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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 Thirty-second Meeting of the Fifth Session  
of the Board of Directors**

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

ZTE Corporation (the “Company”) issued the “Notice of the Thirty-second Meeting of the Fifth Session of the Board of Directors of the Company” to all the Directors of the Company by electronic mail and telephone on 7 August 2012. The Thirty-second Meeting of the Fifth session of the Board of Directors of the Company (the “Meeting”) was convened at the Shenzhen headquarters of the Company, Shanghai and Hong Kong by way of video conference on 22 August 2012. Of the 14 Directors required to attend the Meeting, 13 Directors attended in person and 1 Directors attended by proxy. (Mr. Zhang Junchao, Director, was unable to attend the Meeting due to work reasons, and has authorised in writing Mr. Wang Zhanchen, 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 “Full Text and Summary of the 2012 Interim Report and the Interim Results Announcement of the Company”:**

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

**II. Consideration and approval of the “2012 Interim Work Report of the President of the Company”:**

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

**III. Consideration and approval of the “Final Financial Report of the Company for the Six Months ended 30 June 2012”:**

For the six months ended 30 June 2012, the Company reported operating revenue of RMB 42.64 billion and net profit attributable to shareholders of the listed company RMB 240 million, according PRC Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards.

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

**IV. Consideration and approval of the “Resolution on the Write-Off of Bad Debts of the Company for the First Six Months of 2012”, details of which are as follows:**

That the write-off by the Company of 2 accounts of trade receivables which had been considered unrecoverable totalling RMB403,400 be approved. The Company has made full bad-debt provision in years prior to 2012 for the trade receivables to be written off, and the write-off will not have any material adverse impact on the current financial conditions and operating results of the Company.

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

**V. Consideration and approval of the “Resolutions of the Company on the Proposed Applications for Composite Credit Facilities for the Six Months ending 31 December 2012” on an individual basis, details of which are as follows:**

For the six months ending 31 December 2012, the Company has proposed to apply for composite credit facilities from certain banks (details of which are set out in the table below), which are subject to approvals by the respective bankers. The Company is required to go through necessary approval procedures in accordance with requirements of the prevailing internal regulations of the Company, pertinent laws and

regulations and the Listing Rules when conducting specific transactions under such composite credit facilities.

<b>Banks</b>	<b>Proposed Composite Credit Facility Limit for the period</b>	<b>Key Contents of Composite Credit Facilities</b>
Industrial and Commercial Bank of China Limited, Shenzhen Branch	RMB10,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Construction Bank Limited, Shenzhen Branch	RMB10,500 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
The Export-Import Bank of China, Shenzhen Branch	RMB5,000 million	Loans, guarantee letters, trade finance, etc.
China Merchants Bank Co., Ltd., Shenzhen Branch	RMB8,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Shenzhen Development Bank Co., Ltd., Shenzhen Branch	RMB8,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Everbright Bank Company Limited, Shenzhen Branch	RMB3,000 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Resources Bank of Zhuhai Co., Ltd, Shenzhen Branch	RMB600 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
<b>Total credit facilities in RMB</b>	<b>RMB45,100 million</b>	
Standard Chartered Bank (China) Limited, Shenzhen Branch	USD50 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Citibank (China) Company Limited, Shenzhen Branch	USD100 million	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Deutsche Bank (China) Co., Ltd., Guangzhou Branch	USD10 million	Trade finance
Banco Santander, S.A., Shanghai Branch	USD100 million	Loans, guarantee letters, trade finance
Sumitomo Mitsui Banking Corporation(China)Limited, Guangzhou Branch	USD50 million	Loans, guarantee letters, trade finance
Bank of Tokyo-Mitsubishi UFJ (China), Ltd., Shenzhen Branch	USD50 million	Loans, discounting, guarantee letters, letters of credit
<b>Total credit facilities in USD</b>	<b>USD360 million</b>	

**Note:** Each of the composite credit facility limits set out above is the maximum limit offered by the corresponding 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 shall conduct various types of facilities within the composite credit facility limit in accordance with its actual production and operating requirements after fulfilment of corresponding approval procedures required by the Company internally and the bank. The above composite credit facility limits are the proposed amounts to be applied by the Company, subject to the final amounts determined and approved by the banks.

The resolution will be valid from 22 August 2012 until the earlier of (1) the approval of new credit facility limits, or (2) 30 June 2013. Unless otherwise required by the Articles of Association, the Listing Rules and other pertinent laws and regulations, no Board resolution will be passed 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 legal contracts and documents pertaining to the composite credit facilities.

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

**VI. Consideration and approval of the “Resolution in respect of the Renewal 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 perform their duties in a more vigorous manner, the Company has decided to renew “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 RMB100 million per annum.

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 as follows:

The continual procurement of the liability insurance for Directors, Supervisors and senior management is beneficial to investors in general as it will procure the said personnel to perform their duties in a vigorous manner and provide timely and comprehensive compensation for economic losses that may be suffered by third parties in the course of performance of duties by the Directors, supervisors and senior management, thereby minimising the Company's losses. The transaction has been conducted in adherence to the principles of fairness, impartiality and openness and in compliance with relevant laws and regulations, devoid of any actions and circumstances prejudicial to the interests of minority shareholders.

**VII. Consideration and approval of the “Resolution on the Amendment of the ‘System of Registration of Owners of Insider Information.’”**

1. The deletion of Rule 13 of the “System of Registration of Owners of Insider Information” in its entirety and the corresponding renumbering of other rules.
2. The amendment of Rule 18 of “the System of Registration of Owners of Insider Information”

**The original clause which reads:** Rule 18 “The Company shall conduct self-investigation and determine disciplinary measures to be taken against acts of owners of insider information to conduct insider trading or propose other parties to trade on the back of insider information.”

**Is amended to read:** Rule 17 “The Company shall conduct self-investigation and determine disciplinary measures to be taken against acts of owners of insider information to conduct insider trading or propose other parties to trade on the back of insider information, **and shall report the matter to a CSRC branch office with 2 working days.**”

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

Please refer to the Overseas Regulatory Announcement published on the same date as this announcement for details of the revised “System of Registration of Owners of Insider Information” (August 2102).

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

Shenzhen, the PRC

22 August 2012

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.*