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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 2015 ANNUAL GENERAL MEETING**

*The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.*

**NOTICE IS HEREBY GIVEN** that the 2015 Annual General Meeting (hereinafter referred to as the “AGM”) of ZTE Corporation (hereinafter referred to as the “Company”) will be convened at 9 a.m., on Thursday, 2 June 2016 at 4th Floor, A Wing, ZTE Plaza, Keji Road South, HiTech 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 15 April 2016, unless otherwise required by the context):

### **Ordinary Resolutions**

- 1. 2015 Annual Report of the Company (including 2015 financial report of the Company audited by the PRC and Hong Kong auditors);**
- 2. 2015 Report of the Board of Directors of the Company;**
- 3. 2015 Report of the Supervisory Committee of the Company;**
- 4. 2015 Report of the President of the Company;**
- 5. Final Financial Accounts of the Company for 2015;**
- 6. Proposals of Profit Distribution of the Company for 2015;**

**“That:**

Proposals of Profit Distribution for 2015 tabled by the Board of Directors of the Company be approved.

Proposals of Profit Distribution for 2015: RMB2.5 in cash (before tax) for every 10 shares on the basis of the number of shares held by shareholders (including A Shareholders and H Shareholders) registered at the close of business on the record dates for registration of shareholdings for the purpose of dividend payments (namely, the A Share Record Date and the H Share Record Date).

A Director of the Company will be authorised to deal with matters pertaining to profit distribution for 2015.”

## **7. Resolutions of the Company on the Proposed Application for Composite Credit Facilities;**

### *7.1 Resolution of the Company proposing the application to BOC for a composite credit facility amounting to RMB30.0 billion*

That the application by the Company to BOC for a RMB30.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company to the bank and is subject to final amount approved by the bank.

That the Board of Directors be authorised to adjust the details and actual duration of the credit facility pursuant to the Company’s requirements or negotiations with the bank, subject to the cap of the aforesaid RMB30.0 billion composite credit facility within the effective term of the resolution, and the Board of Directors and other parties delegated by the Board of Directors be authorised to negotiate with the bank and sign all facilities agreements, financing agreements and other related legal contracts and documents relating to the above composite credit facility and to deal with other matters relating to such agreements.

The resolution shall be valid from the date of approval at the 2015 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, or (2) 30 June 2017. Any single application for financing operations under such credit facility within this period shall be valid. Unless otherwise required, no subsequent resolution of the Board of Directors and general meeting are required with respect to any single application for financing operations within such cap under such credit facility. The legal representative of the Company, or the signatory authorized by the legal representative is hereby authorized to sign the relevant legal contracts and documents.

### *7.2 Resolution of the Company proposing the application to China Development Bank Corporation, Shenzhen Branch for a composite credit facility amounting to USD7.0 billion*

That the application by the Company to China Development Bank Corporation, Shenzhen Branch for a USD7.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company to the bank and is subject to final amount approved by the bank.

That the Board of Directors be authorised to adjust the details and actual duration of the credit facility pursuant to the Company’s requirements or negotiations with the bank, subject to the cap of the aforesaid USD7.0 billion composite credit facility within the effective term of the resolution, and the Board of Directors and other parties delegated by the Board of Directors be authorised to negotiate with the bank

and sign all facilities agreements, financing agreements and other related legal contracts and documents relating to the above composite credit facility and to deal with other matters relating to such agreements.

The resolution shall be valid from the date of approval at the 2015 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, or (2) 30 June 2017. Any single application for financing operations under such credit facility within this period shall be valid. Unless otherwise required, no subsequent resolution of the Board of Directors and general meeting are required with respect to any single application for financing operations within such cap under such credit facility. The legal representative of the Company, or the signatory authorized by the legal representative is hereby authorized to sign the relevant legal contracts and documents.

**8. Resolutions on the Appointment of the PRC Auditor and the Hong Kong Auditor of the Company for 2016;**

8.1 Reappointment of Ernst & Young Hua Ming LLP as the PRC auditor of the Company's financial report for 2016 and authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming LLP for 2016 based on specific audit work to be conducted;

8.2 Reappointment of Ernst & Young as the Hong Kong auditor of the Company's financial report for 2016 and authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2016 based on the specific audit work to be conducted;

8.3 Reappointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2016 and authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2016 based on specific audit work to be conducted.

**9. Resolution on the Application for Investment Limits in Derivative Products of the Company for 2016;**

Authorisation for the Company to invest in value protection derivative products against its foreign exchange risk exposure by hedging through dynamic coverage rate for an net amount not exceeding the equivalent of USD3.0 billion (such limit may be applied on a revolving basis during the effective period of the authorisation). The authorization shall be effective from the date on which it is approved by way of resolution at the general meeting to the date on which the next annual general meeting of the Company closes or to the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier.

The resolution was considered and approved at the Second Meeting of the Seventh Session of the Board of Directors held on 6 April 2016 and it was approved that the resolution be tabled at the general meeting of the Company for consideration. For details, please refer to the "Announcement on the Application for Derivative Investment Limits of 2016" published by the Company on 6 April 2016.

**10. Resolution on the Provision of Guarantee for PT. ZTE Indonesia, A Wholly-owned Overseas Subsidiary;**

10.1 That the application to BOC on behalf of ZTE Indonesia by the Company for credit facilities in connection with the issuance of bank letters of guarantee and the provision of guarantee by way of joint liability assurance for a total amount of not more than USD50 million for ZTE Indonesia for a term of five years commencing on the date on which the guarantee agreement between the Company and BOC comes into effect, during which credit facilities will be available on a revolving basis subject to the aforesaid guarantee amounts, be approved;

10.2 That the legal representative of the Company, or the signatory delegated by such legal representative shall be authorised to execute legal contracts and documents in connection with the guarantee and complete relevant procedures in accordance with requirements of the State Administration of Foreign Exchange pertaining to thirdparty guarantees.

The resolution was considered and passed at the Second Meeting of the Seventh Session of the Board of Directors held on 6 April 2016, and approval was given for the resolution to be tabled at the general meeting of the Company for consideration. For details, please refer to the “Announcement on the Provision of Guarantee for a Wholly-owned Subsidiary” published on 6 April 2016.

**Special Resolution**

**11. Resolution of the Company on the Application for General Mandate for 2016;**

“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) to separately or concurrently allot, issue and deal with additional domestic shares and overseas-listed foreign shares (“H Shares”) of the Company (including securities convertible into domestic shares and/or H Shares of the Company) and to make or grant offers, agreements or options in respect of the above:
  - I. such mandate shall not extend beyond the Relevant Period, other than in the case of the making or granting of offers, agreements or options by the Board of Directors during the Relevant Period which might require the performance or exercise of such powers after the close of the Relevant Period;
  - II. the aggregate nominal amount of the share capital of domestic shares and H shares authorised to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board of Directors, otherwise than pursuant to (i) a Rights Issue (as defined below) or (ii) any option scheme or similar arrangement from time to time being adopted for the grant or issue to directors, supervisors, senior management and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company approved by the Board of Directors, shall not exceed 20% of the aggregate nominal amount of each of the share capital of the domestic shares and H shares of the Company in issue at the date on which this resolution is passed at the general meeting; and

III. The Board of Directors will only exercise the above authority in compliance with the Company Law (as amended from time to time) and Hong Kong Listing Rules (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;
- II. the expiration of a 12-month period following the passing of this resolution; or
- III. 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; and

“Rights Issue” means an offer to all shareholders of the Company (except any shareholders to which the making of such offers by the Company is not permitted under the laws of the jurisdictions where they reside) and, as appropriate, holders of other equity securities of the Company who are qualified for such offers, for the allotment and issue of shares or other securities in the Company which will or might require the allotment and issue of shares in proportion to their existing holdings of such shares or other equity securities (subject to the exclusion of fractional entitlements);

- (3) Where the Board of Directors resolves to issue shares (including securities convertible into domestic shares and/or H Shares of the Company) pursuant to paragraph (1) of this resolution, the Board of Directors be hereby authorised to approve and execute all documents and deeds and do all things or to procure the execution of such documents and deeds and the doing of such things 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 PRC, Hong Kong and other relevant authorities, including but not limited to registration with relevant PRC authorities of the increase in registered share capital as a result of the issue of shares pursuant to paragraph (1) of this resolution); and
- (4) The Board of Directors be hereby authorised to amend the Articles of Association as they deem necessary to increase the registered share capital of the Company and to reflect the new capital structure of the Company following the allotment and issue of shares of the Company contemplated in paragraph (1) of this resolution.”

**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 Tuesday, 3 May 2016 to Wednesday, 1 June 2016 (both days 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., Friday, 29 April 2016.**
2. **The Company will close its H share register from Wednesday, 8 June 2016 to Monday, 13 June 2016 (both days 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., Tuesday, 7 June 2016.**
3. Shareholders intending to attend the AGM, whether in person or by proxy, should deliver the reply slip of AGM by hand, post or facsimile to the Company’s principal place of business in Hong Kong (for H shareholders) on or before Thursday, 12 May 2016. The principal place of business of the Company in Hong Kong is: 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (Facsimile No.: +852-35898555).
4. In order to be valid, the instruments appointing a proxy (namely the proxy form) and the power of attorney or other authorisation documents (if any) of the signatory or notarised copies of such power of attorney or authorisation documents must be completed and deposited, no later than 24 hours before the time appointed for holding the AGM or any adjournment thereof at Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H shareholders). The completion and return of the proxy form shall not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof if he so wishes.
5. 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.
6. 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.
7. 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  
**Zhao Xianming**  
*Chairman*

Shenzhen, the PRC  
15 April 2016

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Zhao Xianming, Yin Yimin and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Shi Lirong, Wang Yawen, Tian Dongfang and Zhan Yichao; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.*