

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 representation 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 Twenty-sixth Meeting of the Fifth 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.

The "Notice of the Twenty-sixth Meeting of the Fifth Session of the Board of Directors" was dispatched by ZTE Corporation (the "Company") to all Directors of the Company via electronic mail and by telephone on 2 March 2012. The Twenty-sixth Meeting of the Fifth Session of the Board of Directors of the Company (the "Meeting") was convened by way of video conference at the Shenzhen headquarters of the Company, Beijing, Shanghai, Xi'an and Hong Kong on 8 March 2012. Of the 13 Directors required to attend the Meeting, 12 Directors duly attended in person and 1 Director appointed proxy to attend on her behalf (Ms. Qu Xiaohui, Independent Director, was unable to attend the Meeting due to work reasons, and had authorized in writing Mr. Wei Wei, Independent Director, to vote on her behalf). The Meeting, which was held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of the Company (the "Articles"), was legal and valid.

The following resolutions were considered and approved at the Meeting:

I. Consideration and approval of the "Resolution on the Company's fulfillment of conditions for bond issue", the details of which are as follows:

1. Pursuant to relevant provisions of the Company Law of the People's Republic of China (the "Company Law"), Securities Law of the People's Republic of China (the "Securities Law") and the Trial Measures for Bond Issue (the "Trial Measures") and other pertinent laws, regulations and regulatory documents and given the actual conditions of the Company, conditions for bond issue stipulated by current laws, regulations and regulatory documents are deemed to have been fulfilled.

2. The tabling of this resolution at the General Meeting of the Company for consideration is hereby approved.

Voting results: For: 12; Against: 0; Abstained: 1.

Mr. Timothy Alexander Steinert, Independent Director, maintained that he required the legal opinion furnished by an external law firm engaged by the Company in order to express his opinion on the said resolution. Hence, Mr. Steinert abstained in the vote in respect of the resolution.

The Company has appointed Beijing Jun He Law Offices to be the legal advisor of the Company for the issue. Jun He will furnish an official legal opinion following completion of due diligence and the consideration and approval of the said resolution at the General Meeting. As at the date of this announcement, Beijing Jun He Law Offices is not aware of any matters on the part of the Company contradictory to the conditions for the issue of corporate bonds.

II. Consideration and approval of the “Resolution on the proposed issue of Bonds”

To meet the Company’s working capital requirements, further improve its debt structure and lower its finance costs, it is hereby approved that the Company will apply for the public issue of corporate bonds (“Bonds”) of not more than RMB6, 000 million (the “Bond Issue”) in accordance with relevant provisions of the Company Law, Securities Law, Trial Measures and other pertinent laws, regulations and regulatory documents, the detailed plan for which is set out as follows.

1. Issue size

The size of the Bond Issue shall be capped at RMB6, 000 million, which may be publicly offered in the PRC in one tranche or multiple tranches after obtaining the approval of the China Securities Regulatory Commission (“CSRC”). The actual size of issue and number of tranches will be determined within the aforesaid scope by the Board, pending a mandate by the General Meeting, based on the Company’s funding requirements and market conditions at the time of issue.

2. Placing arrangements for shareholders of the Company

The Bond Issue may be offered to the A Shareholders of the Company by way of placing. Details of the placing arrangement (if any), such as the proportion of entitlement, will be determined by the Board, pending a mandate by the General Meeting, based on market conditions and details of the Bond Issue.

3. Term of the Bonds

Bonds offered under the Bond Issue shall have a term of not more than 5 years and shall comprise Bonds with a uniform maturity date or a hybrid of Bonds with different maturity dates. The actual composition of the Bond Issue in terms of maturity and the size of each maturity type will be determined by the Board, pending a mandate by the General Meeting, prior to the issue based on market conditions and the Company’s funding requirements.

4. Interest rate of the Bonds

Bonds offered under the Bond Issue will carry interest at fixed rates or floating rates. The coupon interest rate and the payment of coupon interests will be determined by the Board, pending a mandate by the General Meeting, in consultation with the sponsor (the lead underwriter) in accordance with relevant provisions of the State based on bid market prices.

5. Guarantee

The manner in which guarantees, if any, will be provided in respect of the Bond Issue will be determined by the Board, pending a mandate by the General Meeting, in accordance with relevant provisions and based on market conditions.

6. Use of proceeds

The proceeds will be applied towards the repayment of bank loans, adjustment of debt structures or working capital replenishment. The actual application of the proceeds will be determined by the Board, pending a mandate by the General Meeting, based on the working capital requirements of the

Company.

7. Listing arrangements

After the close of the Bond Issue, subject to the fulfillment of listing conditions, the Company apply to the Shenzhen Stock Exchange as soon as practicable for the listing of and dealing in the Bonds. Subject to the approval of regulatory authorities, the Bonds may also be listed and traded on other exchanges permitted by applicable law.

8. Valid term of the resolution

The resolution pertaining to the Bond Issue shall be valid for a period of 30 months from the date on which the resolution is considered and approved at the General Meeting.

It is hereby approved that this resolution be tabled at the General Meeting of the Company for consideration. After consideration and approval by the General Meeting, the resolution shall further require the approval of CSRC prior to implementation.

Voting results: For: 13; Against: 0; Abstained: 0.

III. Consideration and approval of the “Resolution on Submitting to the General Meeting of the Company a Mandate for the Board to deal with matters pertaining to the Bond Issue with full discretion”

As required for facilitating the Bond Issue, The Board submits to the General Meeting that a mandate be granted to the Board and its authorized parties to deal with matters pertaining to the Bond Issue in a manner that safeguards the best interests of the shareholders of the Company in accordance with relevant provisions the Company Law, Securities Law and Trial Measures and other pertinent laws and regulations and of the Articles and based on prevailing market conditions, including but not limited to:

1.To the extent permitted by laws, regulations and regulatory documents, formulate the detailed issue plan of the Bond Issue and revise and adjust the issue terms of the Bond Issue based on the actual conditions of the Company and the market, including but not limited to all matters pertaining to the terms of issue and listing such as the size of the issue, the maturity, classification and interest rates of the Bonds and the determination thereof, the timing of the issue, whether or not to issue in tranches, the number of tranches, the actual application of the issue proceeds, whether any clauses for buyback and redemption will be in place, rating arrangements, guarantees, methods and due dates for principal and interest payments, detailed subscription methods and placing arrangements, the listing of the Bonds and where such listing will take place, etc;

2.Engage intermediaries to handle reporting procedures in relation to the application for approval of the Bond Issue, as well as matters pertaining to the listing and principal and interest payments following the completion of the Bond Issue, including but not limited to the authorization, execution, implementation, amendment and completion of all requisite documents, contracts, agreements and covenants (including but not limited to issue prospectuses, sponsor’s agreements, underwriting agreements, agreements for trust management of Bonds, listing agreements, announcements and other legal documents) and carry out information disclosure in accordance with the laws, regulations and other regulatory documents;

3.Select a trust manager for Bonds under the Bond Issue, execute the agreement for trust management of Bonds and formulate rules of proceedings for the bondholders’ meeting;

4. Proceed with matters pertaining to the listing of Bonds under the Bond Issue after the completion of the Bond Issue;

5. Authorize the Board to make corresponding adjustments to the actual plan of the Bond Issue and other relevant matters in accordance with opinions of regulatory authorities in the event of any change in the policies of regulatory authorities on the issue of corporate bonds or any change in market conditions, except in relation to matters required to be put forth to re-voting at the General Meeting under laws, regulations and regulatory documents and the Articles;

6. Adopting measures to safeguard Bond payments:

In accordance with pertinent provisions, it is submitted to the General Meeting that a mandate be granted to the Board for the adoption of at least the following measures in the event of failure to honor schedules of principal or interest payments of the Bonds or default on principal or interest payments of the Bonds:

- (I) refraining from making profit distribution to the shareholders;
- (II) suspending the implementation of capital expenditure projects such as significant external investments, mergers and acquisitions;
- (III) Reducing or suspending wages and bonuses payable to Directors and the senior management;
- (IV) prohibiting the removal of chief responsible officers.

7. Deal with other matters pertaining to the Bond Issue;

8. The mandate shall come into effect on the date of the consideration and approval of the resolution by the General Meeting and remain effective until the date of completion of the aforesaid matters to be dealt with under the mandate. The Board of the Company hereby authorizes Mr. Hou Weigui, the legal representative of the Company, or relevant parties authorized by Mr. Hou Weigui, to deal with matters pertaining to the Bond Issue within the scope of the aforesaid mandate.

The tabling of this resolution at the General Meeting of the Company for consideration is hereby approved.

Voting results: For: 13; Against: 0; Abstained: 0.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC

8 March 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; five non-executive directors, Hou Weigui, 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.