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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 Twenty-eighth 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 this announcement or material omission therefrom.*

ZTE Corporation (the "Company") issued the "Notice of the Twenty-eighth Meeting of the Sixth Session of the Board of Directors of the Company" to all the Directors of the Company by electronic mail and telephone on 16 July 2015. The Twenty-eighth Meeting of the Sixth Session of the Board of Directors of the Company (the "Meeting") was convened by way of voting via telecommunication means on 22 July 2015. The Meeting was presided over by Mr. Hou Weigui, Chairman. Mr. Zhang Jianheng, Mr. Xie Weiliang, Mr. Wang Zhanchen, Mr. Zhang Junchao and Mr. Dong Lianbo, Directors, as participants of the share option incentive scheme of the Company, have refrained from the votings of relative resolutions. 14 Directors required to attend the Meeting duly attended the Meeting. 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 resolutions were considered and approved at the Meeting:**

#### **I. Consideration and approval of the "Resolution of ZTE Corporation on the Adjustment of the Number and Exercise Price of Share Options under the Share Option Incentive Scheme Pursuant to the Rules"**

For details, please refer to the "Announcement on the Adjustment of the Number and

Exercise Price of Share Options under the Share Option Incentive Scheme Pursuant to the Rules” published by the Company on 22 July 2015.

Directors Mr. Zhang Jianheng, Mr. Xie Weiliang, Mr. Wang Zhanchen, Mr. Zhang Junchao and Mr. Dong Lianbo, as participants of the share option incentive scheme of the Company, have refrained from voting in respect of the matter at the Meeting.

Voting result: For: 9; Against: 0; Abstained: 0.

The Independent Non-executive Directors of the Company and Beijing Jun He Law Offices (Shenzhen Office) have furnished their respective opinions on the matter. For details, please refer to the overseas regulatory announcements published by the Company on 22 July 2015.

## **II. Consideration and approval of the “Resolution on the Election of New Members as Replacements to the Specialised Committees of the Sixth Session of the Board of Directors”**

According to provisions of the Guidelines for the Establishment of the System of Independent Directorship in Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》), the term of office of an independent director of a listed company shall coincide with that of other directors of such company, and an independent director may offer himself / herself for re-election upon expiration of such term, provided that the consecutive terms served by any independent director shall not exceed six years. The six-year term of the offices of the Independent Non-executive Directors of the Sixth Session of the Board of Directors of the Company, Ms. Qu Xiaohui, Mr. Wei Wei and Mr. Chen Naiwei, concluded on 21 July 2015. In accordance with the Working Rules of the Nomination Committee, the Working Rules of the Audit Committee and the Working Rules of the Remuneration and Evaluation Committee of the Company, the three aforesaid Independent Non-executive Directors will automatically cease to be members of the respective specialised committees upon the cessation of their offices as Independent Non-executive Directors of the Company. The details are as follows:

1. Ms. Qu Xiaohui has automatically ceased to be member of the Audit Committee (convenor) and member of the Remuneration and Evaluation Committee upon the cessation of her office as Independent Non-executive Director of the Company.
2. Mr. Wei Wei has automatically ceased to be member of the Nomination Committee, member of the Audit Committee and member of the Remuneration and Evaluation Committee (convenor) upon the cessation of his office as Independent Non-executive Director of the Company.

3. Mr. Chen Naiwei has automatically ceased to be member of the Nomination Committee and member of the Audit Committee upon the cessation of his office as Independent Non-executive Director of the Company.

The election of Mr. Chen Shaohua (陳少華), Mr. Lü Hongbing (呂紅兵) and Mr. Bingsheng Teng (滕斌聖) as Independent Non-executive Directors of the Sixth Session of the Board of Directors for a term commencing on 22 July 2015 and ending upon the conclusion of the term of office of the Sixth Session of the Board of Directors (namely 29 March 2016) was considered and approved at the 2014 Annual General Meeting held on 28 May 2015. With a view to maintaining proper corporate governance and in compliance with the headcount requirements of the Nomination Committee, Audit Committee and Remuneration and Evaluation Committee, the meeting of Board of Directors has proposed to elect two members of the Nomination Committee, three members of the Audit Committee and two members of the Remuneration and Evaluation Committee to fill the vacancies, the details of which are as follows:

1. That Independent Non-executive Directors Mr. Lü Hongbing (呂紅兵), Mr. Bingsheng Teng (滕斌聖) be elected members of the Nomination Committee of the Sixth Session of the Board of Directors as replacements;

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

2. That Independent Non-executive Directors Mr. Chen Shaohua (陳少華), Mr. Lü Hongbing (呂紅兵) and Mr. Bingsheng Teng (滕斌聖) be elected members of the Audit Committee of the Sixth Session of the Board of Directors as replacements;

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

3. That Independent Non-executive Directors Mr. Chen Shaohua (陳少華) and Mr. Bingsheng Teng (滕斌聖) be elected members of the Remuneration and Evaluation Committee of the Sixth Session of the Board of Directors as replacements.

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

After the aforesaid adjustments, new convenors for the Audit Committee of the Sixth Session of the Board of Directors and the Remuneration and Evaluation Committee of the Sixth Session of the Board of Directors were respectively elected, for details please refer to the “Announcement of the Sixth Session of the Board of Directors” published by the Company on 22 July 2015.

For brief biographies of Mr. Chen Shaohua (陳少華), Mr. Lü Hongbing (呂紅兵), Mr. Bingsheng Teng (滕斌聖), please refer to Annex II “Brief Biographies of Independent Non-executive Directors” to the “Announcement on Resolutions of the 2014 Annual General Meeting” published by the Company on 28 May 2015.

**III. Consideration and approval of the “Resolution on the Disposal of Equity Interests in LiveCom Limited,” the details of which are as follows:**

1. That the disposal by Newinfo Holdings Limited (“Newinfo”), a wholly-owned subsidiary of ZTE (H.K.) Limited (“ZTE HK”) which is, in turn, a wholly-owned subsidiary of the Company, of 51% equity interests in LiveCom Limited (“LiveCom”) to Shenzhen Jufei Optoelectronics Company Limited (“Jufei”) be approved;
2. That Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory be authorised to execute the equity transfer agreement and other relevant documents and to fulfill necessary procedures relating to the transfer of equity interests in LiveCom, such as the application for approval of commercial administration authorities and the registration of change with industrial and commercial administration authorities.

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

Newinfo, a wholly-owned subsidiary of ZTE HK which is, in turn, a wholly-owned subsidiary of the Company, holds 56% equity interests in LiveCom. Owing to the requirements of its strategic development, Newinfo entered into the “Equity Transfer Agreement for the Transfer of 51% Equity Interests in LiveCom Limited” with Jufei on 22 July 2015, pursuant to which Newinfo proposed to dispose of 51% equity interests in LiveCom it held to Jufei for RMB90 million (the “Transfer”). Following the completion of the Transfer, Newinfo will hold 5% equity interests in LiveCom and LiveCom will be deconsolidated from the Company’s financial statements. The Transfer is expected to increase the Company’s investment gains for 2015 by approximately RMB53.10 million to RMB73.10 million. The exact amount of the effect of the Transfer is subject to figures audited by the accountant.

In accordance with relevant provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, Rules for the Administration of Significant Asset Reorganisation of Listed Companies (《上市公司重大資產重組管理辦法》) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Transfer does not constitute a discloseable transaction, connected transaction or significant asset reorganisation of the Company, and therefore does not require approval of the general meeting of the Company.

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

22 July 2015

*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, Tan Zhenhui, Richard Xike Zhang, Chen Shaohua, Lü Hongbing and Bingsheng Teng.*