

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 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)

Supplementary Circular

**(1) Proposed Amendment of the Articles of Association
and**

(2) Supplementary Notice of the First Extraordinary General Meeting of 2016

This supplementary circular shall be read in conjunction with the circular dated 11 January 2016 of the Company.

A letter from the Board is set out in pages 3 to 7 of this supplementary circular.

A supplementary notice of the EGM to be held as originally scheduled 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, 3 March 2016 is set out in pages 8 to 12 of this supplementary circular.

A revised proxy form for use at the EGM is enclosed with this supplementary 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 revised 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 revised proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish.

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DEFINITIONS

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

“A Share(s)” or “Domestic 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 SZSE
“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” or “ZTE”	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 First Extraordinary General Meeting of 2016 of the Company to be held as originally scheduled 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, 3 March 2016
“EGM Notice”	Notice of the First Extraordinary General Meeting of 2016 dated 11 January 2016 of the Company
“EGM Supplementary Notice”	Supplementary Notice of the First Extraordinary General Meeting of 2016
“Group”	The Company and the subsidiaries included in its consolidated financial statements
“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”	Holder(s) of H Shares
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the statutory currency of the PRC
“SEHK”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“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
“Zhongxingxin”	Shenzhen Zhongxingxin Telecommunications Equipment Company Limited

ZTE

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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:

Shi Lirong
Yin Yimin
Zhao Xianming

Non-executive Directors:

Hou Weigui
Zhang Jianheng
Luan Jubao
Wang Yawen
Tian Dongfang
Zhan Yichao

Independent Non-executive Directors:

Tan Zhenhui
Richard Xike Zhang
Chen Shaohua
Lü Hongbing
Bingsheng Teng

Registered Address:

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

Principle place of business in Hong Kong:

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

4 February 2016

To the Shareholders

Dear Sir or Madam,

**(1) Proposed Amendment of the Articles of Association
and
(2) Supplementary Notice of the First Extraordinary General Meeting of 2016**

LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to the circular and the EGM Notice dated 11 January 2016 of the Company which contain the details of the resolutions to be tabled before the EGM for Shareholder's approval.

Pursuant to Rule 102 of the Company Law, "shareholders individually or collectively holding more than 3% of the shares of the company may propose ex tempore motions no later than ten days prior to the convening of a general meeting by submitting the same in writing to the board of directors; the board of directors should notify other shareholders within two days after the receipt of the motions and table the same at the general meeting for consideration. Ex tempore motions should carry specific subjects and matters to be resolved that fall within the scope of authority of the general meeting." and pursuant to Article 78 of the Articles of Association, "shareholder(s) alone or in aggregate holding 3% or more of the total number of the company's shares may propose ex tempore motions ten days prior to the general meeting by furnishing the same to the convener in writing. The convener shall issue a supplementary notice of general meeting within two days after receiving the proposed motions to make public the contents of the ex tempore motions." On 2 February 2016, the Board of Directors received one ex tempore motion from Zhongxingxin, the Company's shareholder (which held 1,269,830,333 A shares in the Company, representing 30.58% of the total number of shares of the Company, as at 2 February 2016) which requested the Board of Directors to table such motion for consideration at the EGM. The purpose of this supplementary circular is to give the EGM Supplementary Notice to you and provide relevant information of proposed amendment of the Articles of Association for your informed decision when voting for the special resolution to be proposed at the EGM.

II. PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION

According to the adjustment of the division of the Company's management team members, the Company shall adjust the scope of the senior management. The amendment to the Articles of Association should be made accordingly, details of which are set out below. The Articles of Association are written in Chinese and there is no official English version. Any English translation is for reference only. The Chinese version shall prevail in case of any discrepancy.

The original article

Article 10. ... For the purposes of the Articles of Association, the term "other senior officers" means the executive vice presidents, senior vice presidents, secretary to the Board of Directors and chief financial officer and personnel designated or confirmed by the Board of Directors of the Company from time to time as necessary.

...

The amended article

Article 10. ... For the purposes of the Articles of Association, the term "other senior officers" means the executive vice presidents, secretary to the Board of Directors and chief financial officer and personnel designated or confirmed by the Board of Directors of the Company from time to time as necessary.

...

LETTER FROM THE BOARD

The original article

Article 160. The Board of Directors shall be accountable to the general meeting of shareholders and shall exercise the following functions and powers:

...

9) to appoint or remove the Company's president and the secretary to the Board of Directors; to appoint or remove senior officers, including the executive vice presidents, senior vice presidents and chief financial officer of the Company, based on the recommendations of the president, and to decide on their remuneration as well as matters relating to rewards and penalty;

...

Article 179. The Company shall have one president who shall be appointed or dismissed by the Board of Directors.

The Company shall have a number of executive vice presidents, senior vice presidents and one chief financial officer to assist the president in his work. The executive vice presidents, senior vice presidents and the chief financial officer shall be nominated by the president, and shall be appointed or dismissed by the Board of Directors.

The amended article

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The Company shall have a number of executive vice presidents and one chief financial officer to assist the president in his work. The executive vice presidents and the chief financial officer shall be nominated by the president, and shall be appointed or dismissed by the Board of Directors.

LETTER FROM THE BOARD

The original article

Article 181. The president shall be accountable to the Board of Directors and exercise the following powers:

...

6) to propose to the Board of Directors the appointment or dismissal of the Company's executive vice presidents, senior vice presidents and the chief financial officer;

...

Article 186. The detailed working rules for the president shall include the following:

...

2) the respective duties and division of responsibility between the president, executive vice presidents, senior vice presidents and other senior officers;

...

The amended article

Article 181. The president shall be accountable to the Board of Directors and exercise the following powers:

...

6) to propose to the Board of Directors the appointment or dismissal of the Company's executive vice presidents and the chief financial officer;

...

Article 186. The detailed working rules for the president shall include the following:

...

2) the respective duties and division of responsibility between the president, executive vice presidents and other senior officers;

...

III. EGM

EGM Supplementary Notice and Revised Proxy Form

The EGM will be convened as originally scheduled by the Company on Thursday, 3 March 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. The EGM Supplementary Notice is set out in pages 8 to 12 of this supplementary circular.

A revised proxy form for use at the EGM is enclosed with this supplementary 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 revised 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 revised proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish.

LETTER FROM THE BOARD

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.

Please refer to the circular and EGM Notice dated 11 January 2016 of the Company for details in respect of other resolutions to be considered and passed at the EGM, eligibility for attending the EGM, registration procedures, close of share register and other relevant matters.

IV. RECOMMENDATION

The Board is of the view that the resolution set out in the EGM Supplementary Notice in respect of the proposed amendment of the Articles of Association 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 resolutions at the EGM.

V. RESPONSIBILITY STATEMENT

This supplementary 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 supplementary 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 supplementary circular misleading.

By Order of the Board
Hou Weigui
ZTE Corporation
Chairman

Shenzhen, the PRC

**SUPPLEMENTARY NOTICE OF
THE FIRST EXTRAORDINARY GENERAL MEETING OF 2016**

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**SUPPLEMENTARY NOTICE OF
THE FIRST EXTRAORDINARY GENERAL MEETING OF 2016**

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.

Reference is made to the Notice of the First Extraordinary General Meeting of 2016 dated 11 January 2016 (the “EGM Notice”) of ZTE Corporation (“ZTE” or the “Company”) which set out, among other things, details relating to the time, venue and agenda of the First Extraordinary General Meeting of 2016 to be convened by the Company (the “EGM”) on 3 March 2016. Unless otherwise stated, capitalised terms used in this supplementary notice shall have the same meaning as defined in the EGM Notice.

On 2 February 2016, the Board of Directors of the Company received one ex tempore motion from its shareholder, Shenzhen Zhongxingxin Telecommunications Equipment Company Limited (hereinafter referred to as “Zhongxingxin,” which held 1,269,830,333 A shares in the Company, representing 30.58% of the total number of shares of the Company, as at 2 February 2016) which requested the Board of Directors of the Company to table such motion for consideration at the EGM.

**SUPPLEMENTARY NOTICE OF
THE FIRST EXTRAORDINARY GENERAL MEETING OF 2016**

Supplementary notice is hereby given that the EGM will be held, as originally scheduled, on 3 March 2016 (Thursday) at 9 a.m. at the Conference Room 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 pass, if thought fit, the resolutions set out in the EGM Notice and the following supplementary special resolution:

6. Resolution on the Amendment of Certain Clauses under the Articles of Association

The “Resolution on the Amendment of Certain Clauses Under the Articles of Association” was considered and approved by the Board of Directors of ZTE at the Fortieth Meeting of the Sixth Session of the Board of Directors held on 2 February 2016. For details please refer to the Announcement Resolutions of the Fortieth Meeting of the Sixth Session of the Board of Directors published by the Company on 2 February 2016.

Zhongxingxin submits to the shareholders of ZTE at the EGM that a special resolution approving matters pertaining to the “Resolution on the Amendment of Certain Clauses Under the Articles of Association” be approved, the details of which are as follows:

That the amendment of certain clauses under the Articles of Association in accordance with the law be approved. Amendments are set out as follows:

The original article

Article 10. ... For the purposes of the Articles of Association, the term “other senior officers” means the executive vice presidents, senior vice presidents, secretary to the Board of Directors and chief financial officer and personnel designated or confirmed by the Board of Directors of the Company from time to time as necessary.

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The amended article

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**SUPPLEMENTARY NOTICE OF
THE FIRST EXTRAORDINARY GENERAL MEETING OF 2016**

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**SUPPLEMENTARY NOTICE OF
THE FIRST EXTRAORDINARY GENERAL MEETING OF 2016**

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Pursuant to Rule 102 of the Company Law, "shareholders individually or collectively holding more than 3% of the shares of the company may propose ex tempore motions no later than ten days prior to the convening of a general meeting by submitting the same in writing to the board of directors; the board of directors should notify other shareholders within two days after the receipt of the motions and table the same at the general meeting for consideration. Ex tempore motions should carry specific subjects and matters to be resolved that fall within the scope of authority of the general meeting." and pursuant to Article 78 of the Articles of Association, "shareholder(s) alone or in aggregate holding 3% or more of the total number of the company's shares may propose ex tempore motions ten days prior to the general meeting by furnishing the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two days after receiving the proposed motions to make public the contents of the ex tempore motions." having examined the aforesaid ex tempore motion, the Board of Directors of the Company is of the view that it is in compliance with relevant provisions of the Company Law and the Articles of Association, with Zhongxingxin being qualified to propose ex tempore motions and the aforesaid ex tempore motion carrying specific subjects and matters to be resolved that fall within the scope of authority of the general meeting. Accordingly, the Board of

**SUPPLEMENTARY NOTICE OF
THE FIRST EXTRAORDINARY GENERAL MEETING OF 2016**

Directors of the Company has approved the tabling of the aforesaid ex tempore motion at the EGM in accordance with the provisions of the Company Law, the Rules of Procedure for General Meetings of Listed Companies and other laws, regulations and regulatory documents as well as the Articles of Association.

Save for the ex tempore motion added as aforesaid, other details, such as the time, venue and method of the EGM, as set out in the EGM Notice, shall remain unchanged.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
4 February 2016

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