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# **ZTE中兴**

## **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)**

#### **Supplementary Notice of the Third Extraordinary General Meeting of 2013**

*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 or misleading statement in or material omission from this information disclosure.*

Reference is made to the Notice of the Third Extraordinary General Meeting of 2013 dated 30 August 2013 (the “EGM Notice”) of ZTE Corporation (“ZTE” or the “Company”) which set out, among other things, details relating to the time, venue and agenda of the Third Extraordinary General Meeting of 2013 to be convened by the Company (the “EGM”) on 15 October 2013. Unless otherwise stated, capitalised terms used in this supplementary notice shall have the same meaning as defined in the EGM Notice.

On 12 September 2013, the Board of Directors of the Company received two *ex tempore* motions from its shareholder, Shenzhen Zhongxingxin Telecommunications Equipment Company Limited (hereinafter referred to as “Zhongxingxin”, which held 1,058,191,944 A shares in the Company, representing 30.78% of the total number of shares of the Company, as at 12 September 2013) which requested the Board of Directors of the Company to table such motions for consideration at the EGM.

Supplementary notice is hereby given that the EGM will be held, as originally scheduled, on 15 October 2013 (Tuesday) at 9 a.m. at the Conference Room at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China, to consider and pass, if thought fit, the special resolutions set out in the EGM Notice and the following supplementary ordinary resolutions:

#### **4. RESOLUTION ON THE WAIVER OF RIGHTS**

The “Resolution on the waiver of rights” was considered and passed at the Ninth Meeting of the Sixth Session of the Board of Directors of ZTE held on 12 September 2013. For details, please refer to the “Announcement of Resolutions of Ninth Meeting of the Sixth Session of the Board of Directors” and the “Announcement of Waiver of Rights” published by the Company on 12 September 2013.

As ZTE Corporation South Africa (Proprietary) Limited (“ZTE South Africa”) has reported a compound annual growth rate of 169.72% in its revenue from principal operations for the past three years, the matter is subject to approval of the Company’s shareholders, as required under the “Information Disclosure Memorandum No. 35 — Waiver of Rights” (信息披露業務備忘錄第35號 — 放棄權利) issued by the Shenzhen Stock Exchange in relation to a subsidiary of a listed company seeking a waiver of rights in respect of its subsidiary (or investee or joint venture project) which has reported a compound annual growth rate in revenue from principal operations of 20% or above for the past three years. Accordingly, Zhongxingxin has requested the shareholders of ZTE to approve at the EGM to be convened on 15 October 2013 matters pertinent to the “Resolution on the waiver of rights” by way of an ordinary resolution, the details of which are as follows:

- (1) That the waiver by ZTE (H.K.) Limited, a wholly owned subsidiary of the Company, of the first right of refusal for share subscription and capital contribution in respect of the share capital increase of ZTE South Africa be approved.
- (2) That the authorisation of the Company’s management to introduce qualified new shareholders according to the proposed share capital increase plan of ZTE South Africa be approved.

#### **5. RESOLUTION ON THE PROVISION OF PERFORMANCE GUARANTEE IN RESPECT OF P.T. ZTE INDONESIA, A WHOLLY-OWNED SUBSIDIARY**

The “Resolution on the provision of performance guarantee in respect of P.T. ZTE Indonesia, a wholly-owned subsidiary” was considered and passed at the Ninth Meeting of the Sixth Session of the Board of Directors of ZTE held on 12 September 2013. For details, please refer to the “Announcement of Resolutions of Ninth Meeting of the Sixth Session of the Board of Directors” and the “Announcement on Third-party Guarantee” published by the Company on 12 September 2013.

The gearing ratio of P.T. ZTE Indonesia (“ZTE Indonesia”), the guaranteed party, is over 70%. In accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the provision of guarantee by a listed company for a company with a gearing ratio over 70% shall be subject to approval of the company’s shareholders. Accordingly, Zhongxingxin has requested the shareholders of ZTE to approve at the EGM to be convened on 15 October 2013 matters pertinent to the “Resolution on the provision of performance guarantee in respect of P.T. ZTE Indonesia, a wholly-owned subsidiary” by way of an ordinary resolution, the details of which are as follows:

- (1) That the provision of a joint-liability guarantee (hereinafter referred to as the “Guarantee by Assurance”) in respect of ZTE Indonesia for an amount not exceeding US\$40 million, with a term commencing on the date on which the Guarantee by Assurance Agreement takes effect upon execution and ending on the date on which the performance of ZTE Indonesia’s material obligations under the Equipment Purchase Contract and the Technical Support Contract is completed, be approved;
- (2) That the application by the Company to the relevant bank for the issuance of a letter of bank guarantee to provide guarantee with a maximum accumulated amount of US\$15 million in respect of the performance obligations of ZTE Indonesia under the Equipment Purchase Contract and Technical Support Contract (“Guarantee Letter”) for a term commencing on the date on which the Guarantee Letter takes effect and ending on 5 March 2017 or the date on which the performance obligations of ZTE Indonesia under the Equipment Purchase Contract and Technical Support Contract are completed, whichever is later, be approved;
- (3) That the authorisation of Mr. Hou Weigui, the legal representative of the Company, or the competent signatory authorised by Mr. Hou Weigui to execute relevant legal contracts and documents be approved.

Pursuant to Rule 103 of the Company Law, “shareholders individually or collectively holding more than 3% of the shares of the Company may propose ex tempore motions no later than ten days prior to the convening of a general meeting by submitting the same in writing to the Board of Directors; the Board of Directors should notify other shareholders within two days after the receipt of the motions and table the same at the general meeting for consideration. Ex tempore motions should carry specific subjects and matters to be resolved that fall within the scope of authority of the general meeting.” Pursuant to Article 78 of the Articles of Association, “whenever the Company convenes a general meeting, shareholder(s) alone or in aggregate holding 3% or more of the total number of the Company’s shares may propose ex tempore motions ten days prior to the general meeting by furnishing the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two days after receiving the proposed motions to make public the contents of the ex tempore motions.”

Having examined the two aforesaid ex tempore motions, the Board of Directors of the Company is of the view that they are in compliance with relevant provisions of the Company Law and the Articles of Association, with Zhongxingxin being qualified to propose ex tempore motions and the two aforesaid ex tempore motions carrying specific subjects and matters to be resolved that fall within the scope of authority of the general meeting. Accordingly, the Board of Directors of the Company has approved the tabling of the two aforesaid ex tempore motions at the EGM in accordance with the provisions of the Company Law, the Rules of Procedure for General Meetings of Listed Companies and other laws, regulations and regulatory documents as well as the Articles of Association.

Save for the two ex tempore motions added as aforesaid, other details, such as the time, venue and method of the EGM, as set out in the EGM Notice, shall remain unchanged. A revised Proxy Form for use at the EGM has been published on the even day with this supplementary notice and dispatched to the shareholders. The two aforesaid ex tempore motions are not matters to be considered at the Class Meetings, nor subjects for the solicitation of voting rights by the Independent Non-executive Directors. Accordingly, the time, venue, method and agenda of the H Shareholders' Class Meeting set out in the Notice of the First H Shareholders' Class Meeting of 2013 will remain unchanged, the Proxy Form for use at the First H Shareholders' Class Meeting and the respective Independent Directors' Proxy Forms for use at the EGM and the First H Shareholders' Class Meeting will also remain unchanged.

By Order of the Board  
**Hou Weigui**  
*Chairman*

Shenzhen, the PRC  
18 September 2013

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Richard Xike Zhang.*