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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 of**  
**Resolutions of the Second 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 and misleading statement or material omission in this announcement.**

The "Notice of the Second Meeting of the Fifth Session of the Board of Directors" was dispatched by ZTE Corporation (the "Company" or "the Company") to all Directors of the Company via electronic mail and by telephone on 24 March 2010. The Second Meeting of the Fifth session of the Board of Directors of the Company (the "Meeting") was convened on the spot at the Shenzhen headquarters of the Company and Shanghai on 8 April 2010. Of the 14 Directors required to attend the Meeting, 11 Directors duly attended in person and 3 Directors appointed proxies to attend on their behalves. Mr. Zhange Junchao, Director, was unable to attend the Meeting due to work reasons, and had authorized Mr. Hou Weigui, Chairman, to vote on his behalf. Mr. Li Jin, Independent Director, was unable to attend the Meeting due to work reasons, and had authorized Mr. Chen Naiwei, Independent Director, to vote on his behalf. Mr. Tan Zhenhui, Independent Director, was unable to attend the Meeting due to work reasons, and had authorized Mr. Chen Naiwei, Independent Director, to vote on his behalf. The Meeting, which was held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of ZTE Corporation, (the "Articles of Association") was legal and valid.

**The following resolutions were considered and passed at the Meeting:**

**I. Consideration and passing of the “2009 Annual Report of the Company in Full” and “Summary of 2009 Annual Report of the Company and Announcement of Results”**

Voting results: For: 14; against: 0, and abstained: 0.

**II. Consideration and passing of the “2009 Financial Report of the Company Audited by Domestic and Overseas Auditing Firms” with consent to submit the report to the 2009 Annual General Meeting for consideration.**

Voting results: For: 14; against: 0, and abstained: 0.

**III. Consideration and passing of the “2009 Report of the Board of Directors of the Company” with consent to submit the report to the 2009 Annual General Meeting for consideration.**

Voting results: For: 14; against: 0, and abstained: 0

**IV. Consideration and passing of the “2009 Report of the Chief Executive of the Company” with consent to submit the report to the 2009 Annual General Meeting for consideration.**

Voting results: For: 14; against: 0, and abstained: 0

**V. Consideration and passing of the “2009 Report on Final Finance Accounts of the Company” with consent to submit the report to the 2009 Annual General Meeting for consideration.**

Voting results: For: 14; against: 0, and abstained: 0

**VI. Consideration and passing of the “2009 Sum-up Report of the Audit Committee of the Company on the Audit Work performed by the domestic and overseas auditors.**

Voting results: For: 14; against: 0, and abstained: 0.

**VII. Consideration and approval of the “Resolutions of the Company on Determining the Audit Fees of the PRC Auditors and the Hong Kong Auditors for 2009” on an individual basis, the details of which are as follows:**

1. To ascertain the 2009 auditing fees of RMB1 million (including travel, accommodation, catering and communication expenses related to auditing) for Ernst & Young Hua Ming.

Voting results: For: 14; against: 0, and abstained: 0.

2. To ascertain the 2009 auditing fees of HK\$5.18 million (including travel, accommodation, catering and communication expenses related to auditing) for Ernst & Young.

Voting results: For: 14; against: 0, and abstained: 0.

**VIII. Consideration and approval of the “Resolutions on the Appointment of the PRC Auditors and the Hong Kong Auditors of the Company for 2010” on an individual basis, details are as follows:**

1. To agree to re-appoint Ernst & Young Hua Ming as the domestic audit firm of the company for 2010 and propose at the 2009 Annual General Meeting to authorize the Board of Directors to ascertain the 2010 auditing fee for Ernst & Young Hua Ming based on the specific situation.

The Board of Directors agreed to submit the resolution to the 2009 Annual general Meeting for consideration.

Voting results: For: 14; against: 0, and abstained: 0.

2. To agree to re-appoint Ernst & Young as the overseas audit firm of the company for 2010 and propose at the 2009 Annual General Meeting to authorize the Board of Directors to ascertain the 2010 auditing fee for Ernst & Young based on the specific situation.

The Board of Directors agreed to submit the resolution to the 2009 Annual General Meeting for consideration.

Voting results: For: 14; against: 0, and abstained: 0.

**IX. Itemized Consideration and passing of “the resolution of the intended application by the Company for the comprehensive limit of credit lines for the first half of 2010” , The contents of the resolution are as follows:**

In the first half of 2010, the Company intended to apply to the bank for comprehensive limit of credit lines as per the table below. Such comprehensive credit lines are subject to the approval of the banks.

<b>Credit-Granting Bank</b>	<b>Intended Application for Comprehensive Limit of Credit Lines</b>	<b>Main Contents of Comprehensive Limit of Credit Lines</b>
Bank of China Ltd (Shenzhen Branch)	RMB24.9 billion	Loan, accepted bill, discount, letter of guarantee, letter of credit, guaranteed payment agent, trade financing etc.
Industrial and Commercial Bank of China Ltd. (Shenzhen Branch).	RMB7 billion	Loan, accepted bill, discount, letter of guarantee, letter of credit, guaranteed payment agent, trade financing etc.
China Construction Bank Co.(Shenzhen Branch)	RMB5 billion	Loan, accepted bill, discount, letter of guarantee, letter of credit, guaranteed payment agent, trade financing etc.
China Minsheng Banking Co. (Shenzhen Branch)	RMB3 billion	Loan, accepted bill, discount, letter of guarantee, letter of credit, guaranteed payment agent, trade financing etc.
<b>Total</b>	RMB39.9 billion	

Note: The comprehensive limit of credit line is the maximum amount granted to the company for operating its business by the credit-granting bank based on the evaluation of the company. Under the limit granted, the company shall, after performance of its internal procedure and the corresponding examination and approval procedure required by the bank, operate various kinds of businesses specifically. At the same time, the above-mentioned comprehensive limit of credit line shall be the amount which the company intends to apply to the bank and the amount confirmed shall be subject to the amount actually approved agreed by the bank in reply to applying company.

Except the intended application to Bank of China Ltd (Shenzhen Branch) for comprehensive limit of credit lines, each resolution mentioned above shall be effective from 8 April 2010 to (1) the date prior to the approval for the next sum of new credit lines or (2) the date prior to 31 December 2010. Except in case of additional demand, the Company shall no longer present any resolution to the Board of Directors against the application for any single sum for financing its business. The Board of Directors has authorized Mr. Hou Weigui, the legal representative of the Company or the signatory authorized by Mr. Hou Weigui to sign all the credit-granting agreements, the financing agreements and other related legal contracts and documents related to the above-mentioned comprehensive credit-granting issues.

The resolution of RMB24.9 billion comprehensive limit of credit lines which the Company intended to apply to Bank of China Ltd. (Shenzhen Branch) shall have to be submitted to the 2009 annual general meeting for consideration and approval. The Board of Directors proposed that the annual general meeting shall authorize the Board of Directors to adjust the specific contents and specific term of granting the credit lines not exceeding the above-mentioned limit of RMB24.9 billion according to the requirement of the Company or the result of negotiating with the bank and authorize the Board of Directors and other persons authorized by the Board of Directors to negotiate and sign with the bank all the credit-granting agreements, the financing agreements and other related legal contracts and documents related to the above-mentioned comprehensive credit-granting issues and handle other matters related to those agreements.

Voting results: For: 14; against: 0, and abstained: 0.

**X. Consideration and passing of “the resolution regarding the purchase of assets and connected transaction by Xi'an ZTE Software Co., Ltd.( 西安中興新軟件有限公司)(a wholly owned subsidiary of the Company)”.**

**The contents of the resolution are as follows:**

1. To agree to **Xi'an ZTE Software Co., Ltd. (“ZTE Software”) (a wholly owned subsidiary of the Company)”** for the purchase of the land use right, the building on the ground and the building under construction of the piece of land at the eastern side of Zhangbaer Road, Gaoxin District, Xi'an City, Shaanxi owned by ZHONGXINGXIN Telecom Equipment Ltd. (“ZHONGXINGXIN”) the controlling shareholder of the Company at RMB152,900,445 and the signing of the Real Estate Assignment Contract, based on the “Evaluation Report” Ref. XI ZHENG HENG PING BAO ZI(2009) No,115 issued by Xi'An Zenith Assets Appraisal Co., Ltd.
2. To agree to the Company to automatically dissolve this Property Lease Contract signed with ZHONGXINGXIN on 18 April 2007 for renting the R&D Building and the package building, from the effective date of the Real Estate Assignment Contract intended to be signed, that was the date passing the resolution at the Company's Board meeting.

As Mr. Xie Weiliang, Vice Chairman, and Directors, Mr. Zhang Junchao, Mr. Dong Lianbo, and Mr. Shi Lirong are Chairman, Vice Chairman, and Directors of ZHONGXINGXIN, they did not vote in regards to that matter in this Board meeting.

Voting results: For: 10; against: 0, and abstained: 0.

Prior to this meeting, Independent Directors, Mr. Li Jin, Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei and Mr. Tan Zhenhui have gone through the above-mentioned contract of connected transaction in advance and agreed to submit the above-mentioned connected transaction to this meeting for consideration.

In this meeting, Independent Directors, Mr. Li Jin, Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei and Mr. Tan Zhenhui expressed their points of view for the above-mentioned purchase of assets and the connected transaction as follows:

1. The transaction has complied with the requirements of relevant laws and regulations including the “Company Law of the People's Republic of China”, the “Securities Law of the People's Republic of China” and the “Listing Rules of Shenzhen Stock Exchange” and been based on the evaluation made by the evaluation organization experienced in securities at fair price, according to legal and all-rounded formula in line with the principle of fairness and justice. The terms of the Real Estate Assignment Contract entered into between ZTE Software and ZHONGXINGXIN were determined by both parties after arm’s length negotiation on the basis of normal commercial terms in the ordinary course of business, and are fair and reasonable so far as the interests of the shareholders as a whole are concerned.

2. In the course of considering the resolution by the Board of Directors, all the connected directors did not vote and the voting process of the connected transaction is legal and effective in compliance with the “Listing Rules of Shenzhen Stock Exchange” and the stipulations of the Articles of Association.

The specific particulars of the transaction mentioned earlier were detailed in the “CONNECTED TRANSACTION – ACQUISITION OF PROPERTIES” published on the same date of this Announcement.

#### **XI. Consideration and passing of the “Specific Report of the Deposit and Application of Funds Raised in 2009.”**

Voting results: For: 14; against: 0, and abstained: 0.

“Specific Report of the Deposit and Application of Funds Raised in 2009”, the “Verification Report on the Deposit and Application of Funds Raised by ZTE Corporation in 2009” issued by BDO CHINA LI XIN DA HUA Certified Public Accountants Co. and this announcement were simultaneously with this announcement on <http://www.cninfo.com.cn> for information disclosure.

## **XII. Consideration and passing of the “Proposal of Profit Distribution and Converting Capital Accumulation fund to Share Capital”.**

Net profit of the Company for the year 2009 calculated in accordance with PRC ASBEs amounted to RMB733,826,000. Together with undistributed profit of RMB1,992,735,000 carried forward at the beginning of the year, profit available for distribution amounted to RMB2,726,561,000. After deducting statutory surplus reserves of RMB73,383,000 profit available for distribution to shareholders amounted to RMB2,653,178,000.

Net Profit of the Company for the year 2009 calculated in accordance with HKFRSs amounted to RMB721,736,000. Together with undistributed profit of RMB1,996,413,000 carried forward at the beginning of the year, profit available for distribution amounted to RMB2,718,149,000. After deducting statutory surplus reserves of RMB73,383,000, profit available for distribution to shareholders amounted to RMB2,644,766,000.

In accordance with the requirements of the Ministry of Finance of the People’s Republic of China and the 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. Therefore the amount of profit available for distribution is RMB2,644,766,000.

The Board of Directors of the Company made the proposal of 2009 profit distribution and converting capital accumulation fund to share capital as follows:

Proposed profit distribution for 2009: cash dividend of RMB3 (before tax) for every 10 shares held will be paid on the basis of the total share capital of the Company as at 8 April 2010 less the number of Subject Shares remaining in lock-up under the Share Incentive Scheme and the number of restricted shares that may be repurchased and cancelled during this period in accordance with the implementation of the Phase I Share Incentive Scheme (the “Share Incentive Scheme”) as at the A share record date for the purpose of the 2009 profit distribution (the “Record Date”). As at 8 April 2010, 69,737,523 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 number of shares entitled to the cash dividend under the 2009 profit distribution proposal will be 1,841,416,933 shares in case the second unlocking of registered Subject Shares granted under the first award of the Share Incentive Scheme

(the “Second Unlocking”) is not completed by the Record Date, on which basis the 2009 profit distribution plan will be implemented. In case the second unlocking is completed by the Record Date, the maximum of shares to be unlocked in accordance with the Share Incentive Scheme will be 35% of the Subject Shares under the first award, namely 26,797,252 shares, which will be entitled to the cash dividend.

The proposal of capitalisation from capital reserves for 2009: The issue of 5 bonus shares for Every 10 shares by way of capitalization of capital reserves. In case the aforesaid second unlocking is not completed by the Record Date, the capitalization will be based on the total share capital of the Company of 1,911,154,456 shares as at 8 April 2010 and the share capital will be increased by a total of 955,577,228 shares. In case the aforesaid second unlocking is completed by the Record Date, the capitalization will be based on the total share capital of the Company as at 8 April 2010 less the number of Subject Shares which are not unlocked owing to the failure of Scheme Participants to meet the performance appraisal requirements or their resignations and which may be required to be repurchased and cancelled prior to the Record Date.

The Board of Directors requested the general meeting to authorise the Board of Directors to deal with matters relating to the profit distribution and capitalisation from capital reserves for 2009, 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.

The Board of Directors agreed to submit the resolution to the 2009 Annual General Meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

### **XIII. Consideration and approval of the “Resolution on the Nomination of Candidate for Independent Directors”**

Mr. Li Jin, an Independent Director of the Company, will conclude his term as a director of the Board of six years, which will be expired on 29 June 2010. The Fifth Session of the Board of Directors of the Company nominated Mr. TIMOTHY ALEXANDER STEINERT as candidate for Independent Directors, shall serve a term commencing on 30



June 2010 and ending on the date of conclusion of the Fifth Session of the Board of Director (namely 29 March 2013), and has approved that the above candidate for Independent Directors be submitted to for election at the Annual General Meeting of 2009 of the Company.

Voting results: For: 14; against: 0, and abstained: 0.

(Please refer to Annex I, Annex II and Annex III for biographies of the aforesaid candidate for Independent Directors; declaration by the nominator of Independent Directors and declaration by the candidate for Independent Directors, respectively.)

Independent Directors of the Company Mr. Li Jin, Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei and Mr. Tan Zhenhui have furnished an independent opinion on the nomination of candidate for Independent Directors as follows:

The Nomination Committee of the Fifth Session of the Board of Directors has completed the examination of qualifications of the recommended candidate for Independent Directors and formed the “Proposal on candidate for Independent Directors by the Nomination Committee of the Board of Directors of the Fifth Session of the Board of Directors,” which has been submitted to the Board of Directors for consideration and approval and has been in compliance with relevant laws and regulations. The nomination procedures and qualifications for appointment in respect of the candidate for Independent Directors have been in compliance with provisions of relevant laws and regulations and of the Articles of Association.

#### **XIV. Consideration and approval of the “2009 Self-Assessment Report on Internal Control of the Company”**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

The “2009 Self-Assessment Report on Internal Control of the Company” is published simultaneously with this announcement on <http://www.cninfo.com.cn> for information disclosure.

#### **XV. Consideration and approval of the “2009 Corporate Social Responsibility Report of the Company”**

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

The “2009 Corporate Social Responsibility Report of the Company” is published simultaneously with this announcement on <http://www.cninfo.com.cn> for information disclosure.

**XVI. Consideration and approval of the “System of Accountability for Significant Mistakes in Annual Report Information Disclosure”.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

The “System of Accountability for Significant Mistakes in Annual Report Information Disclosure” is published simultaneously with this announcement on <http://www.cninfo.com.cn> for information disclosure.

**XVII. Consideration and approval of the “Administrative Measures on External Users of Information (外部信息使用人管理制度)”.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

The “Administrative Measures on External Users of Information (外部信息使用人管理制度)” is published simultaneously with this announcement on <http://www.cninfo.com.cn> for information disclosure.

**XVIII. Consideration and approval of the “Resolutions on the Amendment of Relevant Clauses in the Articles of Association” on an individual basis, and approval of the submission of this resolution to the 2009 annual general meeting for consideration, the details of which are as follows:**

1. As a result of the implementation of the Phase I Share Incentive Scheme of the Company, the issue of additional H Shares by the Company pursuant to the General Mandate on January 2010 and the issue of the Bonds cum Warrants of in 2008, the total share capital of the Company increased from 1,746,329,402 shares to 1,911,154,456 shares (details of which are set out in the table below).

Items	Share capital Before change (shares)	% of total issued shares	Implementation of the Phase I Share Incentive Scheme (shares)	Placement of additional H shares (shares)	Conversion of the Warrants “Zhongxing ZXC1” (shares)	Share capital after change (shares)	% of total issued shares
A Share	1,454,854,510	83.3%	85,006,813		21,523,441	<b>1,561,384,764</b>	<b>81.7%</b>
H Share	291,474,892	16.7%		58,294,800		<b>349,769,692</b>	<b>18.3%</b>
<b>Total issued share capital</b>	1,746,329,402	100.00%	85,006,813	58,294,800	21,523,441	<b>1,911,154,456</b>	<b>100.00%</b>

It is approved that following Clauses of the Articles of Association be amended as follows:

1) **Article 24**

**The original article which reads:** Upon its incorporation, the Company shall have 1,746,329,403 ordinary shares in issue, comprising 291,474,892 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).

**Is amended to read:** Upon its incorporation, the Company shall have 1,911,154,456 ordinary shares in issue, comprising 349,769,692 H shares (representing 18.3% of the Company's issuable ordinary shares) and 1,561,384,764 domestic shares (representing 81.7% of the Company's issuable ordinary shares).

2) **Article 27**

**The original article which reads:** The registered capital of the Company shall be RMB1,746,329,402.

**Is amended to read:** The registered capital of the Company shall be RMB1,911,154,456.

2. Requesting the general meeting to authorize the Board of Directors to amend the Company's Articles of Association and process any changes in registration required as a result of the alteration in registered capital

According to Phase I of the Share Incentive Scheme of ZTE Corporation (version dated 5 February 2007) (hereafter known as the "Share Incentive Scheme"), the Company may need to repurchase and cancel shares unable to fulfill the Unlocking Conditions based on the implementation of the Share Incentive Scheme. In view of this, the Board of Directors requests the general meeting to authorize the Board of Directors to amend the Company's Articles of Association accordingly and process any changes in registration required as a result of the alteration in registered capital based on the repurchase results.

3. The Board of Directors agreed to submit the resolution to the 2009 Annual General Meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XIX. Consideration and approval of the “Company Resolution on the adjustment of the allowance to Independent Directors”, details are as follows:**

1. To approve adjustment of the annual standard allowance granted by the Company to Independent Directors from RMB100,000 (before tax) to RMB130,000 (before tax), with individual income tax deducted and paid by the Company. Accommodation and transportation expenses incurred for attending the Company’s board meeting shall be borne by the Company.
2. Agree to submit the resolutions to the 2009 Annual general Meeting for consideration.

Voting results: For: 14; against: 0, and abstained: 0.

Independent Directors of the Company Mr. Li Jin, Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei and Mr. Tan Zhenhui have furnished an independent opinion on the adjustment of allowance for directors as follows:

The Fifth Remuneration Committee to the Board proposed the adjustment to the allowance for Independent Directors based on the allowance level for the independent directors of the listed domestic companies and the specific situation of the Company. We believed that after such adjustment, the standard allowance for the Independent Directors will be in accordance to the current market level and the specify situation of the Company. The procedures for determining such proposed allowance for the Independent Board of Directors were subject to the relevant laws and regulations and the provisions of the Articles of Association.

**XX. Consideration and approval of the resolution of the Company on the general mandate for 2010, details 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 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;

- (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 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
- (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 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 of the Company at a general meeting; and

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

proportion to their existing holdings of such shares or other equity securities (subject to the exclusion of fractional entitlements);

3. Where the Board of Directors resolves to issue shares 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
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.

The Board of Directors has approved the submission of this resolution to the 2009 annual general meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

#### **XXI. Consideration and approval of the “Resolution on the Convening of the 2009 Annual General Meeting”**

The Company has decided to convene the 2009 Annual General Meeting on 3 June 2010 at the conference on the 4th floor of the Shenzhen headquarters of the Company.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

The “Notice of 2009 Annual General Meeting of the Company” will be delivered to shareholders of H-shares of the Company in accordance with the provisions of the Articles of Association and applicable laws and regulations.

The Company will close its H share register from Tuesday, 4 May 2010 to Wednesday, 2 June 2010 (both days inclusive) for the 2009 Annual General Meeting. Shareholders of H-shares of the Company who wish to attending the meetings and receive the proposed final dividend for the year and the additional shares resulting from the capitalisation from capital reserves (the details of the proposed profit distribution and capitalisation from capital reserves are set out under No.XII in this announcement) shall lodge all the relevant 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 3 May 2010 at 4 : 30 p.m.

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

Shenzhen, the PRC

8 April 2010

*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, Lei Fanpei, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Li Jin, Qu Xiaohui, Wei Wei, Chen Naiwei and Tan Zhenhui.*

## **Annex I: Biography of Candidate for Independent Director**

TIMOTHY ALEXANDER STEINERT (石義德), 50, American (with Hong Kong permanent resident status), has been the chief legal officer of the Alibaba Group Holding Limited since July 2007. Mr. Steinert obtained a bachelor degree from Yale University in 1983 and a doctoral degree from Columbia University in 1989. From 1999 to 2007, he was a partner of the Business Division of the Freshfields Bruckhaus Deringer (Hong Kong). Mr. Steinert is a qualified lawyer in both Hong Kong and New York, the United States. Mr. Steinert is not related in any way to the Company or the Company's controlling shareholder, nor does he hold any shares in the Company. He has not been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges.



## **Annex II: Declaration by the Nominator of Independent Directors of ZTE Corporation**

### **Declaration by the Nominator of Independent Directors of the Fifth Session of the Board of Directors of ZTE Corporation**

The board of directors of ZTE Corporation hereby declares, in connection with its nomination of Mr. TIMOTHY ALEXANDER STEINERT (石義德) as candidate for the independent director of the fifth session of the board of directors of ZTE Corporation, that the nominee are not related to ZTE Corporation in any way that would compromise the independence of the nominees. The declaration is set out as follows:

The nomination have been made following thorough understanding of the professions, academic qualifications, professional titles, details of work experience of and all concurrent positions held by the nominees. The nominees have furnished in writing their consent to be nominated as candidate for independent directors of the fifth session of the board of directors of ZTE Corporation. The nominator is of the view that each of the nominees:

- I. Is eligible to be director of a listed company in accordance with the laws, administrative regulations and other relevant requirements;
- II. Meets the requirements for appointment as stipulated in the Articles of ZTE Corporation;
- III. Is independent by virtue of the following facts, as defined in the Guiding Opinion for the Establishment of Independent Directorship at Listed Companies issued by the CSRC:
  1. That neither the nominee nor any of his/her immediate family members or next of kin is under employment with ZTE Corporation or any of its subsidiaries; and that neither the nominee nor any of his/her immediate family members is under employment with the listed company' controlling shareholder or effective controller or any of their subsidiaries;
  2. That neither the nominee nor any of his/her immediate family members is a shareholder holding, directly or indirectly, 1% of the issued share capital of ZTE Corporation or a natural person shareholder among the top ten shareholders of the

listed company;

3. That neither the nominee nor any of his/her immediate family members is under employment with a corporate shareholder holding, directly or indirectly, more than 5% of the issued share capital of ZTE Corporation or under employment with any of the top five corporate shareholders of the listed company;
4. That the nominee is not providing any financial, legal, management consultancy or technical consultancy services to ZTE Corporation, its subsidiaries or its controlling shareholder;
5. That the nominee did not fall under any of the 4 conditions set out above during the past year;
6. That the nominee is not under employment with a company that carries on significant business transactions with any of ZTE Corporation, its subsidiaries and its controlling shareholder or their respective subsidiaries, or with the controlling shareholder of such company.

IV. Is not a civil servant or otherwise prohibited by the “Law Governing the Civil Servants” from taking up the position of an independent director;

V. Is currently not a central management cadre of any organ or unit that is administered in accordance with or by reference to the civil service system, such as an organ of the Communist Party, an organ of National People’s Congress, an organ of the Government, an organ of Chinese People’s Political Consultative Conference, a judicial organ and an organ of prosecuting authority;

VI. Is not a resigned and retired (departed) central management cadre who intends to be under employment with a listed company, which is directly related to his/her previous business, within three years after his/her resignation and retirement (departure);

VII. Is not a resigned and retired (departed) central management cadre who intends to hold an independent directorship without the approval of his/her previous Party organization (committee), Central Commission for Discipline Inspection and Central Organization Department as required, within three years after his/her resignation and retirement (departure);

VIII. Is not a resigned and retired (departed) central management cadre who intends to hold an independent directorship without reporting to and filing with his/her previous Party organization (committee) as required, within three years after his/her resignation and retirement (departure);

IX. Is not a resigned and retired (departed) personnel who is under employment with a company with over 25% of foreign investment falling within the managed areas and business scopes of his/her previous duties, within three years after his/her resignation and retirement (departure);

X. Is holding independent directorships with no more than 5 listed companies including ZTE Corporation, and he/she has not been under employment with ZTE Corporation for a consecutive period of more than 6 years;

XI. The nominee has acquired an independent director qualification certificate according to “Guidelines on Training of Senior Management of Listed Companies” (《上市公司高級管理員培訓工作指引》) of the CSRC;

XII. After the election of the nominee, independent directors should account for at least one third of the directors of the Board of Directors of ZTE Corporation, and that at least one of the independent directors must be accounting professional;

XIII. That the nominator has verified relevant details of the candidate for independent directors in accordance with Provision 3 of the “Shenzhen Stock Exchange Independent Director Record Measures” (《深圳證券交易所獨立董事備案辦法》).

The nominator warrants that the above declaration is true, accurate and complete without any false or misleading statements or material omission; failing which the nominator shall assume any legal liabilities arising therefrom and accept any disciplinary actions imposed by Shenzhen Stock Exchange.

Nominator: The board of directors of ZTE Corporation

8 April 2010

### **Annex III. Declaration by Candidate for Independent Directors**

#### **ZTE Corporation Declaration by Candidate for Independent Director**

TIMOTHY ALEXANDER STEINERT (石義德), as a candidate for independent director of the fifth session of the board of directors of ZTE Corporation, hereby declares and warrants that he is not related in any way to ZTE Corporation that would compromise his independence. The declaration is set out as follows:

- I. Neither myself nor any of my immediate family members or next of kin was under employment with the Company or any of its subsidiaries, and neither myself nor any of my immediate family members was under employment with the Company's controlling shareholder or effective controller or any of their subsidiaries during the past year;
- II. Neither myself nor any of my immediate family members held, directly or indirectly, 1% of the issued share capital of the Company during the past year;
- III. Neither myself nor any of my immediate family members was a shareholder among the top ten shareholders of the Company during the past year;
- IV. Neither myself nor any of my immediate family members was under employment with a corporate shareholder holding, directly or indirectly, more than 5% of the issued share capital of the Company during the past year;
- V. Neither myself nor any of my immediate family members was under employment with any of the subsidiaries of the effective controller or controlling shareholder of the Company during the past year;
- VI. Neither myself nor any of my immediate family members was under employment with any of the top five corporate shareholders of the Company during the past year;
- VII. I did not provide any financial, legal, management consultancy or technical consultancy services to the Company, its subsidiaries or its controlling shareholder during the past year;

- VIII. I was not under employment with a corporation providing any audit, consultancy, evaluation, legal and underwriting services to the Company, or even though I was under employment with such corporation, I was not involved in its intermediary services for the Company, and was not the corporation's principal officer or partner during the past year;
- IX. I am not under employment with a company that carries on significant business transactions with any of the Company, its subsidiaries, its controlling shareholder and the controlling shareholder's subsidiaries, or with the controlling shareholder of such company;
- X. I am not under employment with any units of any lending banks, suppliers or distributors of the Company;
- XI. I have not received other additional and undisclosed interests from such listed company and its substantial shareholders or any organizations or individuals who are interested parties;
- XII. I am not a civil servant or otherwise prohibited by the "Law Governing the Civil Servants of the People's Republic of China" from taking up the position of an independent director;
- XIII. I am currently not a central management cadre of any organ or unit that is administered in accordance with or by reference to the civil service system, such as an organ of the Communist Party, an organ of National People's Congress, an organ of the Government, an organ of Chinese People's Political Consultative Conference, a judicial organ and an organ of prosecuting authority;
- XIV. I am not a resigned and retired (departed) central management cadre who intends to be under employment with a listed company, which is directly related to my previous business, within three years after my resignation and retirement (departure);
- XV. I am not a resigned and retired (departed) central management cadre who intends to hold an independent directorship without approval of my previous Party organization (committee), Central Commission for Discipline Inspection and Central Organization Department as required, within three years after my resignation and retirement (departure);

- XVI. I am not a resigned and retired (departed) central management cadre who intends to hold an independent directorship without reporting to and filing with my previous Party organization (committee) as required, within three years after my resignation and retirement (departure);
- XVII. I am not a resigned and retired (departed) personnel who is under employment with a company with over 25% of foreign investment falling within the managed areas and business scopes of my previous duties, within three years after my resignation and retirement (departure);
- XVIII. I am not prohibited from taking up the position of director under Section 147 of the Company Law of the People's Republic of China;
- XIX. I have acquired an independent director qualification certificate according to "Guidelines on Training of Senior Management of Listed Companies" (《上市公司高級管理人員培訓工作指引》) of the CSRC;
- XX. I meet the requirements for appointment as stipulated in the Articles of the Company;
- XXI. My biographical and other personal information furnished to the listed company with whom my appointment is proposed is true, accurate and complete.

I am holding independent directorships with no more than 5 listed companies including ZTE Corporation, and I have not been under employment with ZTE Corporation for a consecutive period of more than 6 years.

Solemn declaration by TIMOTHY ALEXANDER STEINERT (石義德): I am fully aware of the duties of an independent director and I warrant that the above declaration is true, accurate and complete without any false or misleading statements or material omission; failing which I shall assume any legal liabilities arising therefrom and accept any disciplinary actions by Shenzhen Stock Exchange. I understand that Shenzhen Stock Exchange may verify my qualifications and independence on the basis of this declaration. I will comply with the rules and regulations promulgated by the CSRC and Shenzhen Stock Exchange during my tenure as independent director of the Company. I will ensure the dedication of sufficient time and energy to discharge my duties diligently and responsibly and exercise independent judgments free from the influence of the substantial shareholders or effective controller of the Company or other interested organizations or individuals.

Declaration by: TIMOTHY ALEXANDER STEINERT (石義德)

7 April 2010