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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 Sixteenth 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 Sixteenth 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 2014. The Sixteenth 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 26 March 2014. The Meeting was presided over by Mr. Hou Weigui, Chairman. Of the 14 Directors required to attend the Meeting, 13 Directors attended in person and 1 Director appointed proxy to attend on his behalf. Mr. Zhang Jianheng, Vice Chairman, was unable to attend the Meeting due to work reasons, and has authorised Mr. Wang Zhanchen, 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 2013 Annual Report of the Company" and the "2013 Annual Report Summary and Results Announcement of the**

**Company” and approval of submission the 2013 Annual Report (including 2013 Financial Report of the Company Audited by PRC and Hong Kong Auditors) to the 2013 Annual General Meeting of the Company for consideration.**

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

**II. Consideration and approval of the “2013 Report of the Board of Directors of the Company” and approval of submission to the 2013 Annual General Meeting of the Company for consideration.**

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

**III. Consideration and approval of the “2013 Report of the President of the Company” and approval of submission to the 2013 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 2013” and approval of submission to the 2013 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 2013”, the details of which are as follows:**

That the write-off by the Company of seven accounts of trade receivables which had been considered unrecoverable totalling RMB 2,615,500 be approved. As at 31 December 2013, 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 “Proposals of Profit Distribution of the Company for 2013” and approval of submission to the 2013 Annual General Meeting of the Company for consideration, the details of which are as follows:**

Audited net profit of the parent company (namely ZTE Corporation) for the year 2013 calculated in accordance with PRC ASBEs amounted to approximately RMB375,923,000. Together with undistributed profit of approximately RMB-118,276,000 carried forward at the beginning of the year and after deducting statutory surplus reserves of approximately RMB25,765,000, the profit available for distribution to shareholders amounted to approximately RMB231,882,000.

Audited net profit of the parent company (namely ZTE Corporation) for the year 2013 calculated in accordance with HKFRSs amounted to approximately RMB340,024,000. Together with undistributed profit of approximately RMB-178,203,000 carried forward at the beginning of the year and after deducting statutory surplus reserves of approximately RMB25,765,000, the profit available for distribution to shareholders amounted to approximately RMB136,056,000.

In accordance with the requirements of the Ministry of Finance of the People’s Republic of China and the Articles of Association, the 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 RMB136,056,000.

The 2013 profit distribution proposal recommended by the Board of Directors of the Company is as follows:

Cash dividend of RM0.3 (before tax) for every 10 shares held based on the total share capital of 3,437,541,278 shares of the Company as at 31 December 2013.

The Board of Director hereby requests the general meeting to authorise the Board of Directors to deal with matters pertaining to profit distribution for 2013.

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

Independent Non-executive Directors of the Company Ms. Qu Xiaohui, Mr. Wei Wei, Mr.

Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang have expressed an independent opinion as follows:

We are of the view that the 2013 profit distribution proposal is in line with the state of affairs and operational needs of the Company and complies with the Company Law of the People's Republic of China (the "Company Law"), PRC ASBEs, the Articles of Association and other pertinent regulations. We concur with the 2013 profit distribution proposal of the Company and its submission to the 2013 Annual General Meeting of the Company for consideration.

**VII. Consideration and approval of the "Report of the Audit Committee of the Company on the 2013 Audit of the Company Performed by 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 2013 Audit Fees of the PRC and Hong Kong Auditors," the details of which are as follows:**

That the payment of 2013 financial report audit fees to the PRC auditors and the 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 2013 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 2014" on an individual basis and approval of submission to the 2013 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 2014 and a proposal be made to the 2013 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young Hua

Ming LLP for 2014 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 2014 and a proposal be made to the 2013 Annual General Meeting to authorise the Board of Directors to fix the financial report audit fees of Ernst & Young for 2014 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 2014 and a proposal be made to the 2013 Annual General Meeting to authorise the Board of Directors to fix the internal control audit fees of Ernst & Young Hua Ming LLP for 2014 based on specific audit work to be conducted be approved.

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

Independent Non-executive Directors of the Company Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang have expressed an independent opinion as follows:

Prior to the convening of the Meeting, the Independent Non-executive Directors of the Company have reviewed the "Resolutions on the Appointment of the PRC Auditor and the Hong Kong Auditor of the Company for 2014," and the Independent Non-executive Directors of the Company concur to the re-appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the PRC auditor and the Hong Kong auditor of the Company's financial report for 2014 respectively, and the re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2014.

**X. Consideration and approval of the "Resolution on the Performance of and Annual Bonus Amount for the President of the Company for 2013."**

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 2013.”**

As Mr. He Shiyou, Director, served as a senior management personnel of the Company of 2013, he did not take part in the voting in respect of this matter at the Meeting.

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

In respect of the aforesaid Resolutions X and XI, the Independent Non-executive Directors of the Company Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang have expressed an independent opinion on the remuneration for the Company’s senior management personnel as follows:

The Board of Directors of the Company and the Remuneration and Evaluation Committee of the Board of Directors of the Company have carried out inspection of the 2013 performance appraisal for the senior management personnel of the Company. We are of the view that the remuneration of senior management personnel of the Company for 2013 complied with the measures for the administration of remuneration and performance management made by the Company and pertinent provisions of the Articles of Association and Working Rules of the Remuneration and Evaluation Committee of the Board of Directors of ZTE Corporation.

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

**XIII. Consideration and approval of the “Resolution on the Performance Management Measures for Other Senior Management Personnel for 2014.”**

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 2014” 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 2014 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	RMB12.5 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
China CITIC Bank Corporation Limited, Shenzhen Branch	RMB4.0 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>RMB42.5 billion</b>	-
China Development Bank Corporation, Shenzhen Branch	USD6.0 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
HSBC Bank (China) Company Limited, Shenzhen Branch	USD0.25 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, foreign exchange trading, etc
Societe Generale (China) Limited, Guangzhou Branch	USD0.07 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc.
<b>Total credit facilities amount in USD</b>	<b>USD6.32 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 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 26 March 2014 until (1) the approval of the next new credit facilities, or (2) 31 March 2015 (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, RMB12.5 billion and USD6.0 billion, respectively, are subject to consideration and approval by the 2013 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 2014”, and approval of submission to the 2013 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.

Independent Non-Executive Directors of the Company, Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang, have furnished an independent opinion as follows:

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

Details of the foresaid derivative investments are set out at the "Announcement on the Application for Derivative Investment Limits for 2014" published on the same date as this announcement.

**XVI. Consideration and approval of the "2013 Corporate Social Responsibility Report of the Company."**

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

The "2013 Corporate Social Responsibility Report of the Company" is published on 27 March 2014 on <http://www.cninfo.com.cn>.

**XVII. Consideration and approval of the "2013 Assessment Report on Internal Control of the Company."**

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

The "2013 Assessment Report on Internal Control of the Company" is published on 27 March 2014 on <http://www.cninfo.com.cn>.

The opinion of the Independent Non-executive Directors on the assessment on internal control of the Company is published on 27 March 2014 on <http://www.cninfo.com.cn> under the title of “Opinion of the Independent Non-Executive Directors on the Assessment on Internal Control of the Company.”

**XVIII. Consideration and approval of the “Resolution on Matters pertaining to Debt Financing of ZTE (H.K.) Limited” and approval of submission to the 2013 Annual General Meeting of the Company for consideration, the details of which are as follows:**

1. That the provision of guarantee in respect of overseas medium / long-term debt financing of ZTE (H.K.) Limited (“ZTE HK”), the details of which are as follows, be approved:

(1) That the provision of guarantee by way of joint liability assurance for an amount of not more than USD600 million (or not more than RMB4 billion) 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 overseas medium / long-term debt financing (including but not limited to syndicate loans, bank facilities and the issue of corporate bonds) of ZTE HK be approved.

(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 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 said guarantee, and deal with other matters pertaining to such guarantee.

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

2. That ZTE HK be authorised to conduct interest rate swap transactions with a nominal principal amount of not more than USD600 million at selected timing for its medium / long-term debt financing with matched time limits between the interest rate swap transactions and the medium/long-term debt financing.

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

For further details of matters pertaining to the aforesaid debt financing of ZTE HK and an

independent opinion furnished by Independent Non-Executive Directors Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang, please refer to the “Announcement on The Proposed Interest Rate Swap Transactions by A Wholly-owned Subsidiary” and “Announcement on The Provision of Guarantee for A Wholly-owned Subsidiary” published on the same date as this announcement.

**XIX. Consideration and approval of the “Resolution of the Company on the Application for General Mandate for 2014” and approval of submission to the 2013 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 to separately or concurrently allot, issue and deal with additional domestic shares and overseas-listed foreign shares (“H Shares”) of the Company (including securities convertible into domestic shares and/or H Shares of the Company) and to make or grant offers, agreements or options in respect of the above:

(1) such mandate shall not extend beyond the Relevant Period (as defined below), other than in the case of the making or granting of offers, agreements or options by the 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 (as amended from time to time) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and with the

necessary approvals of the China Securities Regulatory Commission and/or other relevant PRC government authorities.

2. For the purpose of this resolution:

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

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

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

(3) the revocation or variation of the authority given to the 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.

**XX. Consideration and approval of the “Resolution on Additions to the Scope of Business and the Amendment of Relevant Clauses of the ‘Articles of Association’ to Reflect the Same”, the details of which are as follows:**

1. That the addition of “technical design, development, consultancy and services for new energy power generation and application systems” to the scope of business of the Company be approved;
  
2. That the amendment of relevant clauses of the Articles of Association in accordance with the law be approved. Amendments are set out as follows:

The original article	The amended article
<p><b>Article 14.</b> The Company’s scope of business shall be consistent with the scope of business approved by the authority responsible for the Company’s registration.</p> <p>The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail transport highways, mining plants, port terminals and</p>	<p><b>Article 14.</b> The Company’s scope of business shall be consistent with the scope of business approved by the authority responsible for the Company’s registration.</p> <p>The scope of business of the Company shall cover: production of program-controlled exchange systems, multi-media communication systems and communication transmission systems; research and production of mobile communication system equipment, satellite communications, microwave communication equipment, pagers, technical design, development, consultancy and services for projects of computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing, process control systems, disaster warning system, <b><u>new energy power generation and application systems</u></b>; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail</p>

The original article	The amended article
<p>airports (excluding restricted projects); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.</p>	<p>transport highways, mining plants, port terminals and airports (excluding restricted projects); purchase and sales of electronic equipment and micro-electronic parts and components (excluding items subject to exclusive licenses, controls and distributorships); undertaking as contractor overseas and relevant projects as well as domestic projects subject to international tendering, import and export of equipment and materials required for the aforesaid overseas projects and deployment of staff responsible for implementing such overseas projects; technical development and purchase and sales of electronic system equipment (excluding restricted projects and items subject to exclusive licenses, controls and distributorships); undertaking of import and export businesses (under the certificate of qualifications issued by the Trade Development Council); undertaking of telecommunication projects as professional contractors (subject to the obtaining of a certificate of qualifications); leasing of owned properties. With the approval of the general meeting and relevant government authorities, the Company may lawfully modify and adjust its scope of business and mode of operation in response to changes in the domestic and international markets and its business development and capabilities.</p>

3. That the general meeting be requested to authorise the Board of Directors to deal with matters relating to the modification of the scope of business and the amendment of the Articles of Association, as the amended scope of business shall be subject to the final version as registered with authorities for the administration of industry and commerce, given that any modifications to the scope of business shall require the completion of relevant procedures with, among others, authorities for the administration of industry and commerce;

4. That the submission of the aforesaid matters to the 2013 Annual General Meeting of the Company for consideration be approved;

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

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

**XXI. Consideration and approval of the “Resolution on the Convening of the 2013 Annual General Meeting of the Company.”**

The Company has resolved to convene the 2013 Annual General Meeting of the Company (the “AGM”) on Thursday, 29 May 2014 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 2013 Annual General Meeting” of the Company 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, 29 April 2014 to Wednesday, 28 May 2014 (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 Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Monday, 28 April 2014.

The Company will close its H share register from Thursday, 5 June 2014 to Monday, 9 June 2014 (both days inclusive) to determine qualifications of shareholders to receive the final dividend. Any H Shareholder who wishes to qualify for the final dividend shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Wednesday, 4 June 2014.

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

26 March 2014

*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.*