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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 Resolution of the Twenty-fourth 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-fourth 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 12 October 2017. The Twenty-fourth 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, Xi’an, and Xiamen by way of video and telephone conference on 26 October 2017. The Meeting was presided over by Mr. Yin Yimin, Chairman. Of the 14 Directors required to attend the Meeting, 12 Directors attended in person and 2 Directors appointed proxies to attend on their behalves. Mr. Zhang Jianheng, Vice Chairman, was unable to attend the Meeting due to work reasons and authorized in writing Mr. Yin Yimin, Chairman, to vote on his behalf. Mr. Wang Yawen, Director, was unable to attend the Meeting due to work reasons and authorized in writing Mr. Tian Dongfang, 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 “2017 Third Quarterly Report of the Company”**

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

**II. Consideration and approval of the “Resolution of the Company on the amendment of the ‘System for Risk Control and Information Disclosure relating to Derivative Investments’(衍生品投資風險控制及信息披露制度)”, the details of which are set out as follows:**

Original Articles	Amended Articles
<p><b>Article 5</b> Prior to the making of any derivative investments by the Company, the risk management committee of the Company shall assess the investment risks involved in the derivative products, conduct analysis on the feasibility and necessity of the derivative investments, and be responsible for reporting contingencies and changes in risk evaluation in a timely manner based on the conditions of the actual operations of the business departments.</p>	<p><b>Article 5</b> Prior to making any derivative investments, the Company shall set up a derivative investment decision-making committee and an investment work group equipped with dedicated staff in investment decision-making, business operations and risk control. Personnel engaged in the investment shall have sufficient understanding of the risks involved in derivative investment and observe stringent implementation of the business operation and risk management system for derivative investments.</p>
<p><b>Article 7</b> Prior to making any derivative investments, the Company shall set up an investment work group formed by relevant officers-in-charge including the chief financial officer and equipped with dedicated staff in investment decision-making, business operations and risk control. Personnel engaged in the investment shall have sufficient understanding of the risks involved in derivative investment and observe stringent implementation of the business operation and risk management system for derivative investments.</p>	<p><b>Article 7</b> Prior to the making of any derivative investments by the Company, the derivative investment decision-making committee shall assess the investment risks involved in the derivative products, conduct analysis on the feasibility and necessity of the derivative investments, and be responsible for reporting contingencies and changes in risk evaluation in a timely manner based on the conditions of the actual operations of the business departments.</p>
<p><b>Article 17</b> The internal audit department of the Company shall be responsible for the auditing of the derivative investments.</p>	<p><b>Article 17</b> The internal audit department of the Company shall be responsible for auditing the derivative investments on a quarterly basis and conducting performance evaluation on the derivative investments.</p>

Original Articles	Amended Articles
<p><b>Article 19</b> The risk management committee of the Company shall track changes in the public market prices or fair values of the derivative products, assess changes in the risk exposures of invested derivative products in a timely manner, and report to the Audit Committee of the Board of Directors on a regular basis. When the fair-value impairment of an invested derivative product and the change in the value of assets utilised for risk hedging (if any), when aggregated, result in a total or floating loss exceeding RMB10 million, the risk management committee of the Company shall report to the Board of Directors; when such loss reaches a level equivalent to 10% of the latest audited net asset value of the Company, the Securities and Investor Relations Department of the Company shall make timely disclosures by way of an interim announcement.</p>	<p><b>Article 19</b> The <b>derivative investment decision-making committee</b> of the Company shall track changes in the public market prices or fair values of the derivative products, assess changes in the risk exposures of invested derivative products in a timely manner, and report to the Audit Committee of the Board of Directors on a regular basis. When the fair-value impairment of an invested derivative product and the change in the value of assets utilised for risk hedging (if any), when aggregated, result in a total or floating loss exceeding <b>RMB500 million</b>, the <b>derivative investment decision-making committee</b> of the Company shall report to the Board of Directors; when such loss reaches a level equivalent to 10% of the latest audited net asset value of the Company, the <b>information disclosure department</b> of the Company shall make timely disclosures by way of an interim announcement.</p>

Note: All the “Securities and Investor Relations Department” referred in the “System for Risk Control and Information Disclosure relating to Derivative Investments” is amended to “information disclosure department”.

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

The amended “System for Risk Control and Information Disclosure relating to Derivative Investments” will be published as Overseas Regulatory Announcement on the same date as this announcement.

### III. Consideration and approval of the “Resolution on the Proposed Registration and Issue of Perpetual Medium Term Notes”, the details of which are set out as follows:

1. That the registration and issue plan for the register and issue of Perpetual Medium Term Notes of not more than RMB3,500 million by the Company be approved.
2. That the legal representative of the Company or his authorised representative be authorised to process relevant matters relating to the registration and issue of Perpetual Medium Term Notes, including but not limited: (1) confirming relevant intermediaries relating to the registration and issue (including but not limited to the lead underwriter and the bookrunner);

(2) confirming the actual issue plan (including all matters pertaining to the issue of Perpetual Medium Term Notes, including but not limited to the timing, amount and number of tranches of issue) based on the outcome of consultation between the Company and parties related to the issue subject to the aforesaid plan for the registration and issue of Perpetual Medium Term Notes, vetting, revising, executing, delivering, implementing and determining the publication of agreements, announcements, forms, letters and any other requisite documents in connection with the issue of Perpetual Medium Term Notes, including but not limited to application documents, prospectuses, underwriting agreements and relevant legal documents in relation to the issue; (3) determining, upon registration, matters pertaining to redemption in accordance with the redemption clauses of the registration and issue plan; (4) determining, upon registration, arrangements for interest payments and deferred interest payments in accordance with clauses of the registration and issue plan relating to interest payment; (5) adjusting as appropriate the actual plan for the issue of Perpetual Medium Term Notes and other pertinent matters based on the advice of regulatory authorities, or determining, based on the actual conditions, whether proceedings relating to the issue of Perpetual Medium Term Notes should be carried on with, in the event of any changes to relevant regulatory policies or market conditions; (6) processing all other matters and formalities relating to the registration, issue and continuation, quotation and trading, and principal and interest payments in respect of the Perpetual Medium Term Notes; (7) the mandate shall be effective from the date of the consideration and approval of the same at the general meeting and shall remain in effect during the valid period for the registration, issue and continuation of the Perpetual Medium Term Notes.

3. That the submission of the resolution to the First Extraordinary General Meeting of 2017 of the Company for consideration be approved.

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

For details please refer to the “Overseas Regulatory Announcement Announcement on the Proposed Registration and Issue of Perpetual Medium Term Notes” published on the same date as this announcement.

**IV. Consideration and approval of the “Resolution on the Proposed Registration and Issue of Super and Short-term Commercial Paper (“SCP”)”, the details of which are as follows:**

1. That the registration and issue plan for the register and issue of SCP of not more than RMB8,000 million by the Company be approved.

2. That the legal representative of the Company or his authorised representative be authorised to process relevant matters relating to the registration and issue of SCP, including but not limited: (1) confirming relevant intermediaries relating to the registration and issue (including

but not limited to the lead underwriter and the bookrunner); (2) confirming the actual issue plan (including all matters pertaining to the SCP issue, including but not limited to the timing, amount, number of tranches and term of issue) based on the outcome of consultation between the Company and parties related to the issue subject to the aforesaid plan for the registration and issue of SCP, vetting, revising, executing, delivering, implementing and determining the publication of agreements, announcements, forms, letters and any other requisite documents in connection with the SCP issue, including but not limited to application documents, prospectuses, underwriting agreements and relevant legal documents in relation to the issue; (3) adjusting as appropriate the actual plan for SCP issue and other pertinent matters based on the advice of regulatory authorities, or determining, based on the actual conditions, whether proceedings relating to the SCP issue should be carried on with, in the event of any changes to relevant regulatory policies or market conditions; (4) processing all other matters and formalities relating to the application for SCP registration and issue; (5) the mandate shall be effective from the date of the consideration and approval of the same at the general meeting and shall remain in effect during the valid period for the registration, issue and continuation of the SCP.

3. That the submission of the resolution to the First Extraordinary General Meeting in 2017 of the Company for consideration be approved.

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

For details please refer to the “Overseas Regulatory Announcement Announcement on the Proposed Registration and Issue of Super and Short-term Commercial Paper” published on the same date as this announcement.

**V. Consideration and approval of the “Resolution on the Provision of a guarantee amount for contract performance for overseas wholly-owned subsidiaries”, the details of which are as follows:**

1. That the provision of a guarantee amount for contract performance for overseas wholly-owned subsidiaries by the Company be approved, with details as follows:

(1) That the provision of a guarantee amount for contract performance (including but not limited to the execution of guarantee agreements by the parent company and the provision of bank guarantees) of not exceeding USD200 million in aggregate for overseas wholly-owned subsidiaries by the Company, which amount may be applied on a revolving basis during an effective period commencing on the date on which the aforesaid matter is considered and approved at the Company’s general meeting and ending on the date of the Company’s 2017 Annual General Meeting, be approved.

(2) That the Board of Directors of the Company be authorised to approve specific guarantees

within the aforesaid limit.

2. That the submission of the aforesaid matter to the First Extraordinary General Meeting of 2017 of the Company for consideration be approved.

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

For details please refer to the “Overseas Regulatory Announcement Announcement on the Provision of a Guarantee Amount for Contract Performance for Overseas Wholly-owned Subsidiaries” published on the same date as this announcement.

## **VI. Consideration and approval of the “Resolution of the Company on the cancellation of certain share options”**

As 2 participants under the share option incentive scheme of the Company had 36,000 unexercised share options as at the close of the exercisable period of the second exercise period(including 10,800 share options previously granted to Mr. Zhang Jianheng, director), and such participants waived the exercise of such share options, the aforesaid granted but unexercised share options will be withdrawn and cancelled by the Company without compensation.

Directors Mr. Zhao Xianming and Mr. Zhang Jianheng, as participants under the share option incentive scheme of the Company, have refrained from voting during the consideration of the aforesaid matter at the Meeting.

Voting results: For: 12; Against: 0; Abstain: 0.

For details please refer to the “Overseas Regulatory Announcement Announcement on the Cancellation of Certain Share Options” published on the same date as this announcement.

## **VII. Consideration and approval of the “Resolution of the Company on the Proposed Application for the Termination of Quotation on National Equities Exchange and Quotations and the Termination of the Share Issue Plan by ZTEsoft Technology Co., Ltd\*, a subsidiary”**

1. That the application for the termination of quotation on National Equities Exchange and Quotations (“NEEQ”) by ZTEsoft Technology Co., Ltd\* (“ZTEsoft’s”) be approved.

2. That the termination of share issue plan (namely, the termination of the establishment of the phase I staff shareholding plan, the incorporation the ZTEsoft No. 1 Designated Asset Management Plan (中興軟創 1 號定向資產管理計劃) as entrusted by the said staff shareholding plan, and the private placing of not exceeding 60 million shares to such asset

management plan) be approved.

3. That the authorisation of the legal representative of the Company or personnel delegated by such legal representative be authorized to execute the relevant documents.

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

For details please refer to the “Overseas Regulatory Announcement Announcement on the Proposed Application for the Termination of Quotation on National Equities Exchange and Quotations and the Termination of the Share Issue Plan by ZTEsoft Technology Co., Ltd, a subsidiary” published on the same date as this announcement.

### **VIII. Consideration and approval of the “Resolution of the Company on the convening the First Extraordinary General Meeting of 2017”**

The Company has resolved to convene the First Extraordinary General Meeting of 2017 (the “EGM”) on Thursday, 14 December 2017 at the conference room on the 4/F floor of the Company’s headquarters in Shenzhen.

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

“Notice of the First Extraordinary General Meeting of 2017” 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 Tuesday, 14 November 2017 to Wednesday, 13 December 2017 (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., Monday, 13 November 2017.

By Order of the Board  
**Yin Yimin**  
Chairman

Shenzhen, the PRC  
26 October 2017

*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.*