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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

Launch of the First Pre-commercial Bus Route in China Deploying Buses with High-power Wireless-charging System

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.

On 17 September 2014, the first pre-commercial bus route in China deploying new-energy vehicles equipped with the high-power wireless-charging system developed by ZTE Corporation ("ZTE" or the "Company") came into operation in Xiangyang, Hubei. The Company and Dongfeng Automobile Co., Ltd jointly launched three models of wirelessly charged commercial vehicles developed by the two parties. This operation is an important joint R&D project on the application of new energy technologies by the two parties. The Company made this announcement due to close attention to the aforesaid matter by investors.

The high-power wireless-charging system developed by the Company is an important Blue Ocean strategic project under the Company's M-ICT^{Note1} Strategy, which has undergone a three-year incubation process at the Company's CGO^{Note2} Laboratory.

^{Note1} M-ICT Strategy

The Enabler@M-ICT strategy of ZTE, which is essentially concerned with the creation of value through information. The letter "M" denotes a variety of meanings: 1) Mobile: the universal deployment of ICT services following the popularization of portable smart terminals; 2) M2M: the inter-connectedness of all things (Man-Man, Man-Machine, Machine-Machine); 3) Multiple connection: connection anywhere; 4) Multi-service, More coverage and accessibility; 5) More secure, More reliable and easier to use.

^{Note2} CGO Laboratory (C: Cool; G: Green; O: Open)

The Company has established the "CGO Laboratory" as the engine and incubator for future innovation and development in new businesses and new frontiers.

The commercial application of this wireless-charging technology has provided a new alternative for charging new-energy vehicles, in addition to the current practices of plug-in charging and battery replacements. The working principle of wireless charging is based primarily on electromagnetic induction. The main components of the system include a ground energy transmission module and an energy reception module installed on the vehicle. The rate of power charging ranges from 3kw to 300kw, while end-to-end (from grid to battery) charging efficiency is above 90%. A/C power from the power grid company is converted into electromagnetic energy of tens of KHz within the ground energy transmission module before it passes through the air between the ground surface and the chassis to be received by the energy reception module installed at the bottom of the vehicle and then converted into the form of power energy required by the car battery. Buried under ground level without affecting passage on surface, the ground energy transmission module is conducive to the installation of high-power wireless-charging facilities in central city districts by carrying out conversion works at existing road surfaces and car parks. It will effectively enhance the efficiency of investing in systems for new-energy bus routes and the social benefits associated therewith. With multiple safety designs, the system is in compliance with relevant national standards in assuring the safety of drivers, passengers and pedestrians. It is a complete and operable mega wireless-charging system leveraging fully the core capabilities of the Company in safety accreditation, billing, payment, wireless communication and high-reliability systems.

The aforesaid matter will not have any material impact on the financial conditions and operating results of the Company for the current period.

In future, the Company will continue to invest in new energy technologies and industrial development in a proactive manner, making diligent efforts in innovation to further develop the government and enterprise sectors.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, the PRC

18 September 2014

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.