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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 on the Termination of the Preliminary A-Share Repurchase Plan

This announcement is made by ZTE Corporation pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) 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.

The “Resolution of ZTE Corporation on the Termination of the Preliminary A-Share Repurchase Plan for an Amount Not Exceeding RMB1 Billion” was considered and approved at the Thirty-third Meeting of the Sixth Session of the Board of Directors of ZTE Corporation (the “Company”), giving approval to terminate the preliminary A-share repurchase plan for an amount not exceeding RMB1 billion. The relevant details are set out as follows:

I. General information on the preliminary A-share repurchase plan for an amount not exceeding RMB1 billion

The “Resolution of ZTE Corporation on the Preliminary A-Share Repurchase Plan for an Amount Not Exceeding RMB1 Billion” was considered and approved at the Twenty-seventh Meeting of the Sixth Session of the Board of Directors of the Company held on 13 July 2015. In view of the irrational volatility then prevailing in the A-share securities market, the Company planned to repurchase its A shares in active support of the call of China Securities Regulatory Commission 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 protecting the interests of public investors. The Board of Directors approved the preliminary

plan of repurchasing tradable A shares of the Company on the Shenzhen Stock Exchange by way of call auction during the repurchase period commencing on the date on which the finalised repurchase plan is approved at the general meeting and ending on 31 December 2015, subject to a cap of RMB1 billion for the total amount of repurchase, the tentative repurchase price of not more than the closing price 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 14 July 2015 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). For details, please refer to the "Announcement Preliminary A-Share Repurchase Plan and Resumption of Trading" published by the Company on 13 July 2015. It was also disclosed in the said announcement that the Company was in the process of further studying the details of the share repurchase plan (including but not limited to the repurchase price, period of repurchase and impact on the operating and financial conditions and significant developments of the Company), for which further estimations were required, and that the Company would comply with the approval procedures and disclose relevant information in a timely manner in accordance with pertinent laws, regulations and listing rules after the finalisation of the share repurchase plan.

II. Reasons for and impact of the Company's termination of the preliminary A-share repurchase plan for an amount not exceeding RMB1 billion

Following the irrational volatility in July and August, the A-share securities market has generally been stabilised as of now. After the publication of the Company's 2015 Interim Report, the closing price of the Company's A shares has not been lower than the upper limit of the repurchase price (which has been adjusted to RMB14.80 per share in accordance with the Company's implemented 2014 plan for profit distribution and conversion of capital reserve) since 27 August 2015. Meanwhile, the Company is of the view that the application of funds previously intended to be used to repurchase shares in the research and development of strategic products and the expansion of core markets would be more conducive to the enhancement of the Company's core strengths. In view of the above and after careful deliberations, the Board of Directors has arrived at the conclusion that it is no longer in the best interests of the Company and its shareholders to proceed with the previous preliminary share repurchase plan and has accordingly resolved to terminate the preliminary A-share repurchase plan.

The Company's termination of the preliminary A-share repurchase plan for an amount

not exceeding RMB1 billion will not result in any adverse impact on the daily operations of the Company.

The Independent Non-executive Directors have furnished an independent opinion on this matter and are of the view that the Company's termination of the preliminary A-share repurchase plan for an amount not exceeding RMB1 billion is based on objective reasons and considerations for the long-term interests of the Company; the decision of the Board of Directors of the Company to terminate the preliminary A-share repurchase plan for an amount not exceeding RMB1 billion is in compliance with the provisions of pertinent laws and regulations and the Articles of Association of ZTE Corporation; and that the Board of Directors of the Company has followed necessary procedures in considering the relevant resolution. The termination of the preliminary A-share repurchase plan for an amount not exceeding RMB1 billion does not have any adverse impact on the Company and the public investors, will not compromise the lawful interests of the shareholders as whole, and is in line with the development strategy of the Company.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, the PRC

11 November 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, Tan Zhenhui, Richard Xike Zhang, Chen Shaohua, Lü Hongbing and Bingsheng Teng.