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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 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 Seventh 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 15 July 2010. The Seventh 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 Xiamen on 22 July 2010. Of the 14 Directors required to attend the Meeting, 10 Directors duly attended in person. Mr. Dong Lianbo, Director, was unable to attend the Meeting due to work reasons, and had authorized in writing Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Shi Lirong, Director, was unable to attend the Meeting due to work reasons, and had authorized in writing Mr. Hou Weigui, Chairman, to vote on his behalf. Mr. He Shiyong, Director, was unable to attend the Meeting due to work reasons, and had authorized in writing Mr. Yin Yimin, Director, to vote on his behalf. Mr. Wei Wei, Independent Director, was unable to attend the Meeting due to work reasons, and had authorized in writing Ms. Qu Xiaohui, Independent Director, to vote on his behalf. The Meeting, which was held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association, was legal and valid.

The following resolutions were considered and passed at the Meeting:

#### **I. The "Resolution of the Company on the Application for Investment Limits in Foreign Exchange Derivative Products for Value-Protection" was considered and passed, the details of which are as follows:**

1 That the Company be authorised by the general meeting to invest in foreign exchange derivative products for value-protection against its risk exposure in US Dollars for an amount not exceeding USD700 million (which limit shall include investments by majority-owned subsidiaries and may be applied on a revolving basis during the effective period of the authorisation). The authorisation shall be effective from the date on which it is approved by way of resolution at the general meeting to the date of the next annual general meeting of the Company or the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier.

2 That the Company be authorised by the general meeting to invest in foreign exchange derivative products for value-protection against its risk exposure in Euros for an amount not exceeding EUR200 million (which limit shall include investments by majority-owned subsidiaries and may be applied on a revolving basis during the effective period of the authorisation). The authorisation shall be effective from the date on which it is approved by way of resolution at the general meeting to the date of the next annual general meeting of the Company or the date on which this authorisation is modified or revoked at a general meeting, whichever is earlier.

**Voting results: 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. Timothy Alexander Steinert, have furnished an independent opinion as follows:

As the foreign exchange income of the Company and its majority-owned subsidiaries has been increasing in line with the ongoing development of their international businesses, the mitigation of exchange rate volatility risks associated with foreign exchange operations by locking up currency translation costs through the reasonable application of financial derivative instruments is beneficial to the enhancement of the financial stability and corporate competitiveness of the Company. The Company has conducted meticulous internal assessment in respect of the investment in foreign exchange derivative products for value protection and has established relevant regulatory regimes. We are of the view that the engagement of investment in foreign exchange derivative products for value protection by the Company is closely related to its day-to-day operational requirements and that the risks involved are controllable, and that it is in compliance with relevant provisions of pertinent laws and regulations.

For other details of the trading in foreign exchange derivative products for value protection, please refer to the “Announcement of the Investment in Foreign Exchange Derivative Products for Value Protection” published simultaneously with this Announcement.

## **II. The “Resolution on the Convening of the Second Extraordinary General Meeting of 2010 of the Company” was considered and passed.**

The Company has resolved to convene its Second Extraordinary General Meeting of 2010 at the conference room on the 4th floor of the Shenzhen headquarters of the Company on 10 September 2010.

**Voting results: For: 14; Against: 0; Abstained 0.**

The “Notice of Convening of the Second Extraordinary General Meeting of 2010 of the Company” will be dispatched to the H shareholders of the Company in accordance with the Articles of Association and provisions of applicable laws and regulations.

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

Shenzhen, PRC  
23 July 2010

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