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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 Eighth Meeting of the Eighth 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 Eighth Meeting of the Eighth Session of the Board of Directors (the “Board”) of ZTE Corporation” to all the Directors of the Company by electronic mail and telephone on 13 August 2019. The Eighth Meeting of the Eighth Session of the Board of Directors of the Company (the “Meeting”) was convened at the Shenzhen headquarters of the Company by way of on-site meeting on 27 August 2019. The Meeting was presided over by Mr. Li Zixue, Chairman. Of the 9 Directors required to attend the Meeting, 7 Directors attended in person and 2 Directors appointed proxies to attend on their behalves. (Mr. Gu Junying, Director, was unable to attend the meeting due to work reasons and has authorised Mr. Li Zixue, Chairman, to vote on his behalf. Mr. Zhu Weimin, Director, was unable to attend the meeting due to work reasons and has authorised Ms. Fang Rong, 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 2019 Interim Report and 2019 Interim Report Summary and Results Announcement”

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

II. Consideration and approval of the “2019 Interim Work Report of the President”

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

III. Consideration and approval of the “Final Financial Report for the Six Months ended 30 June 2019”

For the six months ended 30 June 2019, the Company reported operating revenue of RMB44,609 million and net profit attributable to holders of ordinary shares in the listed company of RMB1,471 million, according to PRC Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards.

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

IV. Consideration and approval of the “Resolution on the Write-Off of Bad Debts for the Six Months ended 30 June 2019”, the details of which are as follows:

The Group (the Company and its subsidiaries) was approved to write off 20 amounts of trade receivables which had been considered unrecoverable totaling RMB 241,701,500. The write-off will not have any material adverse impact on the current financial conditions and operating results of the Group as the Group has fully provided for such write-off of bad debts as at 30 June 2019.

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

V. Consideration and approval of the “Resolutions on the Proposed Applications for Composite Credit Facilities for the Six Months ending 31 December 2019” on an individual basis, the details of which are as follows:

The Company has proposed to apply for composite credit facilities from financial institutions (details of which are set out in the table below) for the six months ending 31 December 2019, which are subject to approvals by 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 Facilities Limit for the Period ^{Note}	Key Contents of Composite Credit Facility
Bank of Communications Co., Ltd., Shenzhen Branch	RMB8.0 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
China CITIC Bank Corporation Limited, Shenzhen Branch	RMB3.5 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
Shanghai Pudong Development Bank Co., Ltd., Shenzhen Branch	RMB6.0 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
China Guangfa Bank Co., Ltd, Shenzhen Branch	RMB7.0 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.

Financial institutions	Proposed Composite Credit Facilities Limit for the Period ^{Note}	Key Contents of Composite Credit Facility
Bank of Beijing Co., Ltd., Shenzhen Branch	RMB2.0 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
China Zheshang Bank Co., Ltd., Shenzhen Branch	RMB3.5 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
China Bohai Bank Co., Ltd., Shenzhen Branch	RMB7.0 billion	Loans, acceptance bill, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
Total credit facilities amount in RMB	RMB37.0 billion	-
BNP Paribas (China) Limited	USD63 million	Letter of guarantee, foreign exchange trade, etc.
Citibank (China) Co., Ltd., Shenzhen Branch	USD50 million	Loans, discounting, letter of guarantee, letter of credit, factoring, trade financing, etc.
Banco Santander, S.A., Shanghai Branch	USD120 million	Loans, trade financing, letter of guarantee, foreign exchange trade and derivative trading (including forward exchange, swap and interest rate swap, etc), etc
Total credit facilities amount in USD	USD233 million	-

Note: The above composite credit facilities represent the maximum amounts to be granted by the financial institutions to the Company for its business operations based on their assessments of the Company's conditions. The Company will determine the type(s) of facilities to be utilised, subject to the aforesaid limits, based on the actual requirements of its production operations, after fulfilling internal approval procedures of the Company and corresponding approval procedures required by the financial institutions. The amounts of composite credit facilities set out above represent amounts proposed by the Company to the financial institutions and are subject to final amounts approved by the financial institutions.

The resolution shall be valid with effect from 27 August 2019 until the earlier of (1) the approval of the next new credit facilities with the financial institution by the competent internal authorities of the Company, or (2) 31 August 2020. Unless otherwise stipulated under laws and regulations or the Articles of Association or owing to business requirements, no subsequent resolution of the Board of Directors is required with respect to any single application for financing operations within such cap under such composite credit facilities. The legal representative of the Company, or his authorised signatory, is authorised by the Board of Directors to sign, during the effective period of the composite credit facilities granted by the financial institution and to the extent permitted under laws and regulations and the Articles of Association, all legal contracts and documents relating to the composite credit facilities or transactions under the composite credit facilities.

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

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC

27 August 2019

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.