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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 Twentieth Meeting of the Sixth 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 or material omission in this announcement.*

ZTE Corporation (the "Company") issued the "Notice of the Twentieth Meeting of the Sixth Session of the Board of Directors (the "Board") of ZTE Corporation" to all the Directors of the Company by electronic mail and telephone on 19 August 2014. The Twentieth Meeting of the Sixth session of the Board of the Company (the "Meeting") was convened by way of voting via video conference on 22 August 2014 at the Shenzhen headquarters of the Company, Beijing, Xi'an and Xiamen. The Meeting was presided over by Mr. Xie Weiliang, Vice Chairman. Of the 14 Directors required to vote at the Meeting, 7 Directors duly participated and 7 Directors appointed proxies to attend on their behalves. Mr. Hou Weigui, Chairman, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Zhang Jianheng, Vice Chairman, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Wang Zhanchen, Director, to vote on his behalf. Mr. Dong Lianbo, Director, was unable to attend the Meeting due to work reasons and has authorised in writing Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Shi Lirong, Director, was unable to attend the Meeting due to work reasons and has authorised in writing Ms. Qu Xiaohui, Independent Non-executive Director, to vote on his behalf. Mr. Yin Yimin, Director, was unable to attend the Meeting due to work reasons and has authorised in writing Mr. Tan Zhenhui, Independent Non-executive Director, to vote on his behalf. Mr. He Shiyong, Director, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Tan Zhenhui, Independent

Non-executive Director, to vote on his behalf. Mr. Richard Xike Zhang, Independent Non-executive Director, was unable to attend the Meeting due to work reasons and has authorized in writing Ms. Qu Xiaohui, 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, and was legal and valid.

**The following resolutions were considered and approved at the Meeting:**

**I. Consideration and approval of the “Resolution on the Provision of Guarantee by the Company for ZTE (H.K.) Limited, a Wholly-owned Subsidiary, in respect of Debt Financing” and approval of submission to the First Extraordinary General Meeting of 2014 of the Company for consideration, the details of which are as follows:**

1. That the provision of guarantee by way of joint liability assurance for an amount of not more than RMB2 billion for a term of not more than three years (from the date on which the general meeting resolution takes effect) by the Company in respect of overseas debt financing (including but not limited to bank loans and the issue of corporate bonds) of ZTE (H.K.) Limited (“ZTE HK”) be approved.

2. That Mr. Hou Weigui, the legal representative of the Company, or his authorized signatory be authorised to determine the specific amount and period of guarantee based on the results of negotiations between ZTE HK and the relevant debt financing parties subject to the aforesaid limit and period of guarantee and to negotiate with the relevant debt financing parties and execute all guarantee agreements and other pertinent legal contracts and documents relating to the said guarantee, and deal with other matters pertaining to such guarantee.

Voting result: For: 14; against: 0; abstained: 0.

For further details of matters pertaining to the aforesaid debt financing of ZTE HK and an independent opinion furnished by Independent Non-Executive Directors Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang, please refer to the “Announcement on the Provision of Guarantee for a Wholly-owned Subsidiary” published on the same date as this announcement.

**II. To further facilitate the Company’s business development and optimise its debt structure, the Company has proposed to apply to National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) for the registration and issue of perpetual medium term note with an amount of not more than RMB9 billion. Perpetual medium term note refers to medium term note under which the issuer does not specify due dates but has the options of redeeming the note and deferring interest payments, while creditors are, usually, not entitled to demand redemption but are entitled to interest payments as agreed.**

**The Board of Directors of the Company considered and approved the “Resolution on the Proposed Registration and Issue of Perpetual Medium Term Note” and approval of submission to the First Extraordinary General Meeting of 2014 of the Company for consideration, the details of which are as follows:**

1. That the registration and issue plan for the issue of perpetual medium term note with a size of not more than RMB9 billion by the Company be approved.

2. That Mr. Hou Weigui, the legal representative of the Company, or his authorized signatory be authorised to:

(1) confirm the appointment of service agents relating to the registration and issue, including but not limited to the lead underwriter and bookrunner, etc;

(2) confirm the actual issue plan (including the timing, amount and tranches of issue, etc) based on the outcome of negotiations between the Company and parties related to the issue, subject to the aforesaid plan for the registration and issue of perpetual medium term note, negotiate and sign relevant agreements with parties relating to the issue and other relevant legal contracts and documents and deal with other relevant matters;

(3) determine, after registration, matters pertaining to redemption in accordance with the redemption clauses of the registration and issue plan; and

(4) determine, after registration, arrangements for interest payments and deferred interest payments in accordance with the interest payment clauses of the registration and issue plan.

Voting result: For: 14; against: 0; abstained: 0.

**III. Consideration and approval of the “Resolution on the Convening of the First Extraordinary General Meeting of 2014 of the Company.”**

The Company has resolved to convene the First Extraordinary General Meeting of 2014 of the Company (the “EGM”) on Wednesday, 15 October 2014 at the conference room on the

4th floor of the Shenzhen headquarters of the Company.

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

“Notice of the First Extraordinary General Meeting of 2014” of the Company 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, 15 September 2014 to Tuesday, 14 October 2014 (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 Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 12 September 2014.

By Order of the Board  
**Hou Weigui**  
*Chairman*

Shenzhen, the PRC  
22 August 2014

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Richard Xike Zhang.*