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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 OF THE RESOLUTIONS  
PASSED AT THE SEVENTEENTH MEETING OF THE FIFTH SESSION  
OF THE BOARD OF DIRECTORS**

*The Company and all members of the Board of Directors 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.*

ZTE Corporation (hereinafter referred to as the "Company") issued the "Notice of the Seventeenth Meeting of the Fifth Session of the Board of Directors" to all the Directors of the Company by electronic mail and telephone on 2 April 2011. The Seventeenth meeting of the Fifth session of the Board of Directors of the Company (the "Meeting") was held in Hefei, Shenzhen, Beijing, Xi'an, Xiamen and Hong Kong via video-conference on 8 April 2011. Of the 14 Directors required to attend the Meeting, 8 Directors attended in person and 6 Directors attended by proxy. (Mr. Lei Fanpei, Vice Chairman, was unable to attend the Meeting due to work reasons, and has authorised Mr. Hou Weigui, Chairman, to vote on his behalf. Mr. Xie Weiliang, Vice Chairman, was unable to attend the Meeting due to work reasons, and has authorised Mr. Dong Lianbo, Director, to vote on his behalf. Mr. Wang Zhanchen, Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Hou Weigui, Chairman, to vote on his behalf. Mr. Shi Lirong, Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Yin Yimin, Director, to vote on his behalf. Mr. He Shiyong, Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Yin Yimin, Director, to vote on his behalf. Mr. Chen Naiwei, Independent Director, was unable to attend the Meeting due to work reasons, and has authorised Ms. Qu Xiaohui, Independent Director, to vote on his behalf. The Meeting was 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 “Resolution of the Company on the Amendment to Clauses relating to Third-party Guarantees of the Articles of Association”, the details of which are as follows:**

**1. It was approved that relevant contents in Article 160 of Chapter 10 of the Articles of Association be amended as follows:**

**Article 160 of Chapter 10**

**The original article which reads:** The Board of Directors shall be accountable to the general meeting of shareholders and shall exercise the following functions and powers:

.....

(17) to approve matters in connection with the provision of guarantee to a third party in an amount which is less than 10% of the most recent audited net asset value of the Company (including but not limited to such guarantee as in form of security, charge, pledge, lien and deposit);

.....

The Company shall comply with the following requirements when determining matters relating to the provision of a guarantee in favour of a third party as set out in sub-paragraph (17) of the first paragraph hereof:

.....

(II) The Company shall neither provide a guarantee in favour of a unit without legal person status nor an individual. The maximum amount of any single guarantee provided by the Company in favour of a third party shall not be more than 5% of the net asset value recorded on the consolidated financial statements for the most recent accounting year, the maximum accumulated amount of guarantees provided by the Company to any one party shall not be more than 10% of the net asset value recorded on the consolidated financial statements for the most recent accounting year.

**Is amended to read:**

**Article 160 of Chapter 10**

The Board of Directors shall be accountable to the general meeting of shareholders and shall exercise the following functions and powers:

.....

(17) to approve matters in connection with the provision of guarantee to a third party in an amount which is less than 10% of the most recent audited net asset value of the Company (including but not limited to such guarantee as in form of security, charge, pledge, lien and deposit);

.....

The Company shall comply with the following requirements when determining matters relating to the provision of a guarantee in favour of a third party as set out in sub-paragraph (17) of the first paragraph hereof:

.....

(II) The Company shall neither provide a guarantees in favour of a unit without legal person status nor an individual. The maximum amount of any single guarantee **provided by the Company in favour of a third party other than its wholly-owned subsidiary** shall not be more than 5% of the net asset value recorded on the consolidated financial statements for the most recent accounting year, the maximum accumulated amount of guarantee **provided by the Company to any one party other than its wholly-owned subsidiary** shall not be

more than 10% of the net asset value recorded on the consolidated financial statements for the most recent accounting year.

**2. It was approved that the above resolution be tabled at the general meeting for consideration.**

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

**II. Consideration and approval of the “Resolution of Matters relating to Debt Financing of ZTE (H.K.) Limited” and formulation of the following resolution:**

**1. It was approved that a guarantee be provided by the Company in relation to the overseas medium / long-term debt financing of ZTE (H.K.) Limited (“ZTE (H.K.)”), a wholly-owned subsidiary, with details as follows:**

(1) it was approved that a guarantee in the form of joint liability assurance be provided by the Company in relation to the overseas debt financing (including but not limited to syndicate loans, bank facilities and the issue of corporate bonds) of ZTE (H.K.) for an amount of not more than USD900 million and a period of not more than 5 years (from the date on which the debt financing agreement takes effect).

(2) It was approved that Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory be authorised to determine the specific amount and period of guarantee based on the results of negotiations between ZTE (H.K.) and the relevant debt financing parties subject to the aforesaid limit and period of guarantee; negotiate with the relevant debt financing parties and execute all guarantee agreements and other related legal contracts and documents which are related to the said guarantee; and deal with other matters relating to such guarantee.

(3) It was approved that the above resolution be tabled at the general meeting for consideration.

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

**2. It was approved that ZTE (H.K) be authorized to conduct interest rate swap transactions with a nominal principal amount of not more than USD900 million at selected timing for the medium / long-term debt financing with matched time limits between the interest rate swap transactions and the medium/long-term debt financing; and it was further approved that the matter be tabled at the general meeting of the Company for consideration.**

Voting result: votes in favour of: 14; votes against: 0; votes 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 in relation thereto as follows:

Given ZTE (H.K.)’s proposed medium / long-term debt financing and with a view to avoiding interest rate risks associated with the said medium / long-term debt financing, it has resolved to enter into an interest rate swap

agreement for a nominal principal amount of not more than USD900 million with banks for the swap between floating interest rates and fixed interest rates, which is conducive to further reductions in finance costs and better control over interest rate risks. The company has conducted stringent internal assessment of its derivative operations and established a mechanism to regulate such operations. We are of the view that the interest rate swap transactions that ZTE (H.K.) proposes to enter into are closely related to its day-to-day operations with controllable risks, and that they are in compliance with pertinent provisions of relevant laws and regulations.

For detailed information on matters pertaining to the aforesaid debt financing of ZTE (H.K.) Limited, please refer to the “Announcement on Proposed Interest Rate Swap Transactions of a Wholly-owned Subsidiary” and the “Announcement on the Provision of Guarantee for a Wholly-owned Subsidiary” published on the same date as this announcement.

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, PRC

8 April 2011

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