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If you are in any doubt about any aspect of this circular, or as to the action to be taken, you should consult a licensed securities dealer 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中兴
ZTE CORPORATION
中兴通讯股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 763)

- (1) Proposed General Mandate to Issue Shares for 2013**
(2) Proposals of profit distribution for 2012
(3) Proposed Limits of Composite Credit Facilities
(4) Proposed Limits of Derivative Investment for 2013
and
(5) Notice of the 2012 Annual General Meeting

A letter from the Board is set out in pages 4 to 8 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, 30 May 2013 is set out in pages 9 to 18 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, respectively. 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, 9 May 2013.

15 April 2013

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DEFINITIONS

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

“A 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
“AGM”	The 2012 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, 30 May 2013
“AGM Notice”	Notice of the 2012 Annual General Meeting
“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 PRC Company Law in the PRC, whose shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange
“Company Law”	The Company Law of the People’s Republic of China
“Director(s)”	Members of the Board of Directors of the Company
“Dynamic coverage ratio”	Flexible adjustment of the ratio between the outstanding amount of exchange contracts of a currency and the exposure amount based on changes in exposure and market exchange rates
“Fixed Income Derivatives”	Derivative investments with assured gains upon maturity, conducted through a basket of financial portfolio products provided by financial institutions in line with the foreign currency payment requirements of the Company’s import business, leveraging the deposit/loan interest rate spread and the forward exchange rate spread between different currencies at a given time
“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.10 of the Notice of the 2012 Annual General Meeting

DEFINITIONS

“H 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 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
“Latest Practicable Date”	7 April 2013, 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
“Shares”	A Share(s) and H Share(s)
“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

EXPECTED TIMETABLE

2013

Latest time for lodging transfers of the H Shares to
qualify for attendance and voting at the AGM 4:30 pm, Monday, 29 April

H Share register closed Tuesday, 30 April to Wednesday, 29 May
(both dates inclusive)

Latest date for lodging reply slips for the AGM. Thursday, 9 May

Latest time for lodging proxy forms for the AGM 9:00 a.m., Wednesday, 29 May

AGM 9:00 a.m., Thursday, 30 May

H Share register re-opens Thursday, 30 May

ZTE中兴
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:

Shi Lirong
Yin Yimin
He Shiyou

Non-executive Directors:

Hou Weigui
Zhang Jianheng
Xie Weiliang
Wang Zhanchen
Zhang Junchao
Dong Lianbo

Independent Non-executive Directors:

Qu Xiaohui
Wei Wei
Chen Naiwei
Tan Zhenhui
Timothy Alexander Steinert

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:*

8/F Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

15 April 2013

To the Shareholders

Dear Sir or Madam,

- (1) Proposed General Mandate to Issue Shares for 2013**
(2) Proposals of profit distribution for 2012
(3) Proposed Limits of Composite Credit Facilities
(4) Proposed Limits of Derivative Investment for 2013
and
(5) Notice of the 2012 Annual General Meeting

LETTER FROM THE BOARD

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 resolutions to be proposed at the AGM in respect of, among others, the following matters:

1. Proposed General Mandate to Issue Shares for 2013
2. Proposals of profit distribution for 2012
3. Proposed Limits of Composite Credit Facilities
4. Proposed Limits of Derivative Investment for 2013

II. PROPOSED GENERAL MANDATE TO ISSUE SHARES FOR 2013

At the previous annual general meeting of the Company held on 25 May 2012, 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 25 May 2012. The said General Mandate will expire on 24 May 2013.

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 2,810,492,575 A Shares and 629,585,445 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 562,098,515 A Shares and 125,917,089 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.

LETTER FROM THE BOARD

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

III. PROPOSALS OF PROFIT DISTRIBUTION FOR 2012

In view of the actual operating conditions of the Company, no profit distribution or capitalisation of capital reserve for 2012 has been proposed by the Board. In accordance with Article 67 of the Articles of Association, the aforesaid matter shall require consideration and approval at the general meeting.

IV. PROPOSED LIMITS OF COMPOSITE CREDIT FACILITIES

The Company proposes to apply to Bank of China Limited, Shenzhen Branch, China Construction Bank Corporation, Shenzhen Branch and China Development Bank Corporation, Shenzhen Branch for composite credit facilities of RMB23.0 billion, RMB11.5 billion and USD6.0 billion, respectively, and further proposes to authorize the Board to finalize the specific details of the composite credit facilities based on negotiations with the 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 Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (Revised 2012), a transaction by a listed company with an amount exceeding 50% of the latest audited net assets 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 is sought from the AGM.

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

V. PROPOSED LIMITS OF DERIVATIVE INVESTMENT FOR 2013

Reference is made to the "Announcement on the Application for Derivative Investment Limits for 2013" published by the Company on 27 March 2013.

At the previous annual general meeting held on 25 May 2012, 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 our 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 and of fixed income derivative investments for an net amount not exceeding the equivalent of USD500 million (such limits may be applied on a revolving basis during the effective period of the authorisation) in 2013. 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 2013 is sought from the AGM.

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

LETTER FROM THE BOARD

VI. AGM

AGM Notice, Proxy Form and Reply Slip

The AGM will be convened by the Company on Thursday, 30 May 2013 at 9: 00 am 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) Proposed General Mandate to Issue Shares for 2013, (ii) Proposals of profit distribution for 2012, (iii) Proposed Limits of Composite Credit Facilities, (iv) Proposed Limits of Derivative Investment for 2013. The AGM Notice is set out in pages 9 to 18 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, respectively. 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, 9 May 2013.

Close of share register

The Company will close its H share register from Tuesday, 30 April 2013 to Wednesday, 29 May 2013 (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 Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m., Monday, 29 April 2013.

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.

LETTER FROM THE BOARD

VII. RECOMMENDATION

The Board is of the view that the resolutions set out in the AGM Notice in respect of the: (i) Proposed General Mandate to Issue Shares for 2013, (ii) Proposals of profit distribution for 2012, (iii) Proposed Limits of Composite Credit Facilities, (iv) Proposed Limits of Derivative Investment for 2013 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.

By Order of the Board
Hou Weigui
ZTE Corporation
Chairman

Shenzhen, the PRC

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

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ZTE中兴

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 2012 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 2012 Annual General Meeting (hereinafter referred to as the “AGM”) of ZTE Corporation (hereinafter referred to as the “Company”) will be held on site in accordance with the resolution passed at the Fortieth Meeting of the Fifth Session of the Board of Directors of the Company held on Wednesday, 27 March 2013. Details of the AGM are set out below:

I. INFORMATION REGARDING THE AGM

(I) Date and time

The AGM will commence at 9:00 a.m. on Thursday 30 May 2013.

(II) Venue

The AGM will be held at the Conference Room on the 4th floor of the Company's headquarters in Shenzhen.

Address: 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China.

Tel: +86 (755) 26770282

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

(III) Convener

The AGM will be convened by the Board of Directors of the Company.

(IV) Legal and regulatory compliance of the convening of the AGM

The Fifth Session of the Board of Directors of the Company gives assurance that the AGM is convened in compliance with the provisions of pertinent laws, administrative regulations, departmental rules, regulatory documents, and the Articles of Association of ZTE Corporation (hereinafter referred to as “Articles of Association”).

(V) Voting method

Voting by poll will be carried out on site at the AGM.

(VI) Attendees

1. All ZTE (000063) shareholders registered with China Securities Depository & Clearing Corporation Limited, Shenzhen Office upon the close of trading of its A shares on the Shenzhen Stock Exchange on Friday, 26 April 2013 at 3:00 p.m. (hereinafter referred to as “Domestic Shareholders”); (The registration of registered domestic shareholders on 29 April 2013, a public holiday of China Mainland, would be the same as that on April 26 2013.)
2. All shareholders registered on the Company’s H share register maintained by Computershare Hong Kong Investor Services Limited on Monday, 29 April 2013 at 4:30 p.m. (hereinafter referred to as “H Shareholders”);
3. Directors, Supervisors and senior management of the Company; and
4. Representatives of intermediaries engaged by the Company and guests invited by the Board of Directors.

(VII) Period of closure of H share register

The Company will close its H share register from Tuesday, 30 April 2013 to Wednesday, 29 May 2013 (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 Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Monday, 29 April 2013.

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

II. MATTERS TO BE CONSIDER AT THE AGM

The following resolutions will be considered at the AGM:

Ordinary Resolutions

1. **2012 financial statements of the Company audited by PRC and Hong Kong auditors;**
2. **2012 report of the Board of Directors of the Company;**
3. **2012 report of the Supervisory Committee of the Company;**
4. **2012 report of the President of the Company;**
5. **Final financial accounts of the Company for 2012;**
6. **Proposals of profit distribution of the Company for 2012;**

“That:

Proposals of profit distribution for 2012 tabled by the Board of Directors of the Company be approved.

Proposals of profit distribution for 2012: In view of the actual operating conditions of the Company, no profit distribution or capitalisation of capital reserve for 2012 has been proposed.”

7. **Resolutions on the proposed application by the Company for composite credit facilities;**

7.1 Resolution of the Company proposing the application to Bank of China Limited, Shenzhen Branch for a composite credit facility amounting to RMB23.0 billion

That the application by the Company to Bank of China Limited, Shenzhen Branch for a RMB23.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company 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 RMB23.0 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.

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

The resolution shall be valid from the date of approval at the 2012 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 30 June 2014. Any single application for financing 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. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorized to sign the relevant legal contracts and documents.

7.2 Resolution of the Company proposing the application to China Construction Bank Corporation, Shenzhen Branch for a composite credit facility amounting to RMB11.5 billion

That the application by the Company to China Construction Bank Corporation, Shenzhen Branch for a RMB11.5 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company 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 RMB11.5 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 2012 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 30 June 2014. Any single application for financing 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. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorized to sign the relevant legal contracts and documents.

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

7.3 Resolution of the Company proposing the application to China Development Bank Corporation, Shenzhen Branch for a composite credit facility amounting to USD6.0 billion

That the application by the Company to China Development Bank Corporation, Shenzhen Branch for a USD6.0 billion composite credit facility be approved. The amount of composite credit facility set out above represents the amount proposed by the Company 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 USD6.0 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 2012 Annual General Meeting until the earlier of: (1) the approval of the next new credit facility, and (2) 30 June 2014. Any single application for financing 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. Mr. Hou Weigui, the legal representative of the Company, or the signatory authorized by Mr. Hou Weigui is hereby authorised 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 2013;

8.1 Re-appointment of Ernst & Young Hua Ming LLP as the PRC auditor of the Company's financial report for 2013 and a proposal be made to the AGM to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming LLP for 2013 based on the specific audit work to be conducted;

8.2 Re-appointment of Ernst & Young as the Hong Kong auditor of the Company's financial report for 2013 and a proposal be made to the AGM to authorize the Board of Directors to fix the financial report audit fees of Ernst & Young for 2013 based on the specific audit work to be conducted;

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

8.3 Re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2013 and a proposal be made to the AGM to authorize the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2013 based on the specific audit work to be conducted.

9. Resolution on the application for investment limits in derivative products of the Company for 2013;

9.1 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 authorisation 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.

9.2 Authorisation for Company to invest in fixed income derivative products for an net amount not exceeding the equivalent of USD500 million (such limit may be applied on a revolving basis during the effective period of the authorisation). The authorisation 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 unanimously approved at the Fortieth Meeting of the Fifth Session of the Board of Directors held on 27 March 2013 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 2013” published by the Company on 27 March 2013.

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

Special Resolution

10. Resolution of the Company on the application for General Mandate for 2013:

“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 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 (as defined below), 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 by the Company 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 of the People’s Republic of China (as amended from time to time) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and with the necessary approvals of the China Securities Regulatory Commission and/or other relevant PRC government authorities;

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

(2) For the purpose of this resolution:

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

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

III. REGISTRATION AT THE AGM

(I) Registration of attendance

Shareholders intending to attend the AGM should complete and sign the reply slip and return the same to the Company by hand, post or facsimile on or before Thursday, 9 May 2013.

For domestic shareholders:

To the registered office:

ZTE Plaza, Keji Road South, Hi-Tech Industrial Park,
Nanshan District, Shenzhen, Guangdong Province,
the People's Republic of China
(Facsimile No.: +86 (755) 26770286)

For H shareholders:

To principal place of business of the Company in Hong Kong:

8th Floor Gloucester Tower, The Landmark,
15 Queen's Road Central, Central, Hong Kong
(Facsimile No.: +852-35898555)

(II) Requirements when registering and voting by way of proxy

1. Any shareholder entitled to attend and vote at the AGM may entrust one or more person(s) (whether or not a shareholder) as his proxy (ies) to attend and vote at the AGM on his behalf. The shareholder may attend and vote at the meeting in person notwithstanding that he has completed and submitted the proxy form, in which case, the proxy form is deemed withdrawn. For a shareholder who entrusts two or more proxies, the voting rights to be exercised by such proxies in aggregate shall not exceed the total number of the votes that the shareholder is entitled to exercise at the AGM, and any one share may only be voted upon once by one proxy.
2. A shareholder shall appoint a proxy in writing by using the proxy form, which shall be signed by the authorising shareholder or his duly authorised attorney. The proxy form shall be notarized if it is to be signed by any person other than by the authorising shareholder himself. To be valid, this proxy form together with any notarized copy of the power of attorney or other authorisation documents for signing the proxy form (if any) must be deposited, not less than 24 hours before the time appointed for holding the AGM at the Company's registered office at ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the

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People's Republic of China 518057 for Domestic Shareholders, or at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders.

3. If a shareholder entrusts his proxy(ies) to attend and vote at the AGM on behalf of him, such proxy(ies) shall produce for registration his own identity card, the duly signed proxy form, the stock account card of shareholder and evidence of shareholding.

IV. MISCELLANEOUS

(I) The AGM is expected to last less than one day; all accommodation, travel and expenses relating to attendance of the AGM shall be borne by the attendees.

(II) AGM contact person: Jiang Chun

(III) Contact telephone number: +86 (755) 26770282

(IV) Contact fax number: +86 (755) 26770286

V. DOCUMENTS AVAILABLE FOR INSPECTION

Resolutions of the Fortieth Meeting of the Fifth Session of the Board of Directors of ZTE Corporation.

Resolutions of the Twenty-seventh Meeting of the Fifth Session of the Supervisory Committee of ZTE Corporation.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
15 April 2013

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.