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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 Result of the Medium Term Notes Issue**

*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.*

At the First Extraordinary General Meeting of 2014 of ZTE Corporation (hereinafter referred to as the "Company") held on 15 October 2014, the "Resolution on the Proposed Registration and Issue of Perpetual Medium Term Notes of the Company" was considered and passed to approve the issue of perpetual medium term notes with a size of not more than RMB9 billion (hereinafter referred to as the "Medium Term Notes") by the Company. The Company received notices of acceptance of registration from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) in December 2014. For details, please refer to the "Announcement on the Approval of Registration for the Issue of Medium Term Notes" published by the Company on 15 December 2014.

On 6 February 2015, the Company completed the issue of 2015 Tranche II Medium Term Notes ("Tranche II Notes"). The Tranche II Notes were issued at par of RMB100 each for a term of 3+N years (due upon redemption by the Company pursuant to the terms of the issue) to raise RMB1,500 million. The coupon interest rate for the first 3 years for which interest is accruable is 5.69% per annum. Starting from the 4th year for which interest is accruable, the coupon interest rate is reset every 3 years. For details of the method of interest rate reset, please refer to the ZTE Corporation 2015 Tranche II Medium Term Notes Issue Prospectus published on the website of Shanghai Clearing House ([www.shclearing.com](http://www.shclearing.com)) and [chinamoney.com](http://chinamoney.com) ([www.chinamoney.com.cn](http://www.chinamoney.com.cn)). The Tranche II Notes were underwritten by China Development Bank Corporation as principal underwriter. Proceeds raised from the issue of the Tranche II Notes were received in full on 6 February 2015 and will be applied to provide additional working capital for the Company.

For details of documents pertaining to the issue of Tranche II Notes, please refer to the Company's announcement published on the website of Shanghai Clearing House ([www.shclearing.com](http://www.shclearing.com)) and [chinamoney.com](http://chinamoney.com) ([www.chinamoney.com.cn](http://www.chinamoney.com.cn)).

By Order of the Board  
**Hou Weigui**  
*Chairman*

Shenzhen, the PRC  
6 February 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, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Richard Xike Zhang.*