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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  
Perpetual Medium Term Notes**

*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 long-term working capital requirements and optimise debt structure, ZTE Corporation (the "Company") has proposed to apply to the National Association of Financial Market Institutional Investors ("NAFMII") for the registration and issue of Perpetual Medium Term Notes with an amount of not more than RMB3,500 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 Perpetual Medium Term Notes" was considered and approved.

**II. Overview of the proposed registration and issue of Perpetual Medium Term Notes**

1. Registering party / issuer: ZTE Corporation.
2. Issue method: Public issuance will be conducted in the 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 RMB3,500 million.
4. Term of the notes: a model of "fixed initial term of issue + periodic redemption" shall be adopted, whereby the proposed "fixed initial term of issue" shall be not more than 5 years.

Upon the maturity of the initial term of issue, the issuer shall have a redemption option. The actual length of the initial term of issue and intervals between redemption periods shall be determined prior to reporting to NAFMII based on situations of the bond market and the Company's actual requirements.

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

6. Redemption arrangements: The Company shall consult with the lead underwriter to confirm arrangements for redemption.

7. Guarantee: Guarantee not required.

8. 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 registration and issue of Perpetual Medium Term Notes, 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 registration and issue of Perpetual Medium Term Notes, 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 issue of Perpetual Medium Term Notes, including but not limited to the timing, amount and number of tranches 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 Perpetual Medium Term Notes, vetting, revising, executing, delivering, implementing and determining the publication of agreements, announcements, forms, letters and any other requisite documents in connection with the issue of Perpetual Medium Term Notes, including but not limited to application documents, prospectuses, underwriting agreements and relevant legal documents in relation to the issue;

(3) determining, upon registration, matters pertaining to redemption in accordance with the redemption clauses of the registration and issue plan;

(4) determining, upon registration, arrangements for interest payments and deferred interest payments in accordance with clauses of the registration and issue plan relating to interest payment;

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

(6) processing all other matters and formalities relating to the registration, issue and continuation, quotation and trading, and principal and interest payments in respect of the Perpetual Medium Term Notes;

(7) 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 Perpetual Medium Term Notes.

#### **IV. Risk reminder**

The implementation of the said issue of Perpetual Medium Term Notes 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 issue of Perpetual Medium Term Notes in accordance with the provisions of pertinent laws, regulations and governing documents.

The issue of Perpetual Medium Term Notes 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.*