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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 General Mandate to Issue Shares for 2019**  
**(2) Proposals of Profit Distribution for 2018**  
**(3) Proposed Limits of Composite Credit Facilities**  
**(4) Proposed Limits of Derivative Investment for 2019**  
**(5) Proposed Provision of a Guarantee Amount for Contract Performance  
for Overseas Wholly-Owned Subsidiaries**  
**(6) Proposed Expansion of the Business Scope and Corresponding  
Amendment of the Articles of Association**  
**And**  
**(7) Notice of the 2018 Annual General Meeting**

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A letter from the Board is set out in pages 4 to 11 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 2019 is set out in pages 12 to 21 of this circular.

A proxy form and a reply slip for use at the AGM is enclosed with this circular and uploaded on 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, 9 May 2019.

11 April 2019

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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 2018 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 2019
“AGM Notice”	notice of the 2018 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
“Board or Board of Directors”	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
“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
“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

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## DEFINITIONS

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“Latest Practicable Date”	1 April 2019, being the latest practicable date prior to the printing of this circular for determining certain information set out in this circular
“Overseas Wholly-owned Subsidiaries”	wholly-owned subsidiaries of the Company incorporated and operating businesses in territories other than Mainland China, ZTE Ukraine Ltd. (中興通訊(烏克蘭)有限責任公司), ZTE SINGAPORE PTE.LTD. (中興通訊(新加坡)有限公司), ZTE PHILIPPINES INC. (中興通訊(菲律賓)有限公司), ZTE (Malaysia) Corporation SDN. BHD (中興通訊馬來西亞有限責任公司), ZTE Deutschland GmbH (中興通訊(德國)有限公司), ZTE Hungary Kft. (中興通訊(匈牙利)有限公司), ZTE Corporation DE Mexico,S DE R.L. DE C.V. (中興通訊(墨西哥)可變資本有限責任公司)
“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
“USD”	United States dollars, the lawful currency of the United States of America
“Value Protection Derivatives”	Value-protection derivative investments seek to preserve value by utilising foreign exchange and interest rate products provided by financial institutions, so that the Company may mitigate the impact of exchange rate and interest rate volatility in day-to-day operations on its assets, liabilities and profitability. Value-protection derivative investments primarily involve foreign exchange forwards, structured forwards, interest rate swaps, foreign exchange swaps and foreign exchange options
“Zhongxingxin”	Zhongxingxin Telecom Company Limited

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**EXPECTED TIMETABLE**

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**2019**

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

*Principle place of*

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

*To the Shareholders*

Dear Sir or Madam,

- (1) Proposed General Mandate to Issue Shares for 2019**
  - (2) Proposals of Profit Distribution for 2018**
  - (3) Proposed Limits of Composite Credit Facilities**
  - (4) Proposed Limits of Derivative Investment for 2019**
  - (5) Proposed Provision of a Guarantee Amount for Contract Performance for Overseas Wholly-Owned Subsidiaries**
  - (6) Proposed Expansion of the Business Scope and Corresponding Amendment of the Articles of Association**
- And**
- (7) Notice of the 2018 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 resolutions to be proposed at the AGM in respect of, among others, the following matters:

1. Proposed General Mandate to Issue Shares for 2019
2. Proposals of Profit Distribution for 2018
3. Proposed Limits of Composite Credit Facilities
4. Proposed Limits of Derivative Investment for 2019
5. Proposed Provision of a Guarantee Amount for Contract Performance for Overseas Wholly-Owned Subsidiaries
6. Proposed Expansion of the Business Scope and Corresponding Amendment of the Articles of Association

### II. PROPOSED GENERAL MANDATE TO ISSUE SHARES FOR 2019

At the previous annual general meeting of the Company held on 29 June 2018, 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 29 June 2018. The aforesaid general mandate will expire at the end of AGM.

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, 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.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company's issued share capital comprised 3,437,169,309 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 687,433,861 A Shares 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; or (ii) 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.

### **III. PROPOSALS OF PROFIT DISTRIBUTION FOR 2018**

No profit distribution will be implemented in 2018. In accordance with Article 67 of the Articles of Association, approval of the proposals of profit distribution for 2018 will be sought at the AGM.

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

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

The Company proposes to apply to Bank of China Limited, China Construction Bank, Shenzhen Branch and China Development Bank, Shenzhen Branch for composite credit facilities of RMB30.0 billion, RMB12.5 billion and USD4.0 billion, respectively, and further proposes to authorize the Board of Directors to adjust the details and actual duration of the credit facilities pursuant to the Company's requirements or negotiations with the financial institutions, subject to the aforesaid caps of composite credit facilities and within the period considered and approved by the general meeting. The Board of Directors and legal representative of the Company or his authorized signatory are authorized to negotiate with the financial institutions and sign all legal contracts and documents relating to the aforesaid composite credit facilities or transactions under such composite credit facilities. 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 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. 8 of the AGM Notice.



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## LETTER FROM THE BOARD

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### **V. PROPOSED LIMITS OF DERIVATIVE INVESTMENT FOR 2019**

Reference is made to the “Overseas Regulatory Announcement Announcement on the Application for Derivative Investment Limits for 2019” published by the Company on 27 March 2019.

At the previous annual general meeting of the Company held on 29 June 2018, 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. In order to effectively manage the foreign exchange risks in the international businesses of the Company and its majority-owned subsidiaries and the interest rate risks to which their foreign currency loans are subject, the Company is required to conduct value-protection derivative investments. The Company intends to apply for authorisation to invest in value-protection derivatives for an amount of USD3.8 billion (namely, the investment balance at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD3.8 billion) for 2019. Such limit may be applied on a revolving basis during the effective period of the authorisation. 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 2019 will be sought at the AGM.

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

### **VI. PROPOSED PROVISION OF A GUARANTEE AMOUNT FOR CONTRACT PERFORMANCE FOR OVERSEAS WHOLLY-OWNED SUBSIDIARIES**

Reference is made to the “Overseas Regulatory Announcement Announcement on the Provision of a Guarantee Amount for Contract Performance for Overseas Wholly-owned Subsidiaries” published by the Company on 27 March 2019.

At the previous annual general meeting of the Company held on 29 June 2018, the Board of Directors were authorised to handle the provision of contract performance guarantee by the Company for 9 overseas wholly-owned subsidiaries within the limit of USD200 million. Such authorisation will expire upon the close of the AGM.

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## LETTER FROM THE BOARD

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To persistently facilitate the Company's overseas business development, the Company has proposed to provide a guarantee amount for contract performance (including but not limited to the execution of guarantee agreements by the parent company and the provision of bank guarantees) of not exceeding USD200 million in aggregate for 7 Overseas Wholly-owned Subsidiaries. The aforesaid guarantee amount will be applied on a revolving basis during an effective period commencing on the date on which the provision of a guarantee amount for contract performance for Overseas Wholly-owned Subsidiaries by the Company is considered and approved at the AGM and ending on the date of the Company's 2019 annual general meeting. Any unused amount outstanding upon the expiry of the effective period will be cancelled by the Company. During the effective period, if the total amount of guarantee provided to third parties by the Company has exceeded 50% of its latest audited net asset value, no guarantee for contract performance provided to such Overseas Wholly-owned Subsidiaries within the aforesaid guarantee limit shall thereafter be submitted to the general meeting of the Company for consideration. After the AGM has considered and approved provision of a guarantee amount for contract performance for Overseas Wholly-owned Subsidiaries, the Board of Directors of the Company shall be responsible for the approval of specific guarantees within the limit, and shall fulfill obligations in information disclosure. In accordance with Chapter 9 of the Shenzhen Listing Rules, the aforesaid matter shall be subject to approval of the Company's shareholders. Hence approval at the AGM of the provision of a guarantee amount for contract performance for Overseas Wholly-owned Subsidiaries is sought.

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

### **VII. PROPOSED EXPANSION OF THE BUSINESS SCOPE AND CORRESPONDING AMENDMENT OF THE ARTICLES OF ASSOCIATION**

The addition of "research and development, production, sales, technical servicing, work installation and maintenance of communication power source and power distribution systems; research and development, production, sales, technical servicing, work installation and maintenance of data centre infrastructure and ancillary products (including power supply and distribution, air-conditioning refrigeration equipment, cooling passage and smart management systems)" to the business scope and corresponding amendment of the Articles of Association is required as to the business development of the Company, 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.

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## LETTER FROM THE BOARD

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### The original article which reads:

**Article 14.** The Company's scope of business shall be consistent with the scope of business approved by the authority responsible for the Company's registration.

The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, new energy power generation and application systems; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.

### Is amended to read:

**Article 14.** The Company's scope of business shall be consistent with the scope of business approved by the authority responsible for the Company's registration.

The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, new energy power generation and application systems; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); **research and development, production, sales, technical servicing, work installation and maintenance of communication power source and power distribution systems; research and development, production, sales, technical servicing, work installation and maintenance of data centre infrastructure and ancillary products (including power supply and distribution, air-conditioning refrigeration equipment, cooling passage and smart management systems);** purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.

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## LETTER FROM THE BOARD

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As the variation of the business scope shall require the completion of relevant procedures with the industrial and commercial administration authorities, the finalised version of the amended business scope shall be the business scope as registered with the industrial and commercial administration authorities. It is hereby approved that an authorisation for the Board of Director to deal with matters pertaining to the said variation of the business scope and the amendment of the Articles of Association be sought from the AGM.

It is hereby approved that any Directors or the Secretary to the Board of Directors of the Company be authorised to handle the formalities of filing, amendment and registration (where necessary) and other matters pertaining to the amendment of the Articles of Association in accordance with the law on behalf of the Company.

For details, please refer to Special Resolution No. 12 of the AGM Notice.

### VIII. AGM

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

The AGM will be convened by the Company at 9:00 a.m. on Thursday, 30 May 2019 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 2019, (ii) Proposals of Profit Distribution for 2018, (iii) Proposed Limits of Composite Credit Facilities, (iv) Proposed Limits of Derivative Investment for 2019, (v) Proposed Provision of a Guarantee Amount for Contract Performance for Overseas Wholly-Owned Subsidiaries, (vi) Proposed Expansion of the Business Scope and Corresponding Amendment of the Articles of Association. The AGM Notice is set out on pages 12 to 21 of this circular.

A proxy form and a reply slip for use at the AGM is enclosed with this circular and uploaded on 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, 9 May 2019.

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## LETTER FROM THE BOARD

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### **Close of share register**

The Company will close its H share register from Tuesday, 30 April 2019 to Wednesday, 29 May 2019 (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., Monday, 29 April 2019.

### **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.

## **IX. 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 2019, (ii) Proposals of Profit Distribution for 2018, (iii) Proposed Limits of Composite Credit Facilities, (iv) Proposed Limits of Derivative Investment for 2019, (v) Proposed Provision of a Guarantee Amount for Contract Performance for Overseas Wholly-Owned Subsidiaries, (vi) Proposed Expansion of the Business Scope and Corresponding Amendment of the Articles of Association, 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.

## **X. 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  
11 April 2019

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## NOTICE OF THE 2018 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 2018 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 2018 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, 30 May 2019 at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China to consider and if thought fit, approve, the following resolutions (terms defined in this notice shall have the same meanings as those in the circular of the Company dated 11 April 2019, unless otherwise required by the context):

### **Ordinary Resolutions**

- 1. 2018 Annual Report (including 2018 financial report audited by the PRC and Hong Kong auditors);**

That the Group's provision for asset impairment and credit impairment for 2018 contained in the Full Text of the 2018 Annual Report amounted to RMB6,415 million. For details, please refer to the note V. 22 in the 2018 financial report prepared under PRC ASBEs.

- 2. 2018 Report of the Board of Directors;**
- 3. 2018 Report of the Supervisory Committee;**
- 4. 2018 Report of the President;**

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## NOTICE OF THE 2018 ANNUAL GENERAL MEETING

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**5. Final Financial Accounts for 2018;**

**6. Proposals of Profit Distribution for 2018;**

Approve the proposals of profit distribution for 2018 submitted by the Board of Directors of the Company. No profit distribution will be implemented in 2018.

**7. Resolutions on the Appointment of the PRC Auditor and the Hong Kong Auditor for 2019 (to be voted upon item by item);**

7.1 Re-appointment of Ernst & Young Hua Ming LLP as the PRC auditor of the Company's financial report for 2019 and authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming LLP for 2019 based on specific audit work to be conducted;

7.2 Re-appointment of Ernst & Young as the Hong Kong auditor of the Company's financial report for 2019 and authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2019 based on the specific audit work to be conducted;

7.3 Re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2019 and authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2019 based on specific audit work to be conducted.

**8. Resolutions of the Company on the Proposed Application for Composite Credit Facilities (to be voted upon item by item);**

**8.1 Resolution of the Company proposing the application to Bank of China Limited for a composite credit facility amounting to RMB30.0 billion**

That the Company's application to Bank of China Limited for RMB30.0 billion composite credit facilities (the principal types of which shall include loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.) be approved. The said composite credit facilities are subject to approval by the bank. The Company is required to undergo necessary approval procedures in accordance with its current internal regulations and the requirements of pertinent laws, regulations and the listing rules when processing specific transactions under such composite credit facilities.

That the Board of Directors be authorised to adjust the details and actual duration of the credit facilities pursuant to the Company's requirements or negotiations with the bank, subject to the aforesaid cap of RMB30.0 billion for the composite credit facilities and within the period considered and approved by the general meeting. The Board of Directors and legal representative of the Company or his authorised signatory are authorised to negotiate with the banks and sign all legal contracts and documents relating to the aforesaid composite credit facilities or transactions under such composite credit facilities.

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## NOTICE OF THE 2018 ANNUAL GENERAL MEETING

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The resolution shall be valid with effect from the date on which it is considered and approved at the 2018 Annual General Meeting until (1) the approval of the next new credit facilities with the financial institution by the Company's internal competent authorities, or (2) 30 June 2020 (whichever is earlier). Unless otherwise stipulated under laws and regulations or the Articles of Association or owing to business requirements, no subsequent resolution of the Board of Directors is required with respect to any single application for financing operations within such cap under such credit facility. The legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to sign, during the effective period of the composite credit facilities granted by the bank and to the extent permitted under laws and regulations and the Articles of Association, all legal contracts and documents relating to the composite credit facilities or transactions under the composite credit facilities.

### **8.2 Resolution of the Company proposing the application to China Construction Bank, Shenzhen Branch for a composite credit facility amounting to RMB12.5 billion**

That the Company's application to China Construction Bank, Shenzhen Branch for RMB12.5 billion composite credit facilities (the principal types of which shall include loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.) be approved. The said composite credit facilities are subject to approval by the bank. The Company is required to undergo necessary approval procedures in accordance with its current internal regulations and the requirements of pertinent laws, regulations and the listing rules when processing specific transactions under such composite credit facilities.

That the Board of Directors be authorised to adjust the details and actual duration of the credit facilities pursuant to the Company's requirements or negotiations with the bank, subject to the aforesaid cap of RMB12.5 billion for the composite credit facilities and within the period considered and approved by the general meeting. The Board of Directors and legal representative of the Company or his authorised signatory are authorised to negotiate with the banks and sign all legal contracts and documents relating to the aforesaid composite credit facilities or transactions under such composite credit facilities.

The resolution shall be valid with effect from the date on which it is considered and approved at the 2018 Annual General Meeting until (1) the approval of the next new credit facilities with the financial institution by the Company's internal competent authorities, or (2) 30 June 2020 (whichever is earlier). Unless otherwise stipulated under laws and regulations or the Articles of Association or owing to business requirements, no subsequent resolution of the Board of Directors is required with respect to any single application for financing operations within such cap under such credit facility. The legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to sign, during the effective period of the composite credit facilities granted by the



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bank and to the extent permitted under laws and regulations and the Articles of Association, all legal contracts and documents relating to the composite credit facilities or transactions under the composite credit facilities.

### **8.3 Resolution of the Company proposing the application to China Development Bank, Shenzhen Branch for a composite credit facility amounting to USD4.0 billion**

That the Company's application to China Development Bank, Shenzhen Branch for USD4.0 billion composite credit facilities (the principal types of which shall include loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.) be approved. The said composite credit facilities are subject to approval by the bank. The Company is required to undergo necessary approval procedures in accordance with its current internal regulations and the requirements of pertinent laws, regulations and the listing rules when processing specific transactions under such composite credit facilities.

That the Board of Directors be authorised to adjust the details and actual duration of the credit facilities pursuant to the Company's requirements or negotiations with the bank, subject to the aforesaid cap of USD4.0 billion for the composite credit facilities and within the period considered and approved by the general meeting. The Board of Directors and legal representative of the Company or his authorised signatory are authorised to negotiate with the banks and sign all legal contracts and documents relating to the aforesaid composite credit facilities or transactions under such composite credit facilities.

The resolution shall be valid with effect from the date on which it is considered and approved at the 2018 Annual General Meeting until (1) the approval of the next new credit facilities with the financial institution by the Company's internal competent authorities, or (2) 30 June 2020 (whichever is earlier). Unless otherwise stipulated under laws and regulations or the Articles of Association or owing to business requirements, no subsequent resolution of the Board of Directors is required with respect to any single application for financing operations within such cap under such credit facility. The legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to sign, during the effective period of the composite credit facilities granted by the bank and to the extent permitted under laws and regulations and the Articles of Association, all legal contracts and documents relating to the composite credit facilities or transactions under the composite credit facilities.

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### **9. Resolution on the Application for Limits of Derivative Investment for 2019;**

That the Company be authorised by the general meeting to invest in value protection derivative products for an amount not exceeding the equivalent of USD3.8 billion (namely, the outstanding investment amount at any point of time during the effective period of the authorisation shall not exceed the equivalent of USD3.8 billion, and 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 details of the limit are as follows:

- (1) The investment limit for foreign exchange derivatives shall be USD3.5 billion, such foreign exchange derivative being used for value protection against operating asset or liability exposures and cross-currency exposures.
- (2) The limit for interest rate swap shall be USD0.3 billion, such interest rate swap being used for value protection against foreign currency loans at floating interest rates.

### **10. Resolution on the Provision of Performance Guarantee for Overseas Wholly-owned Subsidiaries;**

That the provision of performance guarantee for 7 overseas wholly-owned subsidiaries by the Company be approved, the details of which are as follows:

- (1) That the provision of performance guarantee (including but not limited to the execution of guarantee agreements by the parent company and the provision of bank guarantee letters) with a total amount of not more than USD200 million for 7 overseas wholly-owned subsidiaries by the Company on a revolving basis for an effective term commencing on the date on which the said matter is considered and approved at the 2018 Annual General Meeting of the Company and ending on the date on which the 2019 Annual General Meeting of the Company is convened be approved.
- (2) That the authorisation of the Board of Directors to approve specific guarantees within the aforesaid limit be approved.

**Special Resolutions**

**11. Resolution of the Company on the Application for General Mandate for 2019;**

**“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 a Rights Issue (as defined below) 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 the 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.

(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; or

II. 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

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“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 mainland 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.”

### **12. Resolution on the Expansion of the Business Scope and Corresponding Amendment of the Relevant Clause in the Articles of Association;**

- (1) That the addition of “research and development, production, sales, technical servicing, work installation and maintenance of communication power source and power distribution systems; research and development, production, sales, technical servicing, work installation and maintenance of data centre infrastructure and ancillary products (including power supply and distribution, air-conditioning refrigeration equipment, cooling passage and smart management systems)” to the business scope of the Company be approved;

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- (2) That the amendment of the relevant clause in the Articles of Association in accordance with the law be approved, the details of which are set out as follows:

**The original article which reads:**

**Article 14.** The Company's scope of business shall be consistent with the scope of business approved by the authority responsible for the Company's registration.

The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, new energy power generation and application systems; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.

**Is amended to read:**

**Article 14.** The Company's scope of business shall be consistent with the scope of business approved by the authority responsible for the Company's registration.

The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, new energy power generation and application systems; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport, highways, mining plants, port terminals and airports (excluding restricted projects); **research and development, production, sales, technical servicing, work installation and maintenance of communication power source and power distribution systems; research and development, production, sales, technical servicing, work installation and maintenance of data centre infrastructure and ancillary products (including power supply and distribution, air-conditioning refrigeration equipment, cooling passage and smart management systems);** purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.

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- (3) As the variation of the business scope shall require the completion of relevant procedures with the industrial and commercial administration authorities, the finalised version of the amended business scope shall be the business scope as registered with the industrial and commercial administration authorities. It is hereby approved that an authorisation for the Board of Director to deal with matters pertaining to the said variation of the business scope and the amendment of the Articles of Association be sought from the general meeting;
- (4) That any Directors or the Secretary to the Board of Directors of the Company be authorised to handle the formalities of filing, amendment and registration (where necessary) and other matters pertaining to the amendment of the Articles of Association in accordance with the law on behalf of the Company.

Resolutions No. 7 and No. 8 will be voted upon on an item-by-item basis. Resolution No. 11 and No. 12 are special resolutions which shall require the approval of two-thirds of the voting rights held by shareholders attending the Meeting in order to be passed. The aforesaid resolutions have been considered and approved at the Forty-sixth Meeting of the Seventh Session of the Board of Directors of the Company. For the details of the aforesaid resolutions, please refer to the relevant announcements published on by the Company on 27 March 2019.

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

### Notes:

1. **The Company will close its H share register from Tuesday, 30 April 2019 to Wednesday, 29 May 2019 (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., Monday, 29 April 2019.**
2. 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, 9 May 2019. The principal place of business of the Company in Hong Kong is: 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (Facsimile No.: +852-35898555).

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3. In order to be valid, the instruments appointing a proxy (namely the proxy form) and the power of attorney or other authorization documents (if any) of the signatory or notarized copies of such power of attorney or authorization documents must be completed and deposited, no later than 24 hours before the time appointed for holding the 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.
4. 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.
5. 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.
6. 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  
**Li Zixue**  
*Chairman*

Shenzhen, the PRC  
11 April 2019

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