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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 Registration and Issue of Super and Short-term
Commercial Paper**

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.

I. General

To meet the Company's working capital requirements and expand financing channels, ZTE Corporation (the "Company") has proposed to apply to the National Association of Financial Market Institutional Investors ("NAFMII") for the registration and issue of super and short-term commercial paper ("SCP") with an amount of not more than RMB8,000 million.

At the Twenty-fourth Meeting of the Seventh Session of the Board of Directors of the Company held on 26 October 2017, the "Resolution on the Proposed Registration and Issue of Super and Short-term Commercial Paper" was considered and approved.

II. Overview of the proposed registration and issue of SCP

1. Registering party / issuer: ZTE Corporation.
2. Issue method: Public issuance will be conducted in national inter-bank bond market by the lead underwriter by way of book-building and centralised placing.
3. Size of registration / issue: Proposed registration and issue with an amount of not more than RMB8,000 million.
4. Term of the SCP: Not more than 270 days.

5. Interest rate: the Interest rate for the issue shall be determined according to market conditions.

6. Guarantee: Guarantee not required.

7. Use of proceeds: Provision of additional working capital, repayment of due debts and other applications in compliance with NAMFII requirements.

III. Mandate

To ensure the efficiency and well-ordered completion of the said SCP registration and issue, the Board of Directors of the Company will submit a request to the general meeting for the authorisation of the legal representative of the Company or his authorised representative to deal with matters pertaining to the said SCP registration and issue, including but not limited to:

(1) confirming relevant intermediaries relating to the registration and issue (including but not limited to the lead underwriter and the bookrunner);

(2) confirming the actual issue plan (including all matters pertaining to the SCP issue, including but not limited to the timing, amount, number of tranches and term of issue) based on the outcome of consultation between the Company and parties related to the issue subject to the aforesaid plan for the registration and issue of SCP, vetting, revising, executing, delivering, implementing and determining the publication of agreements, announcements, forms, letters and any other requisite documents in connection with the SCP issue, including but not limited to application documents, prospectuses, underwriting agreements and relevant legal documents in relation to the issue;

(3) adjusting as appropriate the actual plan for SCP issue and other pertinent matters based on the advice of regulatory authorities, or determining, based on the actual conditions, whether proceedings relating to the SCP issue should be carried on with, in the event of any changes to relevant regulatory policies or market conditions;

(4) processing all other matters and formalities relating to the application for SCP registration and issue;

(5) the mandate shall be effective from the date of the consideration and approval of the same at the general meeting and shall remain in effect during the valid period for the registration, issue and continuation of the SCP.

IV. Risk reminder

The implementation of the said SCP issue is subject to consideration at the general meeting of the Company and registration with the NAFMII. The Company will publish updates on the progress of the SCP issue in accordance with the provisions of pertinent laws, regulations and governing documents.

The SCP issue is subject to uncertainties and investors should beware of investment risks.

V. Documents for inspection

1. Resolutions of the Twenty-fourth Meeting of the Seventh Session of the Board of Directors of the Company;
2. Resolutions of the Twentieth Meeting of the Seventh Session of the Supervisory Committee of the Company.

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.