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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 Seventh Meeting of the Sixth 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.

ZTE Corporation (the "Company") issued the "Notice of the Seventh Meeting of the Sixth Session of the Board of Directors (the "Board") of ZTE Corporation" to all the Directors of the Company by electronic mail and telephone on 6 August 2013. The Seventh Meeting of the Sixth session of the Board of the Company (the "Meeting") was convened on site on 21 August 2013 at the Shenzhen headquarters of the Company. Of the 14 Directors required to vote at the Meeting, 10 Directors duly participated and 4 Directors appointed proxies to attend on their behalf. Mr. Hou Weigui, Chairman, was unable to attend the Meeting due to work reasons, and has authorized in writing Mr. Zhang Jianheng, Vice Chairman, to vote on his behalf. Mr. Xie Weiliang, Vice Chairman, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Dong Lianbo, Director, to vote on his behalf. 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. Mr. Wei Wei, Independent Non-executive Director, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Tan Zhenhui, Independent Non-executive Director, to vote on his behalf. The Meeting was convened and held in accordance with the relevant laws,

administrative regulations, departmental rules and the Articles of Association of ZTE Corporation, 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 2013 Interim Report and the Interim Results Announcement of the Company”

Voting result: For: 14; against: 0; abstained: 0.

II. Consideration and approval of the “2013 Interim Work Report of the President of the Company”

Voting result: For: 14; against: 0; abstained: 0.

III. Consideration and approval of the “Final Financial Report of the Company for the Six Months ended 30 June 2013”

For the six months ended 30 June 2013, the Company reported operating revenue of RMB 37.58 billion and net profit attributable to shareholders of the listed company of RMB0.31 billion, according to PRC Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards.

Voting result: For: 14; against: 0; 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 2013”, the details of which are as follows:

That the write-off by the Company of five accounts of trade receivables with a total amount of RMB105.2178 million which had been considered unrecoverable be approved. As at 30 June 2013, the Company has made full bad-debt provision for the trade receivables to be written off, and the write-off will not have any material impact on the current financial conditions and operating results of the Company.

Voting result: For: 14; against: 0; 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 2013” on an individual basis, the details of which are as follows:

For the six months ending 31 December 2013, the Company has proposed to apply for composite credit facilities from certain banks (the details of which are set out in the table below), which are subject to approvals by the respective banks. 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.

Banks	Proposed Composite Credit Facility Limit for the Period	Key Contents of Composite Credit Facility
Industrial and Commercial Bank of China Limited, Shenzhen Branch	RMB8.5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Agricultural Bank of China, Shenzhen Branch	RMB8 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
The Export-Import Bank of China, Shenzhen Branch	RMB7 billion	Loans, guarantee letters, trade finance, etc.
Ping An Bank Company Limited, Shenzhen Branch	RMB10.5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Bank of Communications Co., Ltd, Shenzhen Branch	RMB6 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Shanghai Pudong Development Bank Co., Ltd, Shenzhen Branch	RMB1 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Industrial Bank Co., Ltd, Shenzhen Branch	RMB5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Resources Bank of Zhuhai Co., Ltd, Shenzhen Branch	RMB1 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Total credit facilities in RMB	RMB47 billion	
Citibank (China) Company Limited, Shenzhen Branch	USD100 million	Loans, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Deutsche Bank (China) Co., Ltd, Guangzhou Branch	USD10 million	Trade finance

DBS Bank (China) Co., Ltd, Shenzhen Branch	USD40 million	Guarantee letters, foreign exchange transaction, etc.
Total credit facilities in USD	USD150 million	

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 21 August 2013 until the earlier of (1) the approval of new credit facility limits, or (2) 31 August 2014. 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: For: 14; against: 0; abstained: 0.

VI. Consideration and approval of the “Resolution in respect of the Renewal of Directors’, Supervisors’ and Senior Management’s Liability Insurance”, the 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 the “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: 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. Richard Xike Zhang, 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 non-controlling shareholders.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
21 August 2013

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 Richard Xike Zhang.