding not less than one 1% of the Company's shares, and shall be elected by the general meetings of shareholders.</p> <p>2) Before nominating a candidate for election as an independent non-executive director, the nominator shall first obtain the consent of the nominee and shall have a full understanding of the nominee's qualifications, educational background, profession, detailed working experience and all other positions undertaken on a part-time basis and shall also be responsible for providing his opinion in connection with the qualifications and independence of such nominee acting as an independent non-executive director. The nominee shall make a public statement that there does not exist any relationship between himself and the Company which may influence his independent objective judgment.</p> <p>The Board of Directors of the Company shall make a public announcement in respect of such content set forth above prior to holding the general meeting for election of independent non-executive directors.</p>	<p>Article 152. The nomination, election and removal of independent non-executive directors shall be properly conducted according to law as follows:</p> <p>1) Candidates for independent non-executive directors may be nominated by the Board of Directors, the Supervisory Committee or shareholders individually or jointly holding not less than one 1% of the Company's shares, and shall be elected by the general meetings of shareholders.</p> <p>An investor protection agency established in accordance with the law may publicly request shareholders to appoint it to exercise on their behalf the right to nominate independent non-executive directors.</p> <p>A nominator under paragraph 1) shall not nominate as candidates for independent non-executive directors persons who share a stake with him/her or closely associated persons who may otherwise affect the independent performance of duties.</p> <p>2) Before nominating a candidate for election as an independent non-executive director, the nominator shall first obtain the consent of the nominee and shall have a full understanding of the nominee's qualifications, educational background, profession, detailed working experience and all other positions undertaken on a part-time basis, whether he/she is subject to bad records such as material discredit and shall also be responsible for providing his opinion in connection with the qualifications and independence of such nominee acting as an independent non-executive director. The nominee shall issue a public statement in respect of his/her compliance with the condition of independence and other conditions for acting as an independent non-executive director.</p> <p>The Board of Directors of the Company shall make a public announcement in respect of such content set forth above prior to holding the general meeting for election of independent non-executive directors.</p>

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Existing Article	To be amended as
<p>3) Before a general meeting of shareholders is held to elect independent non-executive directors, the Company shall simultaneously submit relevant materials regarding all nominees to the CSRC, the local residence office of the CSRC at the place where the Company is located, and the stock exchanges on which the Company's shares are listed. If the Board of Directors objects to the qualifications of the nominees, a written opinion of the Board of Directors in connection therewith shall also be submitted at the same time.</p> <p>The CSRC shall examine and verify the qualifications and independence of an independent non-executive director within fifteen working days. If the CSRC has an objection to a nominee, such nominee may be a candidate for election as a director of the Company, but not a candidate for election as an independent non-executive director.</p> <p>When convening a general meeting of shareholders to elect independent non-executive directors, the Board of Directors of the Company shall explain whether the CSRC had any objection to any of the candidates being elected as independent non-executive directors.</p> <p>4) Each term of office of the independent non-executive directors shall be the same as those of the other directors. The term of an independent non-executive director may be renewed upon re-election and re-appointment after the expiration of his term, provided the renewal period shall not exceed six (6) years.</p>	<p>3) The Company's Nomination Committee shall conduct vetting on the eligibility of the nominees for appointment and form a categorical vetting opinion. Prior to the convening of the general meeting for the election of independent non-executive directors, the Company shall submit relevant information of all candidates for independent non-executive directors to the stock exchange, which information submitted shall be true, accurate and complete.</p> <p>The stock exchange shall conduct vetting on the relevant information of the independent non-executive directors and determine with prudence whether the candidates for independent non-executive directors are eligible for appointment, and shall have the right to express dissent. The Company shall not enter candidates for independent non-executive directors against which the stock exchange has expressed dissent for election at the general meeting.</p> <p>When convening a general meeting of shareholders to elect independent non-executive directors, the Board of Directors of the Company shall explain whether the CSRC had any objection to any of the candidates being elected as independent non-executive directors.</p> <p>4) Where two or more independent non-executive directors are elected at general meeting of the Company, a cumulative voting system shall be adopted. The votes cast by minority shareholders shall be separately counted and disclosed.</p>

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Existing Article	To be amended as
<p>5) If an independent non-executive director fails to attend three consecutive board meetings in person, the Board of Directors shall propose at the general meeting that such independent non-executive director be removed. Except for circumstances described above and those set out in the Company Law relating to the prohibition of a person to act as a director, an independent non-executive director shall not be removed, without cause, from his office before the expiration of his term of office. Where an independent non-executive director is removed from office prior to its expiration, the Company shall make special disclosure in relation thereto. The removed independent non-executive director may make a public statement if he believes that he has been improperly removed from his office.</p> <p>6) Independent non-executive directors may resign prior to the expiration of their term of office. If an independent non-executive director resigns from his office, he shall submit a written notice of his resignation to the Board of Directors and provide an explanation of the circumstances which are relevant to his resignation and which in his opinion are necessary to bring to the notice of the shareholders and creditors of the Company. Where the resignation of an independent non-executive director results in the Board of Directors having less than the minimum number of directors or independent non-executive directors required by law or the Articles of Association, that independent non-executive director must continue to perform his duties pursuant to the laws, administrative regulations and the Articles of Association until the replacement independent non-executive director takes office. The Board of Directors shall convene a general meeting to elect a replacement independent non-executive director within two months. Where a general meeting is not convened within the period, the resigning independent non-executive director need not continue to perform his duties.</p> <p>7) No independent non-executive director shall be removed from office without proper reason before expiration of his term of office. If an independent non-executive director is dismissed before expiration of his term, the Company shall disclose such removal as a special matter.</p>	<p>5) Each term of office of the independent non-executive directors shall be the same as those of the other directors. The term of an independent non-executive director may be renewed upon re-election and re-appointment after the expiration of his term, provided the renewal period shall not exceed six (6) years.</p> <p>6) Independent non-executive directors shall attend Board of Directors meetings in person. An independent non-executive director who is unable to attend the meeting for a reason shall review the meeting materials beforehand and form a categorical opinion and appoint in writing another independent non-executive director to attend on his/her behalf. An independent non-executive director who fails to attend the Board of Directors meetings in person for two consecutive times without appointing other independent non-executive directors to attend on his/her half shall be removed from his/her duties as independent non-executive director at a general meeting proposed to be convened by the Company within thirty days after the occurrence of the aforesaid.</p> <p>7) An independent non-executive director may be removed from his/her duties by the Company in accordance with legal procedures prior to the conclusion of his/her term of office. In the event of early termination of the duties of an independent non-executive director, the Company shall disclose the specific reasons and bases in a timely manner. The Company shall disclose in a timely manner any dissent of such independent non-executive director. An independent non-executive directors that does not meet the requirements of 1) or 2) under Article 150 of the Articles of Association shall immediately cease performing his/her duties and resign from the position. Where no resignation has been rendered, the Board of Directors shall forthwith remove him/her from his/her duties after the occurrence of such event has, or should have, come to its attention. In the event of resignation or removal from duties under circumstances set out in the foregoing paragraph resulting in the ratio of independent non-executive directors at the Board of Directors or the specialist committees thereunder not meeting the requirement under the laws or the Articles of Association or the absence of any accounting professional amongst the independent non-executive directors, the Company shall complete a by-election within sixty days from the occurrence of the aforesaid event.</p>

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Existing Article	To be amended as
	<p>8) Independent non-executive directors may resign prior to the expiration of their term of office. If an independent non-executive director resigns from his office, he shall submit a written notice of his resignation to the Board of Directors and provide an explanation of the circumstances which are relevant to his resignation and which in his opinion are necessary to bring to the notice of the shareholders and creditors of the Company. The Company shall disclose the reasons for and matters of concern relating to the resignation of independent non-executive directors.</p> <p>If the resignation of an independent non-executive director will result in the ratio of independent non-executive directors at the Board of Directors or the specialist committees thereunder not meeting the requirement under the laws or the Articles of Association or the absence of any accounting professional amongst the independent non-executive directors, the independent non-executive director who is set to resign shall continue to perform his/her duties until the date on which a new independent non-executive director is appointed. The Company shall complete a by-election within sixty days from the date on which the independent non-executive director renders his/her resignation.</p>

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Existing Article	To be amended as
<p>Article 153. An independent non-executive director shall perform his duties independently without being influenced by a substantial shareholder, a person who exercises effective control of the Company or a unit or individual who or which have an interest in the Company, its controlling shareholders, or a person who exercises effective control over the Company.</p> <p>In order to fully utilize his function, an independent non-executive director shall, apart from the powers conferred on directors under the Company Law and other relevant laws and regulations and the Articles of Association, also have the following special functions and powers:</p> <ol style="list-style-type: none"> 1) to approve, before submitting to the Board of Directors for consideration, proposed material connected transactions, or appointment or dismissal of accountants before submitting to the Board of Directors for consideration; 2) to propose to the Board of Directors to convene an extraordinary general meeting; 3) to propose to convene the board meeting; and 4) to solicit votes from shareholders prior to the general meeting of shareholders. <p>When exercising their functions and powers referred to above, independent non-executive directors shall obtain the consent of not less than half of the total number of independent non-executive directors.</p> <p>Subject to the consent of all independent non-executive directors, independent non-executive directors may independently engage external auditors and advisers, with relevant fees paid by the Company, to review and provide advice on specific matters.</p> <p>If the proposals set out above are not adopted or such functions and powers as set forth above cannot be exercised under normal circumstances, the Company shall disclose the relevant circumstances.</p> <p>The criteria for determining a “material connected transaction” shall be interpreted by reference to the relevant rules and regulations of the CSRC, the SZSE, and the SEHK.</p>	<p>Article 153. An independent non-executive director shall perform his duties independently without being influenced by a substantial shareholder, a person who exercises effective control of the Company or a unit or individual who or which have an interest in the Company, its controlling shareholders, or a person who exercises effective control over the Company.</p> <p>Independent non-executive directors shall diligently perform the following duties in accordance with the provisions of the law, administrative regulations and the Articles of Association:</p> <ol style="list-style-type: none"> 1) To participate in the decision-making of the Board of Directors and express categorical opinions on matters considered; 2) To carry out supervision on potential material conflict of interest between the Company and its controlling shareholder, the person who exercise effective control over the Company, directors or senior management and to procure that the decisions of the Board of Directors are in the interest of the Company as a whole, and in particular protecting the lawful rights and interests of minority shareholders; 3) To furnish professional and objective suggestions for the Company’s operations and development to facilitate enhancement of the decision-making standard of the Board of Directors; 4) Other duties stipulated under provisions of the laws, administrative regulations and CSRC and provisions of the Articles of Association.

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Existing Article	To be amended as
	<p>In order to fully utilize his function, an independent non-executive director shall, apart from the powers conferred on directors under the Company Law and other relevant laws and regulations and the Articles of Association, also have the following special functions and powers:</p> <ol style="list-style-type: none"> 1) To independently engage intermediary agencies to conduct audit, consultation or checks on matters of the Company; 2) To request the Board of Directors to convene extraordinary general meetings; 3) To propose the convening of Board of Directors meetings; 4) To publicly solicit shareholders' rights from shareholders pursuant to the law; 5) To express independent opinions on matters that might compromise the interests of the listed company or minority shareholders; 6) Other powers stipulated under provisions of the laws, administrative regulations and CSRC and provisions of the Articles of Association. <p>The exercise of the special powers under 1) to 3) above by the independent non-executive directors shall require approval by the majority of all independent non-executive directors.</p> <p>In the event of the exercise of the aforesaid special powers by the independent non-executive directors, the Company shall make disclosure in a timely manner. Where the aforesaid powers cannot be exercised in a normal manner, the Company shall disclose the details and reasons.</p>

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Existing Article	To be amended as
<p>Article 154. Independent non-executive directors shall express their independent opinion with respect to major matters of the Company. Apart from the duties set forth above, independent non-executive directors shall also express their independent opinion on the following major matters to the Board of Directors or at a general meeting of shareholders:</p> <ol style="list-style-type: none"> 1) nomination or removal of directors; 2) appointment or removal of senior officers; 3) the remuneration of directors and senior officers; 4) where the Board of Directors fails to produce its profit distribution plan by cash; 5) matters which the independent non-executive directors believe may impair the rights and interests of minority shareholders; 6) any other matters which the CSRC, SZSE and SEHK requires independent non-executive director to issue an independent opinion; and 7) any other matters required by the Articles of Association. <p>Independent non-executive directors shall give one of the following opinions in relation to the above matters: agree; qualified opinion and reasons therefor; oppose and reasons therefor; unable to form an opinion and the impediments to doing so. If the matter is a matter requiring disclosure, the Company shall announce the opinions of the independent non-executive directors. If the independent non-executive directors are divided and are unable to provide a unanimous opinion, the Board of Directors shall separately disclose the opinions of each independent non-executive director. The relevant announcement shall be published in newspapers which are in compliance with the relevant regulations.</p>	<p>Article 154. The following matters shall be submitted to the Board of Directors for consideration after approval by the majority of all independent non-executive directors of the Company:</p> <ol style="list-style-type: none"> (1) Connected transaction which shall be disclosed; (2) Plans involving change or waiver of undertaking by the Company and relevant parties; (3) Decisions and measures adopted by the board of directors of an acquiree in respect of the acquisition; (4) Other matters stipulated under provisions of the laws, administrative regulations and CSRC and provisions of the Articles of Association. <p>The Company shall convene meetings to be attended by independent non-executive directors only (“Independent Directors’ Meeting”) on a regular basis or from time to time. 1)–3) under the special authority set out in Article 153 of the Articles of Association and matters set out in the foregoing paragraph shall be subject to consideration by the Independent Directors’ Meeting. The Independent Directors’ Meeting may also deliberate on other matters of the Company as may be required.</p> <p>The Independent Directors’ Meeting shall be convened and presided over by an independent non-executive director elected by the majority of the independent non-executive directors; in the event that the convener does not or is unable to perform his/her duties, two or more independent non-executive directors may unilaterally convene and elect one representative to preside over the meeting.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 158. The Board of Directors shall be accountable to the general meeting of shareholders and shall exercise the following functions and powers:</p> <p>...</p> <p>13) to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, provision of other guarantees, entrusted asset management and connected transactions by the Company within the scope of authority conferred by the general meeting;</p> <p>...</p> <p>19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company's most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company's most recently audited net asset value;</p> <p>...</p> <p>The following guarantees shall be subject to the approval of general meetings provided that the same have been considered and approved by Board of Directors meetings prior to being tabled at general meetings:</p> <ol style="list-style-type: none"> 1. any guarantee to be provided by the Company and its subsidiaries in favour of a third party, with the total amount of which exceeds 50% of the audited net asset value for the most recent period; 2. any guarantee to be provided after the total amount of third-party guarantee provided by the Company has reached or exceeded 30% of the audited total assets for the most recent period; 3. guarantees to be provided in favour of an entity which is subject to a gearing ratio of over 70%; 4. guarantees with a single guaranteed amount in excess of 10% of the audited net asset value for the most recent period; 5. guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its related parties; and 6. other guarantees subject to the approval of general meetings in accordance with the laws, regulations and the Articles of Association. <p>...</p>	<p>Article 158. The Board of Directors shall be accountable to the general meeting of shareholders and shall exercise the following functions and powers:</p> <p>...</p> <p>13) to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, provision of other guarantees, entrusted asset management, connected transactions and donations to third parties by the Company within the scope of authority conferred by the general meeting;</p> <p>...</p> <p>19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company's most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company's most recently audited net asset value;</p> <p>20) to approve donations to third parties with an amount less than 5% of the Company's most recently audited net asset value;</p> <p>...</p> <p>The following guarantees shall be subject to the approval of general meetings provided that the same have been considered and approved by Board of Directors meetings prior to being tabled at general meetings:</p> <ol style="list-style-type: none"> 1. any guarantee to be provided by the Company and its subsidiaries in favour of a third party, with the total amount of which exceeds 50% of the audited net asset value for the most recent period; 2. any guarantee to be provided after the total amount of third-party guarantee provided by the Company has reached or exceeded 30% of the audited total assets for the most recent period; 3. amount of guarantee provided by the Company within one year exceeds 30% of the Company's audited total assets for the most recent period; 4. guarantees to be provided in favour of an entity which is subject to a gearing ratio of over 70%; 5. guarantees with a single guaranteed amount in excess of 10% of the audited net asset value for the most recent period; 6. guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its related parties; and 7. other guarantees subject to the approval of general meetings in accordance with the laws, regulations and the Articles of Association. <p>...</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 161. Each specialist committee shall have the following basic responsibilities:</p> <p>1) Major responsibilities of the audit committee are:</p> <ol style="list-style-type: none"> 1. to propose the engagement or removal of external auditor; 2. to oversee the internal audit system of the Company and its implementation; 3. to be responsible for the communications between the internal auditor and the external auditor; 4. to examine and verify the financial information of the Company and the disclosure thereof; and 5. to examine the internal control system of the Company. <p>...</p> <p>3) Major responsibilities of the remuneration and evaluation committee are:</p> <ol style="list-style-type: none"> 1. to consider the standards of evaluation of directors, president and other senior officers, to conduct evaluation and to provide recommendations in connection therewith; and 2. to consider and develop the remuneration policies and proposals for the directors, president and other senior officers. 	<p>Article 161. Each specialist committee shall have the following basic responsibilities:</p> <p>1) Major responsibilities of the audit committee are:</p> <ol style="list-style-type: none"> 1. to propose the engagement or removal of external auditor; 2. to propose the appointment or dismissal of the Company's chief financial officer; 3. to oversee the internal audit system of the Company and its implementation; 4. to be responsible for the communications between the internal auditor and the external auditor; 5. to examine and verify the financial information of the Company and the disclosure thereof; and 6. to examine the internal control system of the Company. 7. to review changes to accounting policies and accounting estimates for reasons other than changes in accounting standards and the rectification of significant accounting error. <p>...</p> <p>3) Major responsibilities of the remuneration and evaluation committee are:</p> <ol style="list-style-type: none"> 1. to consider the standards of evaluation of directors, president and other senior officers, to conduct evaluation and to provide recommendations in connection therewith; 2. to consider and develop the remuneration policies and proposals for the directors, president and other senior officers; 3. to formulate or vary share option incentive schemes, employee stock ownership schemes and other matters related to share scheme, grant of entitlements to scheme participants and fulfillment of exercise conditions; and 4. to consider the arrangement of share ownership schemes at subsidiaries proposed to be spin-off for directors and senior management.

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- (2) Proposed the amendment of the Rules of Procedure for General Meetings of Shareholders as follows:

Existing Article	To be amended as
<p>Article 2. The general meeting of shareholders shall have the following powers:</p> <p>...</p> <p>17) to consider and approve share incentive schemes; and</p> <p>18) to decide on other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders in general meetings.</p>	<p>Article 2. The general meeting of shareholders shall have the following powers:</p> <p>...</p> <p>17) to consider and approve share incentive schemes and employee stock ownership schemes; and</p> <p>18) to decide on other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders in general meetings.</p>
<p>Article 43. When voting at a general meeting of shareholders, a shareholder (including proxies) shall exercise his voting rights based on the number of voting shares represented by him. Each share shall carry one vote, provided that shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares represented at the general meeting.</p> <p>...</p>	<p>Article 43. When voting at a general meeting of shareholders, a shareholder (including proxies) shall exercise his voting rights based on the number of voting shares represented by him. Each share shall carry one vote, provided that shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares represented at the general meeting.</p> <p>Where material matters affecting the interests of minority shareholders are considered at the general meeting, the votes cast by minority shareholders shall be counted separately and results of the separate counting shall be publicly disclosed in a timely manner. Where shares carrying voting rights purchased by shareholders are in violation of pertinent provisions under the Securities Law, voting rights attached to the portion of such shares exceeding the stipulated percentage shall not be exercisable and shall not be counted in the total number of voting shares represented at the general meeting within a period of thirty-six months following the purchase.</p> <p>...</p>
<p>Article 50. The Board of Directors, independent non-executive directors, shareholders holding voting shares of more than one percent, or investor protection institutions established in accordance with laws, administrative regulations, or regulations of the securities regulatory agency of the State Council may solicit from other shareholders their rights to vote in general meetings. The solicitation shall be without consideration and information shall be fully disclosed to such shareholders.</p>	<p>Article 50. The Board of Directors, independent non-executive directors, shareholders holding voting shares of more than one percent, or investor protection institutions established in accordance with laws, administrative regulations, or regulations of the securities regulatory agency of the State Council may solicit from other shareholders their rights to vote in general meetings. The solicitation shall be without consideration and information shall be fully disclosed to such shareholders. The solicitation of shareholders' voting rights by offering payments or payments in disguise is prohibited. Other than as statutorily required, the Company shall not impose minimum shareholding percentages as limits for the solicitation of voting rights.</p>

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Existing Article	To be amended as
<p>Article 53. The following matters shall be passed by a special resolution at a general meeting of shareholders;</p> <ol style="list-style-type: none"> 1) an increase or reduction of share capital of the Company and the issue of any class of shares, warrants and other similar securities; 2) the issue of debentures of the Company; 3) the division, merger, change of the form, dissolution and liquidation of the Company; <p>...</p>	<p>Article 53. The following matters shall be passed by a special resolution at a general meeting of shareholders;</p> <ol style="list-style-type: none"> 1) an increase or reduction of share capital of the Company and the issue of any class of shares, warrants and other similar securities; 2) the issue of debentures of the Company; 3) the division, spin-off, merger, change of the form, dissolution and liquidation of the Company; <p>...</p>
<p>Article 66. Shareholders attending the general meeting of shareholders shall express their opinion with respect to the motion tabled for resolution as in favour of, against or abstention from voting in respect of such motion.</p> <p>Ballot papers that are left in blank, unduly completed or illegible, or that have not been used, shall be treated in the way that the voters waive their right to vote and the voting results corresponding to the shares in their possession shall be treated as “abstention from voting”.</p>	<p>Article 66. Shareholders attending the general meeting of shareholders shall express their opinion with respect to the motion tabled for resolution as in favour of, against or abstention from voting in respect of such motion. Securities registration and clearance agencies shall be the nominal holder of shares held through the stock connect system of the Mainland Chinese and Hong Kong stock markets, unless it has been expressed in accordance with the intention of the actual holder that a declaration will be made.</p> <p>Ballot papers that are left in blank, unduly completed or illegible, or that have not been used, shall be treated in the way that the voters waive their right to vote and the voting results corresponding to the shares in their possession shall be treated as “abstention from voting”.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 81. The Authorization of Board of Directors by the general meeting of shareholders mainly includes as follows:</p> <ol style="list-style-type: none"> 1) to approve the acquisition, disposal or lease of assets in an amount which is less than 10% of the most recent audited net asset value of the Company; 2) to approve matters in connection with the provision of guarantee to a third party in an amount which is less than 10% of the most recent audited net asset value of the Company (including but not limited to such guarantee as in form of security, charge, pledge, lien and deposit); 3) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company's most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company's most recently audited net asset value. <p>Matters involving an amount which is not less than such limits as set out in the above shall be considered and adopted at a general meeting.</p>	<p>Article 81. The Authorization of Board of Directors by the general meeting of shareholders mainly includes as follows:</p> <ol style="list-style-type: none"> 1) to approve the acquisition, disposal or lease of assets in an amount which is less than 10% of the most recent audited net asset value of the Company; 2) to approve matters in connection with the provision of guarantee to a third party in an amount which is less than 10% of the most recent audited net asset value of the Company (including but not limited to such guarantee as in form of security, charge, pledge, lien and deposit); 3) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company's most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company's most recently audited net asset value; 4) to approve donations to third parties with an amount less than 5% of the Company's most recently audited net asset value. <p>Matters involving an amount which is not less than such limits as set out in the above shall be considered and adopted at a general meeting.</p>

LETTER FROM THE BOARD

(3) Proposed the amendment of the Rules of Procedure for Board of Directors Meetings as follows:

Existing Article	To be amended as
<p>Article 2. The Board of Directors shall exercise the following functions and powers:</p> <p>...</p> <p>13) to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, provision of other guarantees, entrusted asset management and connected transactions by the Company within the scope of authority conferred by the general meeting;</p> <p>...</p> <p>19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company's most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company's most recently audited net asset value;</p> <p>...</p> <p>The following guarantees shall be subject to the approval of general meetings provided that the same have been considered and approved by Board of Directors meetings prior to being tabled at general meetings:</p> <ol style="list-style-type: none"> 1. any guarantee to be provided by the Company and its subsidiaries in favour of a third party, with the total amount of which exceeds 50% of the audited net asset value for the most recent period; 2. any guarantee to be provided after the total amount of third-party guarantee provided by the Company has reached or exceeded 30% of the audited total assets for the most recent period; 3. guarantees to be provided in favour of an entity which is subject to a gearing ratio of over 70%; 4. guarantees with a single guaranteed amount in excess of 10% of the audited net asset value for the most recent period; 5. guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its related parties; and 6. other guarantees subject to the approval of general meetings in accordance with the laws, regulations and the Articles of Association. <p>...</p>	<p>Article 2. The Board of Directors shall exercise the following functions and powers:</p> <p>...</p> <p>13) to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, provision of other guarantees, entrusted asset management, connected transactions and donations to third parties by the Company within the scope of authority conferred by the general meeting;</p> <p>...</p> <p>19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company's most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company's most recently audited net asset value;</p> <p>20) to approve donations to third parties with an amount less than 5% of the Company's most recently audited net asset value;</p> <p>...</p> <p>The following guarantees shall be subject to the approval of general meetings provided that the same have been considered and approved by Board of Directors meetings prior to being tabled at general meetings:</p> <ol style="list-style-type: none"> 1. any guarantee to be provided by the Company and its subsidiaries in favour of a third party, with the total amount of which exceeds 50% of the audited net asset value for the most recent period; 2. any guarantee to be provided after the total amount of third-party guarantee provided by the Company has reached or exceeded 30% of the audited total assets for the most recent period; 3. amount of guarantee provided by the Company within one year exceeds 30% of the Company's audited total assets for the most recent period; 4. guarantees to be provided in favour of an entity which is subject to a gearing ratio of over 70%; 5. guarantees with a single guaranteed amount in excess of 10% of the audited net asset value for the most recent period; 6. guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its related parties; and 7. other guarantees subject to the approval of general meetings in accordance with the laws, regulations and the Articles of Association. <p>...</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 19. The independent non-executive directors of the Company shall be appointed in the following basic conditions:</p> <ol style="list-style-type: none"> 1) having the qualifications to assume the office of a director in a listed company pursuant to the laws, administrative regulations and other relevant provisions; 2) being independent as required by laws, administrative regulations and other relevant regulations; 3) having the basic knowledge of the operation of a listed company and being familiar with relevant laws, administrative regulations together with rules and regulations; 4) having not less than five years' working experience in the legal or economic field or other experience necessary to perform the duties of an independent non-executive director; <p>...</p>	<p>Article 19. The independent non-executive directors of the Company shall be appointed in the following basic conditions:</p> <ol style="list-style-type: none"> 1) having the qualifications to assume the office of a director in a listed company pursuant to the laws, administrative regulations and other relevant provisions; 2) being independent as required by laws, administrative regulations and other relevant regulations; 3) having the basic knowledge of the operation of a listed company and being familiar with relevant laws, administrative regulations together with rules and regulations; 4) having not less than five years' working experience in the legal, accounting or economic field or other experience necessary to perform the duties of an independent non-executive director; 5) having a good personal morality without bad records such as material discredit; <p>...</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 20. The following persons shall not act as the independent non-executive directors of the Company:</p> <ol style="list-style-type: none"> 1) persons working in the Company or its subsidiaries, as well as their direct family members or major social relations (in which direct family members refer to their spouses, parents and children etc.; and major social relations refer to siblings, parents-in-law, sons or daughters-in-law, spouses of their siblings and siblings of their spouses etc.); 2) natural person shareholders as well as their direct family members who directly or indirectly hold not less than 1% of the issued shares of the Company or who are ranked as the top ten shareholders of the Company; 3) persons as well as their direct family members who work in entities which are such shareholders of the Company directly or indirectly holding not less than 5% of the issued shares of the Company or which are ranked as the top five shareholders of the Company; 4) persons who have satisfied the conditions stated in the above three paragraphs within the most recent year; 5) persons who provide financial, legal and consultation services and otherwise to the Company or its subsidiaries; 6) other people specified in the Articles of Association; or 7) other people specified by the CSRC. 	<p>Article 20. Independent non-executive directors shall maintain their independence. The following persons shall not act as the independent non-executive directors of the Company:</p> <ol style="list-style-type: none"> 1) persons working in the Company or its subsidiaries, as well as their direct family members or major social relations (in which direct family members refer to their spouses, parents and children etc.; and major social relations refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children and parents of spouses of children, etc.); 2) natural person shareholders as well as their direct family members who directly or indirectly hold not less than 1% of the issued shares of the Company or who are ranked as the top ten shareholders of the Company; 3) persons as well as their direct family members who work in entities which are such shareholders of the Company directly or indirectly holding not less than 5% of the issued shares of the Company or which are ranked as the top five shareholders of the Company; 4) Persons holding positions at subsidiaries of the Company's controlling shareholder or the person who exercises effective control over the Company and their direct family members; 5) Persons involved in substantial business dealings with the Company's controlling shareholder or the person who exercises effective control over the Company or their respective subsidiaries or persons holding positions at entities involved in substantial business dealings and their controlling shareholders or the person who exercises effective control over the Company; 6) Persons providing services such as financial, legal, consulting or sponsorship services to the Company and its controlling shareholder or the person who exercises effective control over the Company or their respective subsidiaries, including but not limited to all members of project teams, vetting personnel at all levels, personnel undersigning reports, partners, directors, senior management and principal officers of the agencies providing the services; 7) persons who have satisfied the conditions stated in the above six paragraphs within the most recent year; 8) other persons specified as not independent persons under provisions of the laws, administrative regulations and CSRC, business rules of stock exchanges and provisions of the Articles of Association.

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 21. The appointment and removal of independent non-executive directors</p> <p>1) Candidates for independent non-executive directors may be nominated by the Board of Directors, the Supervisory Committee or shareholders individually or jointly holding not less than one 1% of the Company's shares, and shall be elected by the general meetings of shareholders.</p> <p>2) Before nominating a candidate for election as an independent non-executive director, the nominator shall first obtain the consent of the nominee and shall have a full understanding of the nominee's qualifications, educational background, profession, detailed working experience and all other positions undertaken on a part-time basis and shall also be responsible for providing his opinion in connection with the qualifications and independence of such nominee acting as an independent non-executive director. The nominee shall make a public statement that there does not exist any relationship between himself and the Company which may influence his independent objective judgment.</p> <p>The Board of Directors of the Company shall make a public announcement in respect of such content set forth above prior to holding the general meeting for election of independent non-executive directors.</p>	<p>Article 21. The appointment and removal of independent non-executive directors</p> <p>1) Candidates for independent non-executive directors may be nominated by the Board of Directors, the Supervisory Committee or shareholders individually or jointly holding not less than one 1% of the Company's shares, and shall be elected by the general meetings of shareholders.</p> <p>An investor protection agency established in accordance with the law may publicly request shareholders to appoint it to exercise on their behalf the right to nominate independent non-executive directors.</p> <p>A nominator under paragraph 1) shall not nominate as candidates for independent non-executive directors persons who share a stake with him/her or closely associated persons who may otherwise affect the independent performance of duties.</p> <p>2) Before nominating a candidate for election as an independent non-executive director, the nominator shall first obtain the consent of the nominee and shall have a full understanding of the nominee's qualifications, educational background, profession, detailed working experience and all other positions undertaken on a part-time basis, whether he/she is subject to bad records such as material discredit and shall also be responsible for providing his opinion in connection with the qualifications and independence of such nominee acting as an independent non-executive director. The nominee shall issue a public statement in respect of his/her compliance with the condition of independence and other conditions for acting as an independent non-executive director.</p> <p>The Board of Directors of the Company shall make a public announcement in respect of such content set forth above prior to holding the general meeting for election of independent non-executive directors.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>3) Before a general meeting of shareholders is held to elect independent non-executive directors, the Company shall simultaneously submit relevant materials regarding all nominees to the CSRC, the local residence office of the CSRC at the place where the Company is located, and the stock exchanges on which the Company's shares are listed. If the Board of Directors objects to the qualifications of the nominees, a written opinion of the Board of Directors in connection therewith shall also be submitted at the same time.</p> <p>The CSRC shall examine and verify the qualifications and independence of an independent non-executive director within fifteen working days. If the CSRC has an objection to a nominee, such nominee may be a candidate for election as a director of the Company, but not a candidate for election as an independent non-executive director.</p> <p>When convening a general meeting of shareholders to elect independent non-executive directors, the Board of Directors of the Company shall explain whether the CSRC had any objection to any of the candidates being elected as independent non-executive directors.</p> <p>4) Each term of office of the independent non-executive directors shall be the same as those of the other directors. The term of an independent non-executive director may be renewed upon re-election and re-appointment after the expiration of his term, provided the renewal period shall not exceed six (6) years.</p> <p>5) If an independent non-executive director fails to attend three consecutive board meetings in person, the Board of Directors shall propose at the general meeting that such independent non-executive director be removed.</p> <p>Except for circumstances described above and those set out in the Company Law relating to the prohibition of a person to act as a director, an independent non-executive director shall not be removed, without cause, from his office before the expiration of his term of office. Where an independent non-executive director is removed from office prior to its expiration, the Company shall make special disclosure in relation thereto. The removed independent non-executive director may make a public statement if he believes that he has been improperly removed from his office.</p>	<p>3) The Company's Nomination Committee shall conduct vetting on the eligibility of the nominees for appointment and form a categorical vetting opinion. Prior to the convening of the general meeting for the election of independent non-executive directors, the Company shall submit relevant information of all candidates for independent non-executive directors to the stock exchange, which information submitted shall be true, accurate and complete.</p> <p>The stock exchange shall conduct vetting on the relevant information of the independent non-executive directors and determine with prudence whether the candidates for independent non-executive directors are eligible for appointment, and shall have the right to express dissent. The Company shall not enter candidates for independent non-executive directors against which the stock exchange has expressed dissent for election at the general meeting.</p> <p>When convening a general meeting of shareholders to elect independent non-executive directors, the Board of Directors of the Company shall explain whether the stock exchange had any objection to any of the candidates being elected as independent non-executive directors.</p> <p>4) Where two or more independent non-executive directors are elected at general meeting of the Company, a cumulative voting system shall be adopted. The votes cast by minority shareholders shall be separately counted and disclosed.</p> <p>5) Each term of office of the independent non-executive directors shall be the same as those of the other directors. The term of an independent non-executive director may be renewed upon re-election and re-appointment after the expiration of his term, provided the renewal period shall not exceed six (6) years.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>6) Independent non-executive directors may resign prior to the expiration of their term of office. If an independent non-executive director resigns from his office, he shall submit a written notice of his resignation to the Board of Directors and provide an explanation of the circumstances which are relevant to his resignation and which in his opinion are necessary to bring to the notice of the shareholders and creditors of the Company. Where the resignation of an independent non-executive director results in the Board of Directors having less than the minimum number of directors or independent non-executive directors required by law or the Articles of Association, that independent non-executive director must continue to perform his duties pursuant to the laws, administrative regulations and the Articles of Association until the replacement independent non-executive director takes office. The Board of Directors shall convene a general meeting to elect a replacement independent non-executive director within two months. Where a general meeting is not convened within the period, the resigning independent non-executive director need not continue to perform his duties.</p> <p>7) No independent non-executive director shall be removed from office without proper reason before expiration of his term of office. If an independent non-executive director is dismissed before expiration of his term, the Company shall disclose such removal as a special matter.</p>	<p>6) Independent non-executive directors shall attend Board of Directors meetings in person. An independent non-executive director who is unable to attend the meeting for a reason shall review the meeting materials beforehand and form a categorical opinion and appoint in writing another independent non-executive director to attend on his/her behalf.</p> <p>An independent non-executive director who fails to attend the Board of Directors meetings in person for two consecutive times without appointing other independent non-executive directors to attend on his/her half shall be removed from his/her duties as independent non-executive director at a general meeting proposed to be convened by the Company within thirty days after the occurrence of the aforesaid.</p> <p>7) An independent non-executive director may be removed from his/her duties by the Company in accordance with legal procedures prior to the conclusion of his/her term of office. In the event of early termination of the duties of an independent non-executive director, the Company shall disclose the specific reasons and bases in a timely manner. The Company shall disclose in a timely manner any dissent of such independent non-executive director.</p> <p>An independent non-executive directors that does not meet the requirements of 1) or 2) under Article 19 of the Rules of Procedure shall immediately cease performing his/her duties and resign from the position. Where no resignation has been rendered, the Board of Directors shall forthwith remove him/her from his/her duties after the occurrence of such event has, or should have, come to its attention.</p> <p>In the event of resignation or removal from duties under circumstances set out in the foregoing paragraph resulting in the ratio of independent non-executive directors at the Board of Directors or the specialist committees thereunder not meeting the requirement under the laws or the Articles of Association or the absence of any accounting professional amongst the independent non-executive directors, the Company shall complete a by-election within sixty days from the occurrence of the aforesaid event.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
	<p>8) Independent non-executive directors may resign prior to the expiration of their term of office. If an independent non-executive director resigns from his office, he shall submit a written notice of his resignation to the Board of Directors and provide an explanation of the circumstances which are relevant to his resignation and which in his opinion are necessary to bring to the notice of the shareholders and creditors of the Company. The Company shall disclose the reasons for and matters of concern relating to the resignation of independent non-executive directors.</p> <p>If the resignation of an independent non-executive director will result in the ratio of independent non-executive directors at the Board of Directors or the specialist committees thereunder not meeting the requirement under the laws or the Articles of Association or the absence of any accounting professional amongst the independent non-executive directors, the independent non-executive director who is set to resign shall continue to perform his/her duties until the date on which a new independent non-executive director is appointed. The Company shall complete a by-election within sixty days from the date on which the independent non-executive director renders his/her resignation.</p>

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Existing Article	To be amended as
<p>Article 22. Special powers of independent non-executive directors</p> <p>An independent non-executive director shall perform his duties independently without being influenced by a substantial shareholder, a person who exercises effective control of the Company or a unit or individual who or which have an interest in the Company, its controlling shareholders, or a person who exercises effective control over the Company.</p> <p>(1) In order to fully utilize his function, an independent non-executive director shall, apart from the powers conferred on directors under the Company Law and other relevant laws and regulations and the Articles of Association, also have the following special functions and powers:</p> <ol style="list-style-type: none"> 1) to approve, before submitting to the Board of Directors for consideration, proposed material connected transactions, or appointment or dismissal of accountants before submitting to the Board of Directors for consideration; 2) to propose to the Board of Directors to convene an extraordinary general meeting; 3) to propose to convene the board meeting; and 4) to solicit votes from shareholders prior to the general meeting of shareholders. <p>(2) When exercising their functions and powers referred to above, independent non-executive directors shall obtain the consent of not less than half of the total number of independent non-executive directors.</p> <p>(3) Subject to the consent of all independent non-executive directors, independent non-executive directors may independently engage external auditors and advisers, with relevant fees paid by the Company, to review and provide advice on specific matters.</p> <p>(4) If the proposals set out above are not adopted or such functions and powers as set forth above cannot be exercised under normal circumstances, the Company shall disclose the relevant circumstances.</p> <p>(5) For specialist committees set up under the Board of Directors of the Company, independent non-executive directors shall account for more than half of the committee members.</p> <p>(6) The criteria for determining a “material connected transaction” shall be interpreted by reference to the relevant rules and regulations of the CSRC, the SZSE, and the SEHK.</p>	<p>Article 22. Special powers of independent non-executive directors</p> <p>An independent non-executive director shall perform his duties independently without being influenced by a substantial shareholder, a person who exercises effective control of the Company or a unit or individual who or which have an interest in the Company, its controlling shareholders, or a person who exercises effective control over the Company.</p> <p>Independent non-executive directors shall diligently perform the following duties in accordance with the provisions of the law, administrative regulations and the Articles of Association:</p> <ol style="list-style-type: none"> 1) To participate in the decision-making of the Board of Directors and express categorical opinions on matters considered; 2) To carry out supervision on potential material conflict of interest between the Company and its controlling shareholder, the person who exercise effective control over the Company, directors or senior management and to procure that the decisions of the Board of Directors are in the interest of the Company as a whole, and in particular protecting the lawful rights and interests of minority shareholders; 3) To furnish professional and objective suggestions for the Company’s operations and development to facilitate enhancement of the decision-making standard of the Board of Directors; 4) Other duties stipulated under provisions of the laws, administrative regulations and CSRC and provisions of the Articles of Association.

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Existing Article	To be amended as
	<p>In order to fully utilize his function, an independent non-executive director shall, apart from the powers conferred on directors under the Company Law and other relevant laws and regulations and the Articles of Association, also have the following special functions and powers:</p> <ol style="list-style-type: none"> 1) To independently engage intermediary agencies to conduct audit, consultation or checks on matters of the Company; 2) To request the Board of Directors to convene extraordinary general meetings; 3) To propose the convening of Board of Directors meetings; 4) To publicly solicit shareholders' rights from shareholders pursuant to the law; 5) To express independent opinions on matters that might compromise the interests of the listed company or minority shareholders; 6) Other powers stipulated under provisions of the laws, administrative regulations and CSRC and provisions of the Articles of Association. <p>The exercise of the special powers under 1) to 3) above by the independent non-executive directors shall require approval by the majority of all independent non-executive directors.</p> <p>In the event of the exercise of the aforesaid special powers by the independent non-executive directors, the Company shall make disclosure in a timely manner. Where the aforesaid powers cannot be exercised in a normal manner, the Company shall disclose the details and reasons.</p>

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Existing Article	To be amended as
<p>Article 23. Independent non-executive directors shall express their independent opinion with respect to major matters of the Company.</p> <p>1. Apart from the duties set forth above, independent non-executive directors shall also express their independent opinion on the following major matters to the Board of Directors or at a general meeting of shareholders:</p> <ol style="list-style-type: none"> 1) nomination or removal of directors; 2) appointment or removal of senior officers; 3) the remuneration of directors and senior officers; 4) where the Board of Directors fails to produce its profit distribution plan by cash; 5) matters which the independent non-executive directors believe may impair the rights and interests of minority shareholders; 6) any other matters which the CSRC, SZSE and SEHK requires independent non-executive director to issue an independent opinion; 7) any other matters required by the Articles of Association. <p>2. Independent non-executive directors shall give one of the following opinions in relation to the above matters: agree; qualified opinion and reasons therefor; oppose and reasons therefor; unable to form an opinion and the impediments to doing so.</p> <p>3. If the matter is a matter requiring disclosure, the Company shall announce the opinions of the independent non-executive directors. If the independent non-executive directors are divided and are unable to provide a unanimous opinion, the Board of Directors shall separately disclose the opinions of each independent non-executive director. The relevant announcement shall be published in newspapers which are in compliance with the relevant regulations.</p>	<p>Article 23. The following matters shall be submitted to the Board of Directors for consideration after approval by the majority of all independent non-executive directors of the Company:</p> <ol style="list-style-type: none"> (1) Connected transaction which shall be disclosed; (2) Plans involving change or waiver of undertaking by the Company and relevant parties; (3) Decisions and measures adopted by the board of directors of an acquiree in respect of the acquisition; (4) Other matters stipulated under provisions of the laws, administrative regulations and CSRC and provisions of the Articles of Association. <p>The Company shall convene meetings to be attended by independent non-executive directors only (“Independent Directors’ Meeting”) on a regular basis or from time to time. 1)–3) under the special authority set out in Article 22 of the Rules of Procedure and matters set out in the foregoing paragraph shall be subject to consideration by the Independent Directors’ Meeting. The Independent Directors’ Meeting may also deliberate on other matters of the Company as may be required.</p> <p>The Independent Directors’ Meeting shall be convened and presided over by an independent non-executive director elected by the majority of the independent non-executive directors; in the event that the convener does not or is unable to perform his/her duties, two or more independent non-executive directors may unilaterally convene and elect one representative to preside over the meeting.</p>

LETTER FROM THE BOARD

Existing Article	To be amended as
<p>Article 29. Each specialist committee shall have the following basic responsibilities:</p> <p>1) Major responsibilities of the audit committee are:</p> <ol style="list-style-type: none"> 1. to propose the engagement or removal of external auditor; 2. to oversee the internal audit system of the Company and its implementation; 3. to be responsible for the communications between the internal auditor and the external auditor; 4. to examine and verify the financial information of the Company and the disclosure thereof; and 5. to examine the internal control system of the Company. <p>...</p> <p>3) Major responsibilities of the remuneration and evaluation committee are:</p> <ol style="list-style-type: none"> 1. to consider the standards of evaluation of directors, president and other senior officers, to conduct evaluation and to provide recommendations in connection therewith; 2. to consider and develop the remuneration policies and proposals for the directors, president and other senior officers. 	<p>Article 29. Each specialist committee shall have the following basic responsibilities:</p> <p>1) Major responsibilities of the audit committee are:</p> <ol style="list-style-type: none"> 1. to propose the engagement or removal of external auditor; 2. to propose the appointment or dismissal of the Company's chief financial officer; 3. to oversee the internal audit system of the Company and its implementation; 4. to be responsible for the communications between the internal auditor and the external auditor; 5. to examine and verify the financial information of the Company and the disclosure thereof; and 6. to examine the internal control system of the Company. 7. to review changes to accounting policies and accounting estimates for reasons other than changes in accounting standards and the rectification of significant accounting error. <p>...</p> <p>3) Major responsibilities of the remuneration and evaluation committee are:</p> <ol style="list-style-type: none"> 1. to consider the standards of evaluation of directors, president and other senior officers, to conduct evaluation and to provide recommendations in connection therewith; 2. to consider and develop the remuneration policies and proposals for the directors, president and other senior officers; 3. to formulate or vary share option incentive schemes, employee stock ownership schemes and other matters related to share scheme, grant of entitlements to scheme participants and fulfillment of exercise conditions; and 4. to consider the arrangement of share ownership schemes at subsidiaries proposed to be spin-off for directors and senior management.

LETTER FROM THE BOARD

It is proposed to authorise any Directors or the Secretary to the Board of Directors of the Company to handle the formalities of filing, amendment and registration (where necessary) and other matters pertaining to the amendment of the Rules of Procedure for Supervisory Committee Meetings in accordance with the law on behalf of the Company.

After the Articles of Association of the Company takes effect after being approved by the AGM, the Independent Directors System published by the Company in June 2007 shall be abolished synchronously.

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

VIII. AGM

AGM Notice, Proxy Form

The AGM will be convened by the Company at 3:00 p.m. on Friday, 28 June 2024 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 2023; (2) Proposed General Mandate of the Issuance of Shares for 2024; (3) Proposed Mandate to the Board to Repurchase A Shares for 2024; (4) Proposed Election and Appointment of Non-executive Director; (5) Proposed Election and Appointment of Independent Non-executive Directors; (6) Proposed Amendment of Relevant Clauses in the Articles of Association, the Rules of Procedure for General Meetings of Shareholders and the Rules of Procedure for Board of Directors Meetings. The AGM Notice is set out on pages 45 to 54 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 Friday, 21 June 2024 to Friday, 28 June 2024 (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., Thursday, 20 June 2024.

The Company will close its H share register from Saturday, 6 July 2024 to Thursday, 11 July 2024 (both dates inclusive) to determine qualifications of Shareholders to receive the Dividends. Any H Shareholder who wishes to qualify for

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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, 5 July 2024.

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

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.

IX. 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 2023; (2) Proposed General Mandate of the Issuance of Shares for 2024; (3) Proposed Mandate to the Board to Repurchase A Shares for 2024; (4) Proposed Election and Appointment of Non-executive Director; (5) Proposed Election and Appointment of Independent Non-executive Directors; (6) Proposed Amendment of Relevant Clauses in the Articles of Association, the Rules of Procedure for General Meetings of Shareholders and the Rules of Procedure for Board of Directors Meetings., 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.

X. 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
6 June 2024

Mr. Zhang Hong, born in 1979. Mr. Zhang Hong graduated from Hubei University with a bachelor's degree in Management in 2001, majoring in Accounting. In 2019, he obtained a master's degree in Public Administration from Zhongnan University of Economics and Law. He holds the title of senior accountant and qualifications as a Certified Internal Auditor and an International Certified Management Accountant. He has been included in the list of Top-tier Accounting Professionals of Hubei Province. From 2001 to 2012, Mr. Zhang Hong worked in finance at Hubei Sanjiang Space Wan Feng Technology Development Co., Ltd., holding successively the positions of accounting clerk at the financial division, deputy head of the accounting division, head of the accounting division, head of the audit division, director of the factory office, head of the financial department and deputy chief accountant; from 2012 to 2015, he worked successively as assistant to head of institute and head of the financial department and chief accountant of Aerospace Heavy Industry Co., Ltd.; from 2015 to 2018, he was deputy head of the financial department of China Aerospace Sanjiang Group Co., Ltd.; from 2018 to 2023, he was chief accountant, chief legal adviser and chief compliance officer (CCO) of Henan Aerospace Industrial Co., Ltd.; since 2023, he has been chief accountant, chief legal adviser and chief compliance officer (CCO) of Shenzhen Aerospace Industrial Technology Research Institute Limited and concurrently director and chief accountant of CASIC Shenzhen (Group) Company Limited. Mr. Zhang Hong has many years of experience in management and operations.

Mr. Wang Qinggang, born in 1970 and was previously named Wang Yong. He graduated from Huazhong Agricultural University with a bachelor's degree in Economics in 1993, majoring in Economic Management. He received a master's degree in Economics from Zhongnan University of Finance (renamed Zhongnan University of Economics and Law in 2000) in 1996, followed by a PHD in Management at Zhongnan University of Economics and Law in 2004. During 2004–2007, he undertook post-doctoral research in business administration at Xiamen University. He holds the qualification of a PRC certified accountant (non-practising). Mr. Wang Qinggang has been on the faculty of Zhongnan University of Economics and Law since 1996 and is currently a professor/tutor to doctoral students at the school of accounting of the university. Mr. Wang Qinggang has been an independent director of Wuhan Xingtou Xinke Electronics Co., Ltd. (a company listed on the Shanghai Stock Exchange), Wuhan SZY Biotech Joint Stock Co., Ltd. (a non-listed company) and Anhui Hongyu Wuzhou Medical Manufacturing Co., Ltd. (a company listed on the Shenzhen Stock Exchange) since March 2019, January 2021 and February 2023, respectively. He has previously served as independent director at Wuhan Sante Cableway Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange), Jinhui Liquor Co., Ltd. (a company listed on the Shanghai Stock Exchange) and Wuhan Mindsemi Company Limited (a non-listed company). Mr. Wang Qinggang has a strong academic and professional background as well as extensive experience in accounting and finance.

Mr. Tsui Kei Pang, born in 1960. Mr. Tsui Kei Pang graduated from The University of Hong Kong with a bachelor's degree in law and a master's degree in law in 1990 and 1997, respectively. Mr. Tsui Kei Pang has been a practicing solicitor of Hong Kong for more than 30 years, working with Gallant Y T Ho & Co from 1993 to 2018 and, since 2018, Messrs. Anthony Siu & Co where he is currently a partner. Mr. Tsui Kei Pang has been an independent non-executive director of CIMC Enric Holdings Limited (a company listed on the Hong Kong Stock Exchange) since November 2009. He is also an arbitrator at China International Economic and Trade Arbitration Commission South China Branch (Shenzhen International Arbitration Committee), Hainan International Arbitration Court, and Huizhou Arbitration Committee, respectively, an honorary legal adviser of The Hong Kong Real Estate Association and Hong Kong Association for Testing, Inspection and Certification Ltd., respectively, and the vice president of Association of China-Appointed Attesting Officers Limited. Mr. Tsui Kei Pang has a strong professional background as well as extensive experience in law.

I. INTERESTS OF THE CANDIDATES FOR DIRECTORS

As at the Latest Practicable Date, none of the candidates for Directors had any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that is required to be recorded in the register to be kept under Section 352 of the SFO, or otherwise notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

As at the Latest Practicable Date, none of the Candidates for Directors, or their respective spouses or children under the age of 18 had been granted or had exercised any rights to subscribe for the share capital or debentures of the Company or its associated corporations.

II. POSITIONS HELD WITH THE COMPANY OR OTHER MEMBERS OF THE GROUP

As at the Latest Practicable Date, none of the candidates for Directors held positions in the Company or other members of the Group.

III. RELATIONSHIP WITH SUBSTANTIAL OR CONTROLLING SHAREHOLDER, OTHER DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

As at the Latest Practicable Date, the following candidates for Directors are also the directors or employees of companies which are substantial or controlling shareholders of the Company:

Name	Name of Shareholders	Position with Shareholders
Zhang Hong	Shenzhen Aerospace Industrial Technology Research Institute Limited (indirect shareholder of Zhongxingxin)	Chief accountant, chief legal adviser and chief compliance officer (CCO)
	CASIC Shenzhen (Group) Company Limited (indirect shareholder of Zhongxingxin)	Director, Chief accountant

Save as disclosed above, none of the candidates for Directors had any relationship with substantial or controlling shareholder, any director, supervisor and senior management of the Company.

IV. SERVICE AGREEMENTS AND EMOLUMENTS

Upon election, each of the elected Directors will enter into a service contract with the Company. The term of office of the Directors shall commence from the date on which the appointment is approved by the AGM and end upon the conclusion of the term of the Ninth Session of the Board of Directors of the Company (namely 29 March 2025). Non-executive Director and Independent Non-executive Directors shall receive director allowance. Non-executive Director shall receive an annual fee of RMB200,000 (before tax) from the Company in accordance with the rates for Non-executive Directors' allowance approved at the First Extraordinary General Meeting of 2022. Independent Non-executive Directors shall each receive an annual fee of RMB400,000 (before tax) from the Company in accordance with the rates for Independent Non-executive Directors' allowance approved at the First Extraordinary General Meeting of 2022. Directors' personal income tax payable on Directors' allowance shall be withheld and paid by the Company on behalf of the Directors concerned.

**V. DIRECTORSHIPS HELD AT OTHER LISTED COMPANIES AND OTHER
MAJOR APPOINTMENTS AND PROFESSIONAL QUALIFICATIONS**

Save as disclosed in this circular, none of the candidates for Directors has held any directorship in any other listed companies or other major appointments or professional qualifications in the past three years.

VI. OTHERS

Save as disclosed in this circular, as at the Latest Practicable Date, so far as the Directors of the Company are aware, there were no other matters, information required to be disclosed under Rule 13.51(2) (h) to (v) of the Hong Kong Listing Rules in relation to the candidates for Directors in particular, that need to be brought to the attention of the shareholders of the Company.

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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)

NOTICE OF THE 2023 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 2023 Annual General Meeting (the “AGM”) of ZTE Corporation (the “Company”) will be convened at 3:00 p.m., on Friday, 28 June 2024 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, approve, the following resolutions (terms defined in this notice shall have the same meanings as those in the circular of the Company dated on 6 June 2024, unless otherwise required by the context):

Ordinary Resolutions

- 1. 2023 Annual Report (including 2023 financial report of the Company audited by the Auditor);**
- 2. 2023 Working Report of the Board of Directors;**
- 3. 2023 Working Report of the Supervisory Committee;**
- 4. 2023 Working Report of the President;**
- 5. Final Financial Accounts for 2023;**
- 6. Proposal of Profit Distribution for 2023;**

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“That:

Proposal of Profit Distribution for 2023 tabled by the Board of Directors of the Company be approved.

Proposal of Profit Distribution for 2023:

Distribution of RMB6.83 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 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 2023 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 2023 in accordance with the law.”

7. Resolution on the Feasibility Analysis of Hedging Derivatives Trading and the Application for Trading Limits for 2024;

- (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 general meeting for hedging derivatives trading with a limit of the equivalent of USD5.3 billion for 2024 (namely, the trading balance at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD5.3 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 2024 annual general meeting. The details of the limit are as follows:
 - i. The limit for foreign exchange derivatives trading shall be the equivalent of USD5.0 billion, such foreign exchange derivative being used for value protection against foreign exchange exposure, future receipts, future receipt and payment forecast and net investment in overseas operations, among others.
 - ii. The limit for interest rate swap shall be the equivalent of USD0.3 billion, such interest rate swap being used for value protection against foreign currency loans.

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

8. Resolution on the Provision of Guarantee Limits for Subsidiaries for 2024;

- (1) That the provision of performance guarantee limits for 3 subsidiaries for 2024 by the Company, 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 3 subsidiaries include ZTE Corporation Bangladesh LT, ZTE (Thailand) Company Limit, PT. ZTE INDONES 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 of the Company and ending on the date of the Company's 2024 annual general meeting.
- 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 general meeting, 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 2024 among NETAŞ TELEKOMÜNİKASYON A.Ş. ("Netaş"), a subsidiary of the Company, and its subsidiaries, 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 USD115 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 of the Company and ending on the date of the Company's 2024 annual general meeting.
- 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.

9. Resolution on Proposed Application of Internal Funds in Entrusted Fund Management for 2024;

- (1) Authorisation from the AGM is being sought for the Company to utilise internal funds for the purchase of fund management products with strong safety features, sound liquidity and a medium/low risk profile from financial institutions such as banks, securities companies and fund management companies in 2024 for an amount of not more than RMB20 billion.

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

- (2) The authorisation shall be in force for a period commencing on the date on which it is considered and approved by the AGM and ending on the date on which the 2024 annual general meeting is convened. The funds may be applied on a rolling basis subject to the aforesaid limit and no further Board approval is required for each specific investment.
- (3) That the authorization to the Company's legal representative or the competent representative authorised by the legal representative to sign the legal contracts and documents pertaining to the aforesaid financial management transactions.

10. Resolution on the Appointment of the Auditor for 2024;

- (1) That Ernst & Young Hua Ming LLP be re-appointed as the auditor of the Company's financial report for 2024 and the financial report audit fees be in the amount of RMB8.3 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 2024 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 on the Application for General Mandate of the Issuance of Shares for 2024 ;

“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 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;

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- 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 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 A Shares and/or H Shares of the Company) pursuant to the general mandate for 2024 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 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

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

- (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 the Application for Mandate of the Repurchase of A Shares for 2024;

- (1) The Board of Directors of the Company proposed to request the general meeting to the A share repurchase for 2024 (“share repurchase”) mandate granted to the Board of Directors, and the share repurchase shall be used in the employee share ownership schemes or share incentives, or to maintain the Company’s value and shareholder equity, which will be sold through centralized bidding trading 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 of Directors as authorised by the general meeting 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 of Directors as authorised by the general meeting in accordance with pertinent laws and regulations within the limit of its mandate subject to a cap of 5% of the issued A share capital of the Company as at the date on which the resolution is considered and passed at the general meeting.
- (2) In order to capture market opportunities in a timely manner, the general meeting shall grant to the Board of Directors a mandate, which may be delegated by the Board of Directors 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, the implementation of the repurchase, or whether the repurchase plan shall proceed or be terminated and the sale of shares,

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

- 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;
 - v. To adjust the repurchase plan and continue to deal with matters pertaining to the share repurchase and the sale of shares 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 of Association;
 - vi. To prepare, amend, supplement, execute, deliver, submit and implement all agreements, contracts and documents incurred in the course of the share repurchase and sale of shares 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 2024 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 2024, seeks to give mandate to the Board of Directors of the Company to deal with matters pertaining to the share repurchase, which does not involve specific plans for 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 and table it to the Board of Directors for consideration and disclosure.

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13. Resolution on the amendment of relevant clauses in the Articles of Association, the Rules of Procedure for General Meetings of Shareholders and the Rules of Procedure for Board of Directors Meetings;

Ordinary Resolutions

14. Resolution on the Election of Non-executive Director;

That Mr. Zhang Hong be elected as an Non-executive Director of the Ninth Session of the Board of Directors of the Company for a term commencing on the date on which the resolution is considered and approved at the AGM and ending upon the conclusion of the term of office of the Ninth Session of the Board of Directors of the Company (namely 29 March 2025).

15. Resolution on the Election of Independent Non-executive Directors.

15.01 That Mr. Wang Qinggang be elected as an Independent Non-executive Director of the Ninth Session of the Board of Directors of the Company for a term commencing on the date on which the resolution is considered and approved at the AGM and ending upon the conclusion of the term of office of the Ninth Session of the Board of Directors of the Company (namely 29 March 2025).

15.02 That Mr. Tsui Kei Pang be elected as an Independent Non-executive Director of the Ninth Session of the Board of Directors of the Company for a term commencing on the date on which the resolution is considered and approved at the AGM and ending upon the conclusion of the term of office of the Ninth Session of the Board of Directors of the Company (namely 29 March 2025).

Please refer to the announcement published by the Company on 30 May 2024 for the brief biographies and other information relating to the candidates for Directors listed above.

Description:

Resolutions No. 11 to 13 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.

Only one Non-executive Director shall be elected under Resolution No. 14, and the accumulative voting mode is not applicable. Resolutions No. 15 shall be determined by way of accumulative voting, whereby each candidate for Independent Non-executive Director shall be voted upon on an individual basis. The number of voting votes owned by a shareholder shall be the number of shares with voting rights multiplied by the number of candidates to be elected. The shareholder can limit the

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

number of voting votes to the number of candidates to be elected (no vote can be cast), but the total number shall not exceed the number of voting votes owned by the shareholder.

Resolutions No.1 to 2, Resolutions No.4 to 8 and Resolutions No.10 to 13 have been considered and approved at Nineteenth Meeting of the Ninth Session of the Board of Directors of the Company held on 8 March 2024. Resolution No.3 has been considered and approved at the Fifteenth Meeting of the Ninth Session of the Supervisory Committee of the Company held on 8 March 2024. Resolutions No.9, 14 and 15 have been considered and approved at Twenty-third Meeting of the Ninth Session of the Board of Directors of the Company held on 30 May 2024. For the details of the aforesaid resolutions, please refer to the relevant announcements published on by the Company on 8 March 2024 and 30 May 2024.

The above resolutions will implement separate vote counting and disclose voting results for small and medium-sized investors in accordance with relevant regulations. Small and medium-sized investors refer to shareholders other than the Company's Directors, Supervisors, senior management, and shareholders who individually or collectively hold more than 5% of the Company's shares.

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

Notes:

- 1. The Company will close its H share register from Friday, 21 June 2024 to Friday, 28 June 2024 (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., Thursday, 20 June 2024.**
- 2. The Company will close its H share register from Saturday, 6 July 2024 to Thursday, 11 July 2024 (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, 5 July 2024.**
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

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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 this meeting, and each share shall not be repeatedly exercised by different proxies.
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
6 June 2024

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.