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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-fifth Meeting of the Sixth 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 convening the Twenty-fifth Meeting of the Sixth Session of the Board of Directors of the Company” to all the Directors of the Company by electronic mail and telephone on 11 March 2015. The Twenty-fifth Meeting of the Sixth 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 25 March 2015. The Meeting was presided over by Mr. Hou Weigui, Chairman. Of the 14 Directors required to attend the Meeting, 11 Directors attended in person and 3 Directors appointed proxies to attend on their behalves. Mr. Dong Lianbo, Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Wei Wei, Independent Non-executive Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Tan Zhenhui, Independent Non-executive Director, to vote on his behalf. Mr. Chen Naiwei, Independent Non-executive Director, was unable to attend the Meeting due to work reasons, and has authorised Ms. Qu Xiaohui, 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 2014 Annual Report of the Company” and the “2014 Annual Report Summary and Results Announcement of the Company” and approval of submission of the 2014 Annual Report (including 2014 Financial Report of the Company Audited by the PRC and Hong Kong Auditors) to the 2014 Annual General Meeting of the Company for consideration.**

Voting result: For: 14; Against: 0; Abstained: 0.

**II. Consideration and approval of the “2014 Report of the Board of Directors of the Company” and approval of submission to the 2014 Annual General Meeting of the Company for consideration.**

Voting result: For: 14; Against: 0; Abstained: 0.

**III. Consideration and approval of the “2014 Report of the President of the Company” and approval of submission to the 2014 Annual General Meeting of the Company for consideration.**

Voting result: For: 14; Against: 0; Abstained: 0.

**IV. Consideration and approval of the “Final Financial Accounts of the Company for 2014” and approval of submission to the 2014 Annual General Meeting of the Company for consideration.**

Voting result: For: 14; 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 2014”, the details of which are as follows:**

That the write-off by the Company of six accounts of trade receivables which had been considered unrecoverable totaling RMB 29.0445 million be approved. As at 31 December 2014, 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: 14; Against: 0; Abstained: 0.

**VI. Consideration and approval of the “Proposal for Profit Distribution and Conversion**

**from Capital Reserve of the Company for 2014” and approval of submission to the 2014 Annual General Meeting of the Company for consideration, the details of which are as follows:**

Audited net profit of the Company (namely ZTE Corporation) for the year 2014 calculated in accordance with PRC ASBEs amounted to RMB1,558,172,000. Together with undistributed profit of RMB128,756,000 carried forward at the beginning of the year and after deducting statutory surplus reserves of RMB155,817,000, profit available for distribution to shareholders amounted to RMB1,531,111,000.

Audited net profit of the Company (namely ZTE Corporation) for the year 2014 calculated in accordance with HKFRSs amounted to RMB1,616,476,000. Together with undistributed profit of RMB32,930,000 carried forward at the beginning of the year and after deducting statutory surplus reserves of RMB155,817,000, profit available for distribution to shareholders amounted to RMB1,493,589,000.

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 RMB1,493,589,000. The Board of Directors of the Company has recommended the proposal for profit distribution and conversion from capital reserve of the Company for 2014 as follows:

1. Proposed profit distribution for 2014: Cash dividend of RMB2.0 for every 10 shares (before tax) based on the Company’s total share capital of 3,437,541,278 shares as at 31 December 2014.
2. Proposed conversion from capital reserve for 2014: the creation of 2 shares for every 10 shares by way of conversion of capital reserve, representing a total increase of 687,508,255 shares based on the Company’s total share capital of 3,437,541,278 shares as at 31 December 2014. Fractional entitlements shall be dealt with in accordance with relevant rules of the stock exchange and the clearing house of the place where the stocks of the Company are listed. As a result, the actual amount of share capital increased by conversion of capital reserve and the actual number of shares created in aggregate after implementation of the proposed conversion from capital reserve might be slightly different from the aforesaid

estimates.

The Board of Directors proposed that the general meeting authorise the Board of Directors to deal with matters relating to the profit distribution and conversion from capital reserve for 2014, to amend relevant clauses of the Articles of Association based on the implementation of the conversion from capital reserve to increase the registered capital of the Company and reflect the new capital structure after the conversion from capital reserve, and to process any changes in industrial and commercial registration required as a result of the alteration in registered capital.

Voting result: For: 14; Against: 0; Abstained: 0.

**VII. Consideration and approval of the “Report of the Audit Committee of the Company on the 2014 Audit of the Company Performed by the PRC and Hong Kong Auditors.”**

Voting result: For: 14; Against: 0; Abstained: 0.

**VIII. Consideration and approval of the “Resolution of the Company on Determining the 2014 Audit Fees of the PRC and Hong Kong Auditors,” the details of which are as follows:**

That the payment of 2014 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 RMB5.85 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 2014 internal control audit fee in the amount of RMB824,000 (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: 14; 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 2015” on an individual basis and approval of submission to the 2014 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 2015 and a proposal be made to the 2014 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua Ming LLP for 2015 based on specific audit work to be conducted be approved.

Voting result: For: 14; Against: 0; Abstained: 0.

2. That Ernst & Young be re-appointed as the Hong Kong auditor of the Company's financial report for 2015 and a proposal be made to the 2014 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2015 based on the specific audit work to be conducted be approved.

Voting result: For: 14; Against: 0; Abstained: 0.

3. That Ernst & Young Hua Ming LLP be re-appointed as the internal control auditor of the Company for 2015 and a proposal be made to the 2014 Annual General Meeting to authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2015 based on specific audit work to be conducted be approved.

Voting result: For: 14; Against: 0; Abstained: 0.

**X. Consideration and approval of the “Resolution on the Performance of and Annual Bonus Amount for the President of the Company for 2014.”**

As Mr. Shi Lirong, 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: 13; Against: 0; Abstained: 0.

**XI. Consideration and approval of the “Resolution on the Performance of and Annual Bonus Amount for Other Senior Management Personnel of the Company for 2014.”**

Voting result: For: 14; Against: 0; Abstained: 0.

**XII. Consideration and approval of the “Resolution on the Performance Management Measures for the Company President for 2015.”**

As Mr. Shi Lirong, 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: 13; Against: 0; Abstained: 0.

**XIII. Consideration and approval of the “Resolution on the Performance Management Measures for Other Senior Management Personnel of the Company for 2015.”**

Voting result: For: 14; Against: 0; Abstained: 0.

**XIV. Consideration and approval of the “Resolutions of the Company on the Proposed Application for Composite Credit Facilities for the Six Months ended 30 June 2015” 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 2015 which are subject to approval by the banks.

<b>Bank</b>	<b>Proposed composite credit facilities amount</b>	<b>Principal types of composite credit facilities</b>
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	RMB15.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Shanghai Pudong Development Bank, Shenzhen Branch	RMB1.0 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.
<b>Total credit facilities amount in RMB</b>	<b>RMB42.0 billion</b>	-
China Development Bank Corporation, Shenzhen Branch	USD5.5 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Societe Generale (China) Limited, Guangzhou Branch	USD0.1 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
Banque de l'Indochine (China) Limited, Shanghai Branch	USD0.08 billion	Guarantee, foreign exchange trade, etc.
<b>Total credit facilities amount in USD</b>	<b>USD5.68 billion</b>	-

*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, Shenzhen Branch, China Construction Bank Corporation, Shenzhen Branch and China Development Bank Corporation, Shenzhen Branch, shall be valid with effect from 25 March 2015 until (1) the approval of the next new credit

facilities, or (2) 31 March 2016 (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. Mr. Hou Weigui, 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, Shenzhen Branch, China Construction Bank Corporation, Shenzhen Branch and China Development Bank Corporation, Shenzhen Branch for composite credit facilities amounting to RMB23.0 billion, RMB15.0 billion and USD5.5 billion, respectively, are subject to consideration and approval by the 2014 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: 14; Against: 0; Abstained: 0.

**XV. Consideration and approval of the “Resolution on the Application for Investment Limits in Derivative Products of the Company for 2015”, and approval of submission to the 2014 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 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: For: 14; Against: 0; Abstained: 0.

Details of the foresaid derivative investments are set out at the “Announcement on the Application for Derivative Investment Limits for 2015” published on the same date as this announcement.

**XVI. Consideration and approval of the “Resolution on the application of idle internal funds to invest in investment products,” the details of which are as follows:**

1. That the application of idle internal funds by ZTE and its qualifying core subsidiaries to invest in value-protection investment products or low-risk non-value-protection investment products (provided that such products are not directly or indirectly applied in other securities investments; nor trust products whose objective is to invest in stocks and their derivatives and unsecured bonds) for an effective term of 1 year (from the date on which the resolution is approved at the Board of Directors) subject to a cap of RMB1 billion be approved;
2. That the management of the Company be authorised to deal with the actual conduct of investment in such products and negotiate and sign, to the extent authorised, relevant documents for the subscription of such investment products with commercial banks.

Voting result: For: 14; Against: 0; Abstained: 0.

**XVII. Consideration and approval of the “Resolution on the Formulation of Administrative Rules for Investments in Securities of the Company.”**

Voting result: For: 14; Against: 0; Abstained: 0.

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

**XVIII. Consideration and approval of the “Statement of the Board of Directors on the Company’s Investments in Securities in 2014.”**

Voting results: For: 14. Against: 0, Abstained: 0.

For details please refer to the Overseas Regulatory Announcement published on the same



date as this announcement.

**XIX. Consideration and approval of the “Resolution on the Proposed Registration and Issue of Super and Short-term Commercial Paper (“SCP”)”, the details of which are as follows:**

1. That the registration and issue plan for the register and issue of SCP with a size of not more than RMB8,000 million by the Company be approved.
  
2. That Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory be authorised to: (1) confirm the appointment of relevant intermediaries relating to the registration and issue, including but not limited to the lead underwriter and bookrunner, etc; and (2) confirm the actual issue plan (including the timing, amount, tranches and term of issue, etc) based on the outcome of negotiations between the Company and parties related to the issue, subject to the aforesaid plan for the registration and issue of SCP, negotiate and sign relevant agreements with parties relating to the issue and other relevant legal contracts and documents and deal with other relevant matters.
  
3. That the submission of the resolution to the 2014 Annual General Meeting for consideration be approved.

Voting result: For: 14; Against: 0; Abstained: 0.

**XX. Consideration and approval of the “Resolution on the Provision of Guarantee by the Company for Overseas Subsidiaries in respect of Debt Financing”, the details of which are as follows:**

1. That the provision of guarantee by the Company for ZTE (H.K.) Limited (“ZTE HK”) or ZTE COOPERATIEF UA (“ZTE Netherlands”) in respect of overseas medium- to long-term debt financing be approved, the details of which are as follows:

(1) That the provision of guarantee by way of joint liability assurance for an amount of not more than EUR200 million (or the equivalent in other currencies, calculated according to the Company’s foreign currency statement book exchange rate) for a term of not more than five years (from the date on which the debt financing agreement comes into effect) by the Company in respect of the overseas medium- to long-term debt financing of ZTE HK or ZTE Netherlands.

(2) That Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory be authorised to determine the specific amount and period of guarantee based on the results of negotiations between ZTE HK or ZTE Netherlands and the relevant debt financing parties subject to the aforesaid limit and period of guarantee and to negotiate with the relevant debt financing parties and execute all guarantee agreements and other pertinent legal contracts and documents relating to the aforesaid guarantee, and deal with other matters pertaining to such guarantee.

2. That the submission of the resolution to the 2014 Annual General Meeting for consideration be approved.

Voting result: For: 14; Against: 0; Abstained: 0.

For further details of matters pertaining to the aforesaid debt financing of overseas subsidiaries, please refer to the “Announcement on The Provision of Guarantee for A Wholly-owned Subsidiary” published on the same date as this announcement.

**XXI. 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 of two years commencing on 18 April 2015 and ending on 17 April 2017 subject to an annual rental cap of RMB54 million be approved.

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

**XXII. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the Financial Service Agreement with Zhongxing Hetai (a Connected Person),” the details of which are as follows:**

1. That the Financial Service Agreement for 2015-2017 entered into between ZTE Group Finance Co., Ltd. (“ZTE Group Finance”) a wholly-owned subsidiary of the Company, and Shenzhen Zhongxing Hetai Hotel Investment and Management Company Limited (“Zhongxing Hetai”), a connected person, with the estimated daily deposit balance (principal cum interest) under the deposit service provided by ZTE Group Finance to Zhongxing Hetai

and its subsidiaries for the years 2015-2017 under such agreement capped at RMB70 million, RMB85 million and RMB100 million, respectively, be approved;

2. That the Financial Service Agreement for 2015-2017 entered into between ZTE Group Finance, a wholly-owned subsidiary of the Company, and Zhongxing Hetai, a connected person, pursuant to which ZTE Group Finance is expected to provide settlement services to Zhongxing Hetai and its subsidiaries in the years 2015-2017 under such agreement provided that funds utilised for settlement shall be limited to the cash deposits placed with ZTE Group Finance by Zhongxing Hetai or its subsidiaries and that no handling fees shall be charged for such settlement service, be approved.

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

Notes to resolutions XXI and XXII above:

1. Zhongxing Development is an associated corporation of the Company under the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (the “Shenzhen Listing Rules”) by virtue of the fact that the capacity of Mr. Hou Weigui, Chairman of the Company, as chairman of Zhongxing Development falls within the scope of Rule 10.1.3 (III) of the Shenzhen Listing Rules. As Zhongxing Hetai is a subsidiary of Zhongxing Development, Zhongxing Hetai is an associated corporation of the Company. The Company’s transactions with Zhongxing Development and Zhongxing Hetai constitute connected transactions.

Zhongxing Development and Zhongxing Hetai are not deemed connected persons of the Company under relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”).

2. Mr. Hou Weigui, Chairman of the Company, who also acted as the chairman of Zhongxing Development, a connected person, did not take part in the vote in respect of the connected transactions with Zhongxing Development and Zhongxing Hetai during the consideration of such matters at the Meeting.

For details of the aforesaid connected transactions, please refer to the Overseas Regulatory Announcement published on the same date as this announcement.

**XXIII. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the Financial Service Agreement with Mobi Antenna (a Connected Person),” the details of which are as follows:**

That the 2015 Financial Service Agreement entered into between ZTE Group Finance, a wholly-owned subsidiary of the Company, and Mobi Antenna Technologies (Shenzhen) Co., Ltd. (“Mobi Antenna”), a connected person, with the estimated daily balance (principal cum interest) of outstanding discounted bills under the bill discounting service provided by ZTE Group Finance to Mobi Antenna for 2015 under such agreement capped at RMB300 million be approved, and that approval be also granted for the said matter to be tabled at the 2014 Annual General Meeting of the Company for consideration.

Voting result: For: 14; against: 0; abstained: 0.

**XXIV. Consideration and approval of the “Resolution on Revising the Cap for the Aggregate Transaction Amount in Continuing Connected Transactions with Mobi Antenna (a Connected Person) relating to the Purchase of Raw Materials in 2015,” the details of which are as follows:**

That the increase of the cap for the aggregate amount of purchase of various products such as communications antennas, radio frequency transmitter, feeder and terminal antenna by the Company from Mobi Antenna, a connected party, in 2015 to RMB1,500 million (before VAT) be approved, and that approval be also granted for the said matter to be tabled at the 2014 Annual General Meeting of the Company for consideration.

Voting result: For: 14; against: 0; abstained: 0.

Notes to resolutions XXIII and XXIV above:

In accordance with the Shenzhen Listing Rules, the connected relationship between Mobi Antenna and the Company falls within the scope of Rule 10.1.3 (III) of the Shenzhen Listing Rules by virtue of the fact that the capacity of Mr. Qu Deqian, supervisor of Shenzhen Zhongxingxin Telecommunications Equipment Company Limited, controlling shareholder of the Company, as director of Mobi Antenna.

Mobi Antenna is not deemed a connected person of the Company under relevant provisions of the Hong Kong Listing Rules.

For details of the aforesaid connected transactions, please refer to the Overseas Regulatory Announcement published on the same date as this announcement.

**XXV. Consideration and approval of the “Sustainable Development Report of 2014 of the Company”**

Voting result: For: 14; against: 0; abstained: 0.

The “Sustainable Development Report of 2014 of the Company” is published as an Overseas Regulatory Announcement on the same date as this announcement.

**XXVI. Consideration and approval of the “2014 Assessment Report on Internal Control of the Company.”**

Voting result: For: 14; Against: 0; Abstained: 0.

The “2014 Assessment Report on Internal Control of the Company” is published as an Overseas Regulatory Announcement on the same date as this announcement.

**XXVII. Consideration and approval of the “Resolution of the Company on the Application for General Mandate for 2015” and approval of submission to the 2014 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;
- (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 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: 14; Against: 0; Abstained: 0.

**XXVIII. Consideration and approval of the “Resolution on the Convening of the 2014 Annual General Meeting of the Company.”**

The Company has resolved to convene the 2014 Annual General Meeting of the Company (the “AGM”) on Thursday, 28 May 2015 at the conference room on the 4th floor of the Shenzhen headquarters of the Company.

Voting result: For: 14; Against: 0; Abstained: 0.

“Notice of the 2014 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 Tuesday, 28 April 2015 to Wednesday, 27 May 2015 (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., Monday, 27

April 2015.

The Company will close its H share register from Wednesday, 3 June 2015 to Monday, 8 June 2015 (both days inclusive) to determine qualifications of shareholders to receive the bonus share(s) and dividends. Any H Shareholder who wishes to qualify for the bonus share(s) and dividends 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., Tuesday, 2 June 2015.

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

25 March 2015

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