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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 Resolution of the Forty-first 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.*

The stipulated length of notice for the Forty-first Meeting (the “Meeting”) of the Seventh Session of the Board of Directors of ZTE Corporation (the “Company”) has been waived with the unanimous approval of all Directors. The Company issued the “Notice of the Forty-first Meeting of the Seventh Session of the Board of Directors of ZTE Corporation” to all Directors of the Company by electronic mail and telephone on 30 October 2018. The Meeting was convened at the Shenzhen headquarters of the Company and other locations by way of video and telephone conference on 31 October 2018. The Meeting was presided over by Mr. Li Zixue, Chairman. Of the 9 Directors required to attend the Meeting, 6 Directors attended in person and 3 Directors appointed proxies to attend on their behalves. (Mr. Xu Ziyang, Director, was unable to attend the meeting due to work reasons and has authorised in writing Mr. Gu Junying, Director, to vote on his behalf. Ms. Fang Rong, Director, was unable to attend the meeting due to work reasons and has authorised in writing Mr. Li Zixue, Chairman, to vote on his behalf. Mr. Gordon Ng, Independent Non-executive Director, was unable to attend the meeting due to work reasons and has authorised in writing Mr. Yuming Bao, 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, and was legal and valid.

**The following resolution was considered and approved at the Meeting:**

**I. Consideration and approval of the “Resolution on Loans from the Controlling Shareholder and Connected Transaction”, the details of which are set out as follows:**

It is agreed that the Company shall apply for loans from Zhongxingxin Telecom Company Limited (“Zhongxingxin”), the details of which are set out as follows:

(1) It is agreed that the Company shall apply for loans with an amount of not exceeding RMB1,000,000,000 from Zhongxingxin for a term of 1 year (from the date on which each loan amount is duly received at the account for the drawdown of loans) at interest rates determined on the basis of market-oriented principles, which loans shall be pledged by the 16.17% equity interests in ZTE Microelectronics Technology Company Limited held by the Company.

(2) It is agreed that the Legal Representative of the Company or his duly appointed attorney be authorised to determine specific matters relating to, among others, the amount, duration and interest rate of the loans and guarantee arrangements, execute all such financing agreements, pledge agreements and other pertinent legal contracts and documents as relevant, and deal with procedures and other matters relating to such loans and pledge in accordance with the law based on the results of negotiations with Zhongxingxin subject to the aforesaid limit and term for the loans.

Mr. Zhu Weimin, Director of the Company who is also a director of Zhongxingxin, did not participate in the vote in respect of the connected transactions during the consideration of such matter at the Meeting.

Voting results: For: 8; Against: 0; Abstain: 0.

For details of the aforesaid matter, please refer to the “CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE BY CONTROLLING SHAREHOLDER” published on the same date as this announcement.

Notes:

1. As the controlling shareholder with a 30.34% shareholding in the Company, Zhongxingxin is a connected party of the Company under the relevant Rule 10.1.3 of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange.
2. Zhongxingxin is a connected person of the Company as defined under the relevant Rule 14A.07 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Li Zixue**  
Chairman

Shenzhen, the PRC  
31 October 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.*