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**ZTE CORPORATION**  
**中興通訊股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 763)**

**NOTICE OF THE 2011 ANNUAL GENERAL MEETING**

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

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of 2011 (hereinafter referred to as the "AGM") of ZTE Corporation (hereinafter referred to as the "Company") will be held in accordance with the resolution passed at the Twenty-seventh Meeting of the Fifth Session of the Board of Directors of the Company held on Wednesday, 28 March 2012. Details of the AGM are set out below:

**I. INFORMATION REGARDING THE AGM**

**(I) Date and time of meeting**

The AGM will commence at 9:00 a.m. on Friday, 25 May 2012.

**(II) Venue**

The AGM will be held at the Conference Room on the 4th floor of the Company's headquarters in Shenzhen.

Address: 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen.

Tel: + 86 (755) 26770282

**(III) Convener**

The AGM will be convened by the Board of Directors of the Company.

#### **(IV) Legal and regulatory compliance of the convening of the meeting**

The Fifth Session of the Board of Directors of the Company gives assurance that the AGM is convened in compliance with the provisions of pertinent laws, administrative regulations, departmental rules, regulatory documents, and the Articles of Association of ZTE Corporation (the “Articles of Association”).

#### **(V) Voting method**

Voting by poll will be carried out on-site at the AGM.

#### **(VI) Attendees**

1. All ZTE (000063) shareholders registered with China Securities Depository & Clearing Corporation Limited, Shenzhen Office upon the close of trading of its A shares on the Shenzhen Stock Exchange on Tuesday, 24 April 2012 at 3:00 p.m. (hereinafter referred to as “Domestic Shareholders”);
2. All shareholders registered on the Company’s H share register maintained by Computershare Hong Kong Investor Services Limited on Tuesday, 24 April 2012 at 4:30 p.m. (hereinafter referred to as “H Shareholders”);
3. Directors, supervisors and senior management of the Company; and
4. Representatives of intermediaries engaged by the Company and guests invited by the Board of Directors.

#### **(VII) Period of closure of H share register**

The Company will close its H share register from Wednesday, 25 April 2012 to Thursday, 24 May 2012 (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 Room 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Tuesday, 24 April 2012.

The Company will close its H share register from Thursday, 31 May 2012 to Monday, 4 June 2012 (both days inclusive) to determine qualifications of shareholders to receive the proposed final dividend. Any H Shareholder who wishes to qualify for the final dividend shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Room 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Wednesday, 30 May 2012.

The record date, method and timing of payment for dividend entitlement of Domestic Shareholders shall be separately notified.

## II. MATTERS TO BE CONSIDERED AT THE AGM

The following resolutions will be considered at the AGM:

### Ordinary Resolutions

1. **Financial statements for the year ended 31 December 2011 audited by the PRC and Hong Kong auditors;**
2. **Report of the Board of Directors of the Company for the year ended 31 December 2011;**
3. **Report of the Supervisory Committee of the Company for the year ended 31 December 2011;**
4. **Report of the President of the Company for the year ended 31 December 2011;**
5. **The final financial accounts of the Company for the year ended 31 December 2011;**
6. **The profit distribution proposal of the Company for the year ended 31 December 2011;**

**“That:**

Proposals of profit distribution for 2011 tabled by the Board of Directors of the Company be approved.

Proposed profit distribution for 2011: cash dividend of RMB2 (including tax) for every 10 shares held will be paid on the basis of the total share capital of the Company of 3,440,078,020 as at 31 December 2011 less the number of Subject Shares remaining in lock-up under the Share Incentive Scheme as at the A share record date for the purpose of the 2011 profit distribution. As of 28 March 2012, 9,125,893 registered Subject Shares under the Share Incentive Scheme remained in lock-up. In accordance with relevant provisions of the Share Incentive Scheme, restricted shares remaining in lock-up shall not be entitled to the cash dividend.

The Board of Directors is hereby authorised by the general meeting to deal with matters relating to the profit distribution for 2011.”

7. **Resolutions on the proposed applications by the Company for composite credit facilities;**

*7.1 Resolution of the Company proposing the application to Bank of China Limited, Shenzhen Branch for a composite credit facility amounting to RMB23.0 billion*

That the application by the Company to Bank of China Limited, Shenzhen Branch for a RMB23.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company 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 RMB23.0 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 2011 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) the date prior to 31 December 2012. Any single application for financing under such credit facility within this period shall be valid. Unless otherwise required, no subsequent resolution of the Board of Directors is required with respect to any single application for financing within such cap under such credit facility. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorised 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 US\$5.0 billion*

That the application by the Company to China Development Bank Corporation, Shenzhen Branch for a US\$5.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company 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 US\$5.0 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 2011 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 31 December 2012. Any single application for financing under such credit facility within this period shall be valid. Unless otherwise required, no subsequent resolution of the Board of Directors is required with respect to any single application for financing within such cap under such credit facility. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorised to sign the relevant legal contracts and documents.

**8. Resolutions on the appointment of the PRC auditors and the Hong Kong auditors of the Company for the year ended 31 December 2012;**

- 8.1 Re-appointment of Ernst & Young Hua Ming as the PRC auditors of the Company's financial report for 2012 and a proposal be made to the 2011 AGM to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming for 2012 based on the specific audit work to be conducted;
- 8.2 Re-appointment of Ernst & Young as the Hong Kong auditors of the Company's financial report for 2012 and a proposal be made to the 2011 AGM to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2012 based on the specific audit work to be conducted.

**9. Resolution on the Application for Investment Limits in Derivative Products of the Company in 2012;**

- 9.1 Authorisation for the Company to invest in derivative products for value protection against its foreign exchange risk exposure for an amount not exceeding the equivalent of USD1.5 billion (such limit may be applied on a revolving basis during the effective period of the authorisation). The authorisation shall be effective from the date on which it is approved by way of resolution at the general meeting to the date on which the next annual general meeting of the Company closes or to the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier.
- 9.2 Authorisation for Company to invest in fixed income derivative products for an amount not exceeding the equivalent of USD500 million (such limit may be applied on a revolving basis during the effective period of the authorisation). The authorisation shall be effective from the date on which it is approved by way of resolution at the general meeting to the date on which the next annual general meeting of the Company closes or to the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier.

The resolution was considered and unanimously approved at the Twenty-seventh Meeting of the Fifth Session of the Board of Directors held on 28 March 2012 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 2012" published by the Company on 28 March 2012.

**10. Resolution of the Company on the Waiver of Rights**

That the waiver by the Company of the first right of refusal in respect of the proposed equity transfer and the capital contribution option in respect of the share capital increase of ZTE ITS LTD. (Wuxi) (中興智能交通(無錫)有限公司) be approved.

The resolution was considered and approved at the Twenty-seventh Meeting of the Fifth Session of the Board of the Directors convened on 28 March 2012, and approval was given to table the resolution at the general meeting of the Company. For details please refer to the "Announcement of Waiver of Rights" published by the Company on 28 March 2012.

## Special Resolutions

### 11. Resolution on the General Mandate for 2012:

“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 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:
  - 1) such mandate shall not extend beyond the Relevant Period (as defined below), other than in the case of the making or granting of offers, agreements or options by the Directors during the Relevant Period which might require the performance or exercise of such powers after the close of the Relevant Period;
  - 2) the aggregate nominal amount 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 by the Company 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; and
  - 3) 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 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 passing of this Resolution until the earliest of:

  - 1) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;
  - 2) the expiration of a 12-month period following the passing of this Resolution;  
or
  - 3) the revocation or variation of the authority given to the 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 Company’s 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 the Company’s shares contemplated in paragraph 1 of this Resolution.”

**12. Resolution on the Amendment of Certain Clauses of the Articles of Association:**

To consider and, if thought fit, approve the proposed amendments to the Articles of Association set out in the circular of the Company dated 10 April 2012.

**13. Resolution on the Amendment of Relevant Clauses of the Rules of Procedure of the Board of Directors Meetings**

To consider and, if thought fit, approve the proposed amendments to the Amendments of Relevant Clauses of the Rules of Procedure of the Board of Directors Meetings set out in the circular of the Company dated 10 April 2012.

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

**III. REGISTRATION AT THE AGM**

**(1) Registration of attendance**

Shareholders intending to attend to AGM should complete and sign the reply slip and return the same to the Company by hand, post or facsimile (to the address or facsimile number set out below, as the case may be) on or before 4 May 2012.

**For domestic shareholders:**

To the registered office:

ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the People's Republic of China

(Facsimile No.: +86 (755) 26770286)

**For H shareholders:**

To principal place of business of the Company in Hong Kong:

8th Floor Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong

(Facsimile No.: +852-35898555)

**(II) Requirements when registering and voting by way of proxy**

1. Any shareholder entitled to attend and vote at the meeting may entrust one or more person(s) (whether or not a shareholder) as his proxy (ies) to attend and vote at the meeting on his behalf. The shareholder may attend and vote at the meeting in person notwithstanding that he has completed and submitted the proxy form, in which case, the proxy form is deemed withdrawn. For a shareholder who entrusts two or more proxies, the voting rights to be exercised by such proxies in aggregate shall not exceed the total number of the votes that the shareholder is entitled to exercise at the meeting, and any one share may only be voted upon once by one proxy.
2. A shareholder shall appoint a proxy in writing by using the proxy form, which shall be signed by the authorising shareholder or his duly authorised attorney. The proxy form shall be notarized if it is to be signed by any person other than by the authorising shareholder himself. To be valid, this proxy form together with any notarized copy of the power of attorney or other authorisation documents for signing the proxy form (if any) must be deposited, not less than 24 hours before the time appointed for holding the AGM at the Company's registered office at ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, PRC 518057 for Domestic Shareholders, or at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders.
3. If a shareholder entrusts his proxy(ies) to attend and vote at the meeting on behalf of him, such proxy(ies) shall produce for registration his own identity card, the duly signed proxy form, the stock account card of shareholder and evidence of shareholding.



#### IV. MISCELLANEOUS

(I) The AGM is expected to last less than one day; all accommodation, travel and expenses relating to attendance of the meeting shall be borne by the attendees.

(II) AGM contact person: Wang Han

(III) Contact telephone number: +86 (755) 26770282

(IV) Contact fax number: +86 (755) 26770286

#### V. DOCUMENTS AVAILABLE FOR INSPECTION

Resolutions of the Twenty-seventh Meeting of the Fifth Session of the Board of Directors of ZTE Corporation.

Resolutions of the Fifteenth Meeting of the Fifth Session of the Supervisory Committee of ZTE Corporation.

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

10 April 2012

*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; five non-executive directors, Hou Weigui, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.*