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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) PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION AND  
THE RULES OF PROCEDURE OF  
THE BOARD OF DIRECTORS MEETINGS  
AND  
(2) NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018**

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A letter from the Board is set out in pages 4 to 7 of this circular.

A notice of the EGM to be held 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 at 9:00 a.m. on Tuesday, 28 August 2018 is set out in pages 8 to 11 of this circular.

A proxy form and a reply slip for use at the EGM 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 EGM, 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 EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish. Any H Shareholders intending to attend the EGM shall deliver the reply slip to the Company by hand, post or facsimile on or before Tuesday, 7 August 2018.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>EXPECTED TIMETABLE</b> .....	3
<b>LETTER FROM THE BOARD</b> .....	4
I. Introduction .....	4
II. Proposed Amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings .....	5
III. EGM .....	6
IV. Recommendation .....	6
V. Responsibility Statement .....	7
<b>NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018</b> ...	8

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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:*

“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
“Articles of Association”	the articles of association of the Company
“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
“EGM”	the Second Extraordinary General Meeting of 2018 of the Company to be held 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 at 9:00 a.m. on Tuesday, 28 August 2018
“EGM Notice”	notice of the Second Extraordinary General Meeting of 2018
“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
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	12 July 2018, 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

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## DEFINITIONS

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“Rules of Procedures of the Board of Directors Meetings”	the rules of procedures of the Board of Directors meetings of the Company
“SEHK”	The Stock Exchange of Hong Kong Limited
“Shares”	A Share(s) and H Share(s)
“Shareholders”	A Shareholders and H Shareholders
“Shenzhen Listing Rules”	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
“SZSE”	The Shenzhen Stock Exchange

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**EXPECTED TIMETABLE**

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**2018**

Latest time for lodging transfers of the H Shares to  
qualify for attendance and voting at the EGM . . . . . 4:30 p.m., Friday, 27 July

H Share register closed . . . . . Saturday, 28 July to Monday, 27 August  
(both days inclusive)

Latest date for lodging reply slips for the EGM . . . . . Tuesday, 7 August

Latest time for lodging proxy forms for the EGM . . . . . 9:00 a.m., Monday, 27 August

EGM . . . . . 9:00 a.m., Tuesday, 28 August

H Share register re-opens . . . . . Tuesday, 28 August



**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:*

Li Zixue  
Gu Junying

*Non-executive Directors:*

Li Buqing  
Zhu Weimin  
Fang Rong

*Independent Non-executive Directors:*

Cai Manli  
Yuming Bao  
Gordon Ng

*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:*  
31/F, Tower Two  
Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

13 July 2018

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION AND  
THE RULES OF PROCEDURE OF  
THE BOARD OF DIRECTORS MEETINGS  
AND**

**(2) NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018**

**I. INTRODUCTION**

The purpose of this circular is to give the EGM Notice to you and provide relevant information for your informed decision when voting for the special resolution to be proposed at the EGM in respect of proposed amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings.

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## LETTER FROM THE BOARD

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### II. PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS MEETINGS

The Company proposed to amend the Articles of Association and the Rules of Procedure of the Board of Directors Meetings in accordance with the relevant laws and regulations.

The proposed amendments to the Articles of Association are set out as follows:

#### Existing Article

##### Article 151 .....

Independent non-executive directors shall account for at least one-third of the Board of Directors, of whom there shall be at least one accounting professional. An independent non-executive director shall faithfully fulfill his duties and protect the Company's interests, in particular, ensuring that the legal interests of public shareholders are not impaired.

**Article 159** The Company shall establish a Board of Directors. The Board of Directors shall consist of fourteen directors, including one Chairman, two Vice Chairmen. Independent non-executive directors shall account for at least one-third of the Board of Directors. Executive directors shall account for at least one-fifth of the total number of directors on the board.

#### To be amended as

##### Article 151 .....

Independent non-executive directors shall account for at least one-third of the Board of Directors **and shall be no less than three**, of whom there shall be at least one accounting professional. An independent non-executive director shall faithfully fulfill his duties and protect the Company's interests, in particular, ensuring that the legal interests of public shareholders are not impaired.

**Article 159** The Company shall establish a Board of Directors. The Board of Directors shall consist of **seven to** fourteen directors, including one Chairman, two Vice Chairmen. Independent non-executive directors shall account for at least one-third of the Board of Directors **and shall be no less than three. A balanced composition of executive directors and non-executive directors (including independent non-executive directors) shall be maintained.**

The proposed amendments to the Rules of Procedure of the Board of Directors Meetings are set out as follows:

#### Existing Article

Article 4 A Director of the Company shall be a natural person and shall not be required to hold shares in the Company. Members of the Board of Directors may comprise shareholders' representatives, staff representatives and social experts. Executive directors shall account for at least one-fifth of the total number of directors on the board.

#### To be amended as

Article 4 A Director of the Company shall be a natural person and shall not be required to hold shares in the Company. Members of the Board of Directors may comprise shareholders' representatives, staff representatives and social experts. **A balanced composition of executive directors and non-executive directors (including independent non-executive directors) shall be maintained.**

For details, please refer to Special Resolution No. 1 of the EGM Notice.

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## LETTER FROM THE BOARD

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### III. EGM

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

The EGM will be convened by the Company on Tuesday, 28 August 2018 at 9: 00 a.m. 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 resolution in relation to the proposed amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings. The EGM Notice is set out on pages 8 to 11 of this circular.

A proxy form and a reply slip for use at the EGM 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 EGM, 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 EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish. Any H Shareholders intending to attend the EGM shall deliver the reply slip to the Company by hand, post or facsimile on or before Tuesday, 7 August 2018.

#### **Close of share register**

The Company will close its H share register from Saturday, 28 July 2018 to Monday, 27 August 2018 (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, 27 July 2018.

#### **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 thought 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.

### IV. RECOMMENDATION

The Board is of the view that the resolution set out in the EGM Notice in respect of the proposed amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings is 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 resolution at the EGM.



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## LETTER FROM THE BOARD

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### V. 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  
**Li Zixue**  
**ZTE Corporation**  
*Chairman*

Shenzhen, the PRC

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## NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018

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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 SECOND EXTRAORDINARY GENERAL MEETING OF 2018

*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 Second Extraordinary General Meeting of 2018 (the “EGM”) of ZTE Corporation (the “Company”) will be convened at 9 a.m., on Tuesday, 28 August 2018 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 resolution (terms defined in this notice shall have the same meanings as those in the circular of the Company dated 13 July 2018, unless otherwise required by the context):

### SPECIAL RESOLUTION

- 1. Resolution on the amendment of relevant clauses in the Articles of Association and the Rules of Procedure of the Board of Directors Meetings**
  - (1) That the amendment of relevant clauses of the Articles of Association in accordance with the law be approved, the details of which are set out as follows:

**NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018**

**Existing Article**

**Article 151 .....**

Independent non-executive directors shall account for at least one-third of the Board of Directors, of whom there shall be at least one accounting professional. An independent non-executive director shall faithfully fulfill his duties and protect the Company's interests, in particular, ensuring that the legal interests of public shareholders are not impaired.

**Article 159** The Company shall establish a Board of Directors. The Board of Directors shall consist of fourteen directors, including one Chairman, two Vice Chairmen. Independent non-executive directors shall account for at least one-third of the Board of Directors. Executive directors shall account for at least one-fifth of the total number of directors on the board.

**To be amended as**

**Article 151 .....**

Independent non-executive directors shall account for at least one-third of the Board of Directors **and shall be no less than three**, of whom there shall be at least one accounting professional. An independent non-executive director shall faithfully fulfill his duties and protect the Company's interests, in particular, ensuring that the legal interests of public shareholders are not impaired.

**Article 159** The Company shall establish a Board of Directors. The Board of Directors shall consist of **seven to** fourteen directors, including one Chairman, two Vice Chairmen. Independent non-executive directors shall account for at least one-third of the Board of Directors **and shall be no less than three. A balanced composition of executive directors and non-executive directors (including independent non-executive directors) shall be maintained.**

- (2) That the amendment of relevant clauses of the Rules of Procedure of the Board of Directors Meetings in accordance with the law be approved, the details of which are set out as follows:

**Existing Article**

Article 4 A Director of the Company shall be a natural person and shall not be required to hold shares in the Company. Members of the Board of Directors may comprise shareholders' representatives, staff representatives and social experts. Executive directors shall account for at least one-fifth of the total number of directors on the board.

**To be amended as**

Article 4 A Director of the Company shall be a natural person and shall not be required to hold shares in the Company. Members of the Board of Directors may comprise shareholders' representatives, staff representatives and social experts. **A balanced composition of executive directors and non-executive directors (including independent non-executive directors) shall be maintained.**

- (3) That any Director or the Secretary to the Board of the Company be authorized to process on behalf of the Company the filing, modification and registration (if necessary) procedures and other matters relating to the amendment of the Articles of Association and the Rules of Procedure of the Board of Directors Meetings.

The special resolution shall require the approval of two-thirds of the voting rights held by shareholders attending the EGM in order to be passed. The resolution was considered and approved at the Thirty-third Meeting of the Seventh Session of the Board of Directors held on 12 July 2018 by the Company.

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## NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018

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### Notes:

1. **The Company will close its H share register from Saturday, 28 July 2018 to Monday, 27 August 2018 (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, 27 July 2018.
2. 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 Tuesday, 7 August 2018. 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).
3. 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 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 so wishes.
4. 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. A proxy need not be a shareholder of the Company.
5. 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 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  
13 July 2018

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## NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2018

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