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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-sixth 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 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 Twenty-sixth 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 22 January 2018. The Twenty-sixth Meeting of the Seventh Session of the Board of Directors of the Company (the "Meeting") was convened at the Shenzhen headquarters of the Company, Beijing, Shanghai and Xi'an by way of video and telephone conference on 31 January 2018. The Meeting was presided over by Mr. Yin Yimin, Chairman. Of the 14 Directors required to attend the Meeting, 13 Directors attended in person and 1 Director appointed proxy to attend on his behalf. Mr. Zhan Yichao, Director, was unable to attend the Meeting due to work reasons and authorized in writing Mr. Luan Jubao, Vice Chairman, 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 have been considered and approved at the Meeting:

I. Consideration and approval of the "Resolution on the Company's fulfillment of criteria for the non-public issuance of A shares", and approval for the resolution to be tabled at the Company's First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

The Board of Directors is of the view that the Company is compliant with provisions relating to the non-public issuance of A shares under pertinent laws and regulations and regulatory documents currently in force and has fulfilled the criteria for the non-public issuance of A shares.

Voting results: For: 14; Against: 0; Abstained: 0.

II. Consideration and approval, item by item, of the "Resolution on the Company's plan for the non-public issuance of A shares", and approval for the resolution to be tabled at the Company's

First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

1. Class and par value of shares to be issued

The shares to be issued shall be domestic listed RMB ordinary shares (A shares) with a par value of RMB1.00 per share.

Voting results: For: 14; Against: 0; Abstained: 0.

2. Method and time of issuance

The non-public issuance of A shares will be carried out by way of non-public issuance to specific subscribers. The shares will be issued at any appropriate time within the valid period as approved by the China Securities Regulatory Commission (“CSRC”).

Voting results: For: 14; Against: 0; Abstained: 0.

3. Target subscribers and method of subscription

The target subscribers of the non-public issuance of A shares will be not more than 10 specific subscribers which satisfy the relevant requirements of the CSRC, including securities investment fund management companies, securities companies, insurance institutional investors, trust investment companies, finance companies, qualified foreign institutional investors and other legally qualified investors. A securities investment fund management company subscribing through 2 or more funds under its management shall be deemed as one single subscriber. A trust investment company, as a subscriber, can only subscribe for the shares with its internal funds. Subject to the above requirements, the Company will determine the specific target subscribers through bidding in accordance with the “Implementation Rules of Non-public Issuance of Shares by Listed Companies” (as revised in 2017) after obtaining the approval of the CSRC for the non-public issuance of A shares. All shares to be issued under the issuance will be subscribed for in cash.

Voting results: For: 14; Against: 0; Abstained: 0.

4. Issue price and pricing principles

Pursuant to the “Implementation Rules of Non-public Issuance of Shares by Listed Companies” (as revised in 2017), the price determination date shall be the first day of the issue period of the non-public issuance of A Shares. The issue price of the non-public issuance of A shares shall not be lower than 90% of the average trading price of the Company’ A Shares for the 20 trading days immediately preceding the price determination date. The final issue price shall be determined through negotiations between the Board of the Directors or its authorized representative and the sponsor (the lead underwriter) based on the bidding results and in accordance with the “Implementation Rules of Non-public Issuance of Shares by Listed Companies” (as revised in 2017), after the Company has obtained the approval for the non-public issuance of A shares from the CSRC.

The average trading price of the Company’ A shares for the 20 trading days immediately preceding the price determination date = Total turnover of the Company’ A shares for the 20 trading days immediately preceding the price determination date / Total trading volume of the Company’ A shares for the 20 trading days immediately preceding the price determination date .

Voting results: For: 14; Against: 0; Abstained: 0.

5. Number of shares to be issued

The number of shares to be issued under the non-public issuance of A shares shall not exceed 686,836,019 A shares, which is determined based on 20% of the A share capital of the Company as at the date of the general meeting of the Company, being 20 June 2017, in which the “Resolution of the Company on the Application for General Mandate for 2017” was considered and approved by the

shareholders. After obtaining the CSRC document of approval for the non-public issuance, the Board of Directors of the Company or authorized representative (as authorized by the general meeting) shall negotiate with the sponsor (the lead underwriter) to finalise the issue number in accordance with pertinent CSRC provisions and subscription price bids submitted by subscribers .

Voting results: For: 14; Against: 0; Abstained: 0.

6. Lock-up period

The shares to be subscribed for by the target subscribers under the non-public issuance of A shares shall be subject to a lock-up period of 12 months from the date of completion of the non-public issuance of A shares. After the expiration of the lock-up period, any transfer shall be carried out in accordance with the relevant regulations of the CSRC and the Shenzhen Stock Exchange.

Voting results: For: 14; Against: 0; Abstained: 0.

7. Amount and use of proceeds

The gross proceeds from the non-public issuance of A shares will not exceed RMB13 billion. The net proceeds (after deducting all expenses related to the issuance) will be applied as follows:

Unit: RMB in 100 million

No.	Item	Total amount required	Amount to be applied from the proceeds
1	Technology research and product development relating to 5G network evolution	428.78	91.00
2	Replenishment of working capital	39.00	39.00
Total		467.78	130.00

If there is any shortfall between the net proceeds from the non-public issuance of A shares (after deducting all expenses related to the issuance) and the proposed amount of proceeds to be applied in each of the above item, the shortfall will be met by the internal funds of the Company. Prior to the receipt of the proceeds from the non-public issuance of A shares, the Company will finance such projects with its internal funds based on the actual progress of the projects. Such internal funds will be replaced by the proceeds upon the receipt of the proceeds.

Voting results: For: 14; Against: 0; Abstained: 0.

8. Place of listing

The A shares to be issued under the non-public issuance will be listed and traded on the Shenzhen Stock Exchange upon expiration of the lock-up period.

Voting results: For: 14; Against: 0; Abstained: 0.

9. Arrangement for the retained undistributed profits prior to the non-public issuance of A shares

The retained undistributed profits of the Company prior to the non-public issuance of A shares will be shared by the existing shareholders and the new shareholders upon completion of the non-public issuance of A shares.

Voting results: For: 14; Against: 0; Abstained: 0.

10. Validity period of the resolutions in relation to the non-public issuance of A shares

The resolutions in relation to the non-public issuance of A shares shall remain valid for 12 months from the date on which the resolutions are considered and approved at the general meeting of the Company.

Voting results: For: 14; Against: 0; Abstained: 0.

III. Consideration and approval of the “Resolution on the Company’s proposal for the non-public issuance of A shares”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

That the Company’s proposal for the non-public issuance of A shares be approved. For details, please refer to the “Overseas Regulatory Announcement Proposal for the Non-public Issuance of A Shares in 2018” published on the same date as this announcement.

Voting results: For: 14; Against: 0; Abstained: 0.

IV. Consideration and approval of the “Resolution on the Company’s feasibility analysis report on the use of proceeds of the non-public issuance of A shares”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

For details of the feasibility analysis report on the use of proceeds of the non-public issuance of A shares of the Company, please refer to the “Overseas Regulatory Announcement Feasibility Analysis Report on the Use of Proceeds of the Non-public Issuance of A Shares” published on the same date as this announcement.

Voting results: For: 14; Against: 0; Abstained: 0.

V. Consideration and approval of the “Resolution of the Company on the exemption from the preparation of a report on the use of proceeds from the previous fund raising”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

For details of the exemption of the Company from the preparation of a report on the use of proceeds from previous fund raising, please refer to the “Overseas Regulatory Announcement Statement on the Exemption from the Preparation of a Report on the Use of Proceeds from Previous Fund Raising” published on the same date as this announcement.

Voting results: For: 14; Against: 0; Abstained: 0.

VI. Consideration and approval of the “Resolution on the remedial measures regarding dilution on returns for the current period due to the non-public issuance of A shares and the undertakings by the Relevant Entities”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

For details of the remedial measures regarding dilution on returns for the current period due to the non-public issuance of A shares and the undertakings by the relevant entities, please refer to the “Overseas Regulatory Announcement Statement on the Remedial Measures regarding Dilution on Returns for the Current Period due to the Non-public Issuance of A shares and the Undertakings by the Relevant Entities” published on the same date as this announcement.

Voting results: For: 14; Against: 0; Abstained: 0.

VII. Consideration and approval of the “Resolution on the Shareholders’ Dividend and Return

Plan (2018-2020)”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

For details of the Shareholders’ Dividend and Return Plan, please refer to the “Overseas Regulatory Announcement Shareholders’ Dividend and Return Plan (2018-2020)” published on the same date as this announcement.

Voting results: For: 14; Against: 0; Abstained: 0.

VIII. Consideration and approval of the “Resolution on the general meeting’s authorization to the Board and its authorized representatives to deal with matters in connection with the Company’s non-public issuance of A shares with full discretion”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

That the request made by the Board of Directors to the general meeting to authorize the Board of Directors of the Company and relevant delegates of the Board of Directors to process with full discretion matters pertaining to the Company non-public issuance of A shares be approved, such matters including but not limited to:

1. authorization to deal with all matters relating to the plan for the non-public issuance of A shares, including but not limited to the method and time of issuance, the issue price and pricing principles, the target subscribers and method of subscription, the number of A shares to be issued and lock-up period under the non-public issuance of A shares;
2. authorization to deal with all matters pertaining to applications to and the receipt of approvals from PRC domestic authorities and relevant overseas authorities in respect of the non-public issuance, to formulate, prepare, modify, fine-tune and execute all documents relating to the non-public issuance, to execute contracts, agreements and documents relating to the non-public issuance (including but not limited to agreements for the hiring or appointment of intermediaries) and to approve and handle information disclosures relating to the non-public issuance;
3. authorization to adjust specific arrangements for the projects invested with the proceeds from the non-public issuance of A shares within the scope of the resolution adopted by the general meeting;
4. authorization to adjust the plan of the non-public issuance and the use of proceeds and to carry on with the non-public issuance in accordance with relevant provisions of the State, requirements of relevant government authorities and securities regulatory authorities (including feedback after examination of the application for the non-public issuance) in the event of new provisions relating to the policy on non-public issuance under laws and regulations or announced by the securities regulatory authorities and any change in market conditions, save for matters required to be voted upon anew at the general meeting under pertinent laws and regulations and the Articles of Association;
5. authorization to process capital verification formalities in connection with the non-public issuance of A shares;
6. authorization to execute material contracts during the course of implementation of the projects invested with issue proceeds from the non-public issuance;
7. authorization to process registration of shares, lock-up of shares and listing matters and the submission of relevant documents following the non-public issuance of A shares;
8. authorization to deal with amendment of relevant clauses of the Articles of Association, corresponding approval procedures, and various registration procedures for the change in the registered capital of the Company following the non-public issuance of A shares;
9. authorization to deal with all other matters pertaining to the non-public issuance of A shares;
10. authorization of the Board of Directors to cause a direct transfer of powers to the Chairman of the Company and his delegate by the Board of Directors to deal with matters described above after obtaining the aforesaid authorization at the general meeting;
11. the authorizations set out above shall be effective within 12 months from the date of approval of

this resolution on authorization at the general meeting of the Company

Voting results: For: 14; Against: 0; Abstained: 0.

IX. Consideration and approval of the “Resolution on the amendment of relevant clauses of the Articles of Association”, and approval for the resolution to be tabled at the Company’s First Extraordinary General Meeting of 2018 for consideration, the details of which are set out as follows:

1. That the amendment of relevant clauses of the Articles of Association in accordance with the law be approved, the details of which are set out as follows:

Existing articles	To be amended as
Article 24 Subsequent to its establishment, the Company shall issue 4,185,896,909 ordinary shares, comprising 755,502,534 H Shares, accounting for 18.05% of the total number of ordinary shares issuable by the Company; and 3,430,394,375 Domestic Shares, accounting for 81.95% of the total number of ordinary shares issuable by the Company.	Article 24 Subsequent to its establishment, the Company shall issue 4,192,671,843 ordinary shares, comprising 755,502,534 H Shares, accounting for 18.02% of the total number of ordinary shares issuable by the Company; and 3,437,169,309 Domestic Shares, accounting for 81.98% of the total number of ordinary shares issuable by the Company.
Article 27 The registered capital of the Company shall be RMB4,185,896,909.	Article 27 The registered capital of the Company shall be RMB 4,192,671,843 .
Article 35 1) reduction of the capital of the Company.	Article 35 1) reduction of the registered capital of the Company.
Article 234 The profit distribution policy of the Company shall be as follows: 1) Reasonable investment returns for investors should be a key consideration in the profit distribution of the Company and continuity and stability should be maintained in its profit distribution policy;	Article 234 The profit distribution policy of the Company shall be as follows: 1) Reasonable investment returns for investors should be a key consideration in the profit distribution of the Company and continuity and stability should be maintained in its profit distribution policy, which should be in compliance with laws and regulations and the relevant requirements of regulatory authorities such as the China Securities Regulatory Commission;
Article 234 3) Dividends may be distributed by the Company by way of cash and/or shares. Interim cash dividend may be distributed. Accumulated distribution of profit by way of cash by the Company in the three preceding years shall be no less than 30% of the annual average profit available for distribution realized in the three preceding years;	Article 234 3) Subject to the fulfillment of conditions for dividend distribution, the Company shall, in principle, distribute its profit on an annual basis by way of cash and/or shares, and may also carry out interim profit distribution . Accumulated distribution of profit by way of cash by the Company in the three preceding years shall be no less than 30% of the annual average profit available for distribution realized in the three preceding years;

2. That any Director or the Secretary to the Board of the Company be authorized to process on behalf of the Company the filing, modification and registration (if necessary) procedures and other matters relating to the amendment of the Articles of Association.

Voting results: For: 14; Against: 0; Abstained: 0.

X. Consideration and approval of the “Resolution on the amendment of the ‘Regulations for the Management of Issue Proceeds of ZTE Corporation’”, the details of which are set out as follows:

That the amendment of the “Regulations for the Management of Issue Proceeds of ZTE Corporation” in accordance with laws and regulations and regulatory documents, including the Company Law, the Securities Law and “Guidance for the Regulation of Listed Companies No. 2 – Regulatory Requirements for the Management and Application of Issue Proceeds of Listed Companies” and taking into account the actual conditions of the Company be approved. For details of the amendments, please refer to the “Overseas Regulatory Announcement Regulations for the Management of Issue Proceeds of ZTE Corporation (Revised as at January 2018)” published on the same date as this announcement.

Voting results: For: 14; Against: 0; Abstained: 0.

XI. Consideration and approval of the “Resolution on the opening of a designated bank account for proceeds from the non-public issuance of A shares”, the details of which are set out as follows:

That the opening of a designated bank account for issue proceeds by the Company to be used specifically for the centralised deposit, management and use of the issue proceeds be approved, and that the Chairman of the Company or his authorized representative be authorized to deal with matters pertaining to the opening of the designated bank account for issue proceeds.

Voting results: For: 14; Against: 0; Abstained: 0.

XII. Consideration and approval of the “Resolution of the Company on determining the 2017 audit fees of the PRC and Hong Kong auditors”, the details of which are set out as follows:

That the payment of 2017 financial report audit fees to the PRC and Hong Kong auditors on a consolidated basis be confirmed, namely a payment of financial report audit fees in the aggregate amount of RMB7 million (comprising transportation, accommodation and dining expenses and relevant tax expenses in connection with the audit) to Ernst & Young Hua Ming LLP and Ernst & Young; that the payment of 2017 internal control audit fee in the amount of RMB1 million (comprising transportation, accommodation and dining expenses and relevant tax expenses in connection with the audit) to Ernst & Young Hua Ming LLP be confirmed.

Voting results: For: 14; Against: 0; Abstained: 0.

XIII. Consideration and approval of the “Resolution on the convening of the First Extraordinary General Meeting of 2018”.

The Company has resolved to convene the First Extraordinary General Meeting of 2018(the “EGM”) on Wednesday, 28 March 2018 at the conference room on the 4th floor of the Shenzhen headquarters of the Company.

Voting results: For: 14; Against: 0; Abstained: 0.

“Notice of the First Extraordinary General Meeting of 2018” and circular will be delivered to H shareholders of the Company according to the Articles of Association and requirements of applicable laws and regulations.

The Company will close its H share register from Monday, 26 February 2018 to Tuesday, 27 March 2018 (both days inclusive) to determine qualifications of shareholders to attend and vote at the EGM. Any H Shareholder who wishes to attend and vote at the EGM shall lodge an instrument of transfer, together with the corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 23 February 2018.

By Order of the Board

Yin Yimin

Chairman

Shenzhen, the PRC

31 January 2018

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