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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)

Proposed Election and Appointment of Executive Director

On 9 August 2018, the Board received one ex tempore motion from its shareholder, Zhongxingxin (which held 1,269,830,333 A shares and 2,038,000 H shares of the Company, totally representing 30.34% of the total number of shares of the Company, as at 9 August 2018) which requested the Board to table such motion for consideration at the EGM.

The EGM will be held, as originally scheduled, on 28 August 2018 (Tuesday) at 9:00 a.m. at the Conference Room at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China, to consider and pass, if thought fit, the resolutions set out in the EGM Notice and the supplementary ordinary resolution in relation to the proposed election and appointment of executive Director. The Supplementary EGM Notice and revised proxy form will be despatched to the Shareholders in due course.

INTRODUCTION

Reference is made to the Circular and the EGM Notice dated 13 July 2018 of the Company which contains the details of the resolutions to be tabled before the EGM for the Shareholder's approval. This announcement shall be read in conjunction with the Circular and the EGM Notice.

On 9 August 2018, the Board received one ex tempore motion of proposed election and appointment of executive Director from its shareholder, Zhongxingxin (which held 1,269,830,333 A shares and 2,038,000 H shares of the Company, totally representing 30.34% of the total number of shares of the Company, as at 9 August 2018) which requested the Board to table such motion for consideration at the EGM.

Proposed Election and Appointment of Executive Director

It is proposed that Mr. Xu Ziyang be elected as an executive Director of the Seventh Session of the Board of Directors of the Company for a term commencing on the date on which the resolution is considered and approved at the EGM and ending upon the

conclusion of the term of office of the Seventh Session of the Board of Directors (namely 29 March 2019).

Please refer to Appendix I and Appendix II for further details of the biography and other information of Mr. Xu Ziyang.

The proposal will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the EGM.

EGM

The EGM will be held, as originally scheduled, on 28 August 2018 (Tuesday) at 9:00 a.m. at the Conference Room at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China, to consider and pass, if thought fit, the resolutions set out in the EGM Notice and the supplementary ordinary resolution in relation to proposed election and appointment of executive Director. The Supplementary EGM Notice and revised proxy form will be despatched to the Shareholders in due course.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

A Share(s) or Domestic Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SZSE
A Shareholders	holders of A Shares
Articles of Association	the articles of association of the Company
Board	the board of directors of the Company
China or the PRC	the People's Republic of China
Circular	the circular of the Company dated 13 July 2018
CSRC	China Securities Regulatory Commission
Company or ZTE	ZTE Corporation, a joint stock limited company incorporated on 11 November 1997 under the Company Law in the PRC, whose Shares are listed on the SEHK and the SZSE
Company Law	the Company Law of the People's Republic of China
Director(s)	member(s) of the Board of the Company

EGM	the second extraordinary general meeting of 2018 of the Company to be held at 4th Floor, A Wing, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the People's Republic of China at 9: 00 a.m. on Tuesday, 28 August 2018
EGM Notice	the notice of the second extraordinary general meeting of 2018 of the Company dated 13 July 2018
Supplementary EGM Notice	the supplementary notice of the second extraordinary general meeting of 2018 of the Company
Group	the Company and the subsidiaries included in its consolidated financial statements
H Share(s)	ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company, which are listed and traded on the SEHK
H Shareholders	holders of H Shares
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
RMB	Renminbi, the statutory currency of the PRC
SEHK	The Stock Exchange of Hong Kong Limited
SZSE	The Shenzhen Stock Exchange
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shares	A Share(s) and H Share(s)
Shareholders	A Shareholders and H Shareholders
Zhongxingxin	Zhongxingxin Telecom Company Limited

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
9 August 2018

As at the date of this announcement, the Board of Directors of the Company comprises two executive directors, Li Zixue, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Yuming Bao, Gordon Ng.

APPENDIX I BRIEF BIOGRAPHY OF THE CANDIDATE FOR DIRECTOR

Mr. Xu Ziyang (徐子陽), born in 1972, the President of the Company. He graduated from University of Electronic Science and Technology of China with a bachelor's degree in engineering majoring in physical electronics technology in 1994. Mr. Xu joined the Company in 1998, and served successively as programmer, section chief of GSM product line development department of Nanjing Research and Development Center, head of PS development department, deputy general manager of core network, and product general manager of core network of the Company, from 1998 to 2011. From 2011 to 2013, Mr. Xu acted as general manager of MKT fourth branch of the Company in charge of European and United States systems products. From 2014 to 2016, Mr. Xu acted as general manager of ZTE Services Deutschland GmbH, a subsidiary of the Company. From 2016 to July 2018, Mr. Xu acted concurrently as assistant to the President of the Company and product general manager of the CCN core network product line products of wireless operation department of the Company. Since July 2018, Mr. Xu has been President of the Company and director of ZTE Microelectronics Technology Company Limited, a subsidiary of the Company. Mr. Xu has many years of operational and management experience in the telecommunication industry. Mr. Xu has been granted 252,000 A share options as a participant of the 2017 Share Option Incentive Scheme of the Company. Mr. Xu is not connected with the controlling shareholder of the Company, or with other directors, supervisors, and senior management of the Company. Mr. Xu has not been subject to any penalties by China Securities Regulatory Commission (the "CSRC") or other authorities or disciplinary sanctions by any stock exchanges. Mr. Xu has not been under any official investigation by the judicial authorities for suspected involvement of crimes or under any pending official investigation by the CSRC for violation of laws or regulations. Mr. Xu is not a discredited person subject to enforcement or a discredited party subject to liabilities. His qualifications for appointment are in compliance with the conditions for appointment stipulated under the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing Listing of Stocks on the Shenzhen Stock Exchange, other provisions of the stock exchange, and the Articles of Association.

APPENDIX II OTHER INFORMATION RELATING TO THE CANDIDATE FOR DIRECTOR

I. Interests of the Candidate for Director

As at the date of this announcement, the interests and short position of Mr. Xu Ziyang in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) were as follows:

Name	Number of shares or share options held	Class of shares or share options
Xu Ziyang	252,000 share options	Share options of A shares of the Company

Save as disclosed above, Mr. Xu Ziyang does not have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that is required to be recorded in the register to be kept under Section 352 of the SFO, or otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules.

As at the date of this announcement, Mr. Xu Ziyang, or his spouse or children under the age of 18 had not been granted or had not exercised any rights to subscribe for the share capital or debentures of the Company or its associated corporations.

II. Positions held with the Company or other members of the Group

As at this announcement, Mr. Xu Ziyang held the following positions with the Company or other members of the Group:

Name	Name of the company	Position
Xu Ziyang	ZTE Corporation	President
	ZTE Microelectronics Technology Company Limited	Director

Save as disclosed above, Mr. Xu Ziyang does not hold any positions in the Company or other members of the Group.

III. Relationship with substantial or controlling shareholder, other Directors, Supervisors and senior management of the Company

As at the date of this announcement, Mr. Xu Ziyang does not have any relationship with substantial or controlling shareholder, any Director, supervisor and senior management of the Company.

IV. Service agreements and emoluments

Upon election, Mr. Xu Ziyang will enter into a service contract with the Company. The term of Mr. Xu Ziyang as the Director shall commence on the date on which the resolution is considered and approved at the EGM and end upon the conclusion of the term of office of the Seventh Session of the Board of Directors (namely 29 March

2019). The remuneration of Mr. Xu Ziyang shall be considered and determined by the Board based on the results of his annual performance appraisals conducted by the Remuneration and Evaluation Committee of the Company each year.

V. Directorships held at other listed companies and other major appointments and professional qualifications

Save as disclosed in this announcement, Mr. Xu Ziyang has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments or professional qualifications in the past three years.

VI. Others

Save as disclosed in this announcement, as at the date of this announcement, so far as the Directors are aware, there were no other matters that need to be brought to the attention of the Shareholders and there was no other information required to be disclosed under Rule 13.51(2) (h) to (v) of the Hong Kong Listing Rules in relation to the proposed appointment of Mr. Xu Ziyang as an executive Director.