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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)

Overseas Regulatory Announcement

Announcement on the Proposed Application for the Termination of Quotation on National Equities Exchange and Quotations and the Termination of the Share Issue Plan by ZTEsoft Technology Co., Ltd, a subsidiary

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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.

Reference is made to the announcements published by ZTE Corporation (the “Company”) on 6 April, 29 April, 19 May, 29 July and 18 August 2016 in relation to the quotation of ZTEsoft Technology Co., Ltd* (中興軟創科技股份有限公司) (“ZTEsoft”), a subsidiary of the Company, on National Equities Exchange and Quotations (“NEEQ”).

Reference is made to the announcements published by the Company on 28 December 2016 in relation to the proposed establishment of the phase I staff shareholding plan, the incorporation the ZTEsoft No. 1 Designated Asset Management Plan (中興軟創 1 號定向資產管理計劃) (the “Asset Management Plan”) as entrusted by the said staff shareholding plan, and the private placing of shares to the Asset Management Plan by ZTEsoft.

At the Twenty-fourth Meeting of the Seventh Session of the Board of Directors of the Company held on 26 October 2017, the “Resolution of the Company on the Proposed Application for the Termination of Quotation on National Equities Exchange and Quotations and the Termination of the Share Issue Plan by ZTEsoft Technology Co., Ltd*, a subsidiary” was considered and passed to approve ZTEsoft’s application for the termination of quotation on NEEQ and termination of the private placing of shares to the Asset Management Plan.

ZTEsoft's application for the termination of quotation on NEEQ shall require the approval of NEEQ. As such, matters pertaining to the termination of quotation involve uncertainties and investors should beware of investment risks.

By Order of the Board

Yin Yimin

Chairman

Shenzhen, the PRC

26 October 2017

As at the date of this announcement, the Board of Directors of the Company comprises two executive directors, Yin Yimin and Zhao Xianming; seven non-executive directors, Zhang Jianheng, Luan Jubao, Wang Yawen, Tian Dongfang, Zhan Yichao, Wei Zaisheng and Zhai Weidong; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.

** For identification purposes only*