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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 First Extraordinary General Meeting of 2012**

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

The First Extraordinary General Meeting for 2012 (the "EGM") of ZTE Corporation (the "Company") was held at the venue on 11 April 2012. Details in respect of the resolutions and voting results of the EGM are as follows:

#### **I. IMPORTANT NOTICE**

**Additional resolutions proposed:** On 8 March 2012, the Board of Directors of the Company received three ex tempore motions (being the "Resolution on the Company's fulfillment of conditions for bond issue," "Resolution on the proposed issue of bonds" and "Resolution on submitting to the General Meeting of the Company a mandate for the Board to deal with matters pertaining to the Bond Issue with full discretion") from its shareholder, Shenzhen Zhongxingxin Telecommunications Equipment Company Limited, who requested the Board of Directors of the Company to table such three motions for consideration at the EGM. The Board of Directors of the Company issued a "Supplementary Notice of Ex Tempore Motions at the First Extraordinary General Meeting of 2012" on 9 March 2012.

#### **II. INFORMATION REGARDING THE CONVENING OF THE EGM**

1. Date and time

The EGM was held from 9:00 a.m. to 11:00 a.m. on 11 April 2012.

2. Venue

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

### 3. Voting method

The EGM was convened with on-site voting by poll.

### 4. Convener

The EGM was convened by the Board of Directors of the Company.

### 5. Chairman of the meeting

Mr. Hou Weigui, the Chairman of the Board of Directors of the Company, presided over the EGM.

6. The convening of the EGM complied with the relevant provisions of relevant laws, administrative regulations and departmental rules including the Company Law of the People's Republic of China (the "Company Law"), the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Articles of Association of ZTE Corporation (the "Articles"), and was legal and valid.

## **III. INFORMATION REGARDING ATTENDANCE AT THE EGM**

The overall attendance is as follows:

34 shareholders (including proxies), holding 1,511,165,930 shares, accounting for 43.93% of the total shares entitling the holders to attend and vote for or against the resolutions at the EGM. None of the shares entitled the shareholders to attend the EGM and abstain from voting in favour as set out in Rule 13.40 of the Listing Rules and no shareholders were required to abstain from voting at the EGM.

Of which:

*(1) Attendance of holders of domestic shares (A shares)*

33 holders (including proxies) of A shares, holding 1,198,507,850 shares, accounting for 42.64% of the total A shares carrying voting rights of the Company.

*(2) Attendance of holders of overseas-listed foreign shares (H shares)*

1 holders (including proxies) of H shares, holding 312,658,080 shares, accounting for 49.66% of the total H shares carrying voting rights of the Company.

And certain Directors, Supervisors, senior management members of the Company and the Company's PRC lawyers who attend the meeting as voting and non-voting attendees.

## **IV. CONSIDERATION AND VOTING OF RESOLUTIONS**

The following resolutions were considered and passed by voting by open ballot at the EGM:

### **Ordinary Resolutions**

**(I) To consider and approve the "Resolution in respect of the election of Non-independent Director," the details of which are as follows:**

That the election of Mr. Zhang Jianheng (張建恆) as a Non-independent Director of the Fifth Session of the Board of Directors of the Company, for a term commencing upon the shareholders' approval of his appointment at the EGM and expiring upon the conclusion of the term of the Fifth Session of the Board of Directors of the Company (namely 29 March 2013) be approved.

1. Overall voting details:

For: 1, 477, 763, 544 shares, accounting for 97.7896% of the total number of shares held by shareholders with voting rights attending the EGM;

Against: 33, 402, 386 shares, accounting for 2.2104% of the total number of shares held by shareholders with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by shareholders with voting rights attending the EGM;

Of which:

*(1) Voting details of holders of domestic shares (A shares):*

For: 1, 198, 507, 850 shares, accounting for 100.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Against: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

*(2) Voting details of holders of overseas-listed foreign shares (H shares):*

For: 279, 255, 694 shares, accounting for 89.3166% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Against: 33, 402, 386 shares, accounting for 10.6834% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of H shares with voting rights attending the EGM;

2. Results of voting:

This resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the EGM.

In accordance with the resolution on the Directors' allowances which was considered and passed at the Second Extraordinary General Meeting for 2007, the annual allowance for Mr. Zhang Jianheng in his capacity as Director is RMB100,000 (before tax). Please refer to Annex 1 for a brief biography of Mr. Zhang Jianheng.

## Special Resolution

**(II) To consider and approve the “Resolution on the Company’s fulfillment of conditions for bond issue,” the details of which are as follows:**

Pursuant to relevant provisions of the Company Law, Securities Law of the People’s Republic of China (the “Securities Law”) and the Trial Measures for Bond Issue (the “Trial Measures”) and other pertinent laws, regulations and regulatory documents and given the actual conditions of the Company, conditions for bond issue stipulated by current laws, regulations and regulatory documents are deemed to have been fulfilled.

### 1. Overall voting details:

For: 1,507,670,770 shares, accounting for 99.9883% of the total number of shares held by shareholders with voting rights attending the EGM;

Against: 176,360 shares, accounting for 0.0117% of the total number of shares held by shareholders with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by shareholders with voting rights attending the EGM;

Of which:

#### *(1) Voting details of holders of domestic shares (A shares):*

For: 1,198,507,850 shares, accounting for 100.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Against: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

#### *(2) Voting details of holders of overseas-listed foreign shares (H shares):*

For: 309,162,920 shares, accounting for 99.9430% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Against: 176,360 shares, accounting for 0.0570% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of H shares with voting rights attending the EGM;

### 2. Results of voting:

This resolution, being a special resolution, was passed by votes representing more than two-thirds of the total number of shares held by shareholders with voting rights attending the EGM.

**(III) To consider and approve the “Resolution on the proposed issue of bonds,” the details of which are as follows:**

To meet the Company’s working capital requirements, further improve its debt structure and lower its finance costs, it is hereby approved that the Company will apply for the public issue of corporate bonds (“Bonds”) of not more than RMB6,000 million (the “Bond Issue”) in accordance with relevant provisions of the Company Law, Securities Law, Trial Measures and other pertinent laws, regulations and regulatory documents, the detailed plan for which is set out as follows:

(1) Issue size

The size of the Bond Issue shall be capped at RMB6,000 million, which may be publicly offered in the PRC in one tranche or multiple tranches after obtaining the approval of the China Securities Regulatory Commission (“CSRC”). The actual size of issue and number of tranches will be determined within the aforesaid scope by the Board, a mandate by the General Meeting, based on the Company’s funding requirements and market conditions at the time of issue.

(2) Placing arrangements for shareholders of the Company

The Bond Issue may be offered to the A Shareholders of the Company by way of placing. Details of the placing arrangement (if any), such as the proportion of entitlement, will be determined by the Board, a mandate by the General Meeting, based on market conditions and details of the Bond Issue.

(3) Term of the Bonds

Bonds offered under the Bond Issue shall have a term of not more than 5 years and shall comprise Bonds with a uniform maturity date or a hybrid of Bonds with different maturity dates. The actual composition of the Bond Issue in terms of maturity and the size of each maturity type will be determined by the Board, a mandate by the General Meeting, prior to the issue based on market conditions and the Company’s funding requirements.

(4) Interest rate of the Bonds

Bonds offered under the Bond Issue will carry interest at fixed rates or floating rates. The coupon interest rate and the payment of coupon interests will be determined by the Board, a mandate by the General Meeting, in consultation with the sponsor (the lead underwriter) in accordance with relevant provisions of the State based on bid market prices.

(5) Guarantee

The manner in which guarantees, if any, will be provided in respect of the Bond Issue will be determined by the Board, a mandate by the General Meeting, in accordance with relevant provisions and based on market conditions.

(6) Use of proceeds

The proceeds will be applied towards the repayment of bank loans, adjustment of debt structures or working capital replenishment. The actual application of the proceeds will be determined by the Board, a mandate by the General Meeting, based on the working capital requirements of the Company.

(7) Listing arrangements

After the close of the Bond Issue, subject to the fulfillment of listing conditions, the Company apply to the Shenzhen Stock Exchange as soon as practicable for the listing of and dealing in the Bonds. Subject to

the approval of regulatory authorities, the Bonds may also be listed and traded on other exchanges permitted by applicable law.

(8) Valid term of the resolution

The resolution pertaining to the Bond Issue shall be valid for a period of 30 months from the date on which the resolution is considered and approved at the General Meeting.

The implementation of this resolution is subject to approval of the CSRC.

1. Overall voting details:

For: 1,510,896,770 shares, accounting for 99.9883% of the total number of shares held by shareholders with voting rights attending the EGM;

Against: 176,360 shares, accounting for 0.0117% of the total number of shares held by shareholders with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by shareholders with voting rights attending the EGM;

Of which:

*(1) Voting details of holders of domestic shares (A shares):*

For: 1,198,507,850 shares, accounting for 100.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Against: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

*(2) Voting details of holders of overseas-listed foreign shares (H shares):*

For: 312,388,920 shares, accounting for 99.9436% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Against: 176,360 shares, accounting for 0.0564% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of H shares with voting rights attending the EGM;

2. Results of voting:

This resolution, being a special resolution, was passed by votes representing more than two-thirds of the total number of shares held by shareholders with voting rights attending the EGM.

**(IV) To consider and approve the “Resolution on submitting to the General Meeting of the Company a mandate for the Board to deal with matters pertaining to the Bond Issue with full discretion,” the details of which are as follows:**

As required for facilitating the Bond Issue, the General Meeting grant the Board and its authorized parties a mandate to deal with matters pertaining to the Bond Issue in a manner that safeguards the best interests of the shareholders of the Company in accordance with relevant provisions the Company Law, Securities Law and Trial Measures and other pertinent laws and regulations and of the Articles and based on prevailing market conditions, including but not limited to:

(1) To the extent permitted by laws, regulations and regulatory documents, formulating the detailed issue plan of the Bond Issue and revise and adjust the issue terms of the Bond Issue based on the actual conditions of the Company and the market, including but not limited to all matters pertaining to the terms of issue and listing such as the size of the issue, the maturity, classification and interest rates of the Bonds and the determination thereof, the timing of the issue, whether or not to issue in tranches, the number of tranches, the actual application of the issue proceeds, whether any clauses for buyback and redemption will be in place, rating arrangements, guarantees, methods and due dates for principal and interest payments, detailed subscription methods and placing arrangements, the listing of the Bonds and where such listing will take place, etc;

(2) Engaging intermediaries to handle reporting procedures in relation to the application for approval of the Bond Issue, as well as matters pertaining to the listing and principal and interest payments following the completion of the Bond Issue, including but not limited to the authorization, execution, implementation, amendment and completion of all requisite documents, contracts, agreements and covenants (including but not limited to issue prospectuses, sponsor’s agreements, underwriting agreements, agreements for trust management of Bonds, listing agreements, announcements and other legal documents) and carry out information disclosure in accordance with the laws, regulations and other regulatory documents;

(3) Selecting a trust manager for Bonds under the Bond Issue, executing the agreement for trust management of Bonds and formulating rules of proceedings for the bondholders’ meeting;

(4) Proceeding with matters pertaining to the listing of Bonds under the Bond Issue after the completion of the Bond Issue;

(5) Authorizing the Board to make corresponding adjustments to the actual plan of the Bond Issue and other relevant matters in accordance with opinions of regulatory authorities in the event of any change in the policies of regulatory authorities on the issue of corporate bonds or any change in market conditions, except in relation to matters required to be put forth to re-voting at the General Meeting under laws, regulations and regulatory documents and the Articles;

(6) Adopting measures to safeguard Bond payments:

In accordance with pertinent provisions, a mandate is granted by the General Meeting to the Board for the adoption of at least the following measures in the event of failure to honor schedules of principal or interest payments of the Bonds or default on principal or interest payments of the Bonds:

1) refraining from making profit distribution to the shareholders;

2) suspending the implementation of capital expenditure projects such as significant external investments, mergers and acquisitions;

3) Reducing or suspending wages and bonuses payable to Directors and the senior management;

4) prohibiting the release of chief responsible officers.

(7) Deal with other matters pertaining to the Bond Issue;

(8) The mandate shall come into effect on the date of the consideration and approval of the resolution by the General Meeting and remain effective until the date of completion of the aforesaid matters to be dealt with under the mandate. The Board of the Company hereby authorizes Mr. Hou Weigui, the legal representative of the Company, or relevant parties authorized by Mr. Hou Weigui, to deal with matters pertaining to the Bond Issue within the aforesaid scope of the mandate.

1. Overall voting details:

For: 1, 510, 896, 770 shares, accounting for 99.9883% of the total number of shares held by shareholders with voting rights attending the EGM;

Against: 176, 360 shares, accounting for 0.0117% of the total number of shares held by shareholders with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by shareholders with voting rights attending the EGM;

Of which:

*(1) Voting details of holders of domestic shares (A shares):*

For: 1, 198, 507, 850 shares, accounting for 100.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Against: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of A shares with voting rights attending the EGM;

*(2) Voting details of holders of overseas-listed foreign shares (H shares):*

For: 312, 388, 920 shares, accounting for 99.9436% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Against: 176, 360 shares, accounting for 0.0564% of the total number of shares held by holders of H shares with voting rights attending the EGM;

Abstained: 0 shares, accounting for 0.0000% of the total number of shares held by holders of H shares with voting rights attending the EGM;

2. Results of voting:

This resolution, being a special resolution, was passed by votes representing more than two-thirds of the total number of shares held by shareholders with voting rights attending the EGM.

The Company appointed Computershare Hong Kong Investor Services Limited, the witnessing lawyer, two shareholder representatives and two supervisor representatives to act as scrutineers for vote taking at the EGM.

## **V. LEGAL OPINION OF LAWYERS**

1. Name of Law Firm: Jun He Law Offices ( Shenzhen Office )
2. Name of Attorneys: He junhui and Zhang huili
3. Conclusive opinion:

In the view of Jun He Law Offices ( Shenzhen Office ) , matters relating to the convening and holding procedures, qualifications of the attendees and the voting procedures of the First Extraordinary General Meeting for 2012 of the Company EGM complied with the relevant provisions of the laws, regulations and rules including the Company Law of the People’s Republic of China and the Rules for General Meetings of Listed Companies as well as the Articles of Association of ZTE Corporation and the “Resolutions of the First Extraordinary General Meeting for 2012 of ZTE Corporation” passed at the EGM were legal and valid.

## **VI. DOCUMENTS AVAILABLE FOR INSPECTION**

1. Documents of the First Extraordinary General Meeting for 2012 of ZTE Corporation
2. Resolutions of the First Extraordinary General Meeting for 2012 of ZTE Corporation
3. Legal Opinion furnished by Jun He Law Offices(Shenzhen Office )in respect of the First Extraordinary General Meeting for 2012 of ZTE Corporation

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

Shenzhen, PRC  
11 April 2012

*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 Zhancheng, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.*

## **Annex 1: A brief biography of Mr. Zhang Jianheng**

Mr. Zhang Jianheng (張建恒), aged 51, is a graduate of Dalian Institute of Technology in 1982 majoring in Chemical Machinery and holds the title of Senior Engineer. He worked with the No. 1 Film Factory under the Ministry of Chemical Industry from 1982 to 1989 and with No. 1 Film Factory of China Lucky Film Corporation from 1989 to 1996. He was appointed as a director of China Lucky Film Corporation in 1996, and went on to serve as deputy general manager and general manager of that company until 2011. During this period, he also concurrently acted as general manager (vice chairman) and chairman of Lucky Film Co., Ltd. Since November 2011, he has been appointed as a deputy general manager of China Aerospace Science and Technology Corporation. He has been non-executive director and the chairman of the board of directors of China Aerospace International Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 31) since 26 March 2012. Mr. Zhang has an ample experience in management and operation. Mr. Zhang does not have any interests in the shares of the Company. He is connected with the controlling shareholder of the Company (Mr. Zhang holds the position of deputy general manager at China Aerospace Science and Technology Corporation, an indirect shareholder of Shenzhen Zhongxingxin Telecommunications Equipment Company Limited, which is in turn the controlling shareholder of the Company, therefore he is connected with the controlling shareholder of the Company.) and is not connected in any way with any other Directors, Supervisors, or senior management personnel of the Company. He has never been subject to punishments by the China Securities Regulatory Commission and other pertinent authorities or censorships by any stock exchanges. His qualifications for appointment are in compliance with the appointment criteria stipulated under the Company Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Articles of Association of the Company and other pertinent laws, rules and regulations.

As at 11 April 2012, the Directors of the Company was not aware of any other matters required to be brought to the attention of the shareholders of the Company. In particular, there is no information pertaining to Mr. Zhang Jianheng required to be disclosed under Rule 13.51 (2) (h) to (v) of the Listing Rules.