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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)**

**Overseas Regulatory Announcement  
Announcement Resolutions of the Twenty-second Meeting  
of the Seventh Session of the Board of Directors**

*This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.*

*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 in this announcement or material omission therefrom.*

ZTE Corporation (the “Company”) issued the “Notice of the Twenty-second Meeting of the Seventh Session of the Board of Directors (the “Board”) of ZTE Corporation” to all the Directors of the Company by electronic mail and telephone on 9 August 2017. The Twenty-second Meeting of the Seventh Session of the Board of Directors of the Company (the “Meeting”) was convened by way of video conference on 24 August 2017 at the Shenzhen headquarters of the Company, Beijing and Xi’an. The Meeting was presided over by Mr. Yin Yimin, Chairman. Of the 14 Directors required to vote at the Meeting, 13 Directors duly participated and 1 Director appointed proxy to attend on his behalf. Mr. Bingsheng Teng, Independent Non-executive Director, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Chen Shaohua, 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 2017 Interim Report and 2017 Interim Report Summary and Results Announcement of the Company”**

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

## **II. Consideration and approval of the “2017 Interim Work Report of the President of the Company”**

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

## **III. Consideration and approval of the “Resolution on the Change in Accounting Policies of the Company”**

For details, please refer to the “Overseas Regulatory Announcement - Announcement Change in Accounting Policies of Government Grants” published on the same date as this announcement.

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

## **IV. Consideration and approval of the “Final Financial Report of the Company for the Six Months ended 30 June 2017”**

For the six months ended 30 June 2017, the Company reported operating revenue of RMB54,011 million and net profit attributable to holders of ordinary shares in the listed company of RMB2,293 million, according to PRC Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards.

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

## **V. Consideration and approval of the “Resolution on the Write-Off of Bad Debts of the Company for the Six Months ended 30 June 2017”, the details of which are as follows:**

The Company was approved to write off ten amounts of trade receivables which had been considered unrecoverable totaling RMB231,282,900. The write-off will not have any material adverse impact on the current financial conditions and operating results of the Company as the Company has fully provided for such write-off of bad debts as at 30 June 2017.

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

## **VI. Consideration and approval of the “Resolutions of the Company on the Proposed Applications for Composite Credit Facilities for the Six Months ended 31 December 2017” on an individual basis, the details of which are as follows:**

For the six months ending 31 December 2017, 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 listing rules when conducting specific transactions under such composite credit facilities.

<b>Banks</b>	<b>Proposed Composite Credit Facility Limit for the Period</b> <sup>Note</sup>	<b>Key Contents of Composite Credit Facility</b>
Bank of Communications Co., Ltd, Shenzhen Branch	RMB10 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China CITIC Bank Corporation Limited, Shenzhen Branch	RMB5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Shanghai Pudong Development 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	RMB2 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Everbright Bank Co., Ltd, Shenzhen Branch	RMB5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Industrial Bank Co. , Ltd, Shenzhen Branch	RMB7 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
<b>Total credit facilities in RMB</b>	<b>RMB34 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.
BNP Paribas (China) Co., Ltd, Guangzhou Branch	USD5 million	Guarantee letters, foreign exchange transaction, etc.
UniCredito Italiano, Shanghai Branch	USD200 million	Loans, guarantee letters, etc.
<b>Total credit facilities in USD</b>	<b>USD385 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 collateral. The Company shall conduct various types of facilities within the composite credit facility limit in accordance with its actual production and operating requirements after fulfillment 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 24 August 2017 until the earlier of (1) the approval of new credit facility limits, or (2) 31 August 2018. Unless otherwise required, no Board resolution will be issued in respect of any single application for financing not exceeding such credit facility limit. Legal representative of the Company, or the authorised signatory delegated by legal representative of the Company, 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; abstain: 0.

**VII. Consideration and approval of the “Resolution on 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; abstain: 0.

The Independent Non-Executive Directors of the Company 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 reducing 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  
**Yin Yimin**  
Chairman

Shenzhen, the PRC  
24 August 2017

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Yin Yimin, Zhao Xianming and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Wang Yawen, Tian Dongfang, Zhan Yichao and Zhai Weidong; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.*