
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2010

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ZTE中兴

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)

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

NOTICE IS HEREBY GIVEN that the First Extraordinary General Meeting of 2010 (hereinafter referred to as the “EGM”) of ZTE Corporation (hereinafter referred to as the “Company”) will be held in accordance with the resolution passed at the Thirty-Second Meeting of the Fourth Session of the Board of Directors of the Company on 5 February 2010. Details of the EGM are set out below:

I. INFORMATION REGARDING THE EGM

(i) Date and time

The EGM will commence at 9:00 a.m. on Tuesday, 30 March 2010.

(ii) Venue

The EGM will be held at the Conference Room on the 4th floor of the Company's headquarters in Shenzhen.

Address: 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen

Tel: + 86 (755) 26770282

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(iii) Convener

The EGM will be convened by the Board of Directors of the Company.

(iv) Voting method

Voting by poll will be carried out on-site at the EGM.

(v) Attendees

1. All ZTE (000063) shareholders registered with China Securities Depository & Clearing Corporation Limited, Shenzhen Office upon the close of trading of its A shares on the Shenzhen Stock Exchange on Friday, 26 February 2010 at 3:00 p.m. (hereinafter referred to as “Domestic Shareholders”);
2. All shareholders registered on the Company’s H share register maintained by Computershare Hong Kong Investor Services Limited upon the close of trading of its H shares on The Stock Exchange of Hong Kong Limited on Friday, 26 February 2010 at 4:00 p.m. (hereinafter referred to as “H Shareholders”);
3. Directors, supervisors and senior management of the Company; and
4. Representatives of intermediaries engaged by the Company and guests invited by the Board of Directors.

(vi) Closure of H share register

The H share register of the Company will be closed from Saturday, 27 February 2010 to Monday, 29 March 2010 (both days inclusive). H Shareholders who wish to attend the EGM shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Room 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on or before 4:30 p.m., 26 February 2010.

II. MATTERS TO BE CONSIDERED AT THE EGM

The following resolutions will be considered at the EGM:

Ordinary Resolutions

1. Resolution of the Company on the Re-election of the Board of Directors and Election of Directors for the Fifth Session of the Board of Directors

Mr. Hou Weigui, Mr. Lei Fanpei, Mr. Xie Weiliang, Mr. Zhang Junchao, Mr. Wang Zhanchen, Mr. Dong Lianbo, Mr. Yin Yimin, Mr. Shi Lirong and Mr. He Shiyou as candidates for non-independent directorships at the Fifth Session of the Board of Directors of the Company, and Mr. Li Jin, Ms. Qu Xiaohui, Mr. Wei Wei,

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Mr. Chen Naiwei and Mr. Tan Zhenhui as candidates for independent directorships at the Fifth Session of the Board of Directors of the Company have been nominated by the Fourth Session of the Board of Directors of the Company.

Information on the candidates for independent directorships shall be submitted to the Shenzhen Stock Exchange for examination and then tabled at the general meeting for review and voting if such information is approved by the Shenzhen Stock Exchange without dissenting views.

In accordance with the “Guidelines for the Establishment of the System of Independent Directorship in Listed Companies” 《關於在上市公司建立獨立董事制度的指導意見》 issued by the CSRC which stipulate that “the term of independent directors of a listed company shall be the same as the term of other directors of that listed company, and independent directors may offer themselves for re-election upon the conclusion of a term subject to a maximum period of six years for consecutive terms of office,” Mr. Li Jin, candidate for independent directorship at the Fifth Session of the Board of Directors who was first appointed as an Independent Director of the Company on 30 June 2004, shall serve a term commencing on 30 March 2010 and ending on 29 June 2010 subject to approval of Mr. Li Jin’s appointment by way of shareholders’ resolution. Other than Mr. Li Jin, the candidates for directorship at the Fifth Session of the Board of Directors shall serve a term commencing on 30 March 2010 and ending on 29 March 2013 subject to the approval of the respective shareholders’ resolutions.

Brief biographies of the aforesaid candidates for directorships and other information are set out in Annexes I and III.

2. Resolution of the Company on the Re-election of the Supervisory Committee and Election of Shareholders’ Representative Supervisors for the Fifth Session of the Supervisory Committee

Ms. Wang Yan and Ms. Xu Weiyan as candidates of Shareholders’ Representative Supervisors for the Fifth Session of the Supervisory Committee of the Company have been nominated by the Fourth Session of the Supervisory Committee of the Company.

The candidates for Shareholders’ Representative Supervisors at the Fifth Session of the Supervisory Committee shall serve a term commencing on 30 March 2010 and ending on 29 March 2013.

Brief biographies of the aforesaid candidates for Shareholders’ Representative Supervisors and other information are set out in Annexes II and III.

In accordance with relevant provisions of the Articles of Association, resolutions No. 1 and 2 set out above shall be determined by way of accumulative voting, whereby each candidate for director and each candidate for supervisor shall be voted upon on an individual basis.

III. REGISTRATION AT THE EGM

(1) Registration of attendance

1. Any legal person shareholder (including but not limited to corporate shareholders) entitled to attend the EGM shall produce for registration a photocopy of its corporate business license, a power of attorney of the legal representative and the identity card of the attendee;
2. Any individual shareholder entitled to attend the EGM shall produce for registration his own identity card, stock account card and evidence of shareholding;
3. Any shareholder intending to attend the EGM shall deliver the confirmation reply slip of their intention to attend the EGM to the address for registration by hand, mail or fax.

(2) Registration period

From Monday, 1 March 2010 to Tuesday, 9 March 2010 (excluding statutory holidays).

(3) Address for registration

Registration for the EGM will be conducted at: 6th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, 518057.

(4) Requirements for proxy registration and submission of documents on a poll

1. Any shareholder entitled to attend and vote at the EGM may entrust one or more person (whether or not a shareholder) as his proxy(ies) to attend and vote at the EGM on his behalf. The shareholder may attend and vote at the EGM in person notwithstanding that he has completed and submitted the proxy form; in such a case, the proxy form is deemed to be withdrawn. For a shareholder who entrusts two or more proxies, the voting rights to be exercised by such proxies in aggregate shall not exceed the total number of votes the shareholder is entitled to exercise at the EGM, and the different proxies may not exercise voting rights in respect of the same share.
2. A shareholder shall appoint a proxy in writing by using the proxy form, which shall be signed by the authorizing shareholder or his duly authorized attorney. The proxy form shall be notarized if it is to be signed by any person other than by the authorizing shareholder himself. In order to be valid, the proxy form must be deposited at the registered address of the Company no less than 24 hours before the EGM.

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3. If a shareholder entrusts his proxy(ies) to attend and vote at the EGM on behalf of him, such proxy(ies) shall produce for registration his own identity card, the duly signed proxy form by the authorizing shareholder, the stock account card of the authorizing shareholder and evidence of shareholding.

IV. MISCELLANEOUS

1. The EGM is expected to last less than one day; all accommodation, travel and expenses relating to attending the EGM shall be borne by the attendees.
2. EGM Contact: Zhang Qin
3. Contact telephone number: + 86 (755) 26770282
4. Contact fax number: + 86 (755) 26770286

V. REFERENCE

Resolutions of the Thirty-Second Meeting of the Fourth Session of the Board of Directors of ZTE Corporation.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
11 February 2010

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Yin Yimin, Shi Lirong and He Shiyong; six non-executive directors, Hou Weigui, Wang Zongyin, Xie Weiliang, Zhang Junchao, Li Juping and Dong Lianbo; and five independent non-executive directors, Mi Zhengkun, Li Jin, Qu Xiaohui, Wei Wei and Chen Naiwei.

I. BRIEF BIOGRAPHIES OF NON-INDEPENDENT CANDIDATES

Mr. Hou Weigui, 68, Chairman and a Non-executive Director of the Company, is a senior engineer and one of the founders of Shenzhen Zhongxing Semiconductor Co., Ltd. and Shenzhen Zhongxingxin Telecommunications Equipment Co., Ltd. He had been a Director and the President of the Company responsible for the overall daily operational management since the listing of the Company on Shenzhen Stock Exchange in 1997 until February 2004. He has been the Chairman of the Company since February 2004 and is concurrently the Chairman of Zhongxing Weixiantong. Mr. Hou has extensive experience in the telecommunications business with over 40 years of management experience. Mr. Hou holds 659,706 A 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.

Mr. Xie Weiliang, 54, is a Vice Chairman and a Non-executive Director of the Company. Mr. Xie graduated from the Faculty of Politics, National University of Defense Technology in 1982 and holds the title of professor. He served as the head of Nanjing Aerospace Management Cadres Institute from 2001 to 2003, and as the general manager of Aerospace Technology Shenzhen (Group) Co. Ltd and Shenzhen Aerospace Guangyu Industrial (Group) Co. Ltd since 2003. He has been Vice Chairman of the Company since February 2004 and is concurrently chairman of Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited, controlling shareholder of the Company. Mr. Xie has substantial experience in management and business operations. Mr. Xie holds 18,200 A 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.

Mr. Lei Fanpei, 47, graduated from Northwestern Polytechnical University in 1987 majoring in solid rocket engine. He holds a doctorate degree in engineering and the title of research fellow. He worked at the Ministry of Aerospace Industry from 1987 to 2002 and became the head of the Sixth Research Institute of China Aerospace Corporation (“CASC”) in April 2002. He has been deputy general manager of CASC since 2005. Mr. Lei has substantial experience in management and business operations. Mr. Lei does not 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.

Mr. Zhang Junchao, 56, is a Non-executive Director of the Company. Mr. Zhang graduated from the Faculty of Electronic and Wireless Engineering, Xi’an Jiaotong University in 1977 and holds the title of researcher. He served as the secretary general of the Party Committee and deputy head of the Ninth Research Institute of CASC from 2000 to March 2003, and from March 2003 as the deputy secretary general of the Party Committee of China Aerospace Times Electronics Corporation, head of its Shanxi Management Division and head of Xi’an Microelectronics Technology Institute. Since March 2006, he has acted as the head of the centre of design and manufacture of computers and integrated circuits of China Aerospace Times Electronics Corporation. He has been a Non-executive Director of the Company since February 2004. He is concurrently vice chairman of Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited, controlling shareholder of the Company. Mr. Zhang has substantial experience in management and business operations. Mr. Zhang holds 18,200 A 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.

Mr. Wang Zhanchen, 58, graduated from Xi'an Artillery Engineering Institute in 1976. He has served as secretary general of party committee and factory manager of Beijing Xinghua Machinery Factory of China Academy of Launch Vehicle Technology (CALT). He has been secretary general of party committee of China Aerospace Times Electronics Corporation since February 2003, vice chairman of China Aerospace Times Electronics Co., Ltd. since June 2008 and secretary general of party committee of China Academy of Aerospace Electronics Technology since March 2009. Mr. Wang has substantial experience in management and business operations. Mr. Wang does not 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.

Mr. Dong Lianbo, 53, is a Non-executive Director of the Company. Mr. Dong graduated from Northeastern University majoring in Business Administration in 2001, and holds the titles of researcher-grade senior engineer. He served as the director and deputy general manager of Shenyang Aerospace Xinguang Group from 2001 to 2002, deputy team head of the Shenzhen Business Integration Working Group of CASIC from 2002 to 2003, deputy general manager of Aerospace Technology Shenzhen (Group) Co., Ltd. since 2003, and secretary general of the Party Committee of Aerospace Technology Shenzhen (Group) Co., Ltd. since 2008. He has been a Non-executive Director of the Company since February 2004. He is concurrently director of Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited, controlling shareholder of the Company. Mr. Dong has substantial experience in management and business operations. Mr. Dong holds 18,200 A 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.

Mr. Yin Yimin, 46, an Executive Director of the Company, has been the President of the Company since 2004. He oversees the day-to-day management and business of the Company. Mr. Yin is a senior engineer. He graduated from the Nanjing Institute of Posts and Telecommunications (now known as Nanjing University of Posts and Telecommunications) in 1988 with a Master of Science degree in engineering, majoring in telecommunications and electronic systems. Mr. Yin served as a manager of the Research and Development Department of Shenzhen Zhongxing Semiconductor Co., Ltd. in 1991, and as deputy general manager of Shenzhen Zhongxingxin Telecommunications Equipment Co., Ltd between 1993 and 1997. During the periods from 1997 to 1999 and 1999 to 2004, he served as the Company's vice president and senior vice president, respectively, and was in charge of different divisions such as research and development, marketing, sales and handsets operations. He has been an Executive Director of the Company since November 1997. He has many years of experience in the operation of telecommunications business and over 19 years of management experience. Mr. Yin holds 351,574 A 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.

Mr. Shi Lirong, 46, an Executive Director of the Company, has been the Executive Vice President of the Company since 1999. He oversees the sales and marketing operations of the Company. Mr. Shi is a senior engineer. He graduated from Tsinghua University in 1984 majoring in wireless and information technology and Shanghai Jiao Tong University in 1989 with a master of science degree in engineering, specializing in telecommunications and electronic engineering. Mr. Shi served as an engineer in Shenzhen Zhongxing Semiconductor Co., Ltd. from 1989 to 1993. From 1993 to 1997, he was the deputy general manager of Shenzhen Zhongxingxin Telecommunications Equipment Co., Ltd, and from 1997 to 1999, a Senior Vice President and, since 1999, the Executive Vice President of

the Company for marketing and sales operations of the Company. He has been an Executive Director of the Company since February 2001. He is concurrently director of Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited, controlling shareholder of the Company. He has many years of experience in the telecommunications industry and over 19 years of management experience. Mr. Shi holds 200,283 A 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.

Mr. He Shiyou, 43, an Executive Director of the Company, has been the Executive Vice President of the Company since 1999. He currently oversees the business of handset products of the Company. Mr. He is a senior engineer. He graduated from Beijing University of Posts and Telecommunications in 1990 with a Master of Science degree in engineering, specializing in electromagnetic field and microwave technology. Mr. He joined Shenzhen Zhongxingxin Telecommunications Equipment Co., Ltd in 1993 and previously was the chief engineer of the Nanjing Research Centre and deputy head of the Shanghai Research Centre. He was the Company's vice president from 1998 to 1999, responsible for divisions such as research and development and marketing. Since 1999, he has served as a Senior Vice President of the Company, and is responsible for the handsets business of the Company. He has been an Executive Director of the Company since February 2001. He has many years of experience in the telecommunications industry as well as over 17 years of management experience. Mr. He holds 191,633 A 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.

II. BRIEF BIOGRAPHIES OF CANDIDATES FOR INDEPENDENT DIRECTORSHIP

Mr. Li Jin, 42, is an Independent Non-executive Director of the Company. Mr. Li is currently the vice president of Kexun Technology Exchange Ltd. Mr. Li graduated from Peking University in China in 1989, majoring in bio-chemistry and received his juris doctor degree from the Law School of Columbia University in the United States of America in 1994. From 1997 to 2002, he was a lawyer of Skadden, Arps, Slate, Meagher & Flom LLP, and from 2002 to November 2003 a partner at Linklaters, an international law firm. He has been an Independent Non-executive Director of the Company since June 2004. Mr. Li is concurrently an independent director of Dragon Pharmaceutical Inc., a Canadian company listed on NASDAQ. Mr. Li 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.

Ms. Qu Xiaohui, 55, is an Independent Non-executive Director of the Company. She is the first female PhD in accounting and female tutor for doctorate candidates in accounting in China and the promoter of the project hypothesis procedure for the creation of a professional master's degree in accounting (MPAcc) in China. She is currently the head of the center for accounting studies at Xiamen University, a key research base for arts disciplines designated by the Ministry of Education, and an accounting professor. Ms. Qu graduated from Xiamen University in July 1989 with a doctorate degree in Economics (Accounting). Since August 1989, she has been engaged in teaching and academic research at the Department of Accounting of Xiamen University. She has been an Independent Non-executive Director of the Company since July 2009. Ms. Qu is concurrently an independent director of Yunnan Baiyao Group Co., Ltd., a company listed on the Shenzhen Stock Exchange. Ms. Qu is not related in any way to the Company or the Company's controlling

shareholder, nor does she hold any shares in the Company. She has not been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges.

Mr. Wei Wei, 44, is an Independent Non-executive Director of the Company. He has been the associate dean of HSBC Business School of Peking University and the head of the Research Centre of Doers' Group Business Model of HSBC Business School of Peking University since October 2007. Mr. Wei graduated from Huazhong University of Science and Technology in 2004 with a doctorate degree in management science and engineering. He worked in Xinjiang Technology College and Xinjiang University. He was a post-doctorate fellow at Chinese Economic Research Centre at the Peking University from July 2004 to June 2006 and an assistant to the Dean of Shenzhen School of Business of Peking University from July 2006 to September 2007. He has been an Independent Non-executive Director of the Company since July 2009. Mr. Wei served as an independent director of Xinjiang Tiakang Animal Science Bio-technology Co., Ltd. (a company listed on Shenzhen Stock Exchange) from October 2001 to October 2008, an independent director of Xinjiang International Industry Co., Ltd. (a company listed on Shenzhen Stock Exchange) from October 2003 to June 2008 and is currently an independent director of Shenzhen Changyuan Group Company Limited (a company listed on Shanghai Stock Exchange). Mr. Wei 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.

Mr. Chen Naiwei, 52, is an Independent Non-executive Director of the Company. He has been a partner of Shanghai Allbright Law Offices since 2001, a senior lawyer and a law professor. Mr. Chen graduated from the Graduate School of Macau University of Science and Technology in 2007 with a doctorate degree in Law. He served as the head of the Law Faculty and head of the Intellectual Property Research Centre of Shanghai Jiaotong University. He has been an Independent Non-executive Director of the Company since July 2009. Mr. Chen 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.

Mr. Tan Zhenhui, 65, graduated from Southeast University in 1987, specialising in telecommunications and electronic systems with a doctorate degree in engineering. Professor Tan is currently the Chairman of the Academic Committee and a professor of Beijing Jiao Tong University, where he has been working since August 1982 and served as faculty dean, vice chancellor and chancellor. He was once elected an Independent Non-executive Director of the Company at the Company's First Extraordinary General Meeting of 2004. However, due to subsequent regulations of the Ministry of Education barring key management of tertiary education institutes from becoming independent directors of commercial operating entities, as Mr. Tan was then the chancellor of Beijing Jiao Tong University, he tendered resignation as an independent director in March 2005 which was subsequently passed by the shareholders at the 2004 Annual General Meeting held on 31 May 2005. Mr. Tan 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.

Ms. Wang Yan, 45, graduated from the Department of Industrial Accounting of the Faculty of Management of Northeast Industrial Institute in July 1988 with a bachelor's degree in Industrial Studies. Ms. Wang was qualified as an accountant in the PRC in December 1992 and further obtained the qualification of senior accountant in the PRC in September 1999. She joined Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited ("Zhongxingxin"), controlling shareholder of the Company, in 1999 and was manager of the financial department. She is currently the deputy general manager and chief accountant of Zhongxingxin. She has been a Supervisor of the Company since June 2005. Ms. Wang does not hold any shares in the Company. She has not been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges.

Ms. Xu Weiyan, 47, currently serving at the logistic department of the Company. Ms. Xu graduated from the Department of History of Liaoning Normal University in July 1988 with a bachelor's degree in History and qualified as an economist in 1992. From 1989 to 1993 she worked with Shenzhen Zhongxing Semiconductor Co., Ltd. From 1993 to 1997 she worked with Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited, holding various positions such as secretary to the company's finance committee and deputy head of the president's office. She joined the Company in 1997 and was Head of the Tender Department. Ms. Xu does not hold any shares in the Company. She has not been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges.

(1) INTERESTS OF THE DIRECTORS AND SUPERVISORS

As at 9 February 2010, the interests and short position of the candidates for the Directors of the Fifth Session of the Board of Directors of the Company (the “Candidates for Directors”) and the candidates for Shareholders’ Representative Supervisors of the Fifth Session of the Supervisory Committee of the Company (the “Candidates for Supervisors”) in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (the “SFO”)) were as follows:

Name	Position	Number of shares held	Class of shares
Candidate for Directors			
Hou Weigui	Chairman	659,706	A Shares of the Company
Xie Weiliang	Vice chairman	18,200	A Shares of the Company
Lei Fanpei	—	Nil	Nil
Zhang Junchao	Director	18,200	A Shares of the Company
Wang Zhanchen	—	Nil	Nil
Dong Lianbo	Director	18,200	A Shares of the Company
Yin Yimin	Director and President	351,574	A Shares of the Company
Shi Lirong	Director and Executive Vice President	200,283	A Shares of the Company
He Shiyou	Director and Executive Vice President	191,633	A Shares of the Company
Li Jin	Independent Non-executive Director	Nil	Nil
Qu Xiaohui	Independent Non-executive Director	Nil	Nil
Wei Wei	Independent Non-executive Director	Nil	Nil
Chen Naiwei	Independent Non-executive Director	Nil	Nil
Tan Zhenhui	—	Nil	Nil
Candidate for Shareholders’ Representative Supervisors			
Wang Yan	Supervisor	Nil	Nil
Xu Weiyang	Employee of the Company	Nil	Nil

Save as disclosed above, as at 9 February 2010, none of the Candidates for the Directors and the Candidates for the Supervisors had any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the SFO), or which were required to be recorded in the register to be kept under Section 352 of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 9 February 2010, none of the Candidates for Directors and Candidates for Supervisors and their respective spouses and children under 18 years of age had been granted by the Company or had exercised any right to subscribe for shares or debentures of the Company or any of its associated corporations.

**(2) RELATIONSHIP WITH SUBSTANTIAL OR CONTROLLING SHAREHOLDER,
OTHER DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

As at 9 February 2010, the following Candidates for Directors and Candidates for Supervisors are also the directors or employees of companies which are substantial and controlling shareholders of the Company:

Name	Name of Shareholders	Position with the Shareholders
Xie Weiliang	Zhongxingxin	Chairman
Lei Fanpei	China Aerospace Corporation	Deputy general manager
Zhang Junchao	Zhongxingxin	Vice chairman
	Xi'an Microelectronics Technology Institute	Head
Wang Zhanchen	China Academy of Aerospace Electronics Technology (previously known as China Aerospace Times Electronics Corporation)	Vice chairman
Dong Lianbo	Zhongxingxin	Director
Shi Lirong	Zhongxingxin	Director
Wang Yan	Zhongxingxin	Deputy general manager

Save as disclosed herein, none of the Candidates for Directors or Candidates for Supervisors has any relationship with any director, supervisor, senior management or substantial or controlling shareholder of the Company.

(3) SERVICE AGREEMENTS AND ALLOWANCES

There will not be any service contract between the Supervisors and the Company but the Supervisors will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Upon re-election, each of the re-elected Directors will enter into a service contract with the Company for a term of three years from the date of re-election. The allowances payable to each of the Directors and Supervisors will be determined and reviewed by the Board or the Supervisory Committee (as the case may be) with reference to his or her duties and responsibilities with the Company from time to time and subject to the approval by the shareholders of the Company.

(4) OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES

Save as disclosed herein, none of the Candidates for Directors or Candidates for Supervisors has held any directorship in any other listed companies in the last three years.

(5) OTHERS

Save as disclosed herein, as at 9 February 2010, so far as the Directors of the Company are aware, there are no other matters, in particular, there is no information required to be disclosed under Rule 13.51(2) (h) to (v) of the Listing Rules in relation to the Candidates for Directors and the Candidates for Supervisors that need to be brought to the attention of the shareholders of the Company.