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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 Buy-Up of H Shares in the Company by the  
Controlling Shareholder during the Past 12 Months**

*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 information on the principal of the buy-up**

The party engaged in the buy-up is ZTEHoldings Co., Ltd. (中興新通訊有限公司) (“ZTEHoldings”, formerly named “Shenzhen Zhongxingxin Telecommunication Equipment Company Limited (深圳市中興新通訊設備有限公司)”), the controlling shareholder of ZTE Corporation (the “Company”). On 23 May 2017, ZTEHoldings held 1,269,830,333 A shares in the Company, representing approximately 30.31% of the total number of shares of the Company as at that date.

**II. The buy-up and relevant disclosures**

The Company has been informed by ZTEHoldings that ZTEHoldings acquired a total of 2,038,000 H shares in the Company through Shenzhen-Hong Kong Stock Connect during the period from 24 May 2017 to 15 June 2017, representing approximately 0.27% of the total number of H shares in the Company as at the date of this announcement and approximately 0.049% of the total number of shares in the Company as at the date of this announcement.

Following the aforesaid buy-up, ZTEHoldings held 1,271,868,333 shares in the Company (comprising 1,269,830,333 A shares and 2,038,000 H shares), representing approximately 30.34% of the total number of shares in the Company as at the date of this announcement. The aforesaid buy-up was disclosed in the 2017 Interim Report, 2017 Third Quarterly Report and 2017 Annual Report of the Company. In accordance with Provision 4.4.4 of the “Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies on the Main Board”, ZTEHoldings requested the Company to publish an

announcement on its behalf to disclose the results of the buy-up upon the conclusion of a period of 12 months following the occurrence of the first instance of buy-up.

The aforesaid buy-up was in compliance with relevant laws, administrative regulations, departmental rules and regulatory documents including the “Securities Law of the People’s Republic of China” and the “Administrative Measures Governing Acquisitions By Listed Companies”, as well as pertinent provisions such as the business rules of the Shenzhen Stock Exchange and application to the CSRC for waiver from general offer obligations in respect of the buy-up is exempted pursuant to the provisions of the “Administrative Measures Governing Acquisitions By Listed Companies”. ZTEHoldings did not sell down its shareholdings in the Company during the statutory period, namely, the 6-month period following the aforesaid buy-up.

### **III. Specific opinion furnished by the legal adviser upon examination**

Beijing Jun He Law Offices (Shenzhen Office) has furnished a specific opinion of examination and has expressed its opinion as follows: the party engaged in the buy-up is eligible as a principal for the buy-up; the buy-up was in compliance with laws, regulations, and regulatory documents including the “Securities Law of the People’s Republic of China” and the “Administrative Measures Governing Acquisitions By Listed Companies”; application to the CSRC for waiver from general offer obligations in respect of the buy-up is exempted pursuant to the provisions of the “Administrative Measures Governing Acquisitions By Listed Companies”, and the party engaged in the buy-up may apply directly to the stock exchange and the securities clearing institution for the processing of share transfer and registration procedures.

By Order of the Board  
**Yin Yimin**  
*Chairman*

Shenzhen, the PRC

23 May 2018

*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.*