
NOTICE OF 2008 ANNUAL GENERAL MEETING

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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)

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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 are no false and misleading statements or material omissions in this announcement.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ZTE Corporation (hereinafter referred to as the “Company”) for the year 2008 (hereinafter referred to as the “AGM”) will be held in accordance with the resolution passed by the twenty-second meeting of the fourth session of the Board of Directors of the Company held on 19 March 2009. Details of the AGM are set out below:

1. INFORMATION REGARDING THE MEETING

(1) Time of meeting

The AGM will commence at 9:00 a.m. on 19 May 2009.

(2) Venue

The AGM is 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.

Tel: +86 755 26770282

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(3) Convener

The AGM is convened by the Board of Directors of the Company.

(4) Voting method

Voting will be carried out on-site at the AGM.

(5) 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 (hereinafter referred to as “Domestic Shareholders”) on Friday, 17 April 2009 at 3:00 p.m.;
2. All shareholders registered on the Company’s H share register maintained by Computershare Hong Kong Investor Services Limited upon the close of trading of its H shares on The Stock Exchange of Hong Kong Limited on Friday, 17 April 2009 at 4:00 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.

(6) Period of closure of H share register

The Company will close its H share register from Saturday, 18 April 2009 to Monday, 18 May 2009 (inclusive). Any H Shareholder who wishes to receive the final dividend and bonus shares for the year 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 17 April 2009 at 4:30 p.m.

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2. MATTERS TO BE CONSIDERED AT THE AGM

The following resolutions will be considered at the Meeting:

Ordinary Resolutions

1. Financial statements for the year ending 31 December 2008 audited by the PRC and Hong Kong auditors;
2. Report of the Board of Directors of the Company for the year ending 31 December 2008;
3. Report of the Supervisory Committee of the Company for the year ending 31 December 2008;
4. Report of the President of the Company for the year ending 31 December 2008;
5. Final financial accounts of the Company for the year ending 31 December 2008;
6. Resolution of the Company on the Proposed Continuous Connected Transaction (as defined under the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange) Framework Agreements for 2009;

The “Framework Purchase Agreements for 2009” proposed to be entered into between ZTE Kangxun Telecom Company, Limited, a subsidiary of the Company, on the one hand and connected party Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited together with its subsidiaries Shenzhen Zhongxing Xindi Telecommunications Equipment Company, Limited, Shenzhen Zhongxing Xinyu FPC Company, Limited and Shenzhen Zhongxing Xinzhou Complete Equipment Company, Limited, on the other, in respect of the purchase of cases, cabinets, distribution frames, flexible printed circuit boards and shelters with an annual cap of aggregated transaction amounts under the framework agreements estimated at RMB1,200 million for 2009.

7. Resolution on the Proposed Application by the Company to National Development Bank for a USD2.5 billion Composite Credit Facility

That the application by the Company to National Development Bank for a USD2.5 billion composite credit facility for the purposes of short-term loans, bond financing, domestic and international supply chain financing, trade financing and medium/long-term projects financing of the Company on a revolving basis be approved.

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The aforesaid amount represents composite credit facilities to be proposed by the Company in its application to National Development Bank. The final amount shall be subject to approval of National Development Bank.

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 National Development Bank, subject to the cap of the aforesaid USD2.5 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 National Development Bank and sign all facilities agreements, financing agreements and other related legal contracts and documents relating to the above composite credit facilities and to deal with other matters relating to such agreements.

The resolution shall be valid for a period of five years from the date of approval at the general meeting. Unless otherwise required, no subsequent resolution of the Board of Directors or general meeting is required with respect to any such single application for financing operations under such credit facility.

8. Resolution on the Proposed Application by the Company to the Bank of China Limited, Shenzhen Branch for a RMB15.7 billion composite credit facility

That the application by the Company to the Bank of China Limited, Shenzhen Branch for a RMB15.7 billion composite credit facility be approved.

The aforesaid amount represents composite credit facilities to be proposed by the Company in its application to the bank. The final amount shall be subject to the bank's approval.

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 cap of the aforesaid RMB15.7 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 facilities and to deal with other matters relating to such agreements.

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The above resolution shall be valid with effect from date on which it is considered and passed at the general meeting until (1) the next new credit facilities have been granted, or (2) 31 December 2009 (whichever is earlier). Unless otherwise required, no subsequent resolution of the Board of Directors is required with respect to any such single application for financing operations not exceeding such maximum amount. Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory, is authorised to execute all facilities agreements, financing agreements and other related legal contracts and documents which are related to the above composite credit facilities.

9. Resolutions on the appointment of the PRC auditors and the Hong Kong auditors of the Company for the year ending 31 December 2009:

9.1 That Ernst & Young Hua Ming be re-appointed as the PRC auditors of the Company for 2009 and a proposal be made to the 2008 AGM to authorise the Board of Directors to determine the audit fees of Ernst & Young Hua Ming for 2009 based on specific audit work to be conducted.

9.2 That Ernst & Young be re-appointed as the Hong Kong auditors of the Company for 2009 and a proposal be made to the 2008 AGM to authorise the Board of Directors to determine the audit fees of Ernst & Young for 2009 based on the specific audit work to be conducted.

Special Resolutions

10. Proposals of profit distribution and capitalisation from capital reserves of the Company for 2008:

“THAT:

Proposals of profit distribution and capitalisation from capital reserve for 2008 tabled by the Board of Directors of the Company be approved:

Proposed profit distribution for 2008: RMB3 for every 10 shares (including tax) or a total of RMB402,999,000 in cash, based on the Company’s total share capital of 1,343,330,310 shares as at 31 December 2008.

Proposed capitalisation from capital reserve for 2008: the creation of 3 shares for every 10 shares by way of capitalisation of capital reserves, representing a total increase of 402,999,093 shares based on the Company’s total share capital of 1,343,330,310 shares as at 31 December 2008. The balance of the capital reserves was RMB6,298,172,000 prior to the capitalisation and RMB5,895,173,000 after the capitalisation. Fractional entitlements shall be dealt with in accordance relevant rules of the stock exchange and the clearing house of the place where the stocks of the Company are listed. As a result, the actual amount of share capital increased

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and the actual number of shares created in aggregate after implementation of the proposed capitalisation from capital reserves might be slightly different from the aforesaid estimates.

The Board of Directors is hereby authorised by the general meeting to deal with matters relating to the profit distribution and capitalisation from capital reserves for 2008, to amend relevant clauses of the Articles of Association based on the implementation of the capitalisation from capital reserves to increase the registered capital of the Company and reflect the new capital structure after the capitalisation from capital reserves, and to process any changes in industrial and commercial registration required as a result of the alteration in registered capital.”

11. Resolution on the general mandate for 2009 to be granted to the Company:

“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 in the following), other than in the case of the making or granting of offers, agreements or options by the 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 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 or (ii) any option scheme or similar arrangement from time to time being adopted for the grant or issue to Directors, Supervisors, senior management and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company approved by the Board of Directors, shall not exceed 20% of the aggregate nominal amount of each of the share capital of the domestic shares and H shares of the Company in issue at the date on which this Resolution is passed; and

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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;

(2) For the purpose of this resolution:

Relevant Period” means the period from the passing of this Resolution 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 granted under this Resolution by the passing of a special resolution of the Company at a general meeting.

“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 resolve to issue shares 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 of the new shares (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

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- (4) The Board of Directors be hereby authorised to amend the Company's 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 the Company's shares contemplated in paragraph 1 of this Resolution."
12. Resolutions on the "Revision of Relevant Clauses of the Articles of Association of ZTE Corporation" and the "Amendment of in the Articles of Association and the Rules of Procedure for Shareholders' General Meetings of ZTE Corporation":

"THAT:

- 12.1 The amendment of Article 24 and Article 27 of Chapter 3 of the Articles of Association accordingly after the implementation of the capitalisation from capital reserves be approved:

12.1.1 Article 24

The original article which reads: Upon its incorporation, the Company shall have 1,343,330,310 ordinary shares in issue, comprising 224,211,456 H shares (representing 16.7% of the Company's issuable ordinary shares) and 1,119,118,854 domestic shares (representing 83.3% of the Company's issuable ordinary shares).

Is amended to read: Upon its incorporation, the Company shall have 1,746,329,403 ordinary shares in issue, comprising 291,474,893 H shares (representing 16.7% of the Company's issuable ordinary shares) and 1,454,854,510 domestic shares (representing 83.3% of the Company's issuable ordinary shares).

12.1.2 Article 27

The original article which reads: The registered capital of the Company shall be RMB1,343,330,310.

Is amended to read: The registered capital of the Company shall be RMB1,746,329,403.

Note: The Board of Directors has requested in Resolution 10 above that it be authorised by the general meeting to deal with matters to amend relevant clauses of the Articles of Association based on the implementation of the capitalisation from capital reserves to increase the registered capital of the Company and reflect the new capital structure after the capitalisation from capital reserves, and to process any changes in industrial and commercial registration required as a result of the alteration in registered capital.

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12.2 The amendment of relevant clauses of the Articles of Association in accordance with relevant provisions of the “Decisions on Amending Certain Provisions regarding the Cash Profit Distribution of Listed Companies (No. 57)” (“Cash Profit Distribution Provisions”) promulgated by the CSRC and effective from 9 October 2008 and the latest amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) effective from 1 January 2009 be approved. Details of the amendments are as follows:

12.2.1 Article 83

The original article which reads: Notices of general meetings shall be delivered to shareholders (whether or not entitled to vote at the general meetings) by courier or via duly stamped mails sent to their respective addresses as recorded in the shareholders’ register. Notices of general meetings for domestic shareholders may also be delivered by way of announcements.

The announcements referred to in the foregoing paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council during the period which is 45–50 days prior to the meeting. All domestic shareholders shall be deemed to have received the relevant notices of general meetings once such announcements have been published.

Is amended to read: Notices of general meetings and relevant documents shall be delivered to shareholders (whether or not entitled to vote at the general meetings) in person or via duly stamped mails sent to their respective addresses as recorded in the shareholders’ register. Notices of general meetings, circulars to shareholders and relevant documents for domestic shareholders may also be delivered by way of announcements. The dispatch of notices of general meetings, circulars to shareholders and relevant documents to holders of overseas-listed foreign shares may be conducted by way of publication on the Company’s website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

The announcements referred to in the foregoing paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council during the period which is 45–50 days prior to the meeting. All domestic shareholders shall be deemed to have received the relevant notices of general meetings once such announcements have been published.

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Where notices of general meetings and relevant documents are being dispatched by the Company to holders of overseas-listed foreign shares, such notices of general meetings and relevant documents may be dispatched in either the English version or the Chinese version only in accordance with Listing Rules and following relevant procedures.

12.2.2 Article 87

The original article which reads: Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons as his proxies (whether such person is a shareholder or not) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

If the shareholder is a recognised clearing house (the "Recognised Clearing House") (or its agent) as defined under the laws of Hong Kong, such shareholder is entitled to authorise one or more persons as it deems appropriate as its proxies to attend on his behalf any general meeting or any class meeting provided that, if one or more persons are so authorised, the letter of authorisation shall specify the number and class of shares in connection with such authorisation. Such persons can exercise the right on behalf of the Recognised Clearing House (or its agent) as if he were an individual shareholder of the Company.

Is amended to read: Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons as his proxies (whether such person is a shareholder or not) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholder's right to speak at the meeting; and
- (2) the right to vote.

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If the shareholder is a recognised clearing house (the “Recognised Clearing House”) (or its agent) as defined under the laws of Hong Kong, such shareholder is entitled to authorise one or more persons as it deems appropriate as its proxies to attend on his behalf any general meeting or any class meeting provided that, if one or more persons are so authorised, the letter of authorisation shall specify the number and class of shares in connection with such authorisation. Such persons can exercise the right on behalf of the Recognised Clearing House (or its agent) as if he were an individual shareholder of the Company.

12.2.3 Article 116

The original article which reads: Voting at general meetings shall be decided on a show of hands unless a poll is otherwise required under the Listing Rules or the Articles or a poll is demanded before the show of hands by the following persons, in which case the vote shall be decided by a poll:

- (I) the chairman of the meeting;
- (II) at least two shareholders entitled to vote present in person or by proxy; or
- (III) any shareholder or shareholders (including proxies) representing individually or in aggregate more than one tenth of the total voting rights at the meeting.

Unless a poll be required under the Listing Rules or the Articles or so demanded, a declaration by the chairman that a resolution has on a show of hands been carried and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without requiring proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

Is amended to read: Voting at general meetings must be decided by a poll. The Company shall announce the results of the poll in accordance with relevant laws and regulations and the Listing Rules.

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12.2.4 Article 119

The original article which reads: In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Is amended to read: In case of an equality of votes, the chairman of the meeting shall have a casting vote.

12.2.5 Article 225

The original article which reads: The Company's financial statements shall be made available for inspection by the shareholders of the Company twenty days (including the date of meeting) before the date of every annual general meeting. Each shareholder shall be entitled to a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send by prepaid mail to each holder of overseas-listed foreign shares: (i) the directors' report, balance sheet (including various documents as required to be attached by law) and a profit and loss statement or the income and expense statement; or (ii) the summary financial report prepared in accordance with relevant laws not later than twenty one days before the date of the general meeting of shareholders at the address registered in the register of members.

Is amended to read: The Company's financial statements shall be made available for inspection by the shareholders of the Company twenty days (including the date of meeting) before the date of every annual general meeting. Each shareholder shall be entitled to a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send by prepaid mail to each holder of overseas-listed foreign shares: (i) the directors' report, balance sheet (including various documents as required to be attached by law) and a profit and loss statement or the income and expense statement; or (ii) the summary financial report prepared in accordance with relevant laws not later than twenty one days before the date of the general meeting of shareholders at the address registered in the register of members. Such dispatch may also be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

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12.2.6 Article 247

The original article which reads: Any merger or division of the Company shall be proposed by the Company's Board of Directors and approved according to the procedures stipulated in the Articles of Association, subject to the completion of relevant approval procedures according to the law. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders' shareholding at a fair price. The content of the resolutions approving the Company's merger and division shall constitute a special document, which shall be available for the shareholders' inspection.

As to the holders of the overseas-listed foreign shares, the above-mentioned documents shall also be sent out by mail.

Is amended to read: Any merger or division of the Company shall be proposed by the Company's Board of Directors and approved according to the procedures stipulated in the Articles of Association, subject to the completion of relevant approval procedures according to the law. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders' shareholding at a fair price. The content of the resolutions approving the Company's merger and division shall constitute a special document, which shall be available for the shareholders' inspection.

As to the holders of the overseas-listed foreign shares, the above-mentioned documents shall also be sent out by mail, or dispatched by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

12.2.7 Article 275

The original article which reads: Notices of the Company shall be given by way of the following:

- (I) by courier;
- (II) by mail;
- (III) by announcement; or
- (IV) other means stipulated in the Articles.

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Is amended to read: Notices of the Company shall be given by way of the following:

(I) by courier;

(II) by mail;

(III) by announcement;

(IV) by electronic mails or publication on websites designated by the Company and the local stock exchange(s), subject to compliance with laws, administrative regulations and relevant provisions of the securities regulatory authorities of the listing place(s) of the Company's stocks;

(V) other means stipulated in the Articles.

12.2.8 Article 276

The original article which reads: Notices given by the Company by way of announcements shall be deemed as received by all parties concerned once published.

Unless the context otherwise requires, "announcements" referred to in the Articles shall mean, in relation to announcements to holders of domestic shares or announcements required by relevant provisions and the Articles to be published in the PRC, such announcements published in PRC newspapers designated under PRC laws and regulations or by the securities regulatory authorities under the State Council; or, in relation to announcements to shareholders of H shares or announcements required by relevant provisions and the Articles to be published in Hong Kong, such announcements that must be published in designated Hong Kong newspapers in accordance with the requirements of the Listing Rules.

Is amended to read: Notices given by the Company by way of announcements shall be deemed as received by all parties concerned once published.

Unless the context otherwise requires, "announcements" referred to in the Articles shall mean, in relation to announcements to holders of domestic shares or announcements required by relevant provisions and the Articles to be published in the PRC, such announcements published in PRC newspapers designated under PRC laws and regulations or by the securities regulatory authorities under the State Council; or, in relation to announcements to shareholders of H shares or announcements required by relevant

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provisions and the Articles to be published in Hong Kong, such announcements that must be published in the Company's website, the website of The Hong Kong Stock Exchange and other websites stipulated by the Listing Rules from time to time in accordance with the requirements of the Listing Rules.

12.2.9 Article 277

The original article which reads: notices, information or written statements to be dispatched by the Company to holders of overseas-listed foreign shares must be delivered by courier or prepaid mail at the registered address of each such holder of overseas-listed foreign shares.

Is amended to read: Notices, circulars, relevant documents or written statements to be dispatched by the Company to holders of overseas-listed foreign shares must be delivered by courier or prepaid mail at the registered address of each such holder of overseas-listed foreign shares; notices, information or written statements may be given to such shareholders in either their English versions or Chinese versions in accordance with Listing Rules and following relevant procedures, and may also be delivered by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

Where notices, circulars, relevant documents or written statements are being dispatched by the Company to holders of overseas-listed foreign shares, such notices of general meetings, circulars, relevant documents or written statements and relevant documents may be dispatched in either the English version or the Chinese version only in accordance with Listing Rules and following relevant procedures.

12.2.10 Article 234

The original article which reads: The Company may distribute dividend by way of the following:

- (I) cash;
- (II) shares.

Cash dividend and other amounts payable by the Company to domestic shareholders shall be payable in RMB. Cash dividend and other amounts payable by the Company to shareholders of H-shares shall be computed and declared in RMB and payable in Hong Kong Dollars. Foreign currency requirements of the

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Company for the payment of cash dividend and other amounts to holders of overseas-listed foreign shares shall be procured in accordance with relevant foreign exchange administration regulations of the State.

Is amended to read: The profit distribution policy of the Company shall be as follows:

- (I) Reasonable investment returns for investors should be emphasised in the profit distribution of the Company and continuity and stability should be maintained in its profit distribution policy;
- (II) Cash dividend and other amounts payable by the Company to domestic shareholders shall be computed, declared and payable in RMB. Cash dividend and other amounts payable by the Company to H Shareholders shall be computed and declared in RMB and payable in Hong Kong Dollars. Foreign currency requirements of the Company for the payment of cash dividend and other amounts to holders of overseas-listed foreign shares shall be procured in accordance with relevant foreign exchange administration regulations of the State;
- (III) Dividend may be distributed by the Company by way of cash or shares. Interim cash dividend may be distributed. Accumulated distribution of profit by way of cash in the three preceding years shall be no less than 30% of the annual average profit available for distribution reported for the three preceding years;
- (IV) Where the Board of Directors of the Company has not made any proposal for cash profit distribution, the reason for the non-distribution and the use of the undistributed funds retained by the Company should be disclosed in its regular reports, and the Independent Directors should furnish an independent opinion thereon; and
- (V) Where irregular fund appropriation by a shareholder has been identified, deductions should be made by the Company against the cash dividend which should otherwise be distributed to such shareholder in reimbursement of the funds appropriated.

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12.2.11 In accordance with the aforesaid amendments to the Articles of Association, the amendment of relevant clauses of the Rules of Procedure for Shareholders' General Meetings of ZTE Corporation ("Rules of General Meetings") as follows be approved:

Rule 9 of the Rules of General Meetings shall be amended to read:

Notices of general meetings and relevant documents shall be delivered to shareholders (whether or not entitled to vote at the general meetings) in person or via duly stamped mails sent to their respective addresses as recorded in the shareholders' register. Notices of general meetings, circulars to shareholders and relevant documents for domestic shareholders may also be delivered by way of announcements. The dispatch of notices of general meetings, circulars to shareholders and relevant documents to holders of overseas-listed foreign shares may be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

The announcements referred to in the foregoing paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council during the period which is 45-50 days prior to the meeting. All domestic shareholders shall be deemed to have received the relevant notices of general meetings once such announcements have been published.

Where notices of general meetings and relevant documents are being dispatched by the Company to holders of overseas-listed foreign shares, such notices of general meetings and relevant documents may be dispatched in either the English version or the Chinese version only in accordance with Listing Rules and following relevant procedures.

Rule 13 of the Rules of General Meetings shall be amended to read:

Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons as his proxies (whether such person is a shareholder or not) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholder's right to speak at the meeting; and
- (2) the right to vote.

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If the shareholder is a recognised clearing house (the “Recognised Clearing House”) (or its agent) as defined under the laws of Hong Kong, such shareholder is entitled to authorise one or more persons as it deems appropriate as its proxies to attend on his behalf any general meeting or any class meeting provided that, if one or more persons are so authorised, the letter of authorisation shall specify the number and class of shares in connection with such authorisation. Such persons can exercise the right on behalf of the Recognised Clearing House (or its agent) as if he were an individual shareholder of the Company.

Rule 44 of the Rules of General Meetings shall be amended to read:

Voting at general meetings must be decided by a poll. The Company shall announce the results of the poll in accordance with relevant laws and regulations and the Listing Rules.

Rule 49 of the Rules of General Meetings shall be amended to read:

In case of an equality of votes, the chairman of the meeting shall have a casting vote.

3. REGISTRATION AT THE AGM

(1) Registration of attendance

1. Any legal person shareholder (including but not limited to corporate shareholders) entitled to attend the AGM shall produce for registration a duplicate of its corporate business licence, a duly signed power of attorney and the identity card of the attendee;
2. Any individual shareholder entitled to attend the AGM shall produce for registration his own identity card, stock account card and evidence of shareholding;
3. Any shareholder intending to attend the AGM shall deliver the confirmation slip to the AGM registry by courier, registered mail or fax.

(2) Time of registration

From 20 April 2009 to 29 April 2009 (excluding statutory holidays).

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(3) Address for registration

Registration for the AGM will be conducted at: 6/F, Block A, ZTE Building, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the PRC (postal code: 518057).

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

1. Any shareholder entitled to attend and vote at the meeting may entrust one or more person (whether or not a shareholder) as his proxy (ies) to attend and vote at the meeting 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 meeting, and any one share may not be voted by different proxies.
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. The proxy form is valid only if it is deposited at the registered address of the Company no less than 24 hours before the AGM.
3. If a shareholder entrusts his proxy(ies) to attend and vote at the meeting 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.

4. MISCELLANEOUS

- (1) It is expected that the AGM will take less than one day; all accommodation, travel and expenses relating to attending the meeting shall be borne by the attendees.
- (2) AGM Contact: Zhang Qin
- (3) Contact telephone number: + 86 755 26770282
- (4) Contact fax number: + 86 755 26770286

NOTICE OF 2008 ANNUAL GENERAL MEETING

5. REFERENCE

Resolutions of the Twenty-Second Meeting of the Fourth Session of the Board of Directors of ZTE Corporation.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
1 April 2009

As at the date of this notice, the Board of Directors of the Company comprises three executive directors, Yin Yimin, Shi Lirong and He Shiyong; six non-executive directors, Hou Weigui, Wang Zongyin, Xie Weiliang, Zhang Junchao, Li Juping and Dong Lianbo; and five independent non-executive directors, Zhu Wuxiang, Chen Shaohua, Qiao Wenjun, Mi Zhengkun and Li Jin.