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# ZTE

## ZTE CORPORATION

### 中興通訊股份有限公司

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

**(Stock Code: 763)**

#### **SUPPLEMENTARY NOTICE OF THE 2014 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 or misleading statement in or material omission from this announcement.*

Reference is made to the Notice of the 2014 Annual General Meeting dated 9 April 2015 (the “AGM Notice”) of ZTE Corporation (“ZTE” or the “Company”) which set out, among other things, details relating to the time, venue and agenda of the 2014 Annual General Meeting to be convened by the Company (the “AGM”) on 28 May 2015. Unless otherwise stated, capitalised terms used in this supplementary notice shall have the same meaning as defined in the AGM Notice.

On 23 April 2015, the Board of Directors of the Company received one ex tempore motion from its shareholder, Shenzhen Zhongxingxin Telecommunications Equipment Company Limited (hereinafter referred to as “Zhongxingxin,” which held 1,058,191,944 A shares in the Company, representing 30.78% of the total number of shares of the Company, as at 23 April 2015) which requested the Board of Directors of the Company to table such motion for consideration at the AGM.

Supplementary notice is hereby given that the AGM will be held, as originally scheduled, on 28 May 2015 (Thursday) at 9 a.m. at the Conference Room at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China, to consider and pass, if thought fit, the resolutions set out in the AGM Notice and the following supplementary ordinary resolution:

## **15. RESOLUTION ON THE ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The “Resolution on the nomination of candidates for independent non-executive directors” was considered and approved by the Board of Directors of ZTE at the Twenty-sixth Meeting of the Sixth Session of the Board of Directors held on 23 April 2015. For details please refer to the Announcement of Resolutions of the Twenty-sixth Meeting of the Sixth Session of the Board of Directors published by the Company on 23 April 2015.

Zhongxingxin submits to the shareholders of ZTE at the AGM that an ordinary resolution approving matters pertaining to the “Resolution on the Election of Independent Non-executive Directors” be approved, the details of which are as follows:

The respective term of office of Ms. Qu Xiaohui, Mr. Wei Wei and Mr. Chen Naiwei, independent non-executive directors of the Sixth Session of the Board of Directors of the Company who were first appointed independent non-executive directors of the Company on 22 July 2009, will reach six years on 21 July 2015 and expire thereupon in accordance with the Guidelines for the Establishment of the System of Independent Directorship in Listed Companies 《關於在上市公司建立獨立董事制度的指導意見》 issued by the CSRC which stipulate that “the term of independent directors of a listed company shall be the same as the term of other directors of that listed company, and independent directors may offer themselves for re-election upon the conclusion of a term subject to a maximum period of six years for consecutive terms of office.” To fulfill the requirements of pertinent laws and regulations and the Articles of Association on the proportion of independent non-executive directors on the board of directors, the Sixth Session of the Board of Directors of the Company has nominated Mr. Chen Shaohua, Mr. Lü Hongbing and Mr. Bingsheng Teng, as candidates for independent non-executive directors of the Sixth Session of the Board of Directors of the Company, to be appointed for a term commencing on 22 July 2015 and ending concurrently with the Sixth Session of the Board of Directors of the Company (namely, on 29 March 2016). (Brief biographies of the aforesaid candidates for independent non-executive directors and other information relating to the candidates for independent non-executive directors are set out in Appendix I and Appendix II of this supplementary notice respectively.)

In accordance with relevant provisions of the Articles of Association, the resolution shall be determined by way of accumulative voting, whereby each candidate for independent non-executive director shall be voted upon on an individual basis.

Pursuant to Rule 102 of the Company Law, “shareholders individually or collectively holding more than 3% of the shares of the company may propose ex tempore motions no later than ten days prior to the convening of a general meeting by submitting the same in writing to the board of directors; the board of directors should notify other shareholders within two days after the receipt of the motions and table the same at the general meeting for consideration. Ex tempore motions should carry specific subjects and matters to be resolved that fall within the scope of authority of the general meeting.” and pursuant to Article 78 of the Articles of Association, “shareholder(s) alone or in aggregate holding 3% or more of the total number of the company’s shares may propose ex tempore motions ten

days prior to the general meeting by furnishing the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two days after receiving the proposed motions to make public the contents of the ex tempore motions.” Having examined the aforesaid ex tempore motion, the Board of Directors of the Company is of the view that it is in compliance with relevant provisions of the Company Law and the Articles of Association, with Zhongxingxin being qualified to propose ex tempore motions and the aforesaid ex tempore motion carrying specific subjects and matters to be resolved that fall within the scope of authority of the general meeting. Accordingly, the Board of Directors of the Company has approved the tabling of the aforesaid ex tempore motion at the AGM in accordance with the provisions of the Company Law, the Rules of Procedure for General Meetings of Listed Companies and other laws, regulations and regulatory documents as well as the Articles of Association.

Save for the ex tempore motion added as aforesaid, other details, such as the time, venue and method of the AGM, as set out in the AGM Notice, shall remain unchanged. A revised Proxy Form for use at the AGM has been published on the even day with this supplementary notice and dispatched to the shareholders.

By Order of the Board  
**Hou Weigui**  
Chairman

Shenzhen, the PRC  
27 April 2015

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

**Mr. Chen Shaohua (陳少華)**, born in 1961, obtained his MBA degree at Dalhousie University, Canada in 1987 and his doctoral degree in Economics (Accounting) at Xiamen University in 1992. With the title of Accounting Professor, Mr. Chen is currently professor and tutor to doctoral candidates of the Accounting Department, School of Management and deputy director of the Accounting Development Research Centre (a key research base for arts disciplines designated by the Ministry of Education) of Xiamen University. Mr. Chen has been teaching assistant, lecturer and associate professor of the Accounting Department of Xiamen University, as well as visiting professor at Virginia Union University. He has also been a certified public accountant at the Xiamen University Accounting Firm and Xiamen Yongda Accounting Firm. Mr. Chen is currently president of the Accounting Association of Xiamen Foreign Investment Enterprises, vice president of the Xiamen Association of Chief Accountants, as well as an independent non-executive director of Sinoma International Engineering Co., Ltd. (a company listed on Shanghai Stock Exchange), Tianma Microelectronics Co., Ltd. (a company listed on Shenzhen Stock Exchange), Xiamen Meiya Pico Information Co., Ltd. (a company listed on Shenzhen Stock Exchange), Fujian Septwolves Industrial Co., Ltd. (a company listed on Shenzhen Stock Exchange), respectively. During the past three years, Mr. Chen has been an independent non-executive director of Fujian Newchoice Pipe Technology Co., Ltd. (a company listed on Shenzhen Stock Exchange) and Xiamen 35.com Technology Co., Ltd. (a company listed on Shenzhen Stock Exchange), respectively. Mr. Chen was an independent non-executive director of the Company from July 2003 to July 2009. Mr. Chen has strong academic and professional background as well as proven experience in accounting and finance. Mr. Chen does not hold any shares of the Company. Mr. Chen is not connected to the controlling shareholder of the Company or any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishments by the CSRC or other competent authorities or censures by any stock exchanges. His qualifications for appointment are in compliance with conditions for appointment stipulated under the Company Law, Shenzhen Listing Rules, the Articles of Association and other pertinent laws and regulations.

**Mr. Lü Hongbing (呂紅兵)**, born in 1966, graduated in 1988 with a bachelor's degree in law and further obtained a master's degree in law in 1991 from East China University of Political Science and Law. Since September, 2009, he has been studying for a doctoral degree in management engineering at University of Science and Technology of China. He is qualified to practice law in China, and now serves as the chief executive partner of Grandall Law Firm. Mr. Lü has worked at East China University of Political Science and Law, Shanghai Wanguo Securities Co., Ltd., Shanghai Wanguo Law Firm, Grandall (Shanghai) Law Firm. He is currently vice president of All China Lawyers Association, committee member and deputy head of the Society and Legal System Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference, arbitrator of Shanghai International Economic and Trade Arbitration Commission, Shanghai International Arbitration Centre, Shanghai Arbitration Commission and Shanghai Court of Financial Arbitration, respectively, advisory member of the Restructuring Committee of China Securities Regulatory Commission, member of the Listing Committee of Shanghai Stock Exchange, professor or part-time professor of Fudan University and China Renmin University, and the independent non-executive director of Shanghai Jiaoda Only Co., Ltd. (a company listed on Shanghai Stock Exchange), Shimao Property Holdings Limited (a

company listed on The Stock Exchange of Hong Kong Limited) and Shanghai Shentong Metro Co., Ltd. (a company listed on Shanghai Stock Exchange). During the past three years, Mr. Lü has been an independent non-executive director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (a company listed on Shanghai Stock Exchange), Shanghai Aerospace Automobile Electromechanical Co., Ltd. (a company listed on Shanghai Stock Exchange), Shanghai Metersbonwe Fashion and Accessories Co., Ltd. (a company listed on Shenzhen Stock Exchange) and Shanghai Pudong Road And Bridge Co., Ltd. (a company listed on Shanghai Stock Exchange), respectively. Mr. Lü has profound academic and professional background as well as extensive experience in the legal sector. Mr. Lü does not hold any shares of the Company. Mr. Lü is not connected to the controlling shareholder of the Company or any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishments by the CSRC or other competent authorities or censures by any stock exchanges. His qualifications for appointment are in compliance with conditions for appointment stipulated under the Company Law, Shenzhen Listing Rules, the Articles of Association and other pertinent laws and regulations.

**Mr. Bingsheng Teng (滕斌聖)**, born in 1970, graduated from the City University of New York with a doctoral degree in strategic management in 1998. Dr. Teng taught at the School of Business of George Washington University from 1998 to 2006, as assistant professor and then associate professor of strategic management (with tenure). He was also in charge of the departmental doctoral program in strategic management and public policy. In 2003, Dr. Teng was honored as a Wendell and Louis Crain Research Scholar at the School of Business of George Washington University. Dr. Teng joined Cheung Kong Group School of Business (CKGSB) in late 2006 and has been an associated professor and director of CKGSB Center for Multinational Corporations Research since 2007 and associate dean of CKGSB since 2009. He is currently an independent non-executive director of Shandong Gold Mining Co., Ltd. (a company listed on Shanghai Stock Exchange). In June 2011 to January 2015, Dr. Teng was an independent non-executive director of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (a company listed on Shenzhen Stock Exchange). Dr. Teng has strong academic and professional experience as well as proven track record in corporate strategic management. Dr. Teng does not hold any shares of the Company. Mr. Teng is not connected to the controlling shareholder of the Company or any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishments by the CSRC or other competent authorities or censures by any stock exchanges. His qualifications for appointment are in compliance with conditions for appointment stipulated under the Company Law, Shenzhen Listing Rules, the Articles of Association and other pertinent laws and regulations.

**I. INTERESTS OF THE CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**

As at the date of this supplementary notice, none of the candidates for independent non-executive directors had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the SFO), or which were required to be recorded in the register to be kept under Section 352 of the SFO or notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Hong Kong Listing Rules.

As at the date of this supplementary notice, none of the candidates for independent non-executive directors and their respective spouses and children under 18 years of age had been granted by the Company or had exercised any right to subscribe for shares or debentures of the Company or any of its associated corporations.

**II. RELATIONSHIP WITH SUBSTANTIAL OR CONTROLLING SHAREHOLDER, OTHER DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

None of the candidates for independent non-executive directors has any relationship with any substantial or controlling shareholder, any director, supervisor or senior management of the Company.

**III. SERVICE AGREEMENTS AND ALLOWANCES**

Upon election, each of the elected independent non-executive directors will enter into a service contract with the Company. The term of office will commence on 22 July 2015 and expire upon the conclusion of the Sixth Session of the Board of Directors of the Company (namely 29 March 2016). The allowance is RMB130,000 per year (before tax). The allowances payable to each of the independent non-executive directors will be determined and reviewed by the Board of Directors (as the case may be) with reference to his or her duties and responsibilities with the Company from time to time and subject to the approval by the shareholders at a general meeting.

**IV. DIRECTORSHIPS HELD AT OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS AND PROFESSIONAL QUALIFICATIONS**

Save as disclosed in this supplementary notice, none of the candidates for independent non-executive directors has held any directorship in any other listed companies or other major appointments or professional qualifications in the past three years.

**V. OTHERS**

Save as disclosed in this supplementary notice, as at the date of this supplementary notice, so far as the Directors of the Company are aware, there were no other matters, information required to be disclosed under Rule 13.51(2) (h) to (v) of the Hong Kong Listing Rules in relation to the candidates for independent non-executive directors in particular, that need to be brought to the attention of the shareholders of the Company.