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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 first repurchase of A shares, share repurchase progress and
completion of the share repurchase plan**

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. Approval of the A-share repurchase and principal terms of the repurchase plan

At the Twenty-first Meeting of the Eighth Session of the Board of Directors of ZTE Corporation (the "Company") held on 14 August 2020, the "Resolution on the plan for the repurchase of the Company's A shares by way of centralised price bidding" was considered and approved. On 14 August 2020 and 26 August 2020, the Company disclosed the "Announcement on the plan for the repurchase of the Company's A shares by way of centralised price bidding" and "Overseas Regulatory Announcement Report on the repurchase of the Company's A shares", respectively. Details of the repurchase A shares are set out as follows:

(I) Use of the proposed share repurchase

The repurchased shares shall be used for the implementation of the Company's employee share ownership schemes or share incentives.

(II) Share type of the proposed share repurchase

The shares to be repurchased are RMB ordinary shares (A shares) issued by the Company.

(III) Total amount of funds to be committed to the repurchase

The total amount of funds committed to the repurchase shall be not less than RMB100 million and not more than RMB120 million.

(IV) Implementation period of the share repurchase

1. The share repurchase shall be implemented within 12 months from the date on which the repurchase plan is considered and approved by the Board of Directors of the Company.

2. The repurchase period shall end prematurely if the following conditions are triggered:

(1) The repurchase plan shall be deemed completed and the repurchase period shall end prematurely if and when the amount of fund application reaches its maximum limit during the repurchase period;

(2) The Company's management has decided to terminate the repurchase plan pursuant to the delegation of Board of Directors during the repurchase period, provided the amount of funds already applied is not lower than the stipulated minimum amount;

(3) The repurchase period shall end prematurely from the date on which a resolution to terminate to repurchase plan is passed by the Board of Directors of the Company if the Board of Directors has decided to terminate the repurchase for sufficiently justifiable causes.

(V) Price range of the share repurchase

The share repurchase shall be conducted by way of centralised price bidding repurchase via the stock trading system of Shenzhen Stock Exchange.

The share price for the repurchase of A shares shall not be more than RMB62.48 per share, which repurchase price shall not exceed 150% of the average traded price of the Company's A shares for the 30 trading days before the approval of the resolution on the repurchase by the Board of Directors. The actual repurchase price shall be the actual price at which the repurchase is conducted upon the conclusion of the repurchase period.

(VI) Source of funds for the share repurchase

The share repurchase will be financed by the Company's internal funds.

II. Implementation of repurchase

(I) Information on the repurchase progress as of the end of August 2020

As at the date of 31 August 2020, the Company has not repurchased A shares.

(II) Information on the first repurchase of A shares

On 1 September 2020, the Company made the first repurchase by way of centralized price bidding via the stock trading system of the Shenzhen Stock Exchange, the Company repurchased 2,973,900 A shares, representing approximately 0.06% of its total share capital. The highest trading price was RMB38.85 per A share and the lowest trading price was RMB38.40 per A share. The total transaction amount was RMB114,765,557.00 (excluding transaction expenses).

(III) Description of the completion of the repurchase plan

As at the date of 1 September 2020, the total amount paid by the Company for repurchase A shares was RMB114,765,557.00 (excluding transaction expenses). The amount of funds already applied has exceeded the stipulated minimum amount (namely not lower than RMB 100 million), according to the plan for the repurchase, the Company's management has decided to terminate the repurchase plan. The repurchase plan is completed.

There is no discrepancy between the plan for the repurchase of A shares and its actual implementation, and the Company has completed the repurchase in accordance with the plan disclosed.

(IV) Impact of the implementation of the repurchase plan on the Company

The repurchase will not result in any material adverse impact on the Company's operations, finances, R&D, solvency and future development. Following the completion of the repurchase, there will be no change in the control of the Company or its listing status, and the distribution of shareholdings will comply with the relevant conditions for listed companies.

III. Trading of shares by relevant parties during the term of repurchase

The Company's controlling shareholder, Directors, Supervisors and senior management did not deal in the shares of the Company from the date when the Company first disclosed the repurchase of shares up to the date before the disclosure of this announcement.

IV. Use of the share repurchased and following arrangement

The total amount of shares repurchased under the repurchase plan is 2,973,900 A shares, all the share repurchased are deposited in the Company's special securities account for repurchase. During the period the share repurchased do not have the rights of voting at the general meetings, profit distribution, capitalization of capital reserve, allotment, pledge and other relevant rights. The share repurchased shall be allocated in full for the implementation of the Company's employee share ownership schemes or share incentives. If the Company fails to implement the above purpose within 36 months after the completion of the repurchase of shares, the outstanding shares repurchased will be cancelled by relevant procedures.

V. Statement of share changes

The Company repurchased a total of 2,973,900 A shares, representing approximately 0.06% of its total share capital. The shares repurchased are deposited in the Company's special securities account for repurchase, changes in the shareholding structure before and after the repurchase are as follows:

Nature of shares	Before repurchase		After repurchase	
	Volume (10,000 shares)	Percentage	Volume (10,000 shares)	Percentage
Tradable A shares subject selling restrictions	38,167.86	8.27%	38,465.25	8.33%
Including: special securities account for repurchase	0	0%	297.39	0.06%
Tradable A shares not subject selling restrictions	347,625.38	75.35%	347,327.99	75.29%
Tradable H shares not subject selling restrictions	75,550.25	16.38%	75,550.25	16.38%
Total number of shares	461,343.49	100.00%	461,343.49	100.00%

VI. Description of compliance

The timing, number of shares to be repurchased, repurchase price and the appointed time slots for centralised price bidding in connection with the Company's share repurchase are in accordance with pertinent provisions of Rules 17, 18 and 19 of the Implementation Rules of Shenzhen Stock Exchange for Share Repurchase by Listed Companies and the plan for the repurchase of the Company's A shares.

(I) The Company did not conduct any share repurchase during the following periods:

- (1) The period of 10 trading days prior to the announcement of the Company's regular reports, preliminary results announcement or snapshots of results;
- (2) The period from the date on which a significant event that might have a material impact on the

trading price of the Company's shares has occurred or become the subject of decision-making to 2 trading days following statutory disclosure;

(3) No share repurchase may be conducted after the Company becomes aware of inside information until the announcement of the relevant information; in particular, no share repurchase shall be conducted within the period of one month prior to the earlier of the following : (a) the date of the meeting of the Board of Directors held for the purpose for approving any annual, semi-annual, quarterly or any other interim results; (b) the date by which the Company is required under applicable listing rules to announce any annual or semi-annual results, or quarterly or any other interim results;

(4) Other conditions stipulated by the CSRC and Shenzhen Stock Exchange or The Stock Exchange of Hong Kong Limited.

(II) During the five trading days (namely from 25 August 2020 to 31 August 2020) prior to the date on which the first share repurchase was conducted (namely 1 September 2020), the accumulative trading volume of the Company's A shares was 275.7668 million shares. The number of A shares repurchased by the Company every five trading days does not exceed 25% of the accumulative trading volume of the Company's A shares in the five trading days prior to the date on which the first share repurchase was conducted.

(III) The Company has not commissioned any repurchase of shares during the following trading hours: (1) centralised price bidding at the opening; (2) within 30 minutes prior to closing; (3) share price movements are not subject to any upside or downside limits.

The prices at which the Company repurchased its shares were lower than the upside trading limits for the Company shares for the respective days of trading.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

1 September 2020

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Gordon Ng, Zhuang Jiansheng.