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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)**

**ANNOUNCEMENT OF THE RESOLUTIONS PASSED AT  
THE TWENTY-SECOND MEETING OF THE FOURTH SESSION  
OF THE BOARD OF DIRECTORS**

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

ZTE Corporation (hereinafter referred to as the “Company”) issued the “Notice of convening the Twenty-Second Meeting of the Fourth Session of the Board of Directors” to all the Directors of the Company by electronic mail and telephone on 4 March 2009. The Twenty-Second meeting of the Fourth session of the Board of Directors of the Company (the “Meeting”) was convened at the conference room on the 4th floor of the headquarters of the Company on 19 March 2009. 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 Junchao, Director, was unable to attend the Meeting due to work reasons, and has authorised in writing Mr. Wang Zongyin, Vice Chairman, to vote on his behalf. The meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of the Company, 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 2008 Annual Report” of the Company and the “2008 Annual Report Summary and Results Announcement” of the Company.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**II. Consideration and approval of the “2008 Financial Statements of the Company Audited by PRC and Hong Kong Auditors” and approval of submission to the 2008 Annual General Meeting for consideration.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**III. Consideration and approval of the “2008 Report of the Board of Directors of the Company” and approval of submission to the 2008 Annual General Meeting for consideration.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**IV. Consideration and approval of the “2008 Report of the President of the Company” and approval of submission to the 2008 Annual General Meeting for consideration.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**V. Consideration and approval of the “Final Financial Accounts of the Company for 2008” and approval of submission to the 2008 Annual General Meeting for consideration.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**VI. Consideration and approval of the “Resolution on Significant Asset Impairment Provision for 2008 by the Company”.**

In accordance with relevant requirements of Accounting Standards for Business Enterprises No. 22 (Recognition and Measurement of Financial Instruments), the Company has conducted separate impairment tests in respect of trade receivables with significant individual amounts and has made provisions of RMB149 million and RMB115 million, respectively, in respect of trade receivables due from two international customers facing difficulties to operate as an ongoing concern caused by contingent factors. Other trade receivables with insignificant individual amounts have been included in a group of financial assets with similar credit risk characteristics and collectively tested for impairment. A provision of RMB209 million has been made as a result.

The Board of Directors is of the view that the above significant provision of asset impairment, which has been prudently made by the Company in accordance with relevant requirements of the accounting standards, is fair and appropriate.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**VII. Consideration and approval of the “2008 Self-Assessment Report on Internal Control of the Company”.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

The “2008 Self-Assessment Report on Internal Control of the Company” is published simultaneously with this announcement on the Company’s designated website for information disclosure (<http://www.cninfo.com.cn>) and the website of the Stock Exchange of Hong Kong Limited for information disclosure of listed companies (<http://www.hkexnews.hk>).

**VIII. Consideration and approval of the “Statement of the Company on the Application of Proceeds from the Issue of Bonds cum Warrants”.**

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

The “Verification Report on the 2008 Deposit and Application of Issue Proceeds of ZTE Corporation” issued by Guangdong Dahua Delu Certified Public Accountants are published simultaneously with this announcement on the Company’s designated website for information disclosure (<http://www.cninfo.com.cn>) and the website of the Stock Exchange of Hong Kong Limited for information disclosure of listed companies (<http://www.hkexnews.hk>).

**IX. Consideration and approval of the “2008 Corporate Social Responsibility Report of the Company”.**

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

The “2008 Corporate Social Responsibility Report of the Company” is published simultaneously with this announcement on the Company’s designated website for information disclosure (<http://www.cninfo.com.cn>) and the website of the Stock Exchange of Hong Kong Limited for information disclosure of listed companies (<http://www.hkexnews.hk>).

**X. Consideration and approval of the “Report of the Audit Committee under the Board of Directors of the Company on the 2008 Audit of the Company Performed by PRC and Hong Kong Auditors”.**

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XI. Consideration and approval of the “Resolutions of the Company on Determining the Audit Fees of the PRC Auditors and the Hong Kong Auditors for 2008” on an individual basis, the details of which are as follows:**

1. That the audit fees of Ernst & Young Hua Ming, PRC auditors of the Company, for 2008 be determined at RMB840,000 (including expenses related to auditing such as travelling, accommodation, meals and telecommunications expenses).

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

2. That the audit fees of Ernst & Young, Hong Kong auditors of the Company, for 2008 be determined at HK\$5,040,000 (including expenses related to auditing such as travelling, accommodation, meal and telecommunications expenses).

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XII. Consideration and approval of the “Proposals of Profit Distribution and Capitalisation from Capital Reserves of the Company for 2008”, the details of which are set out below.**

The audited net profit of the Company for 2008 calculated in accordance with generally accepted accounting principles in the People’s Republic of China (“PRC GAAP”) amounted to RMB977,862,000. Profit available for distribution amounted to RMB2,395,734,000, after adding the undistributed profit of RMB1,417,872,000 brought forward at the beginning of the year.

The audited net profit of the Company for 2008 calculated in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) amounted to RMB975,994,000. Profit available for distribution amounted to RMB2,399,412,000 after adding the undistributed profit of RMB1,423,418,000 brought forward at the beginning of the year.

In accordance with the requirements of the Ministry of Finance of the People’s Republic of China and the Company’s Articles of Association, profit available for distribution shall be the lower of profit available for distribution as calculated in accordance with PRC GAAP and that calculated in accordance with HKFRSs. Accordingly, the amount of profit available for distribution is RMB2,395,734,000.

The proposals of profit distribution and capitalisation from capital reserves for 2008 recommended by the Board of Directors of the Company are as follows:

Proposed profit distribution for 2008: RMB3 in cash for every 10 shares (including tax) or a total of RMB402,999,000, based on the Company's total share capital of 1,343,330,310 shares as at 31 December 2008.

Proposed capitalisation from capital reserves for 2008: the creation of 3 shares for every 10 shares by way of capitalisation of capital reserves, representing a total increase of 402,999,093 shares with an amount of RMB402,999,093 in share capital based on the Company's total share capital of 1,343,330,310 shares as at 31 December 2008. The balance of the capital reserves was RMB6,298,172,000 prior to the capitalisation and RMB5,895,173,000 after the capitalisation. Fractional entitlements shall be dealt with in accordance 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 and the actual number of shares created in aggregate after implementation of the proposed capitalisation from capital reserves might be slightly different from the aforesaid estimates.

The Board of Directors requested the general meeting to authorise the Board of Directors to deal with matters relating to the profit distribution and capitalisation from capital reserves for 2008, to amend relevant clauses of the Articles of Association based on the implementation of the capitalisation from capital reserves to increase the registered capital of the Company and reflect the new capital structure after the capitalisation from capital reserves, and to process any changes in industrial and commercial registration required as a result of the alteration in registered capital.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

### **XIII. Consideration and approval of the “Resolutions on Changes of Senior Management Members of the Company” on an individual basis.**

1. That the resignation of Ms Fang Rong as Senior Vice President of the Company for personal reasons be hereby approved.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

2. That the appointment of Mr. Zhu Jinyun as Senior Vice President of the Company for the period from 19 March 2009 to 18 March 2010 be hereby approved.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

3. That the appointment of Mr. Zhang Renjun as Senior Vice President of the Company for the period from 19 March 2009 to 18 March 2010 be hereby approved.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

(Please refer to Appendix I for details of the newly appointed Senior Vice Presidents of the Company)

**XIV. Consideration and approval of the “Resolutions of the Company on the Proposed Continuous Connected Transactions (as respectively defined under the Rules Governing the Listing of Securities on Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited)” on an individual basis, the details of which are as follows:**

***(1) Continuous Connected Transaction (as defined under the Rules Governing the Listing of Securities on Shenzhen Stock Exchange) Framework Agreement for 2009 Proposed by the Company***

1. That the “Framework Purchase Agreements for 2009” proposed to be entered into between ZTE Kangxun Telecom Company, Limited, a subsidiary of the Company, on the one hand and connected party Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited together with its subsidiaries Shenzhen Zhongxing Xindi Telecommunications Equipment Company, Limited, Shenzhen Zhongxing Xinyu FPC Company, Limited and Shenzhen Zhongxing Xinzhou Complete Equipment Company, Limited, on the other, in respect of the purchase of cases, cabinets, distribution frames, flexible printed circuit boards and shelters with an annual cap of aggregated transaction amounts under the framework agreements estimated at RMB1,200 million for 2009 be hereby approved. The Board approved to submit such connected transaction to the 2008 Annual General Meeting for consideration.

Mr. Xie Weiliang (Vice Chairman), Mr. Zhang Junchao (Director), Mr. Dong Lianbo (Director) and Mr. Shi Lirong (Director) as the chairman, vice chairman, director and director, respectively, of connected party Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited, were not counted in the quorum for voting in respect of this matter at the Meeting.

Voting result: votes in favour of: 10; votes against: 0; votes abstained:

2. That the “Framework Purchase Agreement for 2009” proposed to be entered into between ZTE Kangxun Telecom Company, Limited, a subsidiary of the Company, on the one hand and connected party Mobi Antenna Technologies (Shenzhen) Co., Ltd., on the other, in respect of the purchase of various communications antennas and radio frequency modules with an annual cap of aggregated transaction amounts under the framework agreement estimated at RMB600 million for 2009 be hereby approved.

Voting result: votes in favour of: 14; votes against: 0; votes abstained:

Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin, as Independent Directors of the Company, had reviewed the aforesaid connected transaction framework agreements prior to the Board meeting, and agreed to submit the aforesaid connected transaction framework agreements to the Board for consideration.

Independent Directors of the Company Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin issued the following independent opinion on the aforesaid connected transaction framework agreements at the Board meeting:

Price determination and other terms of the connected transaction framework agreements have been in compliance with relevant laws and regulations on market principles without compromising the interests of the Company and its shareholders.

Please refer to the “Announcement of the Company on Continuous Connected Transactions in 2009 under the Rules Governing the Listing of Securities on Shenzhen Stock Exchange” published simultaneously with this announcement for details of the two connected transactions.

***(II) Revised Annual Caps of Aggregated Transaction Amounts and Continuous Connected Transaction (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) Framework Agreement for 2009 Proposed by the Company***

The following revised annual caps of aggregated transaction amounts, continuous connected transaction framework agreements and the annual caps of aggregated transaction amounts of 2009 thereunder are considered and approved by the Board on an individual basis. The Board is of the view that the connected transactions were entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The resolutions on the connected transactions are as follows:

1. That the annual cap of aggregated transaction amount of 2009 for the purchase of handset batteries by ZTE Kangxun Telecom Company Limited from Shenzhen Ruide Electronic Industrial Company, Limited increased from RMB392 million to RMB550 million be hereby approved.

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

2. That the “Framework Purchase Agreement” proposed to be entered into between ZTE Kangxun Telecom Company, Limited, a subsidiary of the Company and connected party 深圳市富德康電子有限公司 in respect of the purchase of audio speakers, receivers, microphones, USB/data cable modules, earphones for handsets and separators with an annual cap of aggregated transaction amount estimated at RMB55 million for 2009 be hereby approved.

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

3. That the “Framework Purchase Agreement” proposed to be entered into between ZTE Kangxun Telecom Company, Limited, a subsidiary of the Company and connected party 南昌興飛科技有限公司 in respect of the purchase of mobile phone handsets with an annual cap of aggregated transaction amount estimated at RMB600 million for 2009 be hereby approved.

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

4. That the “Framework Sales Agreement” proposed to be entered into between Shenzhen Ruide Electronic Industrial Company, Limited, a subsidiary of the Company and connected party 南昌興飛科技有限公司 in respect of the sale of handset batteries and chargers with an annual cap of aggregated transaction amount estimated at RMB150 million for 2009 be hereby approved.

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

5. That the “Framework Sale Agreement” proposed to be entered into between Shenzhen Kangquan Electromechanical Company, Limited, a subsidiary of the Company and connected party 南昌興飛科技有限公司 in respect of the sale of handset keyboards and components with an annual cap of aggregated transaction amount estimated at RMB35 million for 2009 be hereby approved.

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

6. That the “Framework Sale Agreements” proposed to be entered into between Shenzhen Lead Communications Company, Limited, a subsidiary of the Company and connected party 南昌興飛科技有限公司 in respect of the sale of LCD modules for mobile handsets with an annual cap of aggregated transaction amount estimated at RMB84 million for 2009 be hereby approved.

Voting result: votes in favour of: 14; vote against: 0; vote abstained: 0.

Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin, as Independent Directors of the Company, had reviewed the aforesaid connected transaction framework agreements and the revised annual caps of aggregated transaction amounts for 2009 prior to the Board meeting, and agreed to submit the aforesaid connected transaction framework agreements and the revised annual caps of aggregated transaction amounts for 2009 to the Board for consideration and approval.

Independent Directors Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin issued the following independent opinion on the aforesaid connected transaction framework agreements and the revised annual caps of aggregated transaction amounts for 2009 at the Board meeting:

Price determination and other terms of the connected transaction framework agreements reviewed by the Board of Directors have been in compliance with relevant laws and regulations on market principles, the continuous connected transaction framework agreements for 2009 proposed to be executed by the Company and the proposed revision of annual caps of aggregated transaction amounts for 2009 are in the interests of the Company and its shareholders.

Please refer to the “Announcement on Continuous Connected Transactions” published simultaneously with this announcement on the Company’s designated website for information disclosure (<http://www.cninfo.com.cn>) and the website of the Stock Exchange of Hong Kong Limited for information disclosure of listed companies (<http://www.hkexnews.hk>) for details of the aforesaid connected transactions reviewed.

**XV. Consideration and approval of the “Resolutions of the Company on the Application for Composite Credit Facilities for the Six months ended 30 June 2009” 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) during the first half of 2009, which are subject to approval by the bankers.

<b>Banker</b>	<b>Proposed composite credit facilities amount</b>	<b>Principal types of the composite credit facilities</b>
Bank of China Limited, Shenzhen Branch	RMB15.7 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Industrial and Commercial Bank of China Co. Ltd, Shenzhen Branch	RMB5 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
China Construction Bank Corporation, Shenzhen Branch	RMB5 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Agricultural Bank of China	RMB2 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Shenzhen Development Bank, Shenzhen Branch	RMB2 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
China Minsheng Bank, Co. Limited, Shenzhen Branch	RMB2 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Pudong Development Bank, Co. Limited Shenzhen Branch	RMB1 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Shenzhen Ping An Bank, Shenzhen Branch	RMB600 million	Loans, acceptance bill, discounting, factoring, trade financing, etc
Industrial Bank Co., Ltd., Shenzhen Branch	US\$100 million	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Citibank (China) Co., Ltd., Shenzhen Branch	US\$45 million	Loans, guarantee, factoring, trade financing, foreign exchange, etc
<b>Total</b>	<b>RMB33.3 billion</b> <b>US\$145 million</b>	

*Note:* The above composite credit facilities are the maximum amounts to be granted by the bankers to the Company for its business operations based on their assessments of the Company’s conditions. The Company will utilise such facilities for different types of business operations in accordance with actual production demand, after conducting 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 shall be valid with effect from 19 March 2009 until (1) the next new credit facilities have been granted, or (2) 31 December 2009 (whichever is earlier). Unless otherwise required, no subsequent resolution of the Board of Directors is required with respect to any such single application for financing operations not exceeding such maximum amount. Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to execute all facilities agreements, financing agreements and other related legal contracts and documents which are related to the above composite credit facilities.

The resolution of the Company proposing the application to Bank of China Limited, Shenzhen Branch for a RMB15.7 billion composite credit facility amounting to is subject to consideration and approval by the 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 bank, subject to the cap of the aforesaid RMB15.7 billion composite credit facility within the effective term of the resolution. The Board of Directors and other parties delegated by the Board of Directors are authorised to negotiate with the bank 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: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XVI. Consideration and approval of the “Resolution on the Proposed Application by the Company to National Development Bank for a USD2.5 billion Composite Credit Facility”, the details of which are as follows:**

It is approved that an application will be made by the Company to National Development Bank for a USD2.5 billion composite credit facility for the purposes of short-term loans, bond financing, domestic and international supply chain financing, trade financing and medium/long-term projects financing of the Company. The facility should be on a revolving basis.

The aforesaid amount represents composite credit facilities to be proposed by the Company in its application to National Development Bank. The final amount shall be subject to approval of National Development Bank.

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 National Development Bank, subject to the cap of the aforesaid USD2.5 billion composite credit facility within the effective term of the resolution. The Board of Directors and other parties delegated by the Board of Directors are authorised to negotiate with National Development Bank 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.

The resolution shall be valid for a period of five years from the date of approval at the general meeting. Unless otherwise required, no subsequent resolution of the Board of Directors or general meeting is required with respect to any such single application for financing operations under such credit facility. Following approval at the general meeting,

the legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to execute all facilities agreements, financing agreements and other related legal contracts and documents relating the above composite credit facilities.

The Board of Directors has approved the submission of the “Resolution on the Proposed Application by the Company to National Development Bank for a USD2.5 billion Composite Credit Facility” to the general meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XVII. Consideration and approval of the resolution of the Company on the general mandate for 2009, details 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 in the following), other than in the case of the making or granting of offers, agreements or options by the 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 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 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; 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 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 passing of this Resolution 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 Directors under this Resolution by the passing of a special resolution of the Company at a general meeting.

“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 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 of the new shares (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 Company’s 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 the Company’s shares contemplated in paragraph 1 of this Resolution.

The Board of Directors has approved the submission of this resolution to the 2008 annual general meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XVIII. Consideration and approval of the “Resolutions on the Appointment of the PRC Auditors and the Hong Kong Auditors of the Company for 2009 on an individual basis, details are as follows:**

1. Agreed that Ernst & Young Hua Ming be re-appointed as the PRC auditors of the Company for 2009 and a proposal be made to the 2008 annual general meeting to authorise the Board of Directors to determine the audit fees of Ernst & Young Hua Ming for 2009 based on specific audit work to be conducted.

The Board of Directors has approved the submission of this resolution to the 2008 annual general meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

2. Agreed that Ernst & Young be re-appointed as the Hong Kong auditors of the Company for 2009 and a proposal be made to the 2008 annual general meeting to authorise the Board of Directors to determine the audit fees of Ernst & Young for 2009 based on the specific audit work to be conducted.

The Board of Directors has approved the submission of this resolution to the 2008 annual general meeting for consideration.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XIX. Consideration and approval of the “Resolutions on the Revision of Article 14 of the Articles of Association and the Amendment of Relevant Clauses in the Articles of Association and the Rules of Procedure for Shareholders’ General Meetings” on an individual basis.**

***(I) Revision of Article 14 of the Articles of Association***

Whereas Shenzhen Administration for Industry and Commerce has approved the addition of “property leasing” but not “training” to the scope of business of the Company, the Board of Directors has, pursuant to the mandate granted by the 2007 Annual General Meeting, deleted the word “training” from the original Articles of Association and revised Article 14 of the Articles of Association as follows:

The scope of business of the Company shall be subject to the approval of corporate registration authorities.

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, computer software/hardware, closed-circuit TV, microwave communications, automatic signal controls, computer data processing and process control systems; design, development, consultancy and services for disaster warning system projects; technical design, development, consultancy and services for wireline/wireless communication projects of railways, underground railways, urban rail 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.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

***(II) Amendment of Relevant Clauses in the Articles of Association and the Rules of Procedure for Shareholders' General Meetings***

1. Whereas the capitalisation from capital reserves of the Company for 2008 will result in the issuance of share capital by the Company and changes in the registered capital, it is approved that Article 24 and Article 27 of Chapter 3 of the Articles of Association be revised accordingly after the implementation of the capitalisation from capital reserves:

*1.1 Article 24*

**The original article which reads:** Upon its incorporation, the Company shall have 1,343,330,310 ordinary shares in issue, comprising 224,211,456 H shares (representing 16.7% of the Company's issuable ordinary shares) and 1,119,118,854 domestic shares (representing 83.3% of the Company's issuable ordinary shares).

**Is amended to read:** Upon its incorporation, the Company shall have 1,746,329,403 ordinary shares in issue, comprising 291,474,893 H shares (representing 16.7% of the Company's issuable ordinary shares) and 1,454,854,510 domestic shares (representing 83.3% of the Company's issuable ordinary shares).

*1.2 Article 27*

**The original article which reads:** The registered capital of the Company shall be RMB1,343,330,310.

**Is amended to read:** The registered capital of the Company shall be RMB1,746,329,403.

*Note:* The Board of Directors has requested in Resolution XII above that it be authorised by the general meeting to deal with matters to amend relevant clauses of the Articles of Association based on the implementation of the capitalisation from capital reserves to increase the registered capital of the Company and reflect the new capital structure after the capitalisation from capital reserves, and to process any changes in industrial and commercial registration required as a result of the alteration in registered capital.

2. In accordance with relevant provisions of the "Decisions on Amending Certain Provisions regarding the Cash Profit Distribution of Listed Companies (No. 57)" ("Cash Profit Distribution Provisions") promulgated by the CSRC and effective from 9 October 2008 and the latest amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") effective from 1 January 2009, the Company is required to amend relevant clauses of its Articles of Association in accordance therewith. The clauses are revised as follows:

*2.1 Article 83*

In accordance with the requirements of the Listing Rules, the dispatch of notices of general meetings, circulars to shareholders and relevant documents to holders of overseas-listed foreign shares may be conducted by way of publication on the Company's website and the website of The

Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures. The Listing Rules have also provided for the right of and procedures for holders of overseas-listed foreign shares to elect the language in which they would receive such documents. Hence Article 83 is amended as follows:

**The original article which reads:** Notices of general meetings shall be delivered to shareholders (whether or not entitled to vote at the general meetings) by courier or via duly stamped mails sent to their respective addresses as recorded in the shareholders' register. Notices of general meetings for domestic shareholders may also be delivered by way of announcements.

The announcements referred to in the foregoing paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council during the period which is 45-50 days prior to the meeting. All domestic shareholders shall be deemed to have received the relevant notices of general meetings once such announcements have been published.

**Is amended to read:** Notices of general meetings and relevant documents shall be delivered to shareholders (whether or not entitled to vote at the general meetings) in person or via duly stamped mails sent to their respective addresses as recorded in the shareholders' register. Notices of general meetings, circulars to shareholders and relevant documents for domestic shareholders may also be delivered by way of announcements. The dispatch of notices of general meetings, circulars to shareholders and relevant documents to holders of overseas-listed foreign shares may be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

The announcements referred to in the foregoing paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council during the period which is 45-50 days prior to the meeting. All domestic shareholders shall be deemed to have received the relevant notices of general meetings once such announcements have been published.

Where notices of general meetings and relevant documents are being dispatched by the Company to holders of overseas-listed foreign shares, such notices of general meetings and relevant documents may be dispatched in either the English version or the Chinese version only in accordance with Listing Rules and following relevant procedures.

## 2.2 *Article 87*

In accordance with the requirements of the Listing Rules, voting at general meetings must be decided by a poll. Hence it is approved that Article 87 be amended accordingly.

**The original article which reads:** Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons as his proxies (whether such person is a shareholder or not) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

If the shareholder is a recognised clearing house (the "Recognised Clearing House") (or its agent) as defined under the laws of Hong Kong, such shareholder is entitled to authorise one or more persons as it deems appropriate as its proxies to attend on his behalf any general meeting or any class meeting provided that, if one or more persons are so authorised, the letter of authorisation shall specify the number and class of shares in connection with such authorisation. Such persons can exercise the right on behalf of the Recognised Clearing House (or its agent) as if he were an individual shareholder of the Company.

**Is amended to read:** Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons as his proxies (whether such person is a shareholder or not) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholder's right to speak at the meeting; and
- (2) the right to vote.

If the shareholder is a recognised clearing house (the "Recognised Clearing House") (or its agent) as defined under the laws of Hong Kong, such shareholder is entitled to authorise one or more persons as it deems appropriate as its proxies to attend on his behalf any general meeting or any class meeting provided that, if one or more persons are so authorised, the letter of authorisation shall specify the number and class of shares in connection with such authorisation. Such persons can exercise the right on behalf of the Recognised Clearing House (or its agent) as if he were an individual shareholder of the Company.

### *2.3 Article 116*

In accordance with the requirements of the Listing Rules, voting at general meetings must be decided by a poll. Hence Article 116 is amended accordingly.

**The original article which reads:** Voting at general meetings shall be decided on a show of hands unless a poll is otherwise required under the Listing Rules or the Articles or a poll is demanded before the show of hands by the following persons, in which case the vote shall be decided by a poll:

- (I) the chairman of the meeting;
- (II) at least two shareholders entitled to vote present in person or by proxy;  
or
- (III) any shareholder or shareholders (including proxies) representing individually or in aggregate more than one tenth of the total voting rights at the meeting.

Unless a poll be required under the Listing Rules or the Articles or so demanded, a declaration by the chairman that a resolution has on a show of hands been carried and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without requiring proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

**Is amended to read:** Voting at general meetings must be decided by a poll. The Company shall announce the results of the poll in accordance with relevant laws and regulations and the Listing Rules.

#### *2.4 Article 119*

In accordance with the requirements of the Listing Rules, voting at general meetings must be decided by a poll. Hence it is approved that Article 119 be amended accordingly.

**The original article which reads:** In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

**Is amended to read:** In case of an equality of votes, the chairman of the meeting shall have a casting vote.



## 2.5 Article 225

In accordance with the requirements of the Listing Rules, the dispatch of notices, circulars, relevant documents and written statements to holders of overseas-listed foreign shares may also be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures. Hence it is approved that Article 225 be amended as follows:

**The original article which reads:** The Company's financial statements shall be made available for inspection by the shareholders of the Company twenty days (including the date of meeting) before the date of every annual general meeting. Each shareholder shall be entitled to a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send by prepaid mail to each holder of overseas-listed foreign shares: (i) the directors' report, balance sheet (including various documents as required to be attached by law) and a profit and loss statement or the income and expense statement; or (ii) the summary financial report prepared in accordance with relevant laws not later than twenty one days before the date of the general meeting of shareholders at the address registered in the register of members.

**Is amended to read:** The Company's financial statements shall be made available for inspection by the shareholders of the Company twenty days (including the date of meeting) before the date of every annual general meeting. Each shareholder shall be entitled to a copy of the financial reports referred to in this Chapter.

The Company shall deliver or send by prepaid mail to each holder of overseas-listed foreign shares: (i) the directors' report, balance sheet (including various documents as required to be attached by law) and a profit and loss statement or the income and expense statement; or (ii) the summary financial report prepared in accordance with relevant laws not later than twenty one days before the date of the general meeting of shareholders at the address registered in the register of members. Such dispatch may also be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

## 2.6 Article 247

In accordance with the requirements of the Listing Rules, the dispatch of notices, circulars, relevant documents and written statements to holders of overseas-listed foreign shares may also be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures. Hence it is approved that Article 247 be amended as follows:

**The original article which reads:** Any merger or division of the Company shall be proposed by the Company's Board of Directors and approved according to the procedures stipulated in the Articles of Association, subject

to the completion of relevant approval procedures according to the law. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders' shareholding at a fair price. The content of the resolutions approving the Company's merger and division shall constitute a special document, which shall be available for the shareholders' inspection.

As to the holders of the overseas-listed foreign shares, the above-mentioned documents shall also be sent out by mail.

**Is amended to read:** Any merger or division of the Company shall be proposed by the Company's Board of Directors and approved according to the procedures stipulated in the Articles of Association, subject to the completion of relevant approval procedures according to the law. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders' shareholding at a fair price. The content of the resolutions approving the Company's merger and division shall constitute a special document, which shall be available for the shareholders' inspection.

As to the holders of the overseas-listed foreign shares, the above-mentioned documents shall also be sent out by mail, or dispatched by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

## 2.7 *Article 275*

In accordance with the requirements of the Listing Rules, notices of the Company may be given via electronic mails or publication on websites designated by the Company and The Hong Kong Stock Exchange, subject to compliance with laws, administrative regulations and relevant provisions of the securities regulatory authorities of the listing place(s) of the Company's stocks. In addition, the Listing Rules have also provided for the right of and procedures for holders of overseas-listed foreign shares to elect the language in which they would receive such documents. Hence Article 275 is amended accordingly.

**The original article which reads:** Notices of the Company shall be given by way of the following:

- (I) by courier;
- (II) by mail;
- (III) by announcement; or
- (IV) other means stipulated in the Articles.

**Is amended to read:** Notices of the Company shall be given by way of the following:

- (I) by courier;
- (II) by mail;
- (III) by announcement;
- (IV) by electronic mails or publication on websites designated by the Company and the local stock exchange(s), subject to compliance with laws, administrative regulations and relevant provisions of the securities regulatory authorities of the listing place(s) of the Company's stocks;
- (V) other means stipulated in the Articles.

## 2.8 *Article 276*

In accordance with the requirements of the Listing Rules, announcements to shareholders of H-shares or announcements required by relevant provisions and the Articles to be made in Hong Kong must be published in the Company's website and the website of The Hong Kong Stock Exchange in accordance with the requirements of the Listing Rules. Hence Article 276 is amended accordingly.

**The original article which reads:** Notices given by the Company by way of announcements shall be deemed as received by all parties concerned once published.

Unless the context otherwise requires, "announcements" referred to in the Articles shall mean, in relation to announcements to holders of domestic shares or announcements required by relevant provisions and the Articles to be published in the PRC, such announcements published in PRC newspapers designated under PRC laws and regulations or by the securities regulatory authorities under the State Council; or, in relation to announcements to shareholders of H shares or announcements required by relevant provisions and the Articles to be published in Hong Kong, such announcements that must be published in designated Hong Kong newspapers in accordance with the requirements of the Listing Rules.

**Is amended to read:** Notices given by the Company by way of announcements shall be deemed as received by all parties concerned once published.

Unless the context otherwise requires, "announcements" referred to in the Articles shall mean, in relation to announcements to holders of domestic shares or announcements required by relevant provisions and the Articles to be published in the PRC, such announcements published in PRC newspapers designated under PRC laws and regulations or by the securities regulatory authorities under the State Council; or, in relation to announcements to shareholders of H shares or announcements required by relevant provisions and the Articles to be published in Hong Kong, such announcements that

must be published in the Company's website, the website of The Hong Kong Stock Exchange and other websites stipulated by the Listing Rules from time to time in accordance with the requirements of the Listing Rules.

#### *2.9 Article 277*

In accordance with the requirements of the Listing Rules, notices, circulars, relevant documents or written statements to be dispatched by the Company to holders of overseas-listed foreign shares may be so delivered by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures. Hence Article 277 is amended accordingly.

**The original article which reads:** notices, information or written statements to be dispatched by the Company to holders of overseas-listed foreign shares must be delivered by courier or prepaid mail at the registered address of each such holder of overseas-listed foreign shares.

**Is amended to read:** Notices, circulars, relevant documents or written statements to be dispatched by the Company to holders of overseas-listed foreign shares must be delivered by courier or prepaid mail at the registered address of each such holder of overseas-listed foreign shares; notices, information or written statements may be given to such shareholders in either their English versions or Chinese versions in accordance with Listing Rules and following relevant procedures, and may also be delivered by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

Where notices, circulars, relevant documents or written statements are being dispatched by the Company to holders of overseas-listed foreign shares, such notices of general meetings, circulars, relevant documents or written statements and relevant documents may be dispatched in either the English version or the Chinese version only in accordance with Listing Rules and following relevant procedures.

#### *2.10 Article 234*

Certain Regulations on "Cash Dividend" has provided that a listed company may conduct interim dividend distribution and has made the "accumulated distribution of profit by way of cash in the three preceding years being no less than 30% of the annual average profit available for distribution reported for the three preceding years" as a condition to the conduct of any refinancing exercise by the listed company in any given year. Hence Article 234 is amended accordingly.

**The original article which reads:** The Company may distribute dividend by way of the following:

- (I) cash;
- (II) shares.

Cash dividend and other amounts payable by the Company to domestic shareholders shall be payable in RMB. Cash dividend and other amounts payable by the Company to shareholders of H-shares shall be computed and declared in RMB and payable in Hong Kong Dollars. Foreign currency requirements of the Company for the payment of cash dividend and other amounts to holders of overseas-listed foreign shares shall be procured in accordance with relevant foreign exchange administration regulations of the State.

**Is amended to read:** The profit distribution policy of the Company shall be as follows:

- (I) Reasonable investment returns for investors should be emphasised in the profit distribution of the Company and continuity and stability should be maintained in its profit distribution policy;
- (II) Cash dividend and other amounts payable by the Company to domestic shareholders shall be computed, declared and payable in RMB. Cash dividend and other amounts payable by the Company to shareholders of H-shares shall be computed and declared in RMB and payable in Hong Kong Dollars. Foreign currency requirements of the Company for the payment of cash dividend and other amounts to holders of overseas-listed foreign shares shall be procured in accordance with relevant foreign exchange administration regulations of the State;
- (III) Dividend may be distributed by the Company by way of cash or shares. Interim cash dividend may be distributed. Accumulated distribution of profit by way of cash in the three preceding years shall be no less than 30% of the annual average profit available for distribution reported for the three preceding years;
- (IV) Where the Board of Directors of the Company has not made any proposal for cash profit distribution, the reason for the non-distribution and the use of the undistributed funds retained by the Company should be disclosed in its regular reports, and the Independent Directors should furnish an independent opinion thereon; and
- (V) Where irregular fund appropriation by a shareholder has been identified, deductions should be made by the Company against the cash dividend which should otherwise be distributed to such shareholder in reimbursement of the funds appropriated.

2.11 In accordance with the aforesaid amendments to the Articles of Association, it is approved that relevant clauses of the Rules of Procedure for Shareholders' General Meetings ("Rules of General Meetings") be amended as follows:

**Rule 9 of the Rules of General Meetings shall be amended to read:**

Notices of general meetings and relevant documents shall be delivered to shareholders (whether or not entitled to vote at the general meetings) in person or via duly stamped mails sent to their respective addresses as recorded in the shareholders' register. Notices of general meetings, circulars to shareholders and relevant documents for domestic shareholders may also be delivered by way of announcements. The dispatch of notices of general meetings, circulars to shareholders and relevant documents to holders of overseas-listed foreign shares may be conducted by way of publication on the Company's website and the website of The Hong Kong Stock Exchange in accordance with Listing Rules and following relevant procedures.

The announcements referred to in the foregoing paragraph shall be published in one or several approved newspapers designated by the securities regulatory authorities under the State Council during the period which is 45-50 days prior to the meeting. All domestic shareholders shall be deemed to have received the relevant notices of general meetings once such announcements have been published.

Where notices of general meetings and relevant documents are being dispatched by the Company to holders of overseas-listed foreign shares, such notices of general meetings and relevant documents may be dispatched in either the English version or the Chinese version only in accordance with Listing Rules and following relevant procedures.

**Rule 13 of the Rules of General Meetings shall be amended to read:**

Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons as his proxies (whether such person is a shareholder or not) to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholder's right to speak at the meeting; and
- (2) the right to vote.

If the shareholder is a recognised clearing house (the "Recognised Clearing House") (or its agent) as defined under the laws of Hong Kong, such shareholder is entitled to authorise one or more persons as it deems appropriate as its proxies to attend on his behalf any general meeting or any class meeting provided that, if one or more persons are so authorised, the letter of authorisation shall specify the number and class of shares in connection with such authorisation. Such persons can exercise the right on behalf of the Recognised Clearing House (or its agent) as if he were an individual shareholder of the Company.

**Rule 44 of the “Rules of General Meetings” shall be amended to read:**

Voting at general meetings must be decided by a poll. The Company shall announce the results of the poll in accordance with relevant laws and regulations and the Listing Rules.

**Rule 49 of the “Rules of General Meetings” shall be amended to read:**

In case of an equality of votes, the chairman of the meeting shall have a casting vote.

The Board of Directors has approved the submission of the aforesaid amendments to relevant clauses of the Articles of Association and the Rules of General Meetings for consideration at the 2008 Annual General Meeting.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

**XX. Consideration and approval of the “Resolution on the Convening of the 2008 Annual General Meeting and Class Meetings”**

The Company has decided to convene the 2008 Annual General Meeting, the class meeting for holders of overseas-listed foreign shares and the class meeting for domestic shareholders on 19 May 2009 at the conference on the 4th floor of the Shenzhen headquarters of the Company.

Voting result: votes in favour of: 14; votes against: 0; votes abstained: 0.

The “Notice of 2008 Annual General Meeting of the Company” and the “Notice of Class Meeting for shareholders of H-shares of the Company” will be delivered to shareholders of H-shares of the Company in accordance with the provisions of the Articles of Association and applicable laws and regulations.

The Company will close its H share register from Saturday, 18 April 2009 to Monday, 18 May 2008 (inclusive) for the 2008 Annual General Meeting and the class meeting for shareholders of H-shares. Shareholders of H-shares of the Company who wish to attending the meetings and receive the proposed final dividend for the year and the additional shares resulting from the capitalisation from capital reserves (the details of the proposed profit distribution and capitalisation from capital reserves are set out under No. XII in this announcement) shall lodge all the relevant 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 17 April 2009 at 4:30 p.m.

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

Shenzhen, the PRC  
19 March 2009

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Yin Yimin, Shi Lirong and He Shiyou; six non-executive directors, Hou Weigui, Wang Zongyin, Xie Weiliang, Zhang Junchao, Li Juping and Dong Lianbo; and five independent non-executive directors, Zhu Wuxiang, Chen Shaohua, Qiao Wenjun, Mi Zhengkun and Li Jin.*

## APPENDIX I: NEWLY APPOINTED SENIOR VICE PRESIDENTS OF THE COMPANY

**Zhu Jinyun**, 37, is currently general manager of the Fourth Sales Division of the sales operations of the Company overseeing the division. Mr. Zhu graduated from Harbin Engineering University in 1998 with a master's degree in engineering specialising in communications and electronic systems. He joined the Company in the same year to engage in the research and development and management of CDMA products. From 2000 to 2008, Mr. Zhu had been head of the CDMA hardware development department, general project manager for various products under the CDMA department and general project manager for WCDMA products. Mr. Zhu has many years of experience in the telecommunications industry, including over 9 years in managerial positions.

**Zhang Renjun**, 40, is currently general manager of the Second Sales Division of the sales operations of the Company overseeing the division. Mr. Zhang graduated from Northeastern University in 1990 with a bachelor's degree in engineering, specialising in automated controls. Mr. Zhang joined Shenzhen Zhongxing Semiconductor Co., Ltd in 1992. From 2000 to 2008, he had been deputy general manager of the First Sales Division, deputy general manager of the Fourth Sales Division, head of the MTO department and director of the PMO department, both under sales operations. Mr. Zhang has many years of experience in the telecommunications industry, including over 9 years in managerial positions.