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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 2013 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 2013 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, 29 May 2014 at 4<sup>th</sup> Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China to consider and if thought fit, approve, the following resolutions (terms defined in this notice shall have the same meanings as those in the circular of the Company dated 9 April 2014, unless otherwise required by the context):

### **Ordinary Resolutions**

- 1. 2013 Annual Report of the Company (including 2013 financial statements of the Company audited by PRC and Hong Kong auditors);**
- 2. 2013 Report of the Board of Directors of the Company;**
- 3. 2013 Report of the Supervisory Committee of the Company;**
- 4. 2013 Report of the President of the Company;**
- 5. Final Financial Accounts of the Company for 2013;**
- 6. Proposals of Profit Distribution of the Company for 2013;**

"That:

The proposals of profit distribution for 2013 recommended by the Board of Directors of the

Company be approved.

The proposals of profit distribution for 2013: Cash dividend of RM0.3 (before tax) for every 10 shares held based on the total share capital of 3,437,541,278 shares of the Company as at 31 December 2013.

The Board of Director is hereby authorised by the general meeting to deal with matters pertaining to profit distribution for 2013.”

## **7. Resolutions of the Company on the Proposed Application 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 2013 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 30 June 2015. 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. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorized to sign the relevant legal contracts and documents.

**7.2 Resolution of the Company proposing the application to China Construction Bank Corporation, Shenzhen Branch for a composite credit facility amounting to RMB12.5 billion**

That the application by the Company to China Construction Bank Corporation, Shenzhen Branch for a RMB12.5 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 RMB12.5 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 2013 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 30 June 2015. 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. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorized to sign the relevant legal contracts and documents.

### **7.3 Resolution of the Company proposing the application to China Development Bank Corporation, Shenzhen Branch for a composite credit facility amounting to USD6.0 billion**

That the application by the Company to China Development Bank Corporation, Shenzhen Branch for a USD6.0 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 USD6.0 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 2013 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 30 June 2015. 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. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui 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 2014;**

8.1 Re-appointment of Ernst & Young Hua Ming LLP as the PRC auditor of the Company's financial report for 2014 and a proposal be made to the 2013 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua

Ming LLP for 2014 based on specific audit work to be conducted;

8.2 Re-appointment of Ernst & Young as the Hong Kong auditor of the Company's financial report for 2014 and a proposal be made to the 2013 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2014 based on the specific audit work to be conducted;

8.3 Re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2014 and a proposal be made to the 2013 Annual General Meeting to authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2014 based on specific audit work to be conducted.

**9. Resolution on the Application for Investment Limits in Derivative Products of the Company for 2014;**

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 Sixteenth Meeting of the Sixth Session of the Board of Directors held on 26 March 2014 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 2014" published by the Company on 26 March 2014.

**10. Resolution on Matters pertaining to Debt Financing of ZTE (H.K.) Limited;**

10.1 That the provision of guarantee in respect of overseas medium / long-term debt

financing of ZTE (H.K.) Limited (“ZTE HK”), the details of which are as follows, be approved:

(a) That the provision of guarantee by way of joint liability assurance for an amount of not more than USD600 million (or not more than RMB4 billion) for a term of not more than five years (from the date on which the debt financing agreement comes into effect) by the Company in respect of overseas medium / long-term debt financing (including but not limited to syndicate loans, bank facilities and the issue of corporate bonds) of ZTE HK be approved.

(b) That Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory be authorised to determine the specific amount and period of guarantee based on the results of negotiations between ZTE HK and the relevant debt financing parties subject to the aforesaid limit and period of guarantee and to negotiate with the relevant debt financing parties and execute all guarantee agreements and other pertinent legal contracts and documents relating to the said guarantee, and deal with other matters pertaining to such guarantee.

10.2 That ZTE HK be authorised to conduct interest rate swap transactions with a nominal principal amount of not more than USD600 million at selected timing for its medium / long-term debt financing with matched time limits between the interest rate swap transactions and the medium / long-term debt financing.

The resolution was considered and approved at the Sixteenth Meeting of the Sixth Session of the Board of Directors held on 26 March 2014 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 Proposed Interest Rate Swap Transactions by A Wholly-owned Subsidiary” and “Announcement on The Provision of Guarantee for A Wholly-owned Subsidiary” published by the Company on 26 March 2014.

### **Special Resolutions**

#### **11. Resolution of the Company on the Application for General Mandate for 2014;**

“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:

I. 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 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 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 date of the passing of this resolution by 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.”

**12. Resolution on Additions to the Scope of Business and the Amendment of Relevant Clauses of the Articles of Association to Reflect the Same.**

(1) That the addition of “technical design, development, consultancy and services for new energy power generation and application systems” to the scope of business of the Company be approved;

(2) That the amendment of relevant clauses of the Articles of Association in accordance with the law be approved. Amendments are set out as follows:

| The original article   | The amended article  |
|--|--|
| <p><b>Article 14.</b> The Company’s scope of business shall be consistent with the scope of business approved by the authority responsible for the Company’s registration.</p> <p>The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor</p> | <p><b>Article 14.</b> The Company’s scope of business shall be consistent with the scope of business approved by the authority responsible for the Company’s registration.</p> <p>The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, <b><u>new energy power generation and application systems</u></b>; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls</p> |

| The original article  | The amended article  |
|---|--|
| <p>overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.</p> | <p>and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.</p> |

(3) The addition to the scope of business is subject to the final scope of business filed with authorities for the administration of industry and commerce, given that any modifications to the scope of business shall require the completion of relevant procedures with, among others, authorities for the administration of industry and commerce. It is sought from the general meeting to authorise the Board of Directors to deal with matters relating to the modification of the scope of business and the amendment of the Articles of Association.

**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, 29 April 2014 to Wednesday, 28 May 2014 (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., Monday, 28 April 2014.**

**2. The Company will close its H share register from Thursday, 5 June 2014 to Monday, 9 June 2014 (both days inclusive)** to determine qualifications of shareholders to receive the 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, 4 June 2014.**

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, 8 May 2014. The principal place of business of the Company in Hong Kong is: 8th Floor Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, 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  
**Hou Weigui**  
*Chairman*

Shenzhen, the PRC  
9 April 2014

*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.*