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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**

### **Preliminary A-Share Repurchase Plan and Resumption of Trading**

*This announcement is made by ZTE Corporation (the “Company”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

*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.*

#### **Preliminary A-Share Repurchase Plan**

The Company issued the “Notice of convening the Twenty-seventh Meeting of the Sixth Session of the Board of Directors of the Company” to all the Directors of the Company by electronic mail and telephone on 10 July 2015. The Twenty-seventh Meeting of the Sixth Session of the Board of Directors of the Company (the “Meeting”) was convened by way of voting via communication on 13 July 2015.

In view of the recent irrational volatility in the securities market, the Company is planning to repurchase its A shares in active support of the call of China Securities Regulatory Commission (the “CSRC”) notice to safeguard the stability of the securities market based on its firm belief in the economy and capital market of the PRC and its future development, with a view to protect the interests of public investors. The “Resolution of ZTE Corporation on the Preliminary A-Share Repurchase Plan for an Amount Not Exceeding RMB1 Billion” was considered and unanimously approved at the Twenty-seventh Meeting of the Sixth Session of the Board of Directors of the Company. The details are as follows:

#### **I. Manner of repurchase**

The repurchase of the Company’s tradable A shares on the Shenzhen Stock Exchange by way of call auction.

## **II. Total amount of repurchase**

The total amount of repurchase will be no more than RMB1 billion. The repurchase will be funded by the Company's internal resources.

## **III. Class and number of shares to be repurchased and the volume of repurchase as a percentage of total share capital**

Based on changes in the market price of the shares during the period of implementation of the repurchase plan and taking into account the operating conditions and net asset value per share of the Company, and subject to the cap of RMB1 billion for the total amount of repurchase and the tentative repurchase price of not more than the closing prices of the Company's A shares on 8 July 2015, namely, not more than RMB17.96 per share (provided that in the event of any bonus issue, conversion of capital reserve or cash dividend payment of the Company during the period from the date of this announcement to 31 December 2015, the cap of the repurchase price will be adjusted accordingly with effect from the date on which ex-right or ex-dividend adjustments are made to the share price), the Company expects to repurchase no less than 55 million shares, representing no less than 1.60% of the total share capital of the Company currently in issue, if the repurchase is exercised in full. The exact number of repurchased shares will be the number of shares actually repurchased upon the expiry of the repurchase period.

## **IV. Period of repurchase**

The period of repurchase will commence on the date on which the finalized share repurchase plan is considered and approved at the general meeting of the Company and end on 31 December 2015.

The Company is in the process of drafting details of the share repurchase plan (including the repurchase price, period of repurchase and impact on the operating and, financial conditions and significant developments of the Company), for which further estimations are required. The Company will comply with the approval procedures and disclose relevant information in a timely manner in accordance with pertinent laws, regulations and domestic and Hong Kong listing rules after the share repurchase plan has been finalized.

## **Resumption of Trading**

At the request of the Company, trading in the H shares of the Company has been suspended since 9 a.m., 9 July 2015 (Thursday), pending the publication of this announcement. The Company has applied to The Stock Exchange of Hong Kong Limited for the resumption of trading in the H shares of the Company from 9 a.m., 14 July 2015 (Tuesday).

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

13 July 2015

*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.*