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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)

Announcement
Resolutions of the Twenty-seventh Meeting of
the Fifth Session of the Board of Directors

The Company and all the members of the Board of Directors confirm that all the information contained in this announcement of resolutions of the Board of Directors is true, accurate and complete and that there is no false or misleading statement or material omission in this announcement.

ZTE Corporation (the "Company") issued the "Notice of convening the Twenty-seventh Meeting of the Fifth Session of the Board of Directors" to all the Directors of the Company by electronic mail and telephone on 12 March 2012. The Twenty-seventh Meeting of the Fifth session of the Board of Directors of the Company (the "Meeting") was convened at the conference room on the 4th floor of the headquarters of the Company on 28 March 2012. Of the 13 Directors required to attend the Meeting, 12 Directors attended in person and 1 Director appointed proxy to attend on his behalf. Mr. Zhang Junchao, Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Wang Zhancheng, Director, to vote on his behalf. The Meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of the Company, and was legal and valid.

The following resolutions were considered and approved at the Meeting:

I. Consideration and approval of the "Full Text of the 2011 Annual Report of the Company" and the "2011 Annual Report Summary and Results Announcement of the Company."

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

II. Consideration and approval of the “2011 Report of the Board of Directors of the Company” and approval of submission to the 2011 Annual General Meeting for consideration.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

III. Consideration and approval of the “2011 Report of the President of the Company” and approval of submission to the 2011 Annual General Meeting for consideration.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

IV. Consideration and approval of the “2011 Financial Statements of the Company Audited by PRC and Hong Kong Auditors” and approval of submission to the 2011 Annual General Meeting for consideration.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

V. Consideration and approval of the “Final Financial Accounts of the Company for 2011” and approval of submission to the 2011 Annual General Meeting for consideration.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

VI. Consideration and approval of the “Resolution on the Write-Off of Bad Debts of the Company for 2011”, the details of which are set out below:

That the write off by the Company of 3 accounts of trade receivables which had been considered unrecoverable totalling RMB4,281,400 be approved. The Company has fully provided for the bad debts to be written off in 2011 and the prior years and the write-off will not have any material adverse impact on the current financial conditions and operating results of the Company.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

VII. Consideration and approval of the “Resolution of the Company on the Impairment Provision for Individual Assets for 2011”, the details of which are set out below:

The making of a RMB65 million impairment provision for individual asset in respect of trade receivable balances due from S Tel Private Limited, an Indian client, in accordance with the relevant requirement of Accounting Standards for Business Enterprises No. 22 “Recognition and Valuation of Financial Instruments,” be approved.

The Board of Directors is of the view that the said significant asset impairment provision is being made on a prudent basis in compliance with relevant provisions of the accounting standards.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

VIII. Consideration and approval of the “Proposals of Profit Distribution of the Company for 2011” and approval of submission to the 2011 Annual General Meeting for consideration, the details of which are set out below:

The audited net profit of the Company for 2011 calculated in accordance with PRC ASBEs amounted to approximately RMB503,793,000. After adding the undistributed profit of approximately RMB1,542,299,000 brought forward at the beginning of the year and making statutory surplus reserves allocation amounting to RMB50,379,000, profit available for distribution to shareholders amounted to approximately RMB1,995,713,000.

The audited net profit of the Company for 2011 calculated in accordance with HKFRSs amounted to approximately RMB519,110,000. After adding the undistributed profit of approximately RMB1,513,698,000 brought forward at the beginning of the year and making statutory surplus reserves allocation amounting to approximately RMB50,379,000, profit available for distribution to shareholders amounted to approximately RMB1,982,429,000.

In accordance with the requirements of the Ministry of Finance of the People’s Republic of China and the Company’s Articles of Association, profit available for distribution shall be the lower of profit available for distribution as calculated in accordance with PRC ASBEs and that calculated in accordance with HKFRSs. Accordingly, the amount of profit available for distribution is RMB1,982,429,000.

The proposals of profit distribution for 2011 recommended by the Board of Directors of the Company are as follows:

Cash dividend of RMB 2 (before tax) for every 10 shares held will be paid on the basis of the total share capital of the Company of 3,440,078,020 shares as at 31 December 2011 less the number of Subject Shares remaining in lockup under the Share Incentive Scheme as at the A share record date for the purpose of the 2011 profit distribution. As of 28 March 2012, 9,125,893 registered Subject Shares under the Share Incentive Scheme remained in lock-up. In accordance with relevant provisions of the Share Incentive Scheme, restricted shares remaining in lock-up shall not be entitled to the cash dividend.

The above proposals of profit distribution comply with relevant requirements of the Company Law, PRC ASBEs and Articles of Association.

The Board of Directors proposes that the general meeting authorise the Board of Directors to deal with matters relating to the profit distribution for 2011.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

IX. Consideration and approval of the “Report of the Audit Committee under the Board of Directors of the Company on the 2011 Audit of the Company Performed by PRC and Hong Kong Auditors.”

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

X. Consideration and approval of the “Resolutions of the Company on Determining the Audit Fees of the PRC Auditors and the Hong Kong Auditors for 2011”, the details of which are as follows:

That the payment of the financial report audit fees of the PRC auditors and Hong Kong auditors for 2011 on a consolidated basis and the fixing of the aggregate financial report audit fees payable to Ernst & Young Hua Ming and Ernst & Young at RMB5.68 million (including expenses related to auditing such as travelling, accommodation and meals expenses) be confirmed.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

XI. Consideration and approval of the “Resolutions on the Appointment of the PRC Auditors and the Hong Kong Auditors of the Company for 2012” on an individual

basis, details of which are as follows:

1. That Ernst & Young Hua Ming be re-appointed as the PRC financial report auditors of the Company's financial report for 2012 and a proposal be made to the 2011 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming for 2012 based on specific audit work to be conducted.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

2. That Ernst & Young be re-appointed as the Hong Kong auditors of the Company's financial report for 2012 and a proposal be made to the 2011 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2012 based on the specific audit work to be conducted.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

3. That Ernst & Young Hua Ming be re-appointed as the internal control auditors of the Company for 2012 and the internal audit fees of Ernst & Young Hua Ming for 2012 be fixed on the basis of specific audit work to be conducted.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

Independent Directors of the Company Ms Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert have expressed an independent opinion:

Prior to the convening of the Meeting, the Independent Directors have reviewed the "Resolutions on the Appointment of the PRC Auditors and the Hong Kong Auditors of the Company for 2012," and the Independent Directors of the Company concur to the reappointment of Ernst & Young Hua Ming and Ernst & Young as the PRC auditors and Hong Kong auditors of the Company's financial report for 2012, and the re-appointment of Ernst & Young Hua Ming as the internal control auditors of the Company for 2012.

XII. Consideration and approval of the "Resolutions on the Performance of and Annual Bonus Amount for the Company President for 2011."

Mr. Shi Lirong, Director, abstained in the voting in respect of this matter owing to his capacity as the President of the Company.

Voting result: votes in favour of: 12; votes against: 0; votes abstained: 0.

XIII. Consideration and approval of the “Resolutions on the Performance of and Annual Bonus Amount for Other Senior Management Personnel of the Company for 2011.”

Mr. He Shiyou, Director, abstained in the voting in respect of this matter owing to his capacity as a senior management personnel of the Company.

Voting result: votes in favour of: 12; votes against: 0; votes abstained: 0.

In respect of the aforesaid Resolutions XII and XIII, the Independent Directors of the Company Ms Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert have expressed an independent opinion on the remuneration for the Company’s senior management personnel as follows:

The Board of the Company and the Remuneration and Evaluation Committee of the Company have carried out inspection of the 2011 performance appraisal for the senior management personnel of the Company. We are of the view that the Company strictly implemented the measures for the administration of remuneration and performance management of senior management personnel in 2011 in compliance with pertinent provisions of the Articles of Association and Working Rules of the Remuneration and Evaluation Committee of the Board of Directors of ZTE Corporation.

XIV. Consideration and approval of the “Resolutions on the Performance Management Measures for the Company President for 2012.”

Mr. Shi Lirong, Director, abstained in the voting in respect of this matter owing to his capacity as the President of the Company.

Voting result: votes in favour of: 12; votes against: 0; votes abstained: 0.

XV. Consideration and approval of the “Resolutions on the Performance Management Measures for Other Senior Management Personnel for 2012.”

Mr. He Shiyou, Director, abstained in the voting in respect of this matter owing to his capacity as a senior management personnel of the Company.

Voting result: votes in favour of: 12; votes against: 0; votes abstained: 0.

XVI. Consideration and approval of the “Resolution on the Appointment of Senior Management Personnel” on an individual basis, the details of which are as follows:

1. That the appointment of Mr. Wang Jiaran, general manager of the Second Sales Division, as Senior Vice President for a term commencing on the date on which the resolution was considered and passed at the current Board meeting and ending upon the conclusion of the Fifth Session of the Board of Directors of the Company (i.e., 29 March 2013) be approved.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

2, That the appointment of Mr. Chen Jianzhou, Structure and Process Officer of the Company, was be appointed as Senior Vice President for a term commencing on the date on which the resolution was considered and passed at the current Board meeting and ending upon the conclusion of the Fifth Session of the Board of Directors of the Company (i.e., 29 March 2013) be approved.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

(Please refer to Attachment I for brief biographies of the aforesaid new senior management personnel.)

Independent Directors of the Company Ms Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert have expressed an independent opinion:

The procedures for the nomination and approval of senior management personnel for the Company are in compliance with pertinent provisions of the Company Law and the Articles of Association without any prejudice to the interests of the Company and other shareholders.

Following examination the brief biography of the candidates for senior management personnel, we are of the view that the candidates possess relevant expertise and skills, given that we are not aware of any conditions under which their appointments to senior management positions with the Company is prohibited by the Company Law or any conditions under which their entry to the market is banned by the China Securities Regulatory Commission and such ban has not been lifted, they are qualified to become senior management personnel of listed companies. We concur with the appointments of Mr. Wang Jiaran and Mr. Chen Jianzhou, respectively, as Senior Vice President of ZTE Corporation.

XVII. Consideration and approval of the “Resolutions of the Company on the Application for Composite Credit Facilities for the Six Months ended 30 June 2012” on an individual basis, the details of which are as follows:

The Company has proposed to apply for composite credit facilities from certain banks (details of which are set out in the table below) during the first half of 2012, which are subject to approval by the bankers.

Banker	Proposed composite credit facilities amount	Principal types of the composite credit facilities
Bank of China Limited, Shenzhen Branch	RMB23.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
China Construction Bank Corporation, Shenzhen Branch	RMB6.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Agricultural Bank of China, Shenzhen Branch	RMB8.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
China Minsheng Banking Corp., Ltd., Shenzhen Branch	RMB5.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
CITIC Bank, Shenzhen Branch	RMB4.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Shenzhen Development Bank Corporation, Shenzhen Branch	US\$8.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Total credit facilities amount in RMB	RMB54.0 billion	-
China Development Bank Corporation, Shenzhen Branch	US\$5.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
HSBC Bank (China) Company Limited, Shenzhen Branch	US\$200 million	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Societe Generale (China) Limited, Guangzhou Branch	US\$40 million	Loans, discounting, guarantee, letter of credit
Total credit facilities amount in USD	US\$5,24 billion	-

Note: The above composite credit facilities are the maximum amounts to be granted by the bankers to the Company for its business operations based on their assessments of the Company’s conditions, and the Company is not required to provide any assets as security for such facilities. The Company will utilise such facilities for different types of business operations in accordance with actual production demand, after conducting internal approval procedures of the Company and corresponding approval procedures required by the banks. The amounts of composite credit facilities set out above represent amounts proposed by the Company and are subject to final amounts approved by the banks.

Each of the above resolutions, except for those on the applications for composite credit

facilities from Bank of China Limited, Shenzhen Branch and China Development Bank Corporation, Shenzhen Branch, shall be valid with effect from 28 March 2012 until (1) the approval of the next new credit facilities, or (2) 31 December 2012 (whichever is earlier). Unless otherwise required, no subsequent resolution of the Board of Directors is required with respect to any single application for financing operations. Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to execute all facilities agreements, financing agreements and other related legal contracts and documents which are related to the above composite credit facilities.

The aforesaid resolutions of the Company proposing the applications to Bank of China Limited, Shenzhen Branch for a composite credit facility amounting to RMB23.0 billion and to China Development Bank Corporation, Shenzhen Branch for a composite credit facility amounting to US\$5.0 billion are subject to consideration and approval by the 2011 Annual General Meeting. The Board of Directors requested the general meeting to authorise 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 banks, subject to the aforesaid caps of composite credit facilities within the effective term required by such resolutions of the General Meeting. The Board of Directors and other parties delegated by the Board of Directors are authorised to negotiate with the banks 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.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

XVIII. Consideration and approval of the “Resolution on the Application for Investment Limits in Derivative Products of the Company for 2012”, the details of which are set out below:

1. That the Company be authorised by the general meeting to invest in derivative products for value protection against its foreign exchange risk exposure for an amount not exceeding USD1.5 billion (such limit may be applied on a revolving basis during the effective period of the authorisation). The authorization 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.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

2. That the Company be authorised by the general meeting to invest in fixed income derivative products for an amount not exceeding the equivalent of USD500 million (such limit may be applied on a revolving basis during the effective period of the authorisation). The authorisation shall be effective from the date on which it is approved by way of resolution at the general meeting to the date on which the next annual general meeting of the Company closes or to the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

The Independent Non-Executive Directors of the Company, namely, Ms. Qu Xiaohui, Mr. Chen Naiwei, Mr. Wei Wei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert, have furnished an independent opinion in relation thereto as follows:

As the foreign exchange income of the Company and its majority-owned subsidiaries has been increasing in line with the ongoing development of their international businesses, the mitigation of exchange rate risks associated with foreign exchange operations by locking up currency translation costs through effective applications of financial derivative instruments is beneficial to the enhancement of the financial stability and competitiveness of the Company. The Company has conducted meticulous internal assessment in respect of its derivative investments and has established relevant regulatory regimes. We are of the view that the Company's engagement in derivative investments is closely related to its day-to-day operational requirements, subject to controllable risks and in compliance with relevant provisions of pertinent laws and regulations.

Details of the abovementioned derivative investments are set out at the "Announcement on

the Application for Derivative Investment Limits for 2012” published on the same date with this announcement.

XIX. Consideration and approval of the “Resolution of the Company on the Waiver of Rights” and approval of submission to the 2011 Annual General Meeting for consideration, the details of which are set out below:

That the waiver by the Company of the first right of refusal in respect of the proposed equity transfer and the capital contribution option in respect of the share capital increase of ZTE ITS LTD.(Wuxi) (中興智慧交通(無錫)有限公司) and the submission of the resolution to the 2011 Annual General Meeting of the Company for consideration be approved.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

The Independent Non-Executive Directors of the Company, namely, Ms. Qu Xiaohui, Mr. Chen Naiwei, Mr. Wei Wei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert, have furnished an independent opinion in relation thereto as follows:

The waiver by ZTE of first right of refusal in respect of the equity transfer and the capital contribution option in respect of the share capital increase in connection with the equity restructuring of ZTE ITS LTD.(Wuxi) is in compliance with pertinent provisions of the Company Law, Information Disclosure Memorandum No. 35 – Waiver of Rights and the Articles of Association.

For details of the aforesaid waiver of rights, please refer to the “Announcement on the Waiver of Rights” published on the same date as this announcement.

XX. Consideration and approval of the “2011 Corporate Social Responsibility Report of the Company.”

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

The “2011 Corporate Social Responsibility Report of the Company” is published on the same date with this announcement on <http://www.cninfo.com.cn>.

XXII. Consideration and approval of the “2011 Self-Assessment Report on Internal Control of the Company.”

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

The “2011 Self-Assessment Report on Internal Control of the Company” is published on the same date with this announcement on <http://www.cninfo.com.cn>.

The opinion of the Independent Directors on the self-assessment on internal control of the Company is published on the same date with this announcement on <http://www.cninfo.com.cn> under the title of “Opinion of the Independent Directors on the Self-assessment on Internal Control of the Company.”

XXII. Consideration and approval of the “Resolution of the Company on the General Mandate for 2012” and approval of submission to the 2011 Annual General Meeting for consideration, details of which are as follows:

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:

(1) such mandate shall not extend beyond the Relevant Period (as defined below), other than in the case of the making or granting of offers, agreements or options by the Directors during the Relevant Period which might require the performance or exercise of such powers after the close of the Relevant Period;

(2) 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 (as defined below) 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 at the general meeting; and

(3) 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 by the general meeting until the earliest of:

(1) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;

(2) the expiration of a 12-month period following the passing of this Resolution; or

(3) the revocation or variation of the authority given to the Directors under this Resolution by the passing of a special resolution at a general meeting; and

“Rights Issue” means an offer to all shareholders of the Company (except any shareholders to which the making of such offers by the Company is not permitted under the laws of the jurisdictions where they reside) and, as appropriate, holders of other equity securities of the Company who are qualified for such offers, for the allotment and issue of shares or other securities in the Company which will or might require the allotment and issue of shares in proportion to their existing holdings of such shares or other equity securities (subject to the exclusion of fractional entitlements);

3. Where the Board of Directors resolves to issue shares (including securities convertible into domestic shares and/or H Shares of the Company) pursuant to paragraph 1 of this resolution, the Board of Directors be hereby authorised to approve and execute all documents and deeds and do all things or to procure the execution of such documents and deeds and the doing of such things necessary in their opinion for the issue (including but not limited to determining the time and place for issue, class and number of new shares to be issued, the pricing method

and/or issue prices (including price ranges) of the shares, submitting all necessary applications to relevant authorities, entering into underwriting agreements (or any other agreements), determining the use of proceeds, and fulfilling filing and registration requirements of the PRC, Hong Kong and other relevant authorities, including but not limited to registration with relevant PRC authorities of the increase in registered share capital as a result of the issue of shares pursuant to paragraph 1 of this Resolution); and

4. The Board of Directors be hereby authorised to amend the 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.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

XXIII. Consideration and approval of the “Resolution of the Company on the Amendment of Certain Clauses of the Articles of Association” and approval of the submission of the resolution to the 2011 Annual General Meeting of the Company for consideration, the details of which are as follows:

It is approved that certain clauses of the Article of Association be amended according to laws, the details of which are as follows:

The original articles	The amended articles
<p>Chapter 1 Article 10 The Articles shall be binding to the Company and its shareholders, Directors, Supervisors, President and other senior management personnel; the aforesaid personnel may make claims in connection with the Company’s affairs pursuant to the Articles.</p> <p>Shareholders may institute legal actions against the Company pursuant to the Articles; the Company may institute legal actions against the shareholders , Directors, Supervisors, President and other senior management personnel pursuant to the Articles; shareholders may institute legal actions against other shareholders pursuant to the Articles; shareholders may institute legal actions against Directors, Supervisors, President and other senior management personnel pursuant to the Articles. Senior management personnel referred to in this Article shall include the Senior Vice Presidents, Vice Presidents, Secretary to the Board of Directors and chief financial</p>	<p>Chapter 1 Article 10 The Articles shall be binding to the Company and its shareholders, Directors, Supervisors, President and other senior management personnel; the aforesaid personnel may make claims in connection with the Company’s affairs pursuant to the Articles.</p> <p>Shareholders may institute legal actions against the Company pursuant to the Articles; the Company may institute legal actions against the shareholders , Directors, Supervisors, President and other senior management personnel pursuant to the Articles; shareholders may institute legal actions against other shareholders pursuant to the Articles; shareholders may institute legal actions against Directors, Supervisors, President and other senior management personnel pursuant to the Articles. Senior management personnel referred to in this Article shall include the Executive Vice Presidents, Senior Vice Presidents, Secretary to the Board of Directors and chief financial officer and personnel designated or confirmed by the Board of the</p>

The original articles	The amended articles
<p>officer.</p> <p>Legal actions referred to in the foregoing paragraph shall include litigation filed with a court and arbitration at an arbitration agency.</p>	<p>Directors of the Company from time to time as necessary.</p> <p>Legal actions referred to in the foregoing paragraph shall include litigation filed with a court and arbitration at an arbitration agency.</p>
<p>Chapter 10 Article 159 The Company shall have a board of directors, which shall consist of 14 directors with one chairman, two vice chairmen and five independent directors. No less than one fifth of the total number of directors on the board shall be members of the senior management of the Company.</p>	<p>Chapter 10 Article 159 The Company shall have a board of directors, which shall consist of 14 directors with one chairman, two vice chairmen and five independent non-executive directors. Executive directors shall account for no less than one fifth of the total number of directors on the board.</p>
<p>Chapter 10 Article 160 The Board of Directors shall be accountable to the General Meeting and shall exercise the following powers:</p> <p>(19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company’s most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company’s most recently audited net asset value;</p> <p>(20) to exercise other powers as stipulated by the laws, regulations or the Articles or granted by the General Meeting.</p>	<p>Chapter 10 Article 160 The Board of Directors shall be accountable to the General Meeting and shall exercise the following powers:</p> <p>(19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company’s most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company’s most recently audited net asset value;</p> <p>(20) review and monitor the corporate governance of the Company, including but not limited to:</p> <ol style="list-style-type: none"> 1. Formulating and reviewing the corporate governance policies and practices of the Company; 2. Reviewing and monitoring the training and ongoing professional development of the directors and senior management; 3. Reviewing and monitoring the Company’s policies and practices in legal and regulatory compliance; 4. Formulating, reviewing and monitoring the code of conduct and compliance manual (if any) for employees and directors; and 5. Reviewing the Company’s compliance with Appendix 14 “Code of Corporate Governance” of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and disclosures made in the corporate governance report. <p>(21) to exercise other powers as stipulated by the laws, regulations or the Articles or granted by the General Meeting.</p>

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

XXIV. Consideration and approval of the “Resolution on the Amendment of Relevant Clauses of the Rules of Procedure of the Board of Directors Meetings” and approval of submission to the 2011 Annual General Meeting for consideration, details of which are as follows:

It is approved that relevant clauses of the Rules of Procedure of the Board of Directors Meetings be amended according to laws, details of which are as follows:

The original articles	The amended articles
<p>Chapter 2 Article 2 The Board of Directors shall exercise the following powers:</p> <p>.....</p> <p>(17) to approve external guarantee (including but not limited to assurance, security, pledge, lien and deposit) for an amount no more than 10% of the latest audited net asset of the Company net1tha that does not exceed</p> <p>.....</p> <p>The Company shall comply with the following when determining external guarantees stipulated in (17) of Paragraph 1:</p> <p>.....</p> <p>(2) The Company shall not provide guarantee for any non-corporate entities or individuals; any single external guarantee provided by the Company shall not exceed 5% of the net assets reported in the consolidated accounting statements for the latest accounting year; guarantees provided for the same party shall not exceed 10% of the net assets reported in the consolidated accounting statements for the latest accounting year.</p>	<p>Chapter 2 Article 2 The Board of Directors shall exercise the following powers:</p> <p>.....</p> <p>(17) to approve external guarantee (including but not limited to assurance, security, pledge, lien and deposit) for an amount no more than 10% of the latest audited net asset of the Company net1tha that does not exceed</p> <p>.....</p> <p>The Company shall comply with the following when determining external guarantees stipulated in (17) of Paragraph 1:</p> <p>.....</p> <p>(2) The Company shall not provide guarantee for any non-corporate entities or individuals; any single external guarantee provided by the Company to parties other than a wholly owned subsidiary of the Company shall not exceed 5% of the net assets reported in the consolidated accounting statements for the latest accounting year; guarantees provided for the same party other than a wholly owned subsidiary of the Company shall not exceed 10% of the net assets reported in the consolidated accounting statements for the latest accounting year.</p>
<p>Chapter 2 Article 2 The Board of Directors shall exercise the following powers:</p> <p>.....</p> <p>(19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company’s most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company’s most recently audited net asset value;</p>	<p>Chapter 2 Article 2 The Board of Directors shall exercise the following powers:</p> <p>.....</p> <p>(19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company’s most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company’s most recently audited net asset value;</p>

The original articles	The amended articles
<p>.....</p> <p>The Company shall comply with the following when determining external guarantees stipulated in (17) of Paragraph 1:</p> <p>.....</p>	<p>.....</p> <p>The Company shall comply with the following when determining external guarantees stipulated in (17) of Paragraph 1:</p> <p>.....</p> <p><u>The external investment made by the Company under sub-paragraph (19) of paragraph one shall include securities and derivative products investments. Derivative products in which the Board may invest at its discretion shall include, in substance, products such as options, forwards, swaps or portfolios of such products, with their underlying assets being interest rates, exchange rates, currencies or portfolios of such underlying assets. The Company shall comply with the laws and regulations as well as rules of relevant securities exchanges when investing in securities and derivative products.</u></p>
<p>Chapter 2 Article 2: The Board of Directors shall exercise the following powers:</p> <p>.....</p> <p>(19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company’s most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company’s most recently audited net asset value;</p> <p>(20) to exercise other powers as stipulated by the laws, regulations or the Articles or granted by the General Meeting.</p>	<p>Chapter 2 Article 2: The Board of Directors shall exercise the following powers:</p> <p>.....</p> <p>(19) to approve to conduct an external investment which is related to the principal business of the Company and is less than 10% of the Company’s most recently audited net asset value, or an external investment which is outside the principal business of the Company and is less than 5% of the Company’s most recently audited net asset value;</p> <p>(20) review and monitor the corporate governance of the Company, including but not limited to:</p> <ol style="list-style-type: none"> 1. Formulating and reviewing the corporate governance policies and practices of the Company; 2. Reviewing and monitoring the training and ongoing professional development of the directors and senior management; 3. Reviewing and monitoring the Company’s policies and practices in legal and regulatory compliance; 4. Formulating, reviewing and monitoring the code of conduct and compliance manual (if any) for employees and directors; and

The original articles	The amended articles
	<p>5. Reviewing the Company’s compliance with Appendix 14 “Code of Corporate Governance” of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and disclosures made in the corporate governance report.</p> <p>(21) to exercise other powers as stipulated by the laws, regulations or the Articles or granted by the General Meeting.</p>

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

XXV. Consideration and approval of the “Resolution on the amendment of certain clauses of the “Audit Committee Working Rules,” “Remuneration and Evaluation Committee Working Rules” and “Nomination Committee Working Rules,” the details of which are set out as follows:

1. The amendment of relevant contents of the Audit Committee Working Rules according to the laws is approved, with details as follows:

The original articles	The amended articles
<p>Chapter 2 Article 3 T The Audit Committee shall comprise seven Directors, with the majority of them being Independent Directors and at least one of the Independent Directors being a professional accountant.</p>	<p>Chapter 2 Article 3 T The Audit Committee shall comprise seven Directors, all of whom shall be non-executive directors with the majority of them being independent non-executive directors and at least one of the independent non-executive directors being a professional accountant.</p>
<p>Chapter 3 Article 8: he principal duties and scope of authority of the Audit Committee shall be:</p> <p>(II) to review and monitor the independence and objectivity of external auditors and the effectiveness of audit procedures in accordance with applicable standards; the Audit Committee shall discuss with the auditor the nature, scope and relevant reporting responsibilities of the audit work prior to its commencement; the Audit Committee</p>	<p>Chapter 3 Article 8: he principal duties and scope of authority of the Audit Committee shall be:</p> <p>(II) to review and monitor the independence and objectivity of external auditors and the effectiveness of audit procedures in accordance with applicable standards; the Audit Committee shall discuss with the auditor the nature, scope and relevant reporting responsibilities of the audit work prior to its commencement; the Audit Committee may review and monitor the independence of external</p>

The original articles	The amended articles
<p>may review and monitor the independence of external auditors by way of the following:</p> <p>.....</p> <p>(3) Meeting the auditor without the presence of the management at least annually to discuss matters pertaining to the auditor’s fees, any matters arising from the auditor’s work and other matters that the auditor might wish to bring up;</p>	<p>auditors by way of the following:</p> <p>.....</p> <p>(3) Meeting the auditor without the presence of the management at least annually to discuss matters pertaining to the auditor’s fees, any matters arising from the auditor’s work and other matters that the auditor might wish to bring up;</p> <p>(4) The Audit Committee may consider formulating policies for the hiring of employees or ex-employees of the external auditor in association with the Board and monitor the application of such policies. The Audit Committee should consider whether this would compromise or appear to compromise the judgement and independence of the auditor in the audit work.</p> <p>(5) The Audit Committee should ensure that the non-audit service provided by the external auditor will not compromise its independence or objectivity. When assessing the independence or objectivity of an external auditor in non-audit service, the Audit Committee may consider the following:</p> <p>(i) Whether the auditor is appropriate in terms of the capability and experience for providing such non-audit services to the Company;</p> <p>(ii) Whether preventive measures are in place to ensure that the objectivity and independence of the audit work of external auditors will not be threatened by reason of its provision of non-audit services;</p> <p>(iii) the nature of such non-audit services, the level of the fees, and the level of specific service fess and total servive fees in relation to the auditor; and</p> <p>(iv) the criteria for fixing the remuneration of taudit employees.</p>
Chapter 3 Article 8: he principal duties and scope	Chapter 3 Article 8: he principal duties and scope of

The original articles	The amended articles
<p>of authority of the Audit Committee shall be:</p> <p>(VII) For the purpose of the foregoing paragraph (VI):</p> <p>(1) The Audit Committee shall liaise with the Board, senior management personnel and the appointed qualified accountant of the Company. The Committee shall hold a meeting with the Company’s auditor at least once a year;</p>	<p>authority of the Audit Committee shall be:</p> <p>(VII) For the purpose of the foregoing paragraph (VI):</p> <p>(1) The Audit Committee shall liaise with the Board, senior management personnel and the appointed qualified accountant of the Company. The Committee shall hold a meeting with the Company’s auditor at least twice a year;;</p>
<p>Chapter 3 Article 8: he principal duties and scope of authority of the Audit Committee shall be</p> <p>X) To hold discussions with the management on the internal control system to ensure that the management has fulfilled its duty to develop an effective internal control system;</p>	<p>Chapter 3 Article 8: he principal duties and scope of authority of the Audit Committee shall be</p> <p>X) To hold discussions with the management on the internal control system to ensure that the management has fulfilled its duty to develop an effective internal control system, the contents of such discussion shall include the resources of the Company in accounting and financial reporting functions, adequacy of the qualifications and experience of the employees and adequacy of the training courses for employees and related budgets;</p>
	<p>Chapter 5 Article 24 The convener of the Audit Committee shall attend the annual general meeting of the Company. If the convener cannot attend, the chairman of the Board should invite another member of the Audit Committee to attend. Such member shall respond to questions raised in the annual general meeting.</p> <p>Note: This is added as a new article and the other articles shall be renumbered accordingly.</p>
<p>Chapter 6 Article 26 – These Rules and the interpretation of the functions of the Audit Committee and the authority vested therein by the Board have been published on the Company’s website.</p>	<p>Chapter 6 Article 27 – These Rules and the interpretation of the functions of the Audit Committee and the authority vested therein by the Board have been published on the statutory website for the Company’s information disclosure.</p>

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0

2. The amendment of relevant contents of the Remuneration and Evaluation Committee Working Rules according to the laws is approved, with details as follows:

The original articles	The amended articles
<p>Chapter 1 Article 3 – References to “Directors” in these Rules shall include Executive Directors, Non-executive Directors and Independent Directors who receive remuneration from the Company, “senior management personnel” shall include the President, Senior Vice Presidents, Vice Presidents, the Board Secretary, Chief Financial Officer appointed by the Board and other senior management personnel nominated by the President and confirmed by the Board.....</p>	<p>Chapter 1 Article 3 – References to “Directors” in these Rules shall include Executive Directors, Non-executive Directors and Independent Non-executive Directors, “senior management personnel” shall include the President, Executive Vice Presidents, Senior Vice Presidents, the Board Secretary, Chief Financial Officer and personnel designated or confirmed by the Board of the Directors of the Company from time to time as necessary. ...</p>
<p>Chapter 3 Article 9 – The principal duties and scope of authority of the Remuneration and Evaluation Committee shall be:</p> <p>(II) To determine, as delegated by the Board, the specific remuneration packages of the Directors and senior management personnel. The Remuneration and Evaluation Committee shall take into consideration remuneration paid by similar companies, the time dedicated by and duties of the Directors, the employment terms of other positions of the Group and the results of performance appraisals, etc;</p> <p>(III) To conduct examination and appraisal of the execution of duties and annual performance of the Directors and senior management personnel by reference to company objectives set by the Board, and to examine and approve the remuneration determined on the basis of their performance;</p>	<p>Chapter 3 Article 9 – The principal duties and scope of authority of the Remuneration and Evaluation Committee shall be:</p> <p>(II) To recommend to the Board the specific remuneration package a determine, as delegated by the Board, including benefits in kind, pension entitlements and compensation (including compensation for loss or termination of appointment). The Remuneration and Evaluation Committee shall take into consideration remuneration paid by similar companies, the time dedicated by and duties of the Directors, the employment terms of other positions of the Group and the results of performance appraisals, etc;</p> <p>(III) To make recommendations to the Board for the remuneration of non-executive directors;</p> <p>(IV) To conduct examination and appraisal of the execution of duties and annual performance of the Directors and senior management personnel by reference to company objectives set by the Board, and to examine and approve the remuneration determined on the basis of their performance</p>

The original articles	The amended articles
<p>Chapter 5 Article 25 –Records of a Remuneration and Evaluation Committee meeting shall be kept and members attending the meeting shall sign against the minutes of meeting; the minutes of meeting shall be kept by Board Secretary of the Company in such manner and for such duration as determined by reference to the filing of Board documents.</p>	<p>Chapter 5 Article 25 –Records of a Remuneration and Evaluation Committee meeting shall be kept and members attending the meeting shall sign against the minutes of meeting; the minutes of meeting shall be kept by Board Secretary of the Company in such manner and for such duration as determined by reference to the filing of Board documents. The draft and finalized versions of the Remuneration and Evaluation Committee meeting minutes shall be sent to all members of the Remuneration and Evaluation Committee within a reasonable interval after the meeting for their comments and filing, respectively.</p>
	<p>Chapter 5 Article 28 The convener of the Remuneration and Evaluation Committee shall attend the annual general meeting of the Company. If the convener cannot attend, the chairman of the Board should invite another member of the Audit Committee to attend. Such member shall respond to questions raised in the annual general meeting.</p> <p>Note: This is added as a new article and the other articles shall be renumbered accordingly.</p>
<p>Chapter 6 Article 30 – These Rules and the interpretation of the functions of the Remuneration and Evaluation Committee and the authority vested therein by the Board have been published on the Company’s website.</p>	<p>Chapter 6 Article 31 – These Rules and the interpretation of the functions of the Remuneration and Evaluation Committee and the authority vested therein by the Board have been published on the statutory website for the Company’s information disclosure.</p>

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

3. The amendment of relevant contents of the Nomination Committee Working Rules according to the laws is approved, with details as follows:

The original articles	The amended articles
<p>Chapter 1 Article 2 – The Nomination Committee of the Board is a specialized working body set up by the Board pursuant to a resolution of the general meeting, being mainly responsible for studying the criteria and procedures for selecting Directors and senior management personnel of the Company and making recommendations to the Board in respect thereof. References to “Directors” in these Rules shall include the Chairman, Vice Chairman, Directors and Independent Directors of the Company; “senior management personnel” shall include the General Manager, Deputy General Managers, Board Secretary, Chief Financial Officer and other senior management personnel nominated by the General Manager and confirmed by the Board.</p>	<p>Chapter 1 Article 2 – The Nomination Committee of the Board is a specialized working body set up by the Board pursuant to a resolution of the general meeting, being mainly responsible for studying the criteria and procedures for selecting Directors and senior management personnel of the Company and making recommendations to the Board in respect thereof. References to “Directors” in these Rules shall include Executive Directors, Non-executive Directors and and the Independent Non-executive Directors; “senior management personnel” shall include the President, Executive Vice Presidents, Senior Vice Presidents, the Board Secretary, Chief Financial Officer and other personnel designated or confirmed by the Board of the Directors of the Company from time to time as necessary.</p>
<p>Chapter 3 Article 7 – The principal duties and scope of authority of the Nomination Committee shall be:</p> <p>(I) to make recommendations to the Board in respect of the size and composition of the Board based on the state of business operations, asset size and shareholding structure of the Company;</p> <p>(II) to study the criteria and procedures for selecting Directors and senior management personnel of the Company and to make recommendations to the Board in respect thereof;</p> <p>(III) To conduct extensive searches for qualified candidates for Directors and senior management personnel;</p> <p>(IV) To conduct examination of candidates for Directors and senior management personnel and to make recommendations;</p> <p>(V) To deal with other matters as authorized by the Board of the Company.</p>	<p>Chapter 3 Article 7 – The principal duties and scope of authority of the Nomination Committee shall be:</p> <p>(I) to make recommendations to the Board in respect of the size and composition of the Board (in terms of skills, know-how and experience) based on the state of business operations, asset size and shareholding structure of the Company;</p> <p>(II) to study the criteria and procedures for selecting Directors and senior management personnel of the Company and to make recommendations to the Board in respect thereof;</p> <p>(III) To conduct extensive searches for qualified candidates for Directors and senior management personnel;</p> <p>(IV) To assess the independence of the independent non-executive directors;</p> <p>(V) To conduct examination of candidates for Directors and senior management personnel and to make recommendations;</p>

The original articles	The amended articles
	(VI) To deal with other matters as authorized by the Board of the Company.
Chapter 5 Article 16 – Where necessary, the Nomination Committee may engage an intermediary firm at the cost of the Company to furnish professional advice for its decision-making.	Chapter 5 Article 16 – The Company should provide sufficient resources for the Nomination Committee to perform its duties. Where necessary, the Nomination Committee may engage an intermediary firm at the cost of the Company to furnish professional advice for its decision-making.
Chapter 5 Article 18 – Records of a Nomination Committee meeting shall be kept and members attending the meeting shall sign against the minutes of meeting; the minutes of meeting shall be kept by Board Secretary of the Company in such manner and for such duration as determined by reference to the filing of Board documents.	Chapter 5 Article 18 – Records of a Nomination Committee meeting shall be kept and members attending the meeting shall sign against the minutes of meeting; the minutes of meeting shall be kept by Board Secretary of the Company in such manner and for such duration as determined by reference to the filing of Board documents. The draft and finalized versions of the Nomination Committee meeting minutes shall be sent to all members of the Nomination Committee within a reasonable interval after the meeting for their comments and filing, respectively.
	Chapter 5 Article 21 The convener of the Nomination Committee shall attend the annual general meeting of the Company. If the convener cannot attend, the chairman of the Board should invite another member of the Audit Committee to attend. Such member shall respond to questions raised in the annual general meeting. Note: This is added as a new article and the other articles shall be renumbered accordingly.
	Chapter 6 Article 24 These Rules and the interpretation of the functions of the Nomination Committee and the authority vested therein by the Board have been published on the statutory website for the Company’s information disclosure. Note: This is added as a new article and the other articles shall be renumbered accordingly.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

XXVI. Consideration and approval of the “Resolution on the Convening of the 2011 Annual General Meeting.”

The Company has decided to convene the 2011 Annual General Meeting on Friday, 25 May 2012 at the conference room on the 4th floor of the Shenzhen headquarters of the Company.

Voting result: votes in favour of: 13; votes against: 0; votes abstained: 0.

“Notice of the 2011 Annual General Meeting” of the Company will be despatched to H shareholders of the Company according to the Articles of Association and requirements of applicable laws and regulations.

The Company will close its H share register from 25 April 2012 (Wednesday) to 24 May 2012 (Thursday), both days inclusive, for the purposes of determining shareholders who are eligible for attending and voting at the 2011 Annual General Meeting. Any H Shareholder who wishes to attend and voting at the general meeting, shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m.24 April 2012(Tuesday).

The Company will close its H share register from 31 May 2012 (Thursday) to 4 June 2012 (Monday), both days inclusive, for the purposes of determining shareholders who are eligible for the proposed final dividend. Any H Shareholder who wishes to be entitled to the final dividend, shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4: 30 p.m. 30 May 2012(Wednesday).

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
28 March 2012

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; five non-executive directors, Hou Weigui, Xie Weiliang, Wang Zhancheng, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.

Attachment I – New Senior Management Personnel of the Company

Mr. Wang Jiaran, aged 43, currently the general manager of the Second Sales Division of the Company in charge of the Second Sales Division under the Sales Department. Mr. Wang graduated from Hunan University in 1992 with a bachelor's degree majoring in computer studies. Mr. Wang joined the Company in 1993 when he was involved in domestic and international marketing. From 1993 to 2011 he had been managers of several offices under the Third Sales Division, chief representative of the Second Expansion Office for the South Africa region and deputy general manager of the Second Sales Division. Since 2012 he has been general manager of the Second Sales Division. Mr. Wong has many years of experience in the telecommunications industry, including over 15 years in management.

Mr. Chen Jianzhou, aged 42, currently Assistant to the President of the Company in charge of the structures and processes of the Company. Mr. Chen graduated from Tsinghua University in 1995 with a bachelor's degree majoring in signals and information systems. Mr. Chen joined the Company in 1995 to be involved in research and development as well as technical support. From 1996 to 2003 he had been head of the Company's human resources centre. From 2003 to 2010 he had been head of the ZTE Institute. From January 2001 to February 2004, he had been a Supervisor of the Company. Since 2011, he has been Assistant to the President responsible for the Company's structures and processes . Mr. Chen has many years of experience in the telecommunications industry, including over 15 years in management.