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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 Eighteenth 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 and misleading statement or material omission in this announcement.*

ZTE Corporation (the "Company") issued the "Notice of the Eighteenth Meeting of the Sixth Session of the Board of Directors of ZTE Corporation" to all Directors of the Company by electronic mail and telephone on 19 May 2014. The Eighteenth Meeting of the Sixth session of the Board of Directors of the Company (the "Meeting") was convened by way of voting via video conference on 29 May 2014 at the Shenzhen headquarters of the Company and Shanghai. The Meeting was presided over by Mr. Hou Weigui, Chairman. Of the 14 Directors required to vote at the Meeting, 11 Directors duly participated and 3 Directors appointed proxies to attend on their behalves. 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 authorized in writing Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Yin Yimin, Director, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Shi Lirong, 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 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 the Company on continuing connected transactions under the “Property and Equipment and Facilities Lease Framework Agreement” with Zhongxing Hetai,” the details of which are as follows:**

That the execution of the “Property and Equipment and Facilities Lease Framework Agreement” between the Company and Shenzhen Zhongxing Hetai Hotel Investment and Management Company Limited (“Zhongxing Hetai”), a connected party, for a term commencing on 1 July 2014 and ending on 30 June 2015, with the cap of the aggregate amount of transactions during the effective period of the contract estimated at RMB75 million, be approved.

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

**II. Consideration and approval of the “Resolution of the Company on continuing connected transactions under the ‘Purchase Framework Agreement’ for hotel services with Zhongxing Hetai,” the details of which are as follows:**

That the execution of the “Purchase Framework Agreement” for hotel services between the Company and Zhongxing Hetai, a connected party, for a term commencing on 1 July 2014 and ending on 30 June 2015, with the cap of the aggregate amount of transactions during the effective period of the contract estimated at RMB90 million, be approved.

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

**III. Consideration and approval of the “Resolution on the Company on continuing connected transactions for the provision of financial services,” the details of which are as follows:**

1. That the execution of the “2014 Financial Services Agreement” between ZTE Group Finance Co., Ltd. (“ZTE Finance”), a wholly-owned subsidiary of the Company, and Zhongxing Hetai, a connected party, under which it is expected that deposit services with an estimated daily maximum balance (principal together with interest) of RMB54 million will be provided by ZTE Finance to Zhongxing Hetai and its subsidiaries during 2014, be approved.
2. That the execution of the “2014 Financial Services Agreement” between ZTE Finance, a wholly-owned subsidiary of the Company, and Zhongxing Hetai, a connected party, under which it is expected that settlement services will be provided by ZTE Finance to Zhongxing Hetai and its subsidiaries during 2014 using funds derived from cash deposits placed with

ZTE Finance by Zhongxing Hetai or its subsidiaries only and for which no service fees will be charged to member companies of ZTE Group<sup>1</sup> as a basic service, be approved.

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

Notes to the three aforesaid connected transactions:

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 a connected corporation of the Company. As Zhongxing Hetai is a subsidiary of Zhongxing Development, Zhongxing Hetai is a connected corporation of the Company, and transactions between the Company and Zhongxing Hetai are connected transactions.

2. Mr. Hou Weigui, Chairman of the Company, as chairman of Zhongxing Development, parent company of Zhongxing Hetai, the connected party, did not take part in the voting in respect of the connected transactions with Zhongxing Hetai 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.

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

Shenzhen, the PRC  
29 May 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.*

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<sup>1</sup> ZTE Group refers to the Company and certain of its domestic subsidiaries, associates and joint ventures, being legally established enterprises which have adopted the ZTE Group Articles of Association and fulfilled basic conditions for business operation and which have applied to and been approved by the Board of Directors of the Company to become a member of the ZTE Group.