

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no presentation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Fifteenth Meeting of the Fifth Session of the Board of Directors

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

The "Notice of the Fifteenth Meeting of the Fifth Session of the Board of Directors" has been dispatched by ZTE Corporation ("ZTE" or the "Company") to all Directors of the Company via electronic mail and by telephone on 20 December 2010. The Fifteenth Meeting of the Fifth session of the Board of Directors of the Company (the "Meeting") was held by way of voting via telecommunication means on 27 December 2010. All of the 14 Directors required to vote at the Meeting duly participated in the voting. 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 by the Meeting:

I. "Resolution on Approving the Revision of the Maximum Accumulative Amount of Transactions with Connected Parties for 2010", the details of which are as follows:

That the increase of the maximum accumulative transaction amount for the purchase of liquid crystal modules (LCM) from the connected party Shenzhen Lead Communications Company, Limited by the Group to RMB300 million (excluding VAT) for 2010 be approved.

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 reviewed the aforesaid connected transactions prior to the Meeting, and agreed to submit the same to the Meeting for consideration. They have furnished an independent opinion on the above matter as follows:

The revision of the maximum accumulative transaction amount (excluding VAT) for 2010 in respect of the purchase of LCM from connected party Shenzhen Lead Communications Company, Limited by the Group is based on the needs of the Company's business development. The connected transaction is on normal commercial terms without impairing the interests of the Company and its shareholders.

Note:

1. According to relevant provisions of the Rules Governing the Listing of Stocks On Shenzhen Stock Exchange, Shenzhen Lead Communications Company, Limited is not deemed as a connected party of the Company.

Shenzhen Lead Communications Company, Limited is a connected person of the Company pursuant to Rule 14A.11(5) of the Hong Kong Listing Rules, as its substantial shareholder Zhongxingxin (holding 22.5% equity interests in Lead) is the controlling shareholder of the Company.

2. The maximum accumulative amount of transactions between the Group and the connected party Shenzhen Lead Communications Company, Limited for 2010 was RMB255 million (excluding VAT), as considered and passed at the Thirty-third Meeting of the Fourth Session of the Board of Directors of the Company held on 22 February 2010.

II. "Resolution on the Proposed Application to Shenzhen Development Bank Co., Ltd., Shenzhen Branch for Increasing RMB Composite Credit Facilities", the details of which are as follows:

That the application by the Company to Shenzhen Development Bank Co., Ltd., Shenzhen Branch for increasing its composite credit facilities up to RMB4,000 million to be used mainly for domestic businesses in factoring, loans and bills, etc. be approved. The composite credit facilities will be subject to the approval of the bank. 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 the specific business under the aforesaid composite credit facilities.

The resolution will be valid from 27 December 2010 until the earlier of (1) the approval of the next new credit facility limit, or (2) 30 March 2011. Unless otherwise required, 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 to execute relevant legal contracts and documents.

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

Note:

1. 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. When the Company operates its various types of businesses within the composite credit facility limit according to the actual production and operating requirements, the corresponding approval procedures required by the Company internally and the bank shall be complied with. The above composite credit facility limit is the amount proposed to be applied with the bank by the Company, and the final amount determined shall be subject to the amount approved by the bank.

2. The Company entered into an agreement for RMB3,000 million composite credit facilities with Shenzhen Development Bank Co., Ltd., Shenzhen Branch on 27 September 2010, which had been considered and passed at the Eighth Meeting of the Fifth Session of the Board of Directors of the Company held on 19 August 2010.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, PRC

27 December 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 Shiyou; 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.