

*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 Nineteenth 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 Nineteenth 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 5 August 2014. The Nineteenth Meeting of the Sixth session of the Board of the Company (the "Meeting") was convened by way of voting via video conference on 20 August 2014 at the Shenzhen headquarters of the Company and Kunming. The Meeting was presided over by Mr. Zhang Jianheng, Vice Chairman. Of the 14 Directors required to vote at the Meeting, 8 Directors duly participated and 6 Directors appointed proxies to attend on their behalves. 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. Shi Lirong, 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. Dong Lianbo, Director, was unable to attend the Meeting due to work reasons and has authorised in writing Mr. He Shiyong, Director, to vote on his behalf. Mr. Yin Yimin, Director, was unable to attend the Meeting due to work reasons and has authorised in writing Mr. Shi Lirong, 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. Members of the

Supervisory Committee of the Company and certain personnel concerned also attended the Meeting. 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 of the 2014 Interim Report and 2014 Interim Report Summary and Results Announcement of the Company”**

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

**II. Consideration and approval of the “2014 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 2014”**

For the six months ended 30 June 2014, the Company reported operating revenue of RMB37.7 billion and net profit attributable to shareholders of the listed company of RMB 1.13 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 “Resolutions of the Company on the Proposed Applications for Composite Credit Facilities for the Six Months ending 31 December 2014” on an individual basis, the details of which are as follows:**

For the six months ending 31 December 2014, 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.

<b>Banks</b>	<b>Proposed Composite Credit Facility Limit for the Period</b>	<b>Key Contents of Composite Credit Facility</b>
Industrial and Commercial Bank of China Limited, Shenzhen Branch	RMB10 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Agricultural Bank of China,	RMB5 billion	Loans, acceptance bills, discounting,

<b>Banks</b>	<b>Proposed Composite Credit Facility Limit for the Period</b>	<b>Key Contents of Composite Credit Facility</b>
Shenzhen Branch		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.
PingAn Bank Company Limited, Shenzhen Branch	RMB10 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Merchants Bank Co., Ltd, Shenzhen Branch	RMB7 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Resources Bank of Zhuhai Co., Ltd, Shenzhen Branch	RMB1.5 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.
Postal Savings Bank of China Co., Ltd, Shenzhen Branch	RMB2.5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Bohai Bank Co., Ltd, Beijing Branch	RMB1.5 billion	Guarantee letters
<b>Total credit facilities in RMB</b>	<b>RMB45.5 billion</b>	
Citibank (China) Company Limited, Shenzhen Branch	USD100 million	Loans, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Santander Bank, Shanghai Branch	USD80 million	Loans, trade finance, guarantee letters, foreign exchange transaction, 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.
<b>Total credit facilities in USD</b>	<b>USD230 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 20 August 2014 until the earlier of (1) the approval of new credit facility limits, or (2) 31 August 2015. Unless otherwise required, 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 facility limits.

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

**V. 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 Limited, Shenzhen Branch to renew the said liability insurance 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.

**VI. Consideration and approval of the “Resolution on the Amendment of Internal Control System of ZTE”**

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

**For details of the revised Internal Control System of ZTE (August 2014) please refer to the Overseas Regulatory Announcement published by the Company on the same day as this announcement.**

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

Shenzhen, the PRC  
20 August 2014

*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.*