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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 Eighth Meeting of the Fifth 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 or material omission in this announcement.

The "Notice of the Eighth Meeting of the Fifth Session of the Board of Directors" was dispatched by ZTE Corporation (the "Company") to all Directors of the Company via electronic mail and by telephone on 5 August 2010. The Eighth Meeting of the Fifth Session of the Board of Directors of the Company (the "Meeting") was convened on-site at the conference room on the 4th Floor of the headquarters of the Company, on 19 August 2010. Of the 14 Directors required to attend the Meeting, 11 Directors duly attended in person (Mr. Hou Weigui, Chairman of the Board, was unable to attend the Meeting due to prior work commitment, and had authorized Mr. Xie Weiliang, Vice Chairman of the Board, to vote on his behalf. Mr. Lei Fanpei, Vice Chairman of the Board, was unable to attend the Meeting due to prior work commitment, and had authorized Mr. Shi Lirong, Director, to vote on his behalf. Ms. Qu Xiaohui, Independent Director, was unable to attend the Meeting due to prior work commitment, and had authorized Mr. Wei Wei, Independent Director, to vote on her behalf). The Meeting, which was held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association, was legal and valid.

The following resolutions were considered and passed at the Meeting:

I .The "Full Text and Summary of the Report and the Results Announcement for the First Half of 2010 of the Company" was considered and passed:

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

II. The “Work Report of the President for the First Half of 2010 of the Company” was considered and passed:

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

III. The “Final Financial Report for the First Half of 2010 of the Company” was considered and passed:

In accordance with the PRC Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards, the operating revenue and the net profit attributable to the shareholders of the Company for January to June 2010 were RMB30.725 billion and RMB877 million respectively.

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

IV. Each of the “Resolutions of the Company on the Proposed Applications for Composite Credit Facilities from Banks in the Second Half of 2010” was considered and passed, the details of which are as follows:

The Company is proposing to apply for composite credit facilities from the following banks in the second half of 2010, details of which are set out in the following table, subject to the approvals of the applicable banks. The Company shall comply with requisite approval procedures in accordance with the provisions of its internal rules currently in force, relevant laws and regulations and the Listing Rules when dealing with specific transactions under the aforesaid composite credit facilities.

Applicable Banks	Proposed Composite Credit Facility Limit	Key Contents of Composite Credit Facilities
The Export-Import Bank of China, Shenzhen Branch	RMB5,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Agricultural Bank of China Limited, Shenzhen Branch	RMB2,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China CITIC Bank Corporation Limited, Shenzhen Branch	RMB3,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Merchants Bank Co., Ltd., Shenzhen Branch	RMB6,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Ping An Bank Co., Ltd., Shenzhen Branch	RMB800 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Shenzhen Development Bank Co., Ltd., Shenzhen Branch	RMB3,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.

Industrial Bank Co., Ltd., Shenzhen Branch	RMB700 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Shanghai Pudong Development Bank Co., Ltd., Shenzhen Branch	RMB1,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Guangdong Development Bank, Shenzhen Branch, Jingtian Sub-branch	RMB2,500 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Citibank (China) Company Limited, Shenzhen Branch	USD50 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Deutsche Bank (China) Co., Ltd., Guangzhou Branch	USD20 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Banco Santander, S.A., Shanghai Branch	USD50 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Total	RMB24 billion USD120 million	

Note: Each of the composite credit facility limit set out above is the maximum limit offered by the bank in respect of the Company’s operating activities based on the bank’s assessment of the Company, and the Company is not required to provide any assets as security. The Company operates its various types of businesses within the composite credit facility limit in accordance with the actual production and operating requirements and the fulfillment of the corresponding approval procedures required by the Company internally and the bank. The above composite credit facility limit is the proposed amount to be applied by the Company, subject to the final amount determined and approved by the bank.

The resolution will be valid from 19 August 2010 until the earlier of (1) the approval of the new credit facility limit, or (2) 31 December 2010. Unless otherwise required by the Articles of Association, the Listing Rules and relevant laws and regulations, no Board resolution will be issued in respect of any single application for financing not exceeding such credit facility limit. Mr. Hou Weigui, legal representative of the Company, or the authorised signatory delegated by Mr. Hou Weigui, is hereby authorised by the Board to execute the relevant legal contracts and documents.

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

V. The “Resolution in respect of the continual procurement of Directors’, Supervisors’ and Senior Management’s Liability Insurance”, details of which are as follows:

In order to enable the Directors, Supervisors and senior management to actively perform their duties, the Company has decided to continue to procure “Directors’, Supervisors’ and Senior Management’s Liability

Insurance” for the Directors, Supervisors and senior management of the Company and agreed with Chartis Insurance Company China Limited, Shenzhen Branch to renew the said insurance policy for a period of one year with a compensation limit of RMB30 million per annum.

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

The Independent Non-Executive Directors of the Company, namely Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert, have furnished an independent opinion as follows:

The continual procurement of the liability insurance for Directors, Supervisors and senior management is beneficial to the investors as it will procure the said personnel to actively perform their duties and provide timely and comprehensive compensation for economic losses that may be suffered by third parties in the course of the Directors, supervisors and senior management performing their duties, thereby minimising the Company’s losses. The transaction has followed the principles of fairness, equity and openness, complied with relevant laws and regulations and is devoid of any actions and circumstances which are prejudicial to the interests of minority shareholders.

VI. The “Resolution in respect of the amendments to the relevant provisions of the Articles of Association of the Company” was considered and passed:

Pursuant to the “Resolution on the 2009 profit distribution and share capital increase by way of capitalisation of reserves” which was considered and passed at the 2009 Annual General Meeting, the Board of Directors was authorised by the general meeting to implement the 2009 profit distribution and share capital increase by way of capitalisation of reserves, amend the corresponding provisions of the Articles of Association in accordance with the implementation of share capital increase by way of capitalisation of reserves to increase the Company’s registered capital and to reflect the new share capital structure of the Company after the share capital increase by way of capitalisation of reserves, and to process the changes in industrial and commercial registration required by the change in registered capital. Subsequent to the completion of the implementation of the proposals of the 2009 profit distribution and the share capital increase by way of capitalisation of reserves on 24 June 2010, the actual number of shares was 2,866,731,684 shares and the registered capital was RMB2,866,731,684.

Pursuant to the implementation of the proposals of 2009 profit allocation and the share capital increase by way of capitalisation of reserves, the relevant contents of Articles 24 and 27 of Chapter 3 of the Articles of Association (June 2010 version), which was considered and passed by the 2009 annual general meeting, are required to be amended correspondingly as follows:

1. Article 24

The original article reads: Subsequent to its establishment, the Company shall issue 1,911,154,456 ordinary shares, comprising 349,769,692 H Shares, accounting for 18.3% of the total number of ordinary shares issuable by the Company; and 1,561,384,764 Domestic Shares, accounting for 81.7% of the total number of ordinary shares issuable by the Company.

The article is amended to read: Subsequent to its establishment, the Company shall issue 2,866,731,684 ordinary shares, comprising 524,654,538 H Shares, accounting for 18.3% of the total number of ordinary shares issuable by the Company; and 2,342,077,146 Domestic Shares, accounting for 81.7% of the total number of ordinary shares issuable by the Company.

2. Article 27

The original article reads: The registered capital of the Company is RMB1,911,154,456.

The article is amended to read: The registered capital of the Company is RMB2,866,731,684.

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

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
19 August 2010

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, Lei Fanpei, 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.