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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 TWENTY-FIFTH MEETING OF THE FOURTH 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 Board resolutions is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

ZTE Corporation (hereinafter referred to as "ZTE" or the "Company") issued the "Notice of the Twenty-Fifth Meeting of the Fourth Session of the Board of Directors" to all the Directors of the Company by electronic mail and telephone on 2 June 2009. The Twenty-Fifth Meeting of the Fourth session of the Board of Directors of the Company (the "Meeting") was convened and voting was conducted by way of telecommunications on 5 June 2009. All of the 14 Directors required to vote duly took part in the voting. The meeting was legal and valid, having been convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association.

The following resolutions were considered and approved at the Board meeting:

I. Consideration and approval of the "Resolution on the Revision of the Relevant Clauses of the Articles of Association"

The capitalisation of capital reserve for 2008 of the Company was completed on 5 June. In accordance with relevant rules of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the respective clearing houses of Shenzhen and Hong Kong, the decimal places of the number of shares in the new share capital should be disregarded (instead of being rounded up). As a result, the

total share capital amount and total number of shares actually capitalised after the implementation of the capitalisation of capital reserve was RMB1 and 1 share less than as projected. Namely, after the implementation of the capitalisation of capital reserve for 2008, the actual share capital and registered capital of the Company is 1,746,329,402 shares and RMB1,746,329,402, respectively.

To conform to the results of the implementation of the capitalisation of capital reserve, the following revisions are required to be made to Article 24 and Article 27 under Chapter 3 of the Articles of Association (May 2009 Version) considered and passed at the 2008 Annual General Meeting:

1. Article 24

The original article which reads: 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).

Is revised to read: Upon its incorporation, the Company shall have **1,746,329,402** ordinary shares in issue, comprising **291,474,892** 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).

2. Article 27

The original article which reads: The registered capital of the Company shall be RMB1,746,329,403.

Is revised to read: The registered capital of the Company shall be RMB1,746,329,402.

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

II. Consideration and approval of the "Resolution on the Provision of Performance Guarantee for Wholly-owned Subsidiary PT. ZTE Indonesia ("ZTE Indonesia")". Details of the resolution are as

follows:

1. That the provision of a performance guarantee not exceeding US\$40 million by the Company for ZTE Indonesia (with a term commencing on the date on which the Technical Support Framework Agreement takes effect upon execution and ending on the date on which the performance of ZTE Indonesia's obligations under the Technical Support Framework Agreement is completed) be approved.

2. That the application by the Company to the relevant bank for the issuance of a letter of performance guarantee providing guarantee with a maximum accumulated amount of US\$5 million in favour of PT. Telekomunikasi Selular, an Indonesian mobile communications carrier, in respect of the performance obligations of ZTE and ZTE Indonesia under the aforesaid Equipment Purchase Framework Agreement and Technical Support Framework Agreement (with a term commencing on the date of issuance of the letter of guarantee by the bank and ending on the date falling 3 years and 6 months after the issuance of the letter of guarantee or on which the performance obligations of ZTE and ZTE Indonesia under the said Equipment Purchase Framework Agreement and Technical Support Framework Agreement are fully completed, whichever is later) be approved.

3. That the authorisation of Mr. Hou Weigui, legal representative of the Company, or any authorised signatory appointed by Mr. Hou Weigui, to sign the relevant legal contracts and documents be approved.

4. That the tabling of the guarantee to the general meeting of the Company for consideration be approved

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

For details please refer to the "Announcement of External Guarantee of ZTE Corporation" published simultaneously with this announcement.

Independent Directors of the Company Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin have furnished their independent opinions on the aforesaid guarantee as follows:

The aforesaid guarantee provided by the Company for its wholly-owned subsidiary ZTE Indonesia is in compliance with relevant provisions of the Notice Regulating the External Guaranties Provided by Listed Companies (《關於規範上市公司對外擔保行為的通知》) and the Articles of Association of ZTE Corporation, and the decision-making procedures are legal and valid.

III. Consideration and approval of the following ‘‘Resolutions of the Company with respect to the supplementary application for composite credit facilities from the banks for the six months ending 31 December 2009’’ on an individual basis:

The Company has proposed to apply for supplementary composite credit facilities from following banks (details of which are set out in the table below) for the six months ending 31 December 2009, which are subject to respective approvals of the bankers.

Banker	Proposed composite credit facilities amount	Principal types of the composite credit facilities
Bank of Communications Co., Ltd., Shenzhen Branch	RMB6 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
China Merchants Bank, Co. Limited, Shenzhen Branch	RMB4 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
China CITIC Bank Corporation Limited, Shenzhen Branch	RMB3 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc (including non-recourse factoring amounting to US\$100 million)
China Everbright Bank, Shenzhen Branch	RMB1 billion	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Societe Generale (China) Limited, Guangzhou Branch	US\$40 million	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
HSBC (China) Limited Shenzhen Branch	US\$140 million	Loans, acceptance bill, discounting, guarantee, letter of credit, factoring, trade financing, etc
Total	RMB14 billion	
	US\$180 million	

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 approval procedures required internally by the Company and those required by the banks. The amounts of composite credit facilities set out above represent amounts proposed by the Company and are subject to the final amounts approved by the banks.

Such resolution shall be valid with effect from 6 June 2009 until (1) immediately prior to the approval of the next new credit facilities, or (2) before 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 related legal contracts and documents.

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

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
5 June 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.