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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 Fifteenth Meeting of the Seventh 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 in this announcement or material omission therefrom.

ZTE Corporation (the “Company”) issued the “Notice of the Fifteenth Meeting of the Seventh Session of the Board of Directors of the Company” to all the Directors of the Company by electronic mail and telephone on 7 March 2017. The Fifteenth Meeting of the Seventh Session of the Board of Directors of the Company (the “Meeting”) was convened at the Shenzhen headquarters of the Company by way of on-site meeting on 23 March 2017. The Meeting was presided over by Mr. Yin Yimin, Chairman. Of the 13 Directors required to attend the Meeting, 10 Directors attended in person and 3 Directors appointed proxies to attend on their behalves. Mr. Richard Xike Zhang, Independent Non-executive Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Zhu Wuxiang, Independent Non-executive Director, to vote on his behalf. Mr. Bingsheng Teng, Independent Non-executive Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Zhu Wuxiang, Independent Non-executive Director, to vote on his behalf. Mr. Lü Hongbing, Independent Non-executive Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Chen Shaohua, Independent Non-executive Director, to vote on his behalf. Members of the Supervisory Committee of the Company and certain personnel concerned also attended the Meeting. The Meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of ZTE Corporation (the “Articles of Association”), 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 2016 Annual Report of the Company” and the “2016 Annual Report Summary and Results Announcement of the Company” and approval of submission of the 2016 Annual Report (including 2016 Financial Report of the Company Audited by the PRC and Hong Kong Auditors) to the 2016 Annual General Meeting of the Company for consideration.

The Group’s provision for asset impairment for 2016 contained in the Full Text of the 2016 Annual Report amounted to RMB2,853,127,000, comprising provision for inventory impairment amounting to RMB636,161,000, provision for fixed asset impairment amounting to RMB45,270,000, and provision for bad debts of trade receivables amounting to RMB2,171,696,000. For details, please refer to the note V. 48 in the 2016 financial report.

In accordance with the provisions of “Memorandum on Information Disclosure by Main Board Listed Companies No. 1 – Matters pertaining to Regular Reporting” issued by the Shenzhen Stock Exchange, the Group’s provision for asset impairment for 2016 should be submitted to the Board of Directors and the general meeting of the Company for consideration, given that the total amount of provision exceeds 50% of the net profit. The Group’s provision for asset impairment for 2016 has been considered and approved by the Board of Directors as part of the Full Text of the 2016 Annual Report, and the Board of Directors has approved the tabling of such matter at the general meeting for consideration.

Voting result: For: 13; Against: 0; Abstained: 0.

II. Consideration and approval of the “2016 Report of the Board of Directors of the Company” and approval of submission to the 2016 Annual General Meeting of the Company for consideration.

Voting result: For: 13; Against: 0; Abstained: 0.

Details of the report of the Board of Directors are set out at the “Overseas Regulatory Announcement” published on the same date as this announcement.

III. Consideration and approval of the “2016 Report of the President of the Company” and approval of submission to the 2016 Annual General Meeting of the Company for

consideration.

Voting result: For: 13; Against: 0; Abstained: 0.

IV. Consideration and approval of the “Final Financial Accounts of the Company for 2016” and approval of submission to the 2016 Annual General Meeting of the Company for consideration.

Voting result: For: 13; Against: 0; Abstained: 0.

V. Consideration and approval of the “Resolution on the Write-Off of Bad Debts of the Company for the second half of 2016”, the details of which are as follows:

That the write-off by the Company of 3 accounts of trade receivables which had been considered unrecoverable totaling RMB 430,814,900 be approved. As at 31 December 2016, the Company has fully provided for the bad debts of trade receivables proposed to be written off hereby and the write-off will not have any material impact on the current financial conditions and operating results of the Company.

Voting result: For: 13; Against: 0; Abstained: 0.

VI. Consideration and approval of the “Proposal for Profit Distribution of the Company for 2016” and approval of submission to the 2016 Annual General Meeting of the Company for consideration, the details of which are as follows:

Audited net profit of the Company for the year 2016 calculated in accordance with PRC ASBEs amounted to approximately RMB-4,725,445,000. Together with undistributed profit of approximately RMB2,710,245,000 carried forward at the beginning of the year, 2015 dividend distribution to shareholders of approximately RMB1,038,566,000 and after deducting statutory surplus reserves of RMB0, profit available for distribution to shareholders amounted to approximately RMB-3,053,766,000.

Audited net profit of the Company for the year 2016 calculated in accordance with HKFRSs amounted to approximately RMB-4,777,527,000. Together with undistributed profit of approximately RMB2,590,517,000 carried forward at the beginning of the year, 2015 dividend distribution to shareholders of approximately RMB1,038,566,000 and after deducting statutory surplus reserves of approximately RMB0, profit available for distribution

to shareholders amounted to approximately RMB-3,225,576,000.

In accordance with the requirements of the Ministry of Finance of the PRC 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 RMB-3,225,576,000. The Board of Directors of the Company has recommended the proposal for profit distribution of the Company for 2016 as follows:

In view of the amount of profit available for distribution is negative figure, no profit distribution is proposed for 2016.

Voting result: For: 13; Against: 0; Abstained: 0.

VII. Consideration and approval of the “Report of the Audit Committee of the Company on the 2016 Audit of the Company Performed by the PRC and Hong Kong Auditors.”

Voting result: For: 13; Against: 0; Abstained: 0.

VIII. Consideration and approval of the “Resolution of the Company on Determining the 2016 Audit Fees of the PRC and Hong Kong Auditors,” the details of which are as follows:

That the payment of 2016 financial report audit fees to the PRC and Hong Kong auditors on a consolidated basis be confirmed, namely a payment of financial report audit fees in the aggregate amount of RMB6.60 million (comprising transportation, accommodation and dining expenses and relevant tax expenses in connection with the audit) to Ernst & Young Hua Ming LLP and Ernst & Young; that the payment of 2016 internal control audit fee in the amount of RMB950,000 (comprising transportation, accommodation and dining expenses and relevant tax expenses in connection with the audit) to Ernst & Young Hua Ming LLP be confirmed.

Voting result: For: 13; Against: 0; Abstained: 0.

IX. Consideration and approval of the “Resolutions on the Appointment of the PRC Auditor and the Hong Kong Auditor of the Company for 2017” on an individual basis and approval of submission to the 2016 Annual General Meeting of the Company for consideration, the details of which are as follows:

1. That Ernst & Young Hua Ming LLP be re-appointed as the PRC auditor of the Company’s financial report for 2017 and a proposal be made to the 2016 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming LLP for 2017 based on the specific audit work to be conducted be approved.

Voting result: For: 13; Against: 0; Abstained: 0.

2. That Ernst & Young be re-appointed as the Hong Kong auditor of the Company’s financial report for 2017 and a proposal be made to the 2016 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2017 based on the specific audit work to be conducted be approved.

Voting result: For: 13; Against: 0; Abstained: 0.

3. That Ernst & Young Hua Ming LLP be re-appointed as the internal control auditor of the Company for 2017 and a proposal be made to the 2016 Annual General Meeting to authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2017 based on the specific audit work to be conducted be approved.

Voting result: For: 13; Against: 0; Abstained: 0.

X. Consideration and approval of the “Resolutions of the Company on the Proposed Application for Composite Credit Facilities for the Six Months ended 30 June 2017” 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) for the six months ended 30 June 2017 which are subject to approval by the banks.

Bank	Proposed composite credit facilities amount	Principal types of composite credit facilities
Bank of China Limited	RMB30.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Industrial and Commercial Bank of China, Shenzhen Branch	RMB10.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.

Bank	Proposed composite credit facilities amount	Principal types of composite credit facilities
Export-Import Bank of China, Shenzhen Branch	RMB10.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Agricultural Bank of China, Shenzhen Branch	RMB3.6 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Pingan Bank Co., Ltd, Shenzhen Branch	RMB10.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
China Minsheng Banking Corp., Ltd., Shenzhen Branch	RMB3.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Postal Savings Bank of China Co., Ltd, Shenzhen Branch	RMB5.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Beijing Bank Corporation, Shenzhen Branch	RMB4.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
China Zheshang Bank Co., Ltd, Shenzhen Branch	RMB5.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Bank of Dongguan, Shenzhen Branch	RMB3.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Total credit facilities amount in RMB	RMB83.6 billion	-
China Development Bank Corporation, Shenzhen Branch	USD7.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
DBS Bank (China) Co., Ltd , Shenzhen Branch	USD0.05 billion	Guarantee, foreign exchange trade, etc.
Societe Generale (China) Limited, Guangzhou Branch	USD0.06 billion	Guarantee, letter of credit, foreign exchange trade, etc.
Banque de l'Indochine (China) Limited, Shanghai Branch	USD0.08 billion	Guarantee, letter of credit, foreign exchange trade, etc.
Banco Bilbao Vizcaya Argentaria Limited, Shanghai Branch	USD0.05 billion	Loans, trade financing, guarantee, etc.
Kaitai Bank of Thailand (Public) Co., Ltd, Shenzhen Branch	USD0.03 billion	Guarantee, foreign exchange trade, etc.
Total credit facilities amount in USD	USD7.27 billion	-

Note: The above composite credit facilities represent the maximum amounts to be granted by the banks 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 mortgage for such facilities. The Company will determine the type(s) of facilities to be utilised, subject to the aforesaid limits, based on the actual requirements of its production operations, after fulfilling 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 to the banks 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 and China Development Bank Corporation, Shenzhen Branch, shall be valid with effect from 23 March 2017 until (1) the approval of the next new credit facilities, or (2) 31 March 2018 (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 within such cap under such credit facility. The legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to sign 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 and China Development Bank Corporation, Shenzhen Branch for composite credit facilities amounting to RMB30.0 billion and USD7.0 billion, respectively, are subject to consideration and approval by the 2016 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: For: 13; Against: 0; Abstained: 0.

XI. Consideration and approval of the “Resolution on the Application for Derivative Investment Limits of the Company for 2017”, and approval of submission to the 2016 Annual General Meeting of the Company for consideration, the details of which are as follows:

That the Company be authorised by the general meeting to invest in value protection derivative products against its foreign exchange risk exposure by hedging through dynamic coverage rate for an net amount not exceeding the equivalent of USD3.0 billion (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: For: 13; Against: 0; Abstained: 0.

Details of the foresaid derivative investments are set out at the “Announcement on the Application for Derivative Investment Limits for 2017” published on the same date as this announcement.

XII. Consideration and approval of the “Statement on the Company's Investments in

Securities in 2016.”

Voting results: For: 13; Against: 0; Abstained: 0.

For details please refer to the Overseas Regulatory Announcement published on the same date as this announcement.

XIII. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the Property Leasing Agreement with Zhongxing Development (a Connected Person),” the details of which are as follows:

That the “Property Leasing Agreement” entered into between the Company and Zhongxing Development Company Limited (“Zhongxing Development”), a connected person, for a term commencing on 18 April 2017 and ending on 17 December 2017 subject to a rental cap of RMB40 million be approved;

Notes on connected relationships:

Zhongxing Development is a connected legal entity of the Company under the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (the “Shenzhen Listing Rules”) by virtue of the facts that: the capacity of Mr. Hou Weigui, former Chairman of the Company, as chairman of Zhongxing Development falls within the scope of Rule 10.1.6 (II) of the Shenzhen Listing Rules, and the capacity of Mr. Zhai Weidong, director and general manager of Zhongxingxin Telecommunication Equipment Company Limited (“Zhongxingxin”), the controlling shareholder of the Company, as a former director of Zhongxing Development falls within the scope of Rule 10.1.6 (II) of the Shenzhen Listing Rules. Mr. Hou Weigui has ceased to be Director of the Company as from 30 March 2016, and Mr. Zhai Weidong has ceased to be a director of Zhongxing Development as from 19 July 2016. Therefore, Zhongxing Development has ceased to be a connected legal entity of the Company as from 19 July 2017.

Zhongxing Development is not deemed a connected person of the Company under relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

For details please refer to the Overseas Regulatory Announcement published on the same date as this announcement.

XIV. Consideration and approval of the “Resolution on the Nomination of the Candidate for Non-Independent Director” and approval of submission to the 2016 Annual General Meeting of the Company for consideration, the details of the which are as follows:

The Seventh Session of the Board of Directors of the Company hereby nominates Mr. Zhai Weidong a candidate for non-independent and non-executive director of the Seventh Session of the Board of Directors of the Company, for a term commencing on the date on which this resolution is considered and passed at the 2016 Annual General Meeting of the Company and ending upon the conclusion of the term of the Seventh Session of the Board of Directors of the Company (i.e., 29 March 2019).

Voting result: For: 13; against: 0; abstained: 0.

(Please refer to Annex I for the brief biography of the aforesaid candidate for non-independent director.)

Prior to the Meeting, the Nomination Committee of the Seventh Session of the Board of Directors of the Company had conducted meticulous and stringent vetting of the candidate for non-independent and non-executive director and had considered and passed the “Resolution on the Recommendation for the Nomination of Candidates for Non-independent Director” after deliberation to recommend the nomination of Mr. Zhai Weidong as a candidate for non-independent and non-executive director by the Seventh Session of the Board of Directors of the Company, and had approved the submission of such recommendation to the Meeting for consideration.

XV. Consideration and approval of the “Resolution on the Performance of and Annual Bonus Amount for the Chairman and President of the Company for 2016.”

As Mr. Zhao Xianming, served as the Chairman and President of the Company, he did not take part in the voting in respect of this matter at the Meeting.

Voting result: For: 12; Against: 0; Abstained: 0.

XVI. Consideration and approval of the “Resolution on the Performance of and Annual Bonus Amount for Other Senior Management Personnel of the Company for 2016.”

As Mr. Yin Yimin, Chairman, served as general manager of the Terminal Division of the

Company in 2016, Mr. Wei Zaisheng, Director, served as the Executive Vice President and Chief Financial Officer of the Company, both of them did not take part in the voting in respect of this matter at the Meeting.

Voting result: For: 11; Against: 0; Abstained: 0.

XVII. Consideration and approval of the “Resolution on the Performance Management Measures for the Company’s President for 2017.”

As Mr. Zhao Xianming, Director, served as the President of the Company, he did not take part in the voting in respect of this matter at the Meeting.

Voting result: For: 12; Against: 0; Abstained: 0.

XVIII. Consideration and approval of the “Resolution on the Performance Management Measures for Other Senior Management Personnel of the Company for 2017.”

As Mr. Wei Zaisheng, Director, served as the Executive Vice President and Chief Financial Officer of the Company, he did not take part in the voting in respect of this matter at the Meeting.

Voting result: For: 12; Against: 0; Abstained: 0.

XIX. Consideration and approval of the “Resolution on the Non-fulfillment of Exercise Conditions for the Third Exercise Period under the Share Option Incentive Scheme”.

As the exercise conditions for the third exercise period under the share option incentive scheme have not been fulfilled, share options that cannot be exercised owing to the non-fulfillment of conditions pertaining to business results will lapse with immediate effect and withdrawn and cancelled by the Company without compensation in accordance with the ZTE Corporation Share Option Incentive Scheme (Revised Draft). A total of 44,356,320 share options have been granted in respect of the third exercise period. The Company will carry out the procedures for the cancellation of such share options following the consideration and approval of the 2016 financial report at the 2016 Annual General Meeting.

Directors Mr. Zhao Xianming and Mr. Zhang Jianheng, as scheme participants of the Company’s share option incentive scheme, did not take part in the voting in respect of the aforesaid matter at the Meeting.

Voting result: For: 11; against: 0; abstained: 0.

For details, please refer to the “Announcement on the Non-fulfillment of Exercise Conditions for the Third Exercise Period under the Share Option Incentive Scheme” published on the same date as this announcement.

XX. Consideration and approval of the “Sustainability Report 2016 of the Company.”

Voting result: For: 13; against: 0; abstained: 0.

For details, please refer to the “Sustainability Report 2016” published on the same date as this announcement.

XXI. Consideration and approval of the “2016 Assessment Report on Internal Control of the Company.”

Voting result: For: 13; Against: 0; Abstained: 0.

The “2016 Assessment Report on Internal Control of the Company” is published as an Overseas Regulatory Announcement on the same date as this announcement.

XXII. Consideration and approval of the “Resolution of the Company on the Application for General Mandate for 2017” and approval of submission to the 2016 Annual General Meeting of the Company for consideration, the 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 (as defined below) to separately or concurrently allot, issue and deal with additional domestic shares and overseas-listed foreign shares (“H Shares”) of the Company (including securities convertible into domestic shares and/or H Shares of the Company) and to make or grant offers, agreements or options in respect of the above:

(1) such mandate shall not extend beyond the Relevant Period, other than in the case of the making or granting of offers, agreements or options by the Board of Directors during the

Relevant Period which might require the performance or exercise of such powers after the close of the Relevant Period;

(2) the aggregate nominal amount of the share capital of domestic shares and H shares authorised to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board of Directors, otherwise than pursuant to (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 the Hong Kong Listing Rules (as amended from time to time) and with the necessary approvals of the China Securities Regulatory Commission and/or other relevant PRC government authorities.

2. For the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution at the general meeting until the earliest of:

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

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

“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 Articles of Association as they deem necessary to increase the registered share capital of the Company and to reflect the new capital structure of the Company following the allotment and issue of shares of the Company contemplated in paragraph 1 of this resolution.

Voting result: For: 13; Against: 0; Abstained: 0.

XXIII. Consideration and approval of the “Resolution on the Revision of Relevant Certain Clauses under the Articles of Association” and approval of submission to the 2016 Annual General Meeting of the Company for consideration, the details of which are as follows:

(1) That the revision of relevant clauses under the Articles of Association in accordance with the law be approved, the details of which are as follows:

The original article which reads:	Is amended to read
<p>Article 2 ...The Company was incorporated by subscription method on the basis of the approval document No. [1997] 42 issued by the Shenzhen Municipal People’s Government. The Company obtained an enterprise legal person business licence following its registration with the Shenzhen Administration for Industry and Commerce on 11 November 1997. The Company’s business licence number is <i>Shen Si Zi</i> N35868 and its registration number is 440301103852869.</p>	<p>Article 2 ...The Company was incorporated by subscription method on the basis of the approval document No. [1997] 42 issued by the Shenzhen Municipal People’s Government. The Company obtained an enterprise legal person business licence following its registration with the Shenzhen Administration for Industry and Commerce on 11 November 1997. The Company’s standardised social credit code is 9144030027939873X7.</p>
<p>Article 24 ...Subsequent to its establishment, the Company shall issue 4,125,049,533 ordinary shares, comprising 755,502,534 H Shares, accounting for 18.31% of the total number of ordinary shares issuable by the Company; and 3,369,546,999 Domestic Shares,</p>	<p>Article 24 ...Subsequent to its establishment, the Company shall issue 4,185,896,909 ordinary shares, comprising 755,502,534 H Shares, accounting for 18.05% of the total number of ordinary shares issuable by the Company; and 3,430,394,375 Domestic Shares,</p>

The original article which reads:	Is amended to read
accounting for 81.69% of the total number of ordinary shares issuable by the Company.	accounting for 81.95% of the total number of ordinary shares issuable by the Company.
Article 27 The registered capital of the Company shall be RMB4,125,049,533.	Article 27 The registered capital of the Company shall be RMB 4,185,896,909 .

(2) That any Director or the Secretary to the Board of Directors be authorised to handle on behalf of the Company any procedures for filing, amendment and registration (where necessary) and other pertinent matters in relation to the amendment of the Articles of Association.

Voting result: For: 13; Against: 0; Abstained: 0.

XXIV. Consideration and approval of the “Resolution on the Convening of the 2016 Annual General Meeting of the Company.”

The Company has resolved to convene the 2016 Annual General Meeting of the Company (the “AGM”) on Tuesday, 20 June 2017 at the conference room on the 4th floor of the Shenzhen headquarters of the Company.

Voting result: For: 13; Against: 0; Abstained: 0.

“Notice of the 2016 Annual General Meeting” and circular will be delivered 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 Monday, 22 May 2017 to Monday, 19 June 2017 (both days inclusive) to determine qualifications of shareholders to attend and vote at the AGM. Any H Shareholder who wishes to attend and vote at the AGM shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 19 May 2017.

By Order of the Board

Yin Yimin

Chairman

Shenzhen, the PRC

23 March 2017

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Yin Yimin, Zhao Xianming and Wei Zaisheng; five non-executive directors, Zhang Jianheng, Luan Jubao, Wang Yawen, Tian Dongfang and Zhan Yichao; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.

Annex I: Brief biography of the candidate for non-independent director

Mr. Zhai Weidong, born April 1967, obtained his bachelor's degree from Harbin Vessel Engineering Institute in 1989 majoring in electronic engineering, and his master's degree from Shanghai Jiaotong University in 1996 majoring in signal and information processing, and currently holds the title of senior engineer. Mr. Zhai joined Shenzhen Zhongxingxin Telecommunications Equipment Company Limited in March 1996. From November 1997 to August 2015, he was under the employ of ZTE Corporation, having served as head of the No. 2 video development office under Nanjing Research Institute, head of the Surveillance Device Development Department under Shenzhen R&D Centre, general manager of surveillance products, assistant to senior vice president, and director and general manager of Shenzhen ZNV Technology Co., Ltd. Since September 2015, he has been director and general manager of Shenzhen Zhongxingxin Telecommunications Equipment Company Limited, controlling shareholder of the Company. Mr. Zhai has extensive experience in management and operations. Mr. Zhai does not hold any shares in the Company. He is not related to other Directors, Supervisors or senior management of the Company. He is not subject to any punishment by the China Securities Regulatory Commission ("CSRC") or other relevant authorities or disciplinary action by the stock exchange, nor subject to any case of investigation commenced by the judicial authorities for alleged crime or investigations by the CSRC for alleged violation of laws and regulations, nor a dishonest person subject to enforcement or a party subject to liabilities for dishonesty. He is in compliance with the qualifications for appointment stipulated under pertinent laws, administrative regulations, departmental rules, regulatory documents, the Shenzhen Listing Rules, other pertinent provisions of the stock exchange and the Articles of Association.