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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 of Resolutions of the Twenty-third 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 or material omission in this announcement.

ZTE Corporation (the "Company") issued the "Notice of the Twenty-third Meeting of the Sixth Session of the Board of Directors (the "Board") of ZTE Corporation" to all the Directors of the Company by electronic mail and telephone on 19 December 2014. The Twenty-third Meeting of the Sixth session of the Board of the Company (the "Meeting") was convened by way of voting via video conference on 23 December 2014 at the Shenzhen headquarters of the Company, Beijing, Shanghai and Xiamen. The Meeting was presided over by Mr. Shi Lirong, Director. Of the 14 Directors required to vote at the Meeting, 7 Directors duly participated and 7 Directors appointed proxies to attend on their behalves. Mr. Hou Weigui, Chairman, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Shi Lirong, Director, to vote on his behalf. Mr. Zhang Jianheng, Vice Chairman, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Zhang Junchao, Director, to vote on his behalf. Mr. Xie Weiliang, Vice Chairman, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Dong Lianbo, Director, to vote on his behalf. Mr. Wang Zhanchen, Director, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Zhang Junchao, Director, 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. Mr. Wei Wei, Independent Non-executive Director, was unable to attend the Meeting due to work reasons and has authorized in writing Ms. Qu Xiaohui, Independent Non-executive Director, to vote on his behalf. Mr. Tan Zhenhui, Independent Non-executive Director, was unable to attend the Meeting due to work reasons and has authorized in writing Mr. Chen Naiwei, Independent Non-executive 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 approved at the Meeting:

I. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the 2015-2017 Software Outsourcing Procurement Framework Agreement with Huatong (a Connected Person),” the details of which are as follows:

That the “2015-2017 Software Outsourcing Procurement Framework Agreement” entered into between the Company and Huatong Technology Company Limited (“Huatong”), a connected person, with the maximum aggregate amount of transactions (excluding VAT) in relation to the procurement of software outsourcing services from Huatong by the Company in 2015-2017 under the framework agreement respectively estimated at RMB60 million, RMB67 million and RMB75 million, be approved; with the view that the terms of the “2015-2017 Software Outsourcing Procurement Framework Agreement” have been arrived at after arm’s length negotiations between the two parties on normal commercial terms in the ordinary course of business, and that the transaction terms and annual caps for transaction amounts for the years 2015-2017 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Voting result: For: 13; against: 0; abstained: 0.

II. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the 2015-2017 Software Outsourcing Procurement Framework Agreement with Nanchang Software (a Connected Person),” the details of which are as follows:

That the “2015-2017 Software Outsourcing Procurement Framework Agreement” entered into 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 relation to the procurement of software outsourcing services from Nanchang Software by the Company in 2015-2017 under the framework agreement respectively estimated at RMB51 million, RMB63 million and RMB79 million, be approved; with the view that the terms of the “2015-2017 Software Outsourcing Procurement Framework Agreement” have been arrived at after arm’s length negotiations between the two parties on normal commercial terms in the ordinary course of business, and that the transaction terms and annual caps for transaction amounts for the years 2015-2017 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Voting result: For: 13; against: 0; abstained: 0.

III. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the 2015-2017 Sales Framework Agreement with Nanchang Software (a Connected Person),” the details of which are as follows:

That the “2015-2017 Sales Framework Agreement” entered into between the Company and Nanchang Software, a connected person, with the maximum aggregate amount of transactions (excluding VAT) in relation to the sales of products and provision of services to Nanchang Software by the Company in 2015-2017 under the framework agreement respectively estimated at RMB29 million, RMB30 million and RMB31 million, be approved; with the view that the terms of the “2015-2017 Sales Framework Agreement” have been arrived at after arm’s length negotiations between the two parties on normal commercial terms in the ordinary course of business, and that the transaction terms and annual caps for transaction amounts for the years 2015-2017 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Voting result: For: 13; against: 0; abstained: 0.

IV. Consideration and approval of the “Resolution on Continuing Connected Transactions in respect of the Execution of the 2015-2017 Property Leasing Agreement with Chongqing Zhongxing Development (a Connected Person),” the details of which are as follows:

That the “2015-2017 Property Leasing Agreement” entered into between Chongqing Zhongxing Software Company Limited (“Chongqing Zhongxing Software”) and Chongqing Zhongxing Development Company Limited (“Chongqing Zhongxing Development”), a connected person, for a term of three years commencing on 1 January 2015 and ending on 31 December 2017 subject to an annual rental cap of RMB13 million be approved.

Voting result: For: 13; against: 0; abstained: 0.

Notes to resolutions I, II, III and IV above:

1. Zhongxing Development Company Limited (“Zhongxing Development”) is an connected corporation of the Company by virtue of the fact that the capacity of Mr. Hou Weigui, Chairman of the Company, as chairman of Zhongxing Development falls within the scope of Rule 10.1.3 (III) of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (the “Shenzhen Listing Rules”).

As a wholly-owned subsidiary of Zhongxing Development, Huatong is a connected person of the Company under Rule 10.1.3 (V) of the Shenzhen Listing Rules based on the principle of “substance over form”.

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. Nanchang Software is a connected person of the Company under Rule 10.1.3 (V) of the Shenzhen Listing Rules.

As a wholly-owned subsidiary of Zhongxing Development, Chongqing Zhongxing Development is a connected person of the Company under Rule 10.1.3 (V) of the Shenzhen Listing Rules based on the principle of “substance over form”. Transactions between Chongqing Zhongxing Software, a wholly-owned subsidiary of the Company, and Chongqing Zhongxing Development are connected transactions.

2. Huatong, Nanchang Software and Chongqing Zhongxing Development 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 vote in respect of the connected transactions with Huatong, Nanchang Software and Chongqing Zhongxing Development during the consideration of such matters at the Meeting.

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

V. Consideration and approval of the “Resolution on the Subscription of China All Access (Holdings) Limited Convertible Bonds by ZTE (H.K.) Limited,” the details of which are as follows:

1. That the subscription by ZTE (H.K.) Limited (“ZTE HK”) of convertible bonds issued by China All Access (Holdings) Limited (“China All Access”) pursuant to the convertible bond subscription agreement (in its written form) negotiated between and determined by ZTE HK and China All Access be approved;

2. That the authorisation of relevant personnel by the board of directors of ZTE HK to sign the convertible bond subscription agreement and other pertinent documents and handle

procedures necessary for the subscription of convertible bonds be approved;

3. That the disposal of China All Access convertible bonds (including the transfer and conversion of the convertible bonds in part or in full and the disposal of shares resulting from the conversion) by the management of the Company at appropriate timing and a reasonable price range be approved, and that Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory be authorised to execute documents arising in the process of disposing the China All Access convertible bonds and deal with other pertinent matters.

Voting result: For: 14; against: 0; abstained: 0.

On 23 December 2014, ZTE HK entered into the “Agreement in relation to the Subscription of CHINA ALL ACCESS (HOLDINGS) LIMITED Convertible Bonds” (the “CB Subscription Agreement”) with China All Access for the subscription of convertible bonds issued by China All Access with a principal amount of HK\$350,000,000 at an annual interest rate of 6% and with the principle amount paid annually within two years.

As agreed by the two parties, the conversion price shall be fixed at 1.1 times of the average price for the 20 trading days prior to the execution of the CB Subscription Agreement, namely, the conversion price shall be HK\$3.2 / share, which is 15.02 times based on China All Access’s net profit per share of HK\$0.213 for 2013.

The completion of the CB Subscription Agreement is subject to consideration and approval by the shareholders of China All Access at its extraordinary general meeting and approval of the Listing Committee of The Stock Exchange of Hong Kong Limited.

VI. Consideration and approval of the “Resolution on the Execution of the Variation Agreement with CCBI,” the details of which are as follows:

1. That the “Variation of the Equity Transfer Agreement in relation to the Transfer of 30% Equity Interests in Shenzhen Changfei Investment Company Limited” (the “Variation Agreement”) negotiated between and determined by the Company and CCB International (Shenzhen) Investment Co., Ltd. (“CCBI”) be approved;

2. That Mr. Hou Weigui, the legal representative of the Company, or his authorised signatory, be authorised to execute the Variation Agreement and other pertinent documents.

Voting result: For: 14; against: 0; abstained: 0.

On 16 November 2012, the Company and CCBI entered into the “Equity Transfer Agreement

for the Transfer of 30% Equity Interests in Shenzhen Changfei Investment Company Limited” (the “Former Equity Transfer Agreement”), pursuant to which the Company would, among other things, transfer its 30% equity interests in Shenzhen Changfei Investment Company Limited (“Changfei”) to CCBI and provide an undertaking of compensation in respect of the operating results of Changfei for the years 2012 to 2016. For details, please refer to “DISCLOSEABLE TRANSACTIONS DISPOSAL OF EQUITY INTEREST IN SHENZHEN CHANGFEI INVESTMENT COMPANY LIMITED” published by the Company on 16 November 2012.

On 23 December 2014, the Company and CCBI entered into the Variation Agreement, pursuant to which the Company agreed to the transfer by CCBI of its 30% equity interests in Changfei to a third party, which is not related to the Company. The undertaking of compensation and other obligations of ZTE under the Former Equity Transfer Agreement shall automatically be terminated as from the date on which the transfer consideration is received by CCBI from the third party.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
23 December 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.