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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 Tabling of the Proposed Mandate for the Repurchase of the Company's A Shares at the General Meeting for Consideration

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.

At the Fifteenth Meeting of the Eighth Session of the Board of Directors (the "Board") of ZTE Corporation (hereafter "the Company") held on 27 March 2020, the "Resolution on the tabling of the proposed mandate for the repurchase of the Company's A shares at the general meeting for consideration" (hereafter the "Resolution") was considered and passed, and the tabling of the Resolution at the Company's 2019 Annual General Meeting for consideration was approved. According to the Resolution, the Company has proposed to seek the mandate of the general meeting authorising the Board of the Company to determine upon and implement the Company's repurchase of A shares in accordance with the law (hereafter the "the Share Repurchase"). The mandate is required to be approved by way of resolution at a Board meeting at which over two-third of the Directors were present, the details of which are set out as follows:

I. Purpose and use of the Share Repurchase

The purpose of conducting the Share Repurchase is to sustain the Company's operations and development, protect the long-term interests of investors, and procure the maximisation of shareholders' value and, at the same time, to further improve and perfect the Company's long-term incentive and restraint mechanism and ensure the sustainable and sound development of the Company's operations.

The Share Repurchase shall be conducted in connection with any one of the following: (i) employee share ownership schemes or share incentives; (ii) conversion of convertible bonds

(“CBs”) issued by the Company.

II. Method of the Share Repurchase and source of funds

The Share Repurchase shall be conducted by way of call auction in the share trading system of Shenzhen Stock Exchange. Funds applied in the Share Repurchase shall be the Company’s internal funds or other funds in compliance with the requirements of laws and regulations.

III. Price of the Share Repurchase

The price of the Share Repurchase shall be determined and finalised by the Board as authorised by the general meeting in accordance with pertinent laws and regulations, taking into account a number of factors, such as conditions in the capital market, movements in the share price of the Company and the Company’s financial and operating conditions, among others.

IV. Class and volume of shares to be repurchased

Class of shares to be repurchased: RMB ordinary shares (A shares) issued by the Company.

The volume of shares to be repurchased shall be determined by the Board as authorised by the general meeting in accordance with pertinent laws and regulations within the limit of its mandate subject to a cap of 1% of the issued A share capital of the Company as at the date on which the Resolution is considered and passed at the general meeting.

V. Scope and term of the mandate

In order to capture market opportunities in a timely manner, the general meeting shall grant to the Board a mandate, which may be delegated by the Board to relevant persons, with full discretion to deal with matters relating to the Share Repurchase. The scope of the mandate shall include, but not be limited to, the following:

1. To confirm the final plan and terms of repurchase and deal with matters pertaining to the Share Repurchase in accordance with the provisions of laws, regulations, rules and regulatory documents, taking into account the actual conditions of the Company and the market;
2. To amend, adjust or determine at its discretion based on prevailing circumstances matters relating to the repurchase plan, including but not limited to: the specific use of the Share Repurchase, the total repurchase amount, the price of the Share Repurchase, the volume of the Share Repurchase, implementation of the repurchase, or whether the repurchase plan shall proceed or be terminated, save in relation to matters required to be voted upon anew at

the general meeting under pertinent laws, regulations, rules, regulatory documents, requirements of regulatory authorities and the Articles of Association of ZTE Corporation (hereafter the “Articles”);

3. To open a dedicated securities account and other relevant securities accounts for the repurchase;

4. To repurchase shares at timings deemed appropriate during the repurchase period, including the timing, price and volume of repurchase;

5. To adjust the repurchase plan and continue to deal with matters pertaining to the Share Repurchase in accordance with pertinent laws and regulations and requirements of regulatory authorities, taking into account market conditions and the actual conditions of the Company, in the event of new requirements on the policy for share repurchases stipulated under laws and regulations or announced by securities regulatory authorities or changes in market conditions, save in relation to matters required to be voted upon anew at the general meeting under pertinent laws, regulations, requirements of regulatory authorities or the Articles;

6. To prepare, amend, supplement, execute, deliver, submit and implement all agreements, contracts and documents incurred in the course of the Share Repurchase and to report as required;

7. To notify creditors and communicate with creditor to reach debt settlements;

8. To deal with all other matters that are not stated above but are necessary for the Share Repurchase.

The mandate shall be in effect from the date on which the Resolution is considered and passed at the general meeting to the earlier of the following: (i) the date on which the next annual general meeting of the Company concludes (unless extended by way of resolution at the said meeting); or (ii) the date of the general meeting at which the mandate is revoked or modified by the shareholders by way of resolution.

VI. Others

In the event that shares repurchased under the mandate are applied in the future in employee share ownership schemes or as share incentives or in the conversion of CBs issued by the Company, the Company shall fulfill the procedures of consideration required for the implementation of employee share ownership schemes, share incentives or issue of CBs in accordance with the pertinent provisions of laws and regulations and the Articles. In the event that the transfer of shares repurchased under the mandate (including the transfer to participants in employee share ownership schemes or share incentives or the conversion of CBs issued by

the Company) is not completed within the period stipulated under laws and regulations, the Company shall cancel such shares in accordance with relevant procedures of consideration in accordance with the pertinent provisions of laws and regulations and the Articles.

VII. Risk reminder

The Resolution tabled at the general meeting for consideration seeks to give mandate to the Board of the Company only to deal with matters pertaining to the Share Repurchase. At present, the Company has yet to formulate a detailed plan for the Share Repurchase. Subject to consideration and approval at the general meeting, the Company will confirm whether to proceed with the repurchase based on factors such as conditions in the capital market and volatility and movement in the Company's share price, among others.

The Company will fulfill its obligations in information disclosure in a timely manner in strict accordance with the requirements under pertinent laws and regulations. Investors are advised to exercise caution in investment and beware of risks.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

27 March 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, Yuming Bao, Gordon Ng.