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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 Thirty-fifth Meeting of the Seventh 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 in this announcement or material omission therefrom.

ZTE Corporation (the “Company”) issued the “Notice of the Thirty-fifth 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 15 August 2018. The Thirty-fifth Meeting of the Seventh Session of the Board of Directors of the Company (the “Meeting”) was convened by way of video conference on 30 August 2018 at the Shenzhen headquarters of the Company and Nanjing. The Meeting was presided over by Mr. Li Zixue, Chairman. 9 Directors required to attend the Meeting and duly attended the Meeting. 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 2018 Interim Report and 2018 Interim Report Summary and Results Announcement of the Company”

Voting result: For: 9; against: 0; abstain: 0.

II. Consideration and approval of the “2018 Interim Work Report of the President of the Company”

Voting result: For: 9; against: 0; abstain: 0.

III. Consideration and approval of the “Final Financial Report of the Company for the

Six Months ended 30 June 2018”

For the six months ended 30 June 2018, the Company reported operating revenue of RMB39,434 million and net profit attributable to holders of ordinary shares in the listed company of RMB-7,824 million, according to PRC Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards.

Voting result: For: 9; against: 0; abstain: 0.

IV. Consideration and approval of the “Resolution on the Write-Off of Bad Debts of the Company for the Six Months ended 30 June 2018”, the details of which are as follows:

The Company was approved to write off twenty amounts of trade receivables which had been considered unrecoverable totaling RMB42,776,000. 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 2018.

Voting result: For: 9; against: 0; abstain: 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 2018” on an individual basis, the details of which are as follows:

For the six months ending 31 December 2018, the Company has proposed to apply for composite credit facilities from certain financial institutions (the details of which are set out in the table below), which are subject to approvals by the respective financial institutions. 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.

Financial institutions	Proposed Composite Credit Facility Limit for the Period ^{Note}	Key Contents of Composite Credit Facility
China Merchants Bank 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	RMB4 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Guangfa Bank Co., Ltd, Shenzhen Branch	RMB4 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Resources Bank of Zhuhai Co., Ltd, Shenzhen Branch	RMB0.65 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.

Financial institutions	Proposed Composite Credit Facility Limit for the Period ^{Note}	Key Contents of Composite Credit Facility
Bank of Beijing Co., Ltd, Shenzhen Branch	RMB2 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Zheshang Bank Co., Ltd, Shenzhen Branch	RMB5 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Bank of Shanghai Co., Ltd, Shenzhen Branch	RMB2 billion	Working capital loans in RMB or other currencies, bank acceptances, commercial bills discounting, letters of credit in RMB or other currencies, export bills of exchange, import bill advances, international factoring, non-finance guarantee letters, etc
ZTE Group Finance Co., Ltd	RMB6 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
China Bohai Bank Co., Ltd, Shenzhen Branch	RMB2 billion	Working capital loans in RMB or other currencies, bank acceptances (including 1-year electronic draft), letters of credit, discounting, import bills of exchange, import bill advances, derivative trades (including forward exchange, swap, futures and interest rate swaps, etc), and permission for holders of commercial acceptance bills issued by ZTE Corporation to draw on the aforesaid credit facilities pledged by such commercial acceptance bills, etc.
Hangzhou Bank Co., Ltd, Shenzhen Branch	RMB2 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Total credit facilities in RMB	RMB42.65 billion	
Citibank (China) Company Limited, Shenzhen Branch	USD100 million	Loans, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Santander Bank Company Limited, Shanghai Branch	USD80 million	Loans, trade finance, guarantee letters, foreign exchange transaction, etc.
Banco Bilbao Vizcaya Argentaria, Shanghai Branch	USD50 million	Loans, trade finance, guarantee letters, foreign exchange transaction, etc.
Total credit facilities in USD	USD230 million	
BNP Paribas (China) Co., Ltd, Guangzhou Branch	EUR5 million	Guarantee letters, foreign exchange transaction, etc.
Total credit facilities in EUR	EUR5 million	

Note: Each of the composite credit facility limits set out above is the maximum limit offered by the corresponding financial institution in respect of the Company's operating activities based on the financial institution's assessment of the Company. 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 financial institution. 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 financial institutions.

The resolution will be valid from 30 August 2018 until the earlier of (1) the approval of new credit facility limits, or (2) 31 August 2019. 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 authorized signatory delegated by legal representative of the Company, is hereby authorized by the Board to execute legal contracts and documents pertaining to the composite credit facility limits.

Voting result: For: 9; against: 0; abstain: 0.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
30 August 2018

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Yuming Bao, Gordon Ng.