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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in **ZTE Corporation**, you should hand this circular together with the enclosed proxy form and reply slip to the purchaser or the transferee or to the bank, licensed securities dealers or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**ZTE**

**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)**

- (1) Proposals of Profit Distribution for 2015**  
**(2) Proposed General Mandate to Issue Shares for 2016**  
**(3) Proposed Limits of Composite Credit Facilities**  
**(4) Proposed Limits of Derivative Investment for 2016**  
**(5) Proposed Provision of Guarantee of ZTE Indonesia,**  
**A Wholly-owned Overseas Subsidiary**  
**and**  
**(6) Notice of the 2015 Annual General Meeting**

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A letter from the Board is set out in pages 4 to 9 of this circular.

A notice of the AGM to be held at 4/F, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China at 9:00 a.m. on Thursday, 2 June 2016 is set out in pages 10 to 17 of this circular.

A proxy form and a reply slip for use at the AGM is enclosed with this circular and uploaded at the websites of the SEHK and the Company. Whether or not you are able to attend the AGM, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof should you so wish. Any H Shareholders intending to attend the AGM shall deliver the reply slip to the Company by hand, post or facsimile on or before Thursday, 12 May 2016.

15 April 2016

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## DEFINITIONS

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*In this circular, the following terms shall have the following meaning unless otherwise required by the context:*

AGM	the 2015 annual general meeting of the Company to be held at 4/F, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China at 9:00 a.m. on Thursday, 2 June 2016
AGM Notice	notice of the 2015 annual general meeting
Articles of Association	the articles of association of the Company
A Share(s) or Domestic Shares	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SZSE
A Shareholders	holders of A Shares
BOC	Bank of China Limited
Board	the board of directors of the Company
China or the PRC	the People's Republic of China
Company	ZTE Corporation, a joint stock limited company incorporated on 11 November 1997 under the Company Law in the PRC, whose shares are listed on the SEHK and the SZSE
Company Law	The Company Law of the People's Republic of China
Director(s)	member(s) of the board of directors of the Company
Dividend(s)	Proposed payment of RMB2.5 in cash (before tax) for every 10 shares on the basis of the number of shares held by shareholders registered at the close of business on the record dates for registration of shareholdings for the purpose of dividend payments (namely, the A Share Record Date and the H Share Record Date).
Dynamic Coverage Ratio	flexible adjustment of the ratio between the outstanding amount of foreign exchange contracts of a currency and the exposure amount based on changes in exposure and market exchange rates
General Mandate	a general mandate to allot, issue or otherwise deal with Shares proposed to be granted to the Directors at the AGM, the details of which are set out in Special Resolution No.11 of AGM Notice
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China

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## DEFINITIONS

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Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
H Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SEHK
H Shareholders	holders of H Shares
H Share Record Date	13 June 2016, the date determined by the Board for determining the H Shareholders' entitlements to the Dividends
Latest Practicable Date	10 April 2016, being the latest practicable date prior to the printing of this circular for determining certain information set out in this circular
RMB	Renminbi, the statutory currency of the PRC
SEHK	The Stock Exchange of Hong Kong Limited
Shareholders	A Shareholders and H Shareholders
Shares	A Share(s) and H Share(s)
Shenzhen Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
SZSE	The Shenzhen Stock Exchange
Value Protection Derivatives	investments in financial derivatives conducted with the aim of value preservation to avoid uncertainties in the gains of assets or liabilities in day-to-day operations arising from volatilities in exchange rates or interest rates, which include, and are limited to, foreign exchange forward contracts, forward interest rate contracts, currency swaps, interest rate swaps, call options and structured forward contracts
ZTE Indonesia	PT. ZTE Indonesia

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**EXPECTED TIMETABLE**

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**2016**

Latest time for lodging transfers of the H Shares to qualify  
for attendance and voting at the AGM . . . . . 4:30 p.m., Friday, 29 April

H Share register closed . . . . . Tuesday, 3 May to Wednesday, 1 June  
(both dates inclusive)

Latest date for lodging reply slips for the AGM. . . . . Thursday, 12 May

Latest time for lodging proxy forms for the AGM . . . . . 9:00 a.m., Wednesday, 1 June

AGM . . . . . 9:00 a.m., Thursday, 2 June

H Share register re-opens . . . . . Thursday, 2 June

Last day of dealings in the H Shares cum-entitlements  
to the Dividends . . . . . Friday, 3 June

First day of dealings in the H Shares ex-entitlements  
to the Dividends . . . . . Monday, 6 June

Latest time for lodging transfers of the H Shares to qualify  
for the Dividends. . . . . 4:30 p.m., Tuesday, 7 June

H Share register closed . . . . . Wednesday, 8 June to Monday, 13 June  
(both dates inclusive)

H Share Record Date . . . . . Monday, 13 June

H Share register re-opens . . . . . Tuesday, 14 June

# ZTE

## 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)**

*Executive Directors:*

Zhao Xianming  
Yin Yimin  
Wei Zaisheng

*Non-executive Directors:*

Zhang Jianheng  
Luan Jubao  
Shi Lirong  
Wang Yawen  
Tian Dongfang  
Zhan Yichao

*Independent Non-executive Directors:*

Richard Xike Zhang  
Chen Shaohua  
Lü Hongbing  
Bingsheng Teng  
Zhu Wuxiang

*Registered Address:*

ZTE Plaza  
Keji Road South  
Hi-Tech Industrial Park  
Nanshan District  
Shenzhen, 518057  
Guangdong Province  
The PRC

*Principal place of business in Hong Kong:*

36/F, Tower Two,  
Times Square,  
1 Matheson Street, Causeway Bay  
Hong Kong

15 April 2016

*To the Shareholders*

Dear Sir or Madam,

- (1) Proposals of Profit Distribution for 2015**
- (2) Proposed General Mandate to Issue Shares for 2016**
- (3) Proposed Limits of Composite Credit Facilities**
- (4) Proposed Limits of Derivative Investment for 2016**
- (5) Proposed Provision of Guarantee of ZTE Indonesia,  
A Wholly-owned Overseas Subsidiary  
and**
- (6) Notice of the 2015 Annual General Meeting**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The purpose of this circular is to give the AGM Notice to you and provide relevant information for your informed decision when voting for the ordinary resolutions and special resolution to be proposed at the AGM in respect of, among others, the following matters:

1. Proposals of Profit Distribution for 2015
2. Proposed General Mandate to Issue Shares for 2016
3. Proposed Limits of Composite Credit Facilities
4. Proposed Limits of Derivative Investment for 2016
5. Proposed Provision of Guarantee of ZTE Indonesia, A Wholly-owned Overseas Subsidiary

### II. PROPOSALS OF PROFIT DISTRIBUTION FOR 2015

The Company will propose an ordinary resolution at the AGM for the consideration and, if thought fit, approval of the declaration and payment of Dividends. A final Dividend of RMB2.5 in cash (before tax) for every 10 shares on the basis of the number of shares held by shareholders (including A Shareholders and H Shareholders) registered at the close of business on the record dates for registration of shareholdings for the purpose of Dividend payments (namely, the A Share Record Date and the H Share Record Date) will be proposed, and a Director of the Company will be authorised to deal with matters pertaining to profit distribution for 2015. Dividend payments are expected to be made to shareholders on 15 July 2016.

The first exercise period under the A share option incentive scheme of the Company commenced on 2 November 2015 and will last until 31 October 2016. The Company's total share capital as at the Latest Practicable Date was 4,153,471,165 shares. As at the Latest Practicable Date, there were 6,462,728 outstanding options exercisable in the first exercise period under the Share Option Incentive Scheme of A Shares of the Company. Assuming the said options are fully exercised prior to the close of business on the A Share Record Date, 4,159,933,893 shares in the Company will be entitled to Dividend payment, which will result in a total Dividend amount of not more than RMB1.040 billion.

For details, please refer to Ordinary Resolution No. 6 of the AGM Notice.

### III. PROPOSED GENERAL MANDATE TO ISSUE SHARES FOR 2016

At the previous annual general meeting of the Company held on 28 May 2015, the Board was granted a General Mandate to exercise the general power of the Company to allot, issue and otherwise deal with Shares in the Company not exceeding 20% of the aggregate nominal amount of its share capital in issue as at 28 May 2015. The said General Mandate will expire on 27 May 2016.

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## LETTER FROM THE BOARD

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To afford the Board the flexibility of issuing new shares at its discretion as and when appropriate, a special resolution will be proposed at the AGM to grant a General Mandate to the Board to allot, issue and otherwise deal with the A Shares and H Shares of the Company, each not exceeding 20% of the aggregate nominal amount of the Company's A Shares and H Shares, respectively, in issue as at the date on which this resolution is passed.

As at the Latest Practicable Date, the Company's issued share capital comprised 3,397,968,631 A Shares and 755,502,534 H Shares. Subject to the granting of the General Mandate being approved and assuming that no additional Shares will be issued prior to the AGM, the Board will be entitled to issue a maximum of 679,593,726 A Shares (subject to adjustment in the event of exercise of share options under the Share Option Incentive Scheme of A Shares of the Company) and 151,100,506 H Shares.

The General Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiry of a period of 12 months from the date on which this resolution is passed; or (iii) the revocation or variation of the authority given under this resolution by way of a special resolution of the general meeting.

The Board shall comply with pertinent provisions of the Hong Kong Listing Rules, the Articles of Association and applicable PRC laws and regulations when exercising powers pursuant to the General Mandate. Notwithstanding the granting of the General Mandate, the Company is still required to seek shareholders' approval at the general meeting for the issue of any A Shares according to pertinent PRC laws and regulations, provided that respective shareholders' approvals at the A Share class meeting and the H Share class meeting are not required.

For details, please refer to Special Resolution No. 11 of the AGM Notice.

#### **IV. PROPOSED LIMITS OF COMPOSITE CREDIT FACILITIES**

The Company proposes to apply to BOC and China Development Bank Corporation, Shenzhen Branch for composite credit facilities of RMB30.0 billion and USD7.0 billion, respectively, and further proposes to authorize the Board to finalize the specific details of the composite credit facilities based on negotiations with the relevant banks subject to the aforesaid caps within the effective term of the resolution and to sign all relevant documents. In accordance with Chapter 9 of the Shenzhen Listing Rules, a transaction by a listed company with an amount exceeding 50% of the latest audited net asset value of the listed company and exceeding RMB50 million shall be subject to approval of the company's shareholders. Therefore, approval of the proposed limits of composite credit facilities will be sought at the AGM.

For details, please refer to Ordinary Resolution No. 7 of the AGM Notice.

#### **V. PROPOSED LIMITS OF DERIVATIVE INVESTMENT FOR 2016**

Reference is made to the "Announcement on the Application for Derivative Investment Limits for 2016" published by the Company on 6 April 2016.



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## LETTER FROM THE BOARD

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At the previous annual general meeting of the Company held on 28 May 2015, the Board was authorized to deal with matters pertaining to derivative investments within certain limits. The authorization will expire upon the conclusion of the forthcoming AGM. To ensure continuity of the Company's foreign exchange risk control strategy, the Company proposes to apply for the conduct of Value Protection Derivative investments 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 limits may be applied on a revolving basis during the effective period of the authorisation) in 2016. In accordance with Article 160 of the Articles of Association, a derivative investment which is relevant to the principal business of the Company and is more than 10% of the Company's latest audited net asset value shall be subject to approval of the Company's shareholders. Therefore, approval of the proposed limits of derivative investment for 2016 will be sought at the AGM.

For details, please refer to Ordinary Resolution No. 9 of the AGM Notice.

### **VI. PROPOSED PROVISION OF GUARANTEE OF ZTE INDONESIA, A WHOLLY-OWNED OVERSEAS SUBSIDIARY**

Reference is made to the "Announcement on the Provision of Guarantee for a Wholly-owned Subsidiary" published by the Company on 6 April 2016.

Owing to its insufficient credit standing, ZTE Indonesia, a wholly-owned overseas subsidiary of the Company, is not in a position to apply directly to local banks for the issuance of a bank letter of guarantee. In view of the business requirements of ZTE Indonesia, the Company proposes to apply to BOC for credit facilities with an amount of USD50 million, and to provide guarantee by way of joint liability assurance for ZTE Indonesia in favour of BOC for a total amount of not more than USD50 million. In accordance with Chapter 9 of the Shenzhen Listing Rules, the provision of guarantee by a listed company for a party with a gearing ratio of over 70% shall require the approval of the shareholders of the listed company. Accordingly, approval of the Company's provision of guarantee for ZTE Indonesia will be sought at the AGM.

For details, please refer to Ordinary Resolution No. 10 of the AGM Notice.

### **VII. AGM**

#### **AGM Notice, Proxy Form and Reply Slip**

The AGM will be convened by the Company on Thursday, 2 June 2016 at 9:00 a.m. at 4/F, 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, pass, among others, the following resolutions: (i) Proposals of Profit Distribution for 2015, (ii) Proposed General Mandate to Issue Shares for 2016, (iii) Proposed Limits of Composite Credit Facilities, (iv) Proposed Limits of Derivative Investment for 2016, (v) Proposed Provision of Guarantee of ZTE Indonesia, A Wholly-owned Overseas Subsidiary. The AGM Notice is set out on pages 10 to 17 of this circular.

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## LETTER FROM THE BOARD

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A proxy form and a reply slip for use at the AGM is enclosed with this circular and uploaded at the websites of the SEHK and the Company. Whether or not you are able to attend the AGM, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof should you so wish. Any H Shareholders intending to attend the AGM shall deliver the reply slip to the Company by hand, post or facsimile on or before Thursday, 12 May 2016.

### **Close of share register**

The Company will close its H share register from Tuesday, 3 May 2016 to Wednesday, 1 June 2016 (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 Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 29 April 2016.

The Company will close its H share register from Wednesday, 8 June 2016 to Monday, 13 June 2016 (both days inclusive) to determine qualifications of shareholders to receive the Dividends. Any H Shareholder who wishes to qualify for the Dividends 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., Tuesday, 7 June 2016.

The record date and method of payment for the Dividends of A Shareholders shall be separately notified.

### **Voting by way of poll at a general meeting**

In accordance with Rule 13.39 (4) of the Hong Kong Listing Rules, all resolutions proposed at a general meeting for consideration and approval if though fit shall be voted upon by way of poll, provided that resolutions pertaining to procedural or administrative matters only may be voted upon by a show of hands if permission for the same is given in good faith by the chairman of the general meeting.

## **VIII. RECOMMENDATION**

The Board is of the view that the resolutions set out in the AGM Notice in respect of the: (i) Proposals of Profit Distribution for 2015, (ii) Proposed General Mandate to Issue Shares for 2016, (iii) Proposed Limits of Composite Credit Facilities, (iv) Proposed Limits of Derivative Investment for 2016, (v) Proposed Provision of Guarantee of ZTE Indonesia, A Wholly-owned Overseas Subsidiary, are in the best interests of the Company and the shareholders as a whole and accordingly recommend the shareholders to vote in favour of the relevant resolutions at the AGM.

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## LETTER FROM THE BOARD

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### IX. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board  
**Zhao Xianming**  
**ZTE Corporation**  
*Chairman*

Shenzhen, the PRC

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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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# ZTE

## 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 2015 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 2015 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, 2 June 2016 at 4th Floor, A Wing, ZTE Plaza, Keji Road South, HiTech 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 15 April 2016, unless otherwise required by the context):

### **Ordinary Resolutions**

- 1. 2015 Annual Report of the Company (including 2015 financial report of the Company audited by the PRC and Hong Kong auditors);**
- 2. 2015 Report of the Board of Directors of the Company;**
- 3. 2015 Report of the Supervisory Committee of the Company;**
- 4. 2015 Report of the President of the Company;**
- 5. Final Financial Accounts of the Company for 2015;**
- 6. Proposals of Profit Distribution of the Company for 2015;**

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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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**“That:**

Proposals of Profit Distribution for 2015 tabled by the Board of Directors of the Company be approved.

Proposals of Profit Distribution for 2015: RMB2.5 in cash (before tax) for every 10 shares on the basis of the number of shares held by shareholders (including A Shareholders and H Shareholders) registered at the close of business on the record dates for registration of shareholdings for the purpose of dividend payments (namely, the A Share Record Date and the H Share Record Date).

A Director of the Company will be authorised to deal with matters pertaining to profit distribution for 2015.”

**7. Resolutions of the Company on the Proposed Application for Composite Credit Facilities;**

*7.1 Resolution of the Company proposing the application to BOC for a composite credit facility amounting to RMB30.0 billion*

That the application by the Company to BOC for a RMB30.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company to the bank 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 RMB30.0 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 2015 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, or (2) 30 June 2017. 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. The legal representative of the Company, or the signatory authorized by the legal representative is hereby authorized to sign the relevant legal contracts and documents.

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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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7.2 *Resolution of the Company proposing the application to China Development Bank Corporation, Shenzhen Branch for a composite credit facility amounting to USD7.0 billion*

That the application by the Company to China Development Bank Corporation, Shenzhen Branch for a USD7.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company to the bank 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 USD7.0 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 2015 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, or (2) 30 June 2017. 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. The legal representative of the Company, or the signatory authorized by the legal representative 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 2016;**

8.1 Reappointment of Ernst & Young Hua Ming LLP as the PRC auditor of the Company's financial report for 2016 and authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming LLP for 2016 based on specific audit work to be conducted;

8.2 Reappointment of Ernst & Young as the Hong Kong auditor of the Company's financial report for 2016 and authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2016 based on the specific audit work to be conducted;

8.3 Reappointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2016 and authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2016 based on specific audit work to be conducted.

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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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**9. Resolution on the Application for Investment Limits in Derivative Products of the Company for 2016;**

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 Second Meeting of the Seventh Session of the Board of Directors held on 6 April 2016 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 2016” published by the Company on 6 April 2016.

**10. Resolution on the Provision of Guarantee for PT. ZTE Indonesia, A Wholly-owned Overseas Subsidiary;**

10.1 That the application to BOC on behalf of ZTE Indonesia by the Company for credit facilities in connection with the issuance of bank letters of guarantee and the provision of guarantee by way of joint liability assurance for a total amount of not more than USD50 million for ZTE Indonesia for a term of five years commencing on the date on which the guarantee agreement between the Company and BOC comes into effect, during which credit facilities will be available on a revolving basis subject to the aforesaid guarantee amounts, be approved;

10.2 That the legal representative of the Company, or the signatory delegated by such legal representative shall be authorised to execute legal contracts and documents in connection with the guarantee and complete relevant procedures in accordance with requirements of the State Administration of Foreign Exchange pertaining to thirdparty guarantees.

The resolution was considered and passed at the Second Meeting of the Seventh Session of the Board of Directors held on 6 April 2016, and approval was given for the resolution to be tabled at the general meeting of the Company for consideration. For details, please refer to the “Announcement on the Provision of Guarantee for a Wholly-owned Subsidiary” published on 6 April 2016.



**Special Resolution**

**11. Resolution of the Company on the Application for General Mandate for 2016;**

**“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 (as defined below) 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, 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 (as amended from time to time) and Hong Kong Listing Rules (as amended from time to time) and with the necessary approvals of the China Securities Regulatory Commission and/or other relevant PRC government authorities.



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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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(2) For the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution at 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.”

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

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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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### Notes:

1. **The Company will close its H share register from Tuesday, 3 May 2016 to Wednesday, 1 June 2016 (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 Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4: 30 p.m., Friday, 29 April 2016.**
2. **The Company will close its H share register from Wednesday, 8 June 2016 to Monday, 13 June 2016 (both days inclusive)** to determine qualifications of shareholders to receive the Dividends. Any H Shareholder who wishes to qualify for the Dividends **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., Tuesday, 7 June 2016.**
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, 12 May 2016. The principal place of business of the Company in Hong Kong is: 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, 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.

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## NOTICE OF THE 2015 ANNUAL GENERAL MEETING

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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  
**Zhao Xianming**  
Chairman

Shenzhen, the PRC  
15 April 2016

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Zhao Xianming, Yin Yimin and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Shi Lirong, Wang Yawen, Tian Dongfang and Zhan Yichao; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.*