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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

APPROVAL OF QUOTATION OF SHANGHAI ZHONGXING, A SUBSIDIARY, ON THE NATIONAL EQUITIES EXCHANGE AND QUOTATIONS

The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

Shanghai Zhongxing Telecom Equipment Technologies Corporation* (上海中興通訊技術股份有限公司) (“Shanghai Zhongxing”), a subsidiary of ZTE Corporation (the “Company”), has recently received the “Letter regarding Approval of the Quotation of Shanghai Zhongxing Telecom Equipment Technologies Corporation* on the National Equities Exchange and Quotations” (Gu Zhuan Xi Tong Han 2017 No.590) (《關於同意上海中興通訊技術股份有限公司股票在全國中小企業股份轉讓系統掛牌的函》(股轉系統函〔2017〕590號)) issued by the National Equities Exchange and Quotations Co. Ltd, granting approval for the quotation and trading by way of negotiated transfer of Shanghai Zhongxing shares on the National Equities Exchange and Quotations (“NEEQ”). As Shanghai Zhongxing had less than 200 shareholders at the time of application for the said quotation, CSRC has granted, in accordance with relevant regulations, a waiver exempting Shanghai Zhongxing shares from approval for public transfer, such that Shanghai Zhongxing will be regulated as a non-listed public company following its quotation. Shanghai Zhongxing will process the procedures for quotation in accordance with pertinent regulations, and relevant matters are announced as follows:

I. General information of Shanghai Zhongxing

1. Corporate information

Name of company: Shanghai Zhongxing Telecom Equipment Technologies Corporation* (上海中興通訊技術股份有限公司)

Legal representative: Zeng Xuezhong (曾學忠)

Date of incorporation: 10 May 2004

Registered capital: RMB236.69 million

Address: 889 Bibo Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區碧波路 889 號)

Scope of business: R&D of communications technologies; design, research, development, production and sales of communications products and related software and hardware; design, development, production (by branch entities only), sales for handsets, related technical consulting and technical services; import and export of commodities and technologies; design, installation, testing and maintenance of network development projects; construction of communications building work; design and construction of intelligent architectural building work; specialised construction of telecommunications building work. (Commencement of business requiring approval under the law shall be subject to approval of competent authorities.)

Principal operations: indoor coverage systems for various network standards and Angel-care products, etc.

2. Shareholders and the percentage of their shareholdings

Shareholder	Number of shares held (share)	Percentage of shareholding (%)
ZTE Corporation	213,021,000	90.0000
Shanghai Poyu Tonghang Investment Limited Partnership* 上海珀瑀彤珩投資合夥企業(有限合夥)	19,539,825	8.2555
Shanghai Poyu Tongheng Investment Limited Partnership* 上海珀瑀彤衡投資合夥企業(有限合夥)	4,129,175	1.7445

II. Impact of Shanghai Zhongxing Quotation on the Company

The quotation of Shanghai Zhongxing on NEEQ is conducive to the further improvement of its corporate governance structure in accordance with the principles of governance for a public company and the enhancement of its standardised operations, which will improve its operational and management standards. It will also allow Shanghai Zhongxing to secure financing from broader sources via NEEQ for the current development and future expansion of its business. Meanwhile, the quotation of Shanghai Zhongxing on NEEQ will enhance the asset liquidity of the Company, enhance the asset value of the listed Company and maximise the shareholders' value of the Company.

III. Documents for inspection

“Letter regarding Approval of the Quotation of Shanghai Zhongxing Telecom Equipment

Technologies Corporation* on the National Equities Exchange and Quotations” (Gu Zhuan Xi Tong Han 2017 No. 590) (《關於同意上海中興通訊技術股份有限公司股票在全國中小企業股份轉讓系統掛牌的函》(股轉系統函〔2017〕590號))

By Order of the Board
Zhao Xianming
Chairman

Shenzhen, the PRC
2 February 2017

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Zhao Xianming, Yin Yimin and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Shi Lirong, Wang Yawen, Tian Dongfang and Zhan Yichao; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.

** For identification purposes only*