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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

Approval of the Quotation of ZTEsoft, a subsidiary, on the National Equities Exchange and Quotations

The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

ZTEsoft Technology Co., Ltd* (中興軟創科技股份有限公司) (“ZTEsoft”), a subsidiary of ZTE Corporation (the “Company”) has recently received the “Letter regarding Approval of the Quotation of ZTEsoft Technology Co., Ltd* on the National Equities Exchange and Quotations” (Gu Zhuan Xi Tong Han [2016] No. 6029) (《關於同意中興軟創科技股份有限公司股票在全國中小企業股份轉讓系統掛牌的函》(股轉系統函〔2016〕6029號)) issued by National Equities Exchange and Quotations Co., Ltd., granting approval for the quotation and trading by way of negotiated transfer of ZTEsoft shares on National Equities Exchange and Quotations (“NEEQ”). As ZTEsoft had less than 200 shareholders at the time of application for the said quotation, CSRC has granted, in accordance with relevant regulations, a waiver exempting ZTEsoft shares from approval for public transfer, such that ZTEsoft will be regulated as a non-listed public company following its quotation. ZTEsoft will process the procedures for quotation in accordance with pertinent regulations, and relevant matters are announced as follows:

I. General information of ZTEsoft

1. Corporate information

Name of company: ZTEsoft Technology Co., Ltd* (中興軟創科技股份有限公司)

Legal representative: Chen Jie (陳杰)

Date of incorporation: 21 February 2003

Registered capital: RMB540 million

Address: 68 Zijinghua Road, Yuhuatai District, Nanjing (南京市雨花臺區紫荊花路68號)

Scope of business: Engineering contract work: I. overseas computer information systems integration projects and international tenders in the PRC; II. export of equipment and materials required by the aforesaid overseas projects; III. deployment of workers for implementation of the aforesaid overseas projects, development, production, assembly and sales of and provision of services relating to telecommunication equipment, software products and digital equipment, production and sales of security equipment, and contract work for systems integration of security projects.

Principal business: provision of business & operation support system (BOSS), R&D of application software, customization and application-level systems integration services relating to transportation (excluding railway transport, RFID data collection and applications for the transport sector, including the processing of RFID data) and public administration under the Smart City.

2. Shareholders and the percentage of their shareholdings

Shareholder	Amount of capital contribution (RMB)	Percentage of capital contribution (%)
ZTE Corporation	480,594,654	89%
Jiaying Oula Investment Limited Partnership* (嘉興歐拉投資合夥企業 (有限合夥))	59,405,346	11%
Total	540,000,000	100%

II. Impact of ZTEsoft Quotation on the Company

The quotation of ZTEsoft on NEEQ is conducive to the further improvement of its corporate governance structure in accordance with the principles of governance for a public company and the enhancement of its standardized operations, which will improve its operational and management standards. It will also enable the ZTEsoft to broaden its financing options and optimize its capital structure. Moreover, it will drive the business development of ZTEsoft by enhancing its market competitiveness and corporate image. In addition, its incentive system will also be improved for the benefit of retaining and attracting talents.

At the same time, the quotation of ZTEsoft on NEEQ will increase the liquidity of the Company's assets and enhance the value of the listed company, in line with the aim of maximizing the interests of the Company's shareholders.

III. Documents for inspection

“Letter regarding Approval of the Quotation of ZTEsoft Technology Co., Ltd* on the National Equities Exchange and Quotations” (Gu Zhuan Xi Tong Han [2016] No. 6029) (《關於同意中興軟創科技股份有限公司股票在全國中小企業股份轉讓系統掛牌的函》(股轉系統函〔2016〕6029號))

By Order of the Board
Zhao Xianming
Chairman

Shenzhen, the PRC
29 July 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*