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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 Fourteenth 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 in or material omission from this announcement.*

ZTE Corporation (the "Company") issued the "Notice of the Fourteenth Meeting of the Sixth Session of the Board of Directors (the "Board") of the Company" to all the Directors of the Company by electronic mail and telephone on 10 January 2014. The Fourteenth Meeting of the Sixth Session of the Board of Directors of the Company (the "Meeting") was convened by way of video conference at the Shenzhen headquarters of the Company, Beijing, Shanghai and Nanjing on 20 January 2014. The Meeting was presided over by Mr. Hou Weigui, Chairman. Of the 14 Directors required to vote at the Meeting, 11 Directors attended in person and 3 Directors appointed proxies to attend on their behalf. (Mr. Zhang Jianheng, Vice Chairman, was unable to attend the Meeting due to work reasons, and has authorised Mr. Shi Lirong, Director, to vote on his behalf; Mr. Wang Zhanchen, Director, was unable to attend the Meeting due to work reasons, and has authorised Mr. Shi Lirong, Director, to vote on his behalf; Mr. Zhang Junchao, Director, was unable to attend the Meeting due to work reasons, and has authorised Ms. Qu Xiaohui, Independent 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 passed at the Meeting:**

**I. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Purchase of Software Outsourcing Services from Huatong (a Connected Person),” the details of which are as follows:**

That the “2014 Software Outsourcing Procurement Framework Agreement” in respect of the procurement of software outsourcing services between the Company and Huatong Technology Company Limited (“Huatong”), a connected person, with the maximum aggregate amount of transactions (excluding VAT) relating to the purchase of software outsourcing services from Huatong by the Group in 2014 under the framework agreement estimated at RMB82 million be approved; with the view that the terms of the “2014 Software Outsourcing Procurement Framework Agreement” have been arrived at after arm’s length negotiations on normal commercial terms in the ordinary course of business, and that the transaction terms and annual caps for transaction amounts for 2014 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Voting results: For: 13; Against: 0; Abstained: 0.

**II. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Purchase of Software Outsourcing Services from Nanchang Software,” the details of which are as follows:**

That the “2014 Software Outsourcing Procurement Framework Agreement” in respect of the procurement of software outsourcing services between the Company and Zhongxing Software Technology (Nanchang) Company Limited (“Nanchang Software”), a connected person, with the maximum aggregate amount of transactions (excluding VAT) in 2014 under the framework agreement estimated at RMB18 million be approved; with the view that the terms of the “2014 Software Outsourcing Procurement Framework Agreement” have been arrived at after arm’s length negotiations on normal commercial terms in the ordinary course of business, and that the transaction terms and annual caps for transaction amounts for 2014

are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Voting results: For: 13; Against: 0; Abstained: 0.

Notes to connected transactions set out in paragraphs I and II above:

1. In accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (the “Shenzhen Listing Rules”), the acting of Mr. Hou Weigui, Chairman of the Company, as chairman of Zhongxing Development Company Limited (“Zhongxing Development”) falls within the scope of Rule 10.1.3 (III) of the Shenzhen Listing Rules, and Zhongxing Development is an associated corporation of the Company. Huatong is a wholly-owned subsidiary of Zhongxing Development; Zhongxing Development holds a 40% interest in Nanchang Software and nominates more than half of the members of the board of directors of Nanchang Software and is therefore capable of controlling the majority of the board of directors of Nanchang Software. Under Rule 10.1.3 (V) of the Shenzhen Listing Rules, based on the principle of “substance over form,” Huatong and Nanchang Software are connected persons of the Company.

2. Huatong and Nanchang Software are not deemed connected persons of the Company under relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”).

3. Mr. Hou Weigui, Chairman of the Company, did not take part in the votes in respect of the connected transactions with Huatong and Nanchang Software during the consideration of such matters at the Meeting.

**III. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Channel Cooperation Agreement with 航天歐華 (a Connected Person),” the details of which are as follows:**

That the “2014 Channel Cooperation Framework Agreement” between the Company and 深圳市航天歐華科技發展有限責任公司 (“航天歐華”), with the maximum aggregate amount of transactions (excluding VAT) relating to the sales of digital communications products and communications products to 航天歐華 by the Group in 2014 under the framework agreement estimated at RMB600 million be approved; with the view that the

terms of the framework agreement have been arrived at after arm's length negotiations on normal commercial terms in the ordinary course of business, and that the transaction terms and annual caps for transaction amounts for 2014 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Notes:

1. The respective capacity of Mr. Xie Weiliang, Vice Chairman, and Mr. Dong Lianbo, Director, of the Company as director of CASIC Shenzhen (Group) Company Limited ("CASIC"), the parent company of 航天歐華, falls within the scope of Rule 10.1.3 (III) of the Shenzhen Listing Rules, and CASIC is an associated corporation of the Company. 航天歐華, as a subsidiary of CASIC, is a connected person of the Company under Rule 10.1.3 (V) of the Shenzhen Listing Rules.

2. 航天歐華 is not deemed a connected person of the Company under relevant provisions of the Hong Kong Listing Rules.

3. Mr. Xie Weiliang, Vice Chairman, and Mr. Dong Lianbo, Director, of the Company did not take part in the votes in respect of the connected transactions with 航天歐華 during the consideration of such matters at the Meeting.

For details of the aforesaid connected transactions, please refer to the "Overseas Regulatory Announcement" published on the same date as this announcement.

**IV. Consideration and approval of the "Resolution on the Appointment and Removal of Senior Management Personnel," the details of which are as follows:**

1. That the appointment of Mr. Zeng Xuezhong as Executive Vice President of the Company and, concurrently, his removal from the position of Senior Vice President of the Company be approved;

2. That the appointment of Mr. Zhao Xianming as Executive Vice President of the Company and, concurrently, his removal from the position of Senior Vice President of the Company be approved;

3. That the appointment of Mr. Xiong Hui and Mr. Zhang Zhenhui each as Senior Vice President of the Company be approved;

4. That the discontinuation of the employment of Mr. He Shiyou as Executive Vice President of the Company be approved.

The term of office of the senior management personnel appointed as aforesaid shall commence on the date on which the resolution is considered and approved at the meeting of the Board of Directors of the Company and ends upon the conclusion of the term of the Sixth Session of the Board of Directors of the Company (i.e., 29 March 2016).

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

(Please refer to the Appendix for brief biographies of the senior management personnel appointed as aforesaid.)

Independent Non-executive Directors of the Company, including Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Richard Xike Zhang, have furnished an independent opinion as follows:

The senior management personnel under the current appointment meet the qualification requirements for senior management positions of listed companies under the Company Law, the Articles of Association and other pertinent laws and regulations. The procedures of nomination, appointment and removal of senior management personnel are in compliance with relevant provisions of the Company Law and the Articles of Association, and the interests of the Company and other shareholders have not been compromised. We concur to the decisions regarding the appointments and removals of senior management personnel of the Company.

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

Shenzhen, the PRC  
20 January 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 Shiyou; 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.*

## **Appendix: Brief Biographies of Senior Management Appointed**

**Mr. Zeng Xuezhong (曾學忠)**, born 1973, has been Senior Vice President of the Company since 2006 and is currently in charge of the Terminal Business Department of the Company. Mr. Zeng graduated from Tsinghua University with a bachelor's degree in science, specialising in modern applied physics, in 1996 and with an EMBA degree in 2007. Mr. Zeng joined Shenzhen Zhongxingxin Telecommunications Equipment Company Limited in 1996. From 1997 to July 2006, Mr. Zeng was the senior project manager, assistant to regional general manager, manager of Guiyang Office and manager of Kunming Office, deputy general manager and general manager of Sales Division II and Vice President of the Company. Since 2006, he has been Senior Vice President of the Company in charge of Sales Division III. Mr. Zeng has many years of experience in the telecommunications industry and over 15 years of management experience. Mr. Zeng holds 427,600 shares in the Company. He is not related in any way to the controlling shareholder of the Company, any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges. His qualifications for appointment are in compliance with the qualifications for appointment required under the Company Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Articles of Association and other pertinent laws and regulations.

**Mr. Zhao Xianming (趙先明)**, born 1966, has been Senior Vice President of the Company since 2004 and is currently in charge of the Strategic and Platform Operations of the Company and concurrently acting as CTO. Mr. Zhao graduated from the Harbin Institute of Technology in 1997 specialising in telecommunications and electronic systems with a doctorate degree in engineering. Mr. Zhao joined the Company in 1998 to be engaged in the research, development and management of CDMA products. He had been head of the research and development group, project manager and general product manager from 1998 to 2003. Since 2004, he has been Senior Vice President of the Company in charge of the CDMA Division and the Wireless Product Division. Mr. Zhao has many years of experience in the telecommunications industry and over 22 years of management experience. Mr. Zhao holds

323,905 shares in the Company. He is not related in any way to the controlling shareholder of the Company, any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges. His qualifications for appointment are in compliance with the qualifications for appointment required under the Company Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Articles of Association and other pertinent laws and regulations.

**Mr. Xiong Hui (熊輝)**, born 1969, is currently in charge of Sales Division V of the Company. Mr. Xiong graduated from Sichuan University in 1990 majoring in Materials Science, with a bachelor's degree in engineering. He received a master's degree in engineering, specialising in management engineering, in 1998 and a doctorate degree in management, specialising in enterprise management in 2007, both from University of Electronic Science and Technology of China. Mr. Xiong joined the Company in 1998 was Head of Business Technology Section at the Company's Chongqing Sales Office, Head of Planning Department, Head of HR Department, Deputy General Manager of the Handset Division, General Manager of U.S. Operations of the Handset Division, and General Manager of European and U.S. Operations of the Handset Division from 1998 to 2012. He has been General Manager of Sales Division V of the Company since 2013. Mr. Xiong has many years of experience in the telecommunications industry and over 17 years of management experience. Mr. Xiong does not hold any shares in the Company. He is not related in any way to the controlling shareholder of the Company, any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges. His qualifications for appointment are in compliance with the qualifications for appointment required under the Company Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Articles of Association and other pertinent laws and regulations.

**Mr. Zhang Zhenhui (張振輝)**, born 1973, is currently in charge of Sales Division III of the Company. Mr. Zhang graduated from Harbin University of Science and Technology in 1993 with a bachelor's degree in engineering, majoring in equipment engineering and management. In 1998, he received a master's degree in management engineering from Jiangsu University. In 2004, he received a doctorate degree in management science and engineering from Southeast University. Mr. Zhang joined the Company in 2001 and worked as Manager of Shijiazhuang Office and Manager of Taiyuan Office of the Company from September 2002 to July 2006. He served as Deputy General Manager of Sales Division III of the Company from July 2006 until January 2014, when he was appointed General Manager of Sales Division III of the Company, a position he has held since then. Mr. Zhang has many years of experience in the telecommunications industry and over 10 years of management experience. Mr. Zhang holds 65,000 shares in the Company. He is not related in any way to the controlling shareholder of the Company, any Directors, Supervisors or senior management of the Company, nor has he been subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges. His qualifications for appointment are in compliance with the qualifications for appointment required under the Company Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Articles of Association and other pertinent laws and regulations.