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ZTE

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 Thirtieth 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 in this announcement or material omission therefrom.

ZTE Corporation (the “Company”) issued the “Notice of the Thirtieth 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 11 August 2015. The Thirtieth Meeting of the Sixth Session of the Board of Directors of the Company (the “Meeting”) was convened by way of on-site meeting on 26 August 2015 at the Shenzhen headquarters of the Company. The Meeting was presided over by Mr. Hou Weigui, Chairman. Of the 14 Directors required to vote at the Meeting, 11 Directors duly participated and 3 Directors appointed proxies to attend on their behalves. Mr. Zhang Jianheng, Vice Chairman, was unable to attend the Meeting due to work reasons and has authorized 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 authorized in writing Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Lü Hongbing, 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 (the “Articles of Association”), 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 2015 Interim Report and 2015 Interim Report Summary and Results Announcement of the Company”

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

II. Consideration and approval of the “2015 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 2015”

For the six months ended 30 June 2015, the Company reported operating revenue of RMB45,899 million and net profit attributable to holders of ordinary shares in the listed company of RMB1,616 million, 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 “Resolution on the Write-Off of Bad Debts of the Company for the Six Months ended 30 June 2015”, the details of which are as follows:

The Company was approved to write off six amounts of trade receivables which had been considered unrecoverable totaling RMB134,410,100. 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 2015.

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

V. Consideration and approval of the “Resolutions of the Company on the Proposed Applications for Composite Credit Facilities for the Six Months ended 31 December 2015” on an individual basis, the details of which are as follows:

For the six months ending 31 December 2015, 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.

Banks	Proposed Composite Credit Facility Limit for the Period	Key Contents of Composite Credit Facility
Industrial and Commercial Bank of China, Shenzhen Branch	RMB10 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Agricultural Bank of China,	RMB3.6 billion	Loans, acceptance bills, discounting,

Banks	Proposed Composite Credit Facility Limit for the Period	Key Contents of Composite Credit Facility
Shenzhen Branch		guarantee letters, letters of credit, factoring, trade finance, etc.
The Export-Import Bank of China, Shenzhen Branch	RMB7.2 billion	Loans, guarantee letters, trade finance, etc.
Bank of Communications Co., Ltd, Shenzhen Branch	RMB10 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Ping An Bank Company Limited, Shenzhen Branch	RMB10 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.
Everbright Bank Co., Ltd, Shenzhen Branch	RMB3 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Postal Savings Bank of China Co., Ltd, Shenzhen Branch	RMB2 billion	Loans, acceptance bills, discounting, guarantee letters, letters of credit, factoring, trade finance, etc.
Total credit facilities in RMB	RMB47.3 billion	
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.
DBS Bank (China) Co., Ltd, Shenzhen Branch	USD40 million	Guarantee letters, foreign exchange transaction, etc.
BNP Paribas (China) Co., Ltd, Guangzhou Branch	USD5 million	Guarantee letters, foreign exchange transaction, etc.
Total credit facilities in USD	USD225 million	

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 26 August 2015 until the earlier of (1) the approval of new credit facility limits, or (2) 31 August 2016. Unless otherwise required, no Board resolution will be issued 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 of Directors to execute legal contracts and documents pertaining to the composite credit facility limits.

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

VI. 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; abstained: 0.

The Independent Non-Executive Directors of the Company, namely Mr. Tan Zhenhui, Mr. Richard Xike Zhang, Mr. Chen Shaohua, Mr. Lü Hongbing and Mr. Bingsheng Teng, 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.

VII. Consideration and approval of the “Resolution on the amendments to the relevant provisions of the Articles of Association of the Company”, the details of which are as follows:

Pursuant to the “Proposal for Profit Distribution and Conversion of Capital Reserve of the Company for 2014” which was considered and passed at the 2014 Annual General Meeting, the Board of Directors was authorised by the general meeting to implement the 2014 profit distribution and conversion of capital reserve, amend the corresponding provisions of the Articles of Association in accordance with the implementation of conversion of capital reserve to increase the Company’s registered capital and to reflect the new share capital structure of the Company after the conversion of capital reserve, and to process the changes in industrial and commercial registration required by the change in registered capital. Subsequent to the completion of the implementation of the proposal for profit distribution and conversion of capital reserve for 2014 on 17 July 2015, the actual number of shares was 4,125,049,533 shares and the registered capital was RMB4,125,049,533.

Pursuant to the implementation of the proposal for profit distribution and conversion of capital reserve for 2014, the relevant contents of Articles 24 and 27 of Chapter 3 of the Articles of Association (June 2014), which was considered and passed by the 2013 Annual General Meeting, are required to be amended correspondingly as follows:

1. Article 24

The original article reads: Subsequent to its establishment, the Company shall issue 3,437,541,278 ordinary shares, comprising 629,585,445 H Shares, accounting for 18.31% of the total number of ordinary shares issuable by the Company; and 2,807,955,833 Domestic Shares, accounting for 81.69% of the total number of ordinary shares issuable by the Company.

The article is amended to read: Subsequent to its establishment, the Company shall issue 4,125,049,533 ordinary shares, comprising 755,502,534 H Shares, accounting for 18.31% of the total number of ordinary shares issuable by the Company; and 3,369,546,999 Domestic Shares, accounting for 81.69% of the total number of ordinary shares issuable by the Company.

2. Article 27

The original article reads: The registered capital of the Company is RMB3,437,541,278.

The article is amended to read: The registered capital of the Company is RMB4,125,049,533.

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

The Company will publish the revised Articles of Association as soon as the Company completes the registered capital alteration of industrial and commercial registration.

VIII. Consideration and approval of the “Resolution on the Appointment of Senior Management Personnel”, the details of which are as follows:

That the appointment of Mr. Huang Dabin as Senior Vice President of the Company for a term commencing on the date on which the resolution was considered and approved at the Meeting and ending upon the conclusion of the Sixth Session of the Board of Directors of the Company (i.e., 29 March 2016) be approved. (A brief biography of Mr. Huang Dabin is set out in the Annex)

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

The Independent Non-executive Directors of the Company, namely Mr. Tan Zhenhui, Mr. Richard Xike Zhang, Mr. Chen Shaohua, Mr. Lü Hongbing and Mr. Bingsheng Teng, have furnished an independent opinion as follows:

The procedures for the nomination and approval of senior management personnel for the Company are in compliance with pertinent provisions of the Company Law and the Articles of Association without any prejudice to the interests of the Company and other shareholders. Following examination of the brief biography of the candidate for senior management personnel, we are of the view that the candidate possesses relevant expertise and skills and is not, so far as we are aware, subject to any conditions under which his appointment to a senior management position with the Company is prohibited by the Company Law or any ban against his entry to the market imposed by China Securities Regulatory Commission (the “CSRC”) or an existing ban that has yet to be lifted, and therefore is qualified to become a senior management personnel of a listed company. We concur with the appointment of Mr. Huang Dabin as Senior Vice President of ZTE Corporation.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, the PRC

26 August 2015

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, Tan Zhenhui, Richard Xike Zhang, Chen Shaohua, Lü Hongbing and Bingsheng Teng.

Annex: Brief Biography of Mr. Huang Dabin

Mr. Huang Dabin, born 1971, is in charge of the Marketing Division II of the Company. Mr. Huang graduated from Nanjing Institute of Posts and Telecommunications (now known as Nanjing University of Posts and Telecommunications) in 1995 with a master's degree in engineering, majoring in communications and electronic systems. Mr. Huang joined the Company in 1995. From 1999 to August 2013, he had been deputy director of Nanjing Research Institute, deputy general manager of the Marketing Division II, deputy general manager of Network Division, deputy general manager of the Marketing Division IV, chief executive officer of ZTE Telecom India Pvt. Ltd., dean of ZTE Academy and director of Business Centre of Solutions Department. Since August 2013, he has been general manager of the Marketing Division II of the Company. Mr. Huang has many years of experience in the telecommunications industry, with over 16 years of management experience. Mr. Huang does not hold any shares in the Company. Mr. Huang was confirmed as the Scheme Participant of the Share Option Incentive Scheme proposed by the Company in 2013 and was accordingly granted 300,000 share options of the Company (number of share options adjusted according to the Proposal for Conversion of Capital Reserve of the Company for 2014), which is still within the vesting period. Mr. Huang is not connected in any way to the controlling shareholder of the Company or any Directors, Supervisors or senior management member of the Company. Mr. Huang has not been subject to any punishments by CSRC or other competent authorities or censures by any stock exchanges, and his qualifications for appointment are in compliance with the conditions for appointment stipulated under the Company Law, Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Articles of Association and other pertinent laws, regulations and provisions.