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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 FIRST EXTRAORDINARY GENERAL MEETING OF 2019

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 First Extraordinary General Meeting of 2019 (the “EGM”) of ZTE Corporation (the “Company”, together with its subsidiaries, the “Group”) will be convened at 9:00 a.m. on Wednesday, 20 March 2019 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 if thought fit, approve, the following resolutions. Capitalized terms used herein shall have the same meanings as those defined in the announcements of the Company dated 17 January 2019 unless the context otherwise requires.

ORDINARY RESOLUTIONS

1. Resolution on the Re-election of the Board of Directors and the Election of Non-independent Directors for the Eighth Session of the Board of Directors

At the Forty-fourth Meeting of the Seventh Session of the Board held on 17 January 2019, it was resolved that the re-election of the Board will be held, as the term of office of the Seventh Session of the Board of the Company will conclude on 29 March 2019. Upon the recommendation of the Nomination Committee of the Board, the Seventh Session of the Board of the Company has nominated Mr. Li Zixue, Mr. Xu Ziyang, Mr. Li Buqing, Mr. Gu Junying, Mr. Zhu Weimin and Ms. Fang Rong as Candidates for election as non-independent Directors of the Eighth Session of the Board of the Company.

The term of office of the Candidates for non-independent Directors of the Eighth Session of the Board of Directors shall, following the passing of the shareholders' resolution approving the appointments, commence on 30 March 2019 and end on 29 March 2022.

2. Resolution on the Re-election of the Board of Directors and the Election of Independent Non-executive Directors for the Eighth Session of the Board of Directors

At the Forty-fourth Meeting of the Seventh Session of the Board held on 17 January 2019, it was resolved that the re-election of the Board will be held, as the term of office of the Seventh Session of the Board of the Company will conclude on 29 March 2019. Upon the recommendation of the Nomination Committee of the Board, the Seventh Session of the Board of the Company has nominated Ms. Cai Manli, Mr. Yuming Bao and Mr. Gordon Ng as Candidates for independent non-executive Directors of the Eighth Session of the Board of the Company.

The term of office of the Candidates for independent non-executive Directors of the Eighth Session of the Board of Directors shall, following the passing of the shareholders' resolution approving the appointments, commence on 30 March 2019 and end on 29 March 2022.

Please refer to the announcement published by the Company on 17 January 2019 for the brief biographies and other information relating to the Candidates for Directors listed above.

Qualifications and independence for the aforesaid Candidates for independent non-executive Directors will be approved by SZSE without dissent for the record and then tabled at the EGM for voting.

3. Resolution on the Re-election of the Supervisory Committee and the Election of Shareholders' Representative Supervisors for the Eighth Session of the Supervisory Committee

At the Thirty-fourth Meeting of the Seventh Session of the Supervisory Committee held on 17 January 2019, it was resolved that the re-election of the Supervisory Committee will be held, as the term of office of the Seventh Session of the Supervisory Committee of the Company will conclude on 29 March 2019. The Seventh Session of the Supervisory Committee of the Company has nominated Mr. Shang Xiaofeng and Ms. Zhang Sufang as Candidates for shareholders' representative Supervisors of the Eighth Session of the Supervisory Committee of the Company.

The term of office of the Candidates for shareholders' representative Supervisors of the Eighth Session of the Supervisory Committee shall, following the shareholders' resolution approving their appointments, commence on 30 March 2019 and end on 29 March 2022.

Please refer to the announcement published by the Company on 17 January 2019 for the brief biographies and other information relating to the Candidates for shareholders' representative Supervisors listed above.

In accordance with relevant provisions of the Articles of Association, resolutions No. 1, 2 and 3 set out above shall be determined by way of accumulative voting, whereby each Candidate for Director and Candidate for Supervisor shall be voted upon on an individual basis.

4. Resolution on the Authorization to Purchase Directors', Supervisors' and Senior Management's Liability Insurance

- (1) The EGM is hereby requested to authorize, in accordance with the law, the Company to enter into the contract(s) for the purchase of Directors', Supervisors' and Senior Management's Liability Insurance with the insurer(s).
- (2) The EGM is hereby requested to authorize, in accordance with the law, the Board of Directors and the Legal Representative of the Company (or relevant persons authorized by the Legal Representative) to deal with matters pertaining to the Directors', Supervisors' and Senior Management's Liability Insurance (including but not limited to determining: members of the Directors and/or Supervisors and/or Senior Management to be covered by such insurance, the insurer(s), the insurance amount, insurance premium, insurance period and other insurance terms; selection and appointment of insurance brokers or other intermediary agencies; the execution of relevant legal documents and handling of other matters pertaining to the purchase of insurance), and to extend or renew with the insurer(s) the insurance contract(s) required to be entered into for the purchase of insurance upon or before the expiry of such insurance contract(s) and perform relevant procedures as necessary (collectively the "**Insurance**").

With respect to insurance contract(s) with an aggregate insurance premium of RMB1.50 million or below per year, the Legal Representative of the Company (or relevant persons authorized by the Legal Representative) is authorized to implement the Insurance. With respect to insurance contract(s) with an aggregate insurance premium exceeding RMB1.50 million and up to and including RMB3.00 million per year, the Insurance shall be carried out by the Board of Directors. With respect to insurance contract(s) with an aggregate insurance premium exceeding RMB3.00 million per year, the Board of Directors shall seek the relevant authorization by the shareholders at a general meeting. For avoidance of ambiguity, the aforesaid references to "year" shall mean the period of 365 consecutive calendar days preceding the passing of the resolution at the general meeting, and the aforesaid aggregate insurance premium shall mean the total insurance premium amount in aggregate of all insurance contracts in effect during the year as abovementioned.

5. Resolution on Continuing Connected Transactions under the “2019–2021 Purchase Framework Agreement” with Zhongxingxin, a Connected Party

To approve the execution of the “2019–2021 Purchase Framework Agreement” by the Company and Zhongxingxin Telecom Company Limited (“**Zhongxingxin**”) in accordance with the relevant laws with respect to the purchase of cabinets and related accessories, cases and related accessories, shelters, railings, antenna poles, optical products, refined-processing products, packaging materials, flexible printed circuits (FPC), rigid and flexible printed circuits (R-FPC) and its components and other products with the maximum aggregate amount of transactions (before VAT) relating to the purchase of raw materials by the Group from Zhongxingxin, its subsidiaries and companies in which Zhongxingxin has shareholdings of 30% or above under such framework agreement for each year during 2019–2021 estimated at RMB700 million, RMB800 million and RMB900 million, respectively; with the view that the terms of the “2019–2021 Purchase Framework Agreement” have been arrived at through arm’s length negotiations between the two parties on normal commercial terms during the ordinary course of business and that the transaction terms and the respective annual caps for transaction amounts for the years 2019–2021 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Resolution No.5 was considered and approved at the Forty-second Meeting of the Seventh Session of the Board held on 25 December 2018 by the Company and it was approved that such resolution be proposed to a general meeting of the Company for consideration. For details, please refer to the announcement headed “CONTINUING CONNECTED TRANSACTIONS PURCHASES OF RAW MATERIALS FROM ZHONGXINGXIN” published by the Company on 26 December 2018. As at 17 January 2019, Zhongxingxin holds 1,271,314,633 shares of the Company totally (1,269,276,633 A shares and 2,038,000 H shares respectively), representing approximately 30.32% of the Company’s total share capital. Pursuant to Rule 10.1.3 of the Shenzhen Listing Rules, Zhongxingxin is the connected party of the Company. Zhongxingxin is also a connected person of the Company as defined under the Hong Kong Listing Rules. Pursuant to applicable rules, relevant connected parties are required to abstain from voting in respect of Resolution No.5, and are not allowed to vote as proxy for other Shareholders in respect of Resolution No. 5.

SPECIAL RESOLUTIONS

- 6. Resolution on the Arrangement of the Floor Price of the Non-public Issuance of A Shares of 2018**
- 7. Resolution on the Extension of the Validity Period for the Shareholders' Resolutions in relation to the Non-public Issuance of A Shares of 2018**
- 8. Resolution on the Authorization in relation to the Non-public Issuance of A Shares of 2018**

Resolutions No. 6, 7 and 8 are special resolutions which shall require the approval of two-thirds of the voting rights held by shareholders attending the EGM in order to be passed. Resolutions No. 6, 7 and 8 were considered and approved at the Forty-fourth Meeting of the Seventh Session of the Board held on 17 January 2019 by the Company. For details, please refer to the relevant announcements published by the Company on 17 January 2019.

Notes:

- 1. The Company will close its H share register from Saturday, 16 February 2019 to Tuesday, 19 March 2019 (both days inclusive) to determine qualifications of shareholders to attend and vote at the EGM. Any H Shareholder who wishes to attend and vote at the EGM 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, 15 February 2019.**
- Shareholders intending to attend the EGM, whether in person or by proxy, should deliver the reply slip of EGM by hand, post or facsimile to the Company's principal place of business in Hong Kong (for H shareholders) on or before Wednesday, 27 February 2019. The principal place of business of the Company in Hong Kong is: 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (Facsimile No.: +852-35898555).
- In order to be valid, the instruments appointing a proxy (namely the proxy form) and the power of attorney or other authorization documents (if any) of the signatory or notarized copies of such power of attorney or authorization documents must be completed and deposited, no later than 24 hours before the time appointed for holding the EGM 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 EGM or any adjournment thereof if he or she so wishes.
- A shareholder entitled to attend and vote at the EGM shall be entitled to appoint one or more proxies to attend and vote for him or her. A proxy need not be a shareholder of the Company.
- In case of joint holders of a share, any one of such holders is entitled to vote at the EGM, by himself or by proxy, as if he or she 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 EGM personally or by proxy.

6. The EGM is expected to last for half a day. All transportation and accommodation expenses incurred by shareholders or their proxies in attending the EGM shall be borne by themselves. Shareholders or their proxies attending the EGM shall be required to produce identifications.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
24 January 2019

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Yuming Bao, Gordon Ng.