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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 Sixth Meeting of the Seventh 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” or “ZTE”) issued the “Notice of the Sixth Meeting of the Seventh Session of the Board of Directors of ZTE Corporation” to all the Directors of the Company by electronic mail and telephone on 21 June 2016. The Sixth Meeting of the Seventh Session of the Board of Directors of the Company (the “Meeting”) was convened by way of voting via telecommunication means on 24 June 2016. The Meeting was presided over by Mr. Zhao Xianming, Chairman. 14 Directors required to vote at the Meeting duly voted at 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 “Resolution on the Transfer of 84.86% Equity Interests in 天津中興智聯科技有限公司” was considered and passed at the Meeting, the details of which are set out as follows:**

1. That the transfer of 84.86% equity interests in 天津中興智聯科技有限公司 (“Tianjin Zhilian”) by ZTE to 高新興科技集團股份有限公司 (“Gaoxinxing”) in accordance with the terms and conditions of the “Equity Transfer Agreement for the Transfer of 84.86% equity interests in 天津中興智聯科技有限公司” (the “Equity Transfer Agreement”) negotiated and agreed between ZTE and Gaoxinxing be approved;
2. That the waiver by ZTE, as a shareholder of Tianjin Zhilian, of any pre-emptive subscription rights to additional capital contributions to Tianjin Zhilian, in the event of any

such additional capital contributions to be made pursuant to the Equity Transfer Agreement by Gaoxinxing and the employees of Tianjin Zhilian and / or the legal entity established by such employees in accordance with law within 6 months following the date of closing for the transaction be approved;

3. That the legal representative of the Company or his delegated signatory be authorised to execute the Equity Transfer Agreement and relevant documents required for the aforesaid matters, and to handle all relevant procedures matters as necessary.

Voting results: For: 14, Against: 0, Abstained: 0.

The Company holds 90% equity interests in Tianjin Zhilian, its subsidiary. In order to pursue development in a more focused manner so as to enhance the competitiveness of its principal business, the Company entered into the “Equity Transfer Agreement for the Transfer of 84.86% equity interests in 天津中興智聯科技有限公司” with Gaoxinxing on 24 June 2016, pursuant to which the Company shall dispose of the 84.86% equity interests in Tianjin Zhilian to Gaoxinxing for RMB148,406,897 (the “Transfer”). The two parties also agreed in the Equity Transfer Agreement that, ZTE shall have the right to demand Gaoxinxing to acquire the entire equity interests in Tianjin Zhilian then held by ZTE for a consideration of not less than RMB8,989,058 within 10 working days from the date on which a period of 72 months has expired following the date of closing for the Transfer (namely, the date of issue stated on the document approving the relevant change of industrial and commercial registration issued by the competent industrial and commercial administration bureau in respect of the equity transfer), if ZTE has not already transferred the equity interests in Tianjin Zhilian within 72 months following the date of closing; ZTE shall have the right to demand Gaoxinxing to acquire the entire equity interests in Tianjin Zhilian then held by ZTE for a subscription price to be separately negotiated and determined by the two parties within 10 working days from the date on which a period of 72 months has expired following the date of closing for the Transfer, if ZTE has transferred the equity interests in Tianjin Zhilian within 72 months following the date of closing for the Transfer.

Tianjin Zhilian is engaged in the R&D, production and sales of RFID related products and technical consultation services for related industry application systems. Following the completion of the Transfer, the Company will hold 5.14% equity interests in Tianjin Zhilian, and Tianjin Zhilian will be deconsolidated from the financial statements of the Company. The business presence of the Company in various industries will be further optimized and the Company’s investment income (before tax) for 2016 is expected to increase by approximately RMB120 million to 160 million, subject to the finalised figures as 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, a connected transaction or a significant asset reorganisation of the Company, and hence does not require approval at the general meeting of the Company.

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

Shenzhen, the PRC  
24 June 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.*