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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)**

## **Report on the Solicitation of Voting Rights by the Independent Non-executive Directors**

### **Important**

In accordance with relevant provisions of the Administrative Measures on Share Incentives of Listed Company (Trial) (《上市公司股權激勵管理辦法(試行)》) issued by the China Securities Regulatory Commission (hereinafter the “CSRC”) and pursuant to the appointment by other Independent Non-executive Directors of ZTE Corporation (hereinafter the “Company” or “ZTE”), Independent Non-executive Director Mr. Tan Zhenhui, as the soliciting party, hereby solicit voting rights from all shareholders of the Company in connection with the Resolution on the “ZTE Corporation Share Option Incentive Scheme (Revised Draft)” (the “Scheme”) and its summary, Resolution on the “ZTE Corporation Share Option Incentive Scheme Performance Appraisal System” and Resolution on a mandate granted to the Board of Directors by the General Meeting of ZTE Corporation to deal with matters pertaining to the Scheme, to be considered at the Third Extraordinary General Meeting of 2013, the First A Shareholders’ Class Meeting of 2013 and the First H Shareholders’ Class Meeting of 2013 of the Company to be held on 15 October 2013.

CSRC, the Shenzhen Stock Exchange, The Stock Exchange of Hong Kong Limited and other government departments make no representation as to the truthfulness, accuracy or completeness of this report and take no responsibility for the contents of thereof. Any representation to the contrary is a false statement.

## **I. REPRESENTATION FROM THE SOLICITING PARTY**

In accordance with relevant provisions of the Administrative Measures on Share Incentives of Listed Company (Trial) and the appointment by other Independent Non-executive Directors of the Company, I, Tan Zhenhui, as the soliciting party, have prepared and signed this report in connection with the solicitation from shareholders of voting rights in respect of the three aforesaid resolutions at the Third Extraordinary General Meeting of 2013, the First A Shareholders' Class Meeting of 2013 and the First H Shareholders' Class Meeting of 2013.

The soliciting party represents that this report does not contain any false or misleading statement or material omission and accepts legal responsibility for the truthfulness, accuracy and completeness of its contents. The soliciting party also warrants that it will not take advantage of this solicitation of voting rights to engage in any insider dealing, market manipulation or any other fraudulent act in securities transactions.

The current solicitation of voting rights is being conducted without any consideration. This report is being published in newspapers, journals and websites designated by competent authorities and there is no unauthorised dissemination of information. The current solicitation is conducted solely to fulfill the duties of independent non-executive directors of listed companies. The information contained herein has no false or misleading statements.

The solicitation of voting rights by the soliciting party has been approved by the other Independent Non-executive Directors of the Company. The report has been signed by the soliciting party and the performance of duties as stated herein will not violate or be in conflict with any clauses of the Articles of Association of ZTE Corporation (hereinafter the "Articles of Association") or internal regulations of the Company.

## **II. CORPORATE INFORMATION AND THE SUBJECT OF SOLICITATION**

### **1. Basic information**

Legal name (in Chinese): 中興通訊股份有限公司

Chinese abbreviation: 中興通訊

Legal name (in English):	ZTE Corporation
English abbreviation:	ZTE
Abbreviated name of stock:	中興通訊 (A shares)/ZTE (H shares)
Stock code:	000063 (A shares)/763 (H shares)
Abbreviated name of bond:	12 中興 01
Bond code:	112090
Legal representative:	Hou Weigui (侯為貴)
Secretary to the Board/ Company Secretary:	Feng Jianxiong (馮健雄)
Securities affairs representative:	Xu Yulong (徐宇龍), Cao Wei (曹巍)
Correspondence address:	No.55 Keji Road South, Shenzhen, Guangdong Province, Peoples' Republic of China
Telephone:	+86 755 26770282
Facsimile:	+86 755 26770286
E-mail:	fengjianxiong@zte.com.cn
Registered and office address:	ZTE Plaza, Keji Road South, Hi-tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, People's Republic of China
Postal code:	518057
Website:	<a href="http://www.zte.com.cn">http://www.zte.com.cn</a>
Email:	fengjianxiong@zte.com.cn
Principal place of business in Hong Kong	8/F Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong

## 2. Subject of solicitation

The solicitation of voting rights from ZTE shareholders by the soliciting party in connection with the Resolution on the “ZTE Corporation Share Option Incentive Scheme (Revised Draft)” and its summary, Resolution on the “ZTE Corporation Share Option Incentive Scheme Performance Appraisal System” and Resolution on a mandate granted to the Board of Directors by the General Meeting of ZTE Corporation to deal with matters pertaining to the Scheme.

## III. INFORMATION OF THE GENERAL MEETING AND CLASS MEETINGS

### 1. For A Shareholders:

Please refer to the Notice of Third Extraordinary General Meeting of 2013 and the Notice of the First A Shareholders' Class Meeting of 2013 of ZTE Corporation published by the Company in China Securities Journal, Shanghai Securities News and Securities Times on the same date as this Announcement.

2. For H Shareholders:

Please refer to the Notice of Third Extraordinary General Meeting of 2013 and the Notice of the First H Shareholders' Class Meeting of 2013 of ZTE Corporation which will be despatched by the Company to the H Shareholders on 30 August 2013.

#### **IV. BASIC INFORMATION OF THE SOLICITING PARTY**

(I) The soliciting party of the current solicitation of voting rights is Mr. Tan Zhenhui, current Independent Non-executive Director of the Company, the basic information of whom is as follows:

**Mr. Tan Zhenhui**, born 1944, is Independent Non-executive Director of the Company. Mr. Tan graduated from Southeast University in 1987 with a doctorate degree in engineering specialising in telecommunications and electronic systems, and currently holds the title of professor. Mr. Tan is currently chairman of the Academic Committee and a professor of Beijing Jiaotong University, where he has been working since August 1982 and served as faculty dean, vice chancellor and chancellor. He has been Independent Non-executive Director of the Company since March 2010 and is concurrently independent non-executive director of Jiangsu Tongding Optic-Electronic Stock Co., Ltd. (a company listed on the Shenzhen Stock Exchange). Mr. Tan is well qualified, both academically and professionally, and vastly experienced in the telecommunications sector.

(II) The soliciting party has not been subject to any punishment as a result of securities transaction activities in violation of laws or involved in any material civil litigation or arbitration relating to economic disputes.

(III) The soliciting party and his primary direct family members have not reached any

agreement or arrangement in respect of the Company's shares and there are no interests at stake between him, as an Independent Non-executive Director of the Company, and the Directors, senior management and substantial shareholders of the Company and their respective connected parties, nor does he have any interest in the subject matter of solicitation.

## **V. THE SOLICITING PARTY'S VOTE IN RESPECT OF THE SUBJECT MATTER OF SOLICITATION**

As an Independent Non-executive Director of the Company, the soliciting party attended the Sixth Meeting of the Sixth Session of the Board of Directors of the Company held on 22 July 2013 and voted in favour of the Resolution on the "ZTE Corporation Share Option Incentive Scheme (Draft)" and its summary, Resolution on the "ZTE Corporation Share Option Incentive Scheme Performance Appraisal System" and Resolution on a mandate granted to the Board of Directors by the General Meeting of ZTE Corporation to deal with matters pertaining to the Scheme. The soliciting party also attended the Eighth Meeting of the Sixth Session of the Board of Directors of the Company held on 26 August 2013 and voted in favour of the Resolution on the "ZTE Corporation Share Option Incentive Scheme (Revised Draft)" and its summary,

## **VI. THE SOLICITATION SCHEME**

The soliciting party has prepared a solicitation scheme for the solicitation of voting rights in accordance with the prevailing laws, administrative regulations and regulatory documents of the PRC and the Articles of Association, the details of which are as follows:

(I) Target of solicitation: All ZTE (000063) A 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 Friday, 13 September 2013 at 3 : 00 p.m. and all H Shareholders registered on the Company's H share register maintained by Computershare Hong Kong Investor Services Limited on Friday, 13 September 2013 at 4: 30 p.m..

(II) Solicitation Period: 24 hours before the convening of the Third Extraordinary General Meeting of 2013, the First A Shareholders' Class Meeting of 2013 and the First H Shareholders' Class Meeting of 2013.

(III) Method of solicitation: open solicitation of voting rights by way of announcement on the China Securities Journal, Shanghai Securities News, Securities Times, the website <http://www.cninfo.com.cn> (巨潮資訊網) and the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk>

(IV) Procedures and steps of solicitation

Step 1: Target of solicitation who decide to appoint the soliciting party as proxy to vote on their behalf should complete the Proxy Form for the Solicitation of Voting Rights by the Independent Non-executive Directors ("The Independent Directors' Proxy Form") in the annex to this report (for A Shareholders) or the Independent Directors' Proxy Form annexed to the H shareholders' circular (for H Shareholders).

Step 2: The Independent Directors' Proxy Form should be signed and returned together with the following documents as required:

**For A Shareholders:**

1. In case of a legal person shareholder, a duplicate copy of its legal person business licence, the original copy of the identity document of its legal representative, the original copy of the Independent Directors' Proxy Form and the shareholder's account card should be furnished. The legal representative should sign and the company seal should be affixed on each page of all documents furnished by the legal person shareholders.
2. In case of an individual shareholder, a duplicate copy of his/her identity document, the original copy of the Independent Directors' Proxy Form and the shareholder's account card should be furnished;
3. An Independent Directors' Proxy Form signed by other persons on behalf of the

shareholders should be notarised and the notarisation letter should be furnished together with the original copy of the Independent Directors' Proxy Form. Notarisation is not required for Independent Directors' Proxy Forms signed by shareholders themselves or legal representatives of legal person shareholders.

**For H Shareholders:**

H Shareholders should complete and sign the Independent Directors' Proxy Form in accordance with the instructions set out in the H shareholders' circular and the Independent Directors' Proxy Form annexed thereto. An Independent Directors' Proxy Form signed by other persons on behalf of the shareholders should be notarised and the notarisation letter should be furnished together with the original copy of the Independent Directors' Proxy Form. Notarisation is not required for Independent Directors' Proxy Forms signed by shareholders themselves or legal representatives of legal person shareholders.

Step 3: Shareholders appointing the soliciting party as the proxies to vote on their behalf should deliver Independent Directors' Proxy Forms and relevant documents to the address specified in this report within the solicitation period after the relevant documents have been prepared in accordance with Step 2 above.

A Shareholders appointing the soliciting party as the proxies should deliver the Independent Directors' Proxy Forms and the relevant documents to the address and addressee specified below:

Address: 6/F, Block A, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park,  
Nanshan District, Shenzhen, Guangdong Province, People's Republic of  
China  
Addressee: Securities Affairs and Investors' Relations Department, ZTE Corporation  
Postal Code: 518057  
Telephone: +86 755 26770282  
Facsimile: +86 755 26770286

H Shareholders appointing the soliciting party as the proxies should deliver the Independent Directors' Proxy Forms and the relevant documents to the address and addressee specified below:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong  
Addressee: Computershare Hong Kong Investor Services Limited  
Telephone: +852 2862 8555  
Facsimile: +852 2865 0990

All documents submitted should be properly sealed and the contact telephone numbers and contact persons of the shareholders appointing the soliciting party as the proxies should be provided. The words of "Proxy Form for the Solicitation of Voting Rights by Independent Non-executive Directors" should be clearly indicated.

(V) Independent Directors' Proxy Forms will be confirmed as valid upon full compliance with the following conditions as verified after all the required documents to be furnished by shareholders appointing the soliciting parties as the proxies have been duly delivered:

1. The Independent Directors' Proxy Form and the required documents having been delivered to the designated address in accordance with the solicitation procedures set out in this report;
2. The Independent Directors' Proxy Form and the required documents having been submitted within the solicitation period;
3. The Independent Directors' Proxy Form having been completed and signed by the shareholders in the form specified in the annex to this report (for A Shareholders) or the Independent Directors' Proxy Form annexed to the H shareholders' circular (for H Shareholders) with clear and specific authorisation and the required documents submitted being complete and valid;
4. The Independent Directors' Proxy Form and the required documents furnished being consistent with records of the share register.



(VI) Where a shareholder gives duplicate voting instructions to the soliciting party in respect of the matters for which the voting rights are being solicited, the latest Independent Directors' Proxy Form signed by the shareholder, or the latest Independent Directors' Proxy Form received by the Company if the timing of the signature could not be ascertained, shall be deemed as the valid one.

(VII) A shareholder may attend the meeting in person or by appointing persons other than the soliciting party as his/her proxy notwithstanding the appointment of the soliciting party as his/her proxy to exercise the solicited voting rights.

(VIII) The soliciting party may act in accordance with the following with respect to a valid Independent Directors' Proxy Form:

1. A shareholder may expressly revoke in writing his/her previous appointment of the soliciting party as his/her proxy not less than 24 hours before the holding the general meeting, in which case the soliciting party shall treat such proxy invalid;
2. Where a shareholder has appointed persons other than the soliciting party as proxy to exercise the solicited voting right and to be registered for attending the meeting, and where such shareholder expressly revokes in writing his/her appointment of the soliciting party prior to on-site registration at the meeting, the solicit party shall treat the appointment of the soliciting party as the proxy invalid; in case of duplicate appointments with different contents of authorisation, the latest signed appointment by the shareholder shall prevail, or the latest received appointment shall prevail if the timing of the signature could not be ascertained;
3. Shareholders should specify in the Independent Directors' Proxy Form their voting instructions in respect of the matters for which voting rights are being solicited and check either "For", "Against" or "Abstained" as appropriate. Any proxy for which more than one or no voting direction is indicated shall be deemed invalid;
4. The same voting right may only be exercised by way of either on-site voting, solicitation of votes by Independent Non-executive Directors or online voting in respect of the same resolution. In case of duplicate voting of the same voting right, the first vote shall prevail.

In the event that the timing of the votes cannot be determined and there is inconsistency regarding the same resolution between votes cast by way of other methods and votes in the proxy form for the solicitation of voting rights by Independent Non-executive Directors, the latter shall prevail.

**Tan Zhenhui**  
*The Soliciting Party*

26 August 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.*

**Annex: Independent Directors' Proxy Form for A Shareholders (duplicate copies permitted)**

**Proxy Form for the Solicitation of Voting Rights by  
Independent Non-executive Directors of ZTE Corporation  
For the Third Extraordinary General Meeting of 2013  
and the First A Shareholders' Class Meeting of 2013 of ZTE Corporation**

I /We \_\_\_\_\_ confirm as the appointing party that I/we have, prior to signing this Independent Directors' Proxy Form, have read carefully the full text of the Report on the Solicitation of Voting Rights by the Independent Non-executive Directors prepared and published by the soliciting party for the current solicitation of voting rights, the Notice of Third Extraordinary General Meeting of 2013 and the Notice of the First A Shareholders' Class Meeting of 2013 of ZTE Corporation and other relevant documents, and I/ we have been sufficiently informed about details relating to the current solicitation of voting rights. I/we have the right to, prior to registering for the on-site meeting, revoke the appointment of the soliciting party under this Independent Directors' Proxy Form or to amend the contents of this Independent Directors' Proxy Form in accordance with procedures specified in the Report on the Solicitation of Voting Rights by the Independent Non-executive Directors.

As the appointing party, I/we hereby appoint Mr. Tan Zhenhui, an Independent Non-executive Director of ZTE Corporation, as my/our proxy to attend the Third Extraordinary General Meeting of 2013 and the First A Shareholders' Class Meeting of 2013 of ZTE Corporation and to exercise the voting rights in respect of matters stipulated in this Independent Directors' Proxy Form in accordance with instructions contained herein.

My/our voting directions in respect of the matters for which voting rights are being solicited are as follows:

<b>No.</b>	<b>Matters to be considered</b>	<b>For<sup>4</sup></b>	<b>Against<sup>4</sup></b>	<b>Abstained<sup>4</sup></b>
<b>1</b>	To consider the resolution on the "ZTE Corporation Share Option Incentive Scheme (Revised Draft)" (the "Scheme")	—	—	—

<b>No.</b>	<b>Matters to be considered</b>	<b>For<sup>4</sup></b>	<b>Against<sup>4</sup></b>	<b>Abstained<sup>4</sup></b>
	and its summary			
<b>1.1</b>	Basis for determining the Participants and the scope of Participants of the Scheme			
<b>1.2</b>	Source and number of subject shares under the Scheme			
<b>1.3</b>	Validity Period, date of grant, vesting period, exercise arrangements and lock-up period for subject shares under the Scheme			
<b>1.4</b>	Exercise price of share options and basis of determination			
<b>1.5</b>	Conditions of grant and exercise of share options			
<b>1.6</b>	Methods and procedures for adjustment of the Scheme			
<b>1.7</b>	Accounting treatment of share options			
<b>1.8</b>	Procedures for the grant by the Company and the exercise by the Participants of share options			
<b>1.9</b>	Respective rights and obligations of the Company and the Participants			
<b>1.10</b>	Handling of special cases			
<b>1.11</b>	Amendment and Termination of the Scheme			
<b>2</b>	To consider the resolution on the “ZTE Corporation Share Option Incentive Scheme Performance Appraisal System”			
<b>3</b>	To consider the resolution on a mandate granted to the Board of Directors by the General Meeting of ZTE Corporation to deal with matters pertaining to the Scheme	—	—	—
<b>3.1</b>	To confirm the qualifications and conditions of Participants for joining the Scheme, to confirm the list of Participants (other than those as connected persons of the Company) and the number of share options to be granted and to confirm the grant price of the subject shares			
<b>3.2</b>	To grant shares to Participants upon their fulfillment of relevant conditions and to handle all matters required for the grant and unlocking of shares			
<b>3.3</b>	To adjust the number of subject shares in accordance with the principles and in the manner stipulated under the Scheme when such adjustment is required in respect of the Company’s ex-right or ex-dividend shares or for other reasons			
<b>3.4</b>	Subject to compliance with the terms of the Scheme, to formulate or modify provisions for the administration and implementation of the Scheme from time to time, provided that if such modifications are required by the laws, regulations or relevant regulatory authorities to be subject to the approval of the General Meeting and / or relevant regulatory authorities, such modifications by the Board of Directors must obtain the corresponding approvals			

No.	Matters to be considered	For <sup>4</sup>	Against <sup>4</sup>	Abstained <sup>4</sup>
3.5	To sign, execute, modify and terminate any agreements relating to the Scheme and other relevant agreements			
3.6	To appoint receiving banks, accountants, legal advisers and other intermediaries for the implementation of the Scheme			
3.7	To conduct other necessary matters required for the implementation of the Scheme, save for rights expressly stipulated in relevant documents to be exercised by the General Meeting			
3.8	To process examination, registration, filing, ratification, approval and other procedures with relevant governments and authorities in connection with the Scheme; to sign, execute, modify and complete documents submitted to relevant governments, authorities, organisations and individuals; and to do all acts, deeds and matters it deems necessary, proper or appropriate in connection with the Scheme			
3.9	The mandate granted to the Board of Directors shall be coterminous with the Scheme			

Note: Please indicate with a “√” in the appropriate box under the column marked “For” if you wish to vote in favour of a resolution. Please indicate with a “√” in the appropriate box under the column marked “Against” if you wish to vote against the resolution. Please indicate with a “√” in the appropriate box under the column marked “Abstained” if you wish to abstain from voting in respect of a resolution. If more than one or no instruction is given for a proposal, the appointment is deemed to be void.

Number of shares held by appointer: \_\_\_\_\_ shares

Share account number of appointer (applicable to A Shareholders only):

\_\_\_\_\_

Identity card number of appointer (or business license number in case of legal person shareholders) (applicable to A Shareholders only): \_\_\_\_\_

Contact telephone number of appointer: \_\_\_\_\_

Appointer (endorsement by signature, company seal to be affixed in case of legal person shareholders): \_\_\_\_\_

Date of signature: \_\_\_\_\_

This proxy shall be valid from the date on which it is signed to the close of the Third Extraordinary General Meeting of 2013 and the First A Shareholders’ Class Meeting of 2013.