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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)**

**WITHDRAWAL OF APPLICATION FOR QUOTATION OF ZTE WE LINK ON THE  
NATIONAL EQUITIES EXCHANGE AND QUOTATIONS**

**AND**

**DISPOSAL OF EQUITY INTEREST IN ZTE WE LINK**

**WITHDRAWAL OF APPLICATION FOR QUOTATION OF ZTE WE LINK ON THE  
NATIONAL EQUITIES EXCHANGE AND QUOTATIONS**

Reference is made to the announcements of ZTE Corporation (the “**Company**”) dated 23 December 2015 and 31 May 2016 in relation to, among other things, the application for a quotation and open transfer of the shares of 深圳市中興物聯科技有限公司 (Shenzhen ZTE We Link Technology Company Limited\*) (“**ZTE We Link**”), a non-wholly owned subsidiary of the Company, on the National Equities Exchange and Quotations\* (全國中小企業股份轉讓系統) (the “**NEEQ**”) in the People’s Republic of China (the “**Announcements**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board would like to announce that in order to facilitate the Proposed Transactions (as defined below), the application for the Potential Quotation on the NEEQ has been withdrawn.

**DISPOSAL OF EQUITY INTEREST IN ZTE WE LINK**

On 30 November 2016, Nubia Technology Limited (“**Nubia**”) (a 60% owned subsidiary of the Company) entered into (i) an equity transfer agreement with the Company, Gosuncn Technology Group Co., Ltd. (高新興科技集團股份有限公司) (“**Gosuncn**”) and Zhuhai Kaiteng Investment

Partnership (Limited Partnership)\* (珠海凱騰投資合夥企業 (有限合夥)) (“**Zhuhai Kaiteng**”), pursuant to which Nubia agreed to dispose of 11.43% and 74.07% interest in ZTE We Link to Gosuncn and Zhuhai Kaiteng for the consideration of RMB92,583,000 and RMB599,967,000, respectively; and (ii) an equity transfer agreement with the Company, pursuant to which Nubia agreed to dispose of 4.5% interest in ZTE We Link to the Company for the consideration of RMB36,450,000 (collectively, the “**Proposed Transactions**”).

As at the date of this announcement, ZTE We Link is directly held as to 90% by Nubia and the remaining 10% is held by three entities on trust for certain employees of ZTE We Link, namely, Zhuhai Yibei Investment Limited Partnerships\* (珠海億倍投資合夥企業 (有限合夥)) as to 6.1504%, Zhuhai Yige Investment Limited Partnerships\* (珠海億格投資合夥企業 (有限合夥)) as to 3.0880% and Zhuhai Yitai Investment Limited Partnerships\* (珠海億泰投資合夥企業 (有限合夥)) as to 0.7616%.

The Proposed Transactions can facilitate the implementation of the Company’s M-ICT strategy and the construction of the Company’s internet-of-things and smart-city ecospheres. Upon completion of the Proposed Transactions, the Company will retain 4.5% interest in ZTE We Link, and ZTE We Link will be deconsolidated from the consolidated statements of the Company. As a result of the Proposed Transactions, the Company is expected to recognize an investment income of approximately RMB603,000,000 in its consolidated financial statements (of which the investment income attributable to the Company is approximately RMB362,000,000), subject to final audit.

As the highest applicable percentage ratios in respect of the Proposed Transactions is less than 5%, the Proposed Transactions are exempt from the announcement, reporting and shareholder approval requirements under Chapter 14 of the Listing Rules.

By Order of the Board  
**Zhao Xianming**  
Chairman

Shenzhen, the PRC  
30 November 2016

*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*