

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

COMPLETION OF NON-PUBLIC ISSUANCE OF A SHARES

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.

References are made to the announcements of ZTE Corporation (the “**Company**”) respectively dated 31 January 2018, 1 February 2018, 28 March 2018, 10 April 2018, 29 October 2018, 19 November 2018, 17 January 2019, 23 January 2019, 25 February 2019, 20 March 2019, 5 August 2019, 7 August 2019, 22 August 2019, 21 October 2019 and 16 January 2020 and the circulars of the Company dated 2 March 2018 and 28 February 2019 (the “**Circulars**”) in relation to, amongst others, the Non-Public Issuance of A Shares. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Circulars.

The A Shares issued pursuant to the Non-public Issuance of A Shares has completed registration and listing with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and the SZSE. The A Shares issued pursuant to the Non-public Issuance of A Shares shall be listed on the SZSE on 3 February 2020. Following the completion of the Non-public Issuance of A Shares, the total share capital of the Company shall be increased from 4,228,030,026 shares to 4,609,128,994 shares, and the total A shares shall be increased from 3,472,527,492 shares to 3,853,626,460 shares.

I. Basic Information on the Non-Public Issuance of A Shares

1. Class of shares: A Shares
2. Nominal value per share: RMB1.00
3. Number of shares issued: 381,098,968 A Shares
4. Issue price: RMB30.21 per A Share
5. Proceeds: The gross proceeds from the Non-public Issuance of A Shares is RMB11,512,999,823.28, and the net proceeds (after deducting all expenses related to the issuance) is RMB11,459,418,724.31, which will be applied: (1) technology research and product development relating to 5G network evolution; and (2) replenishment of

working capital.

6. Lock-up period: 12 months

II. Results and subscribers of the Non-public Issuance of A Shares

The Company determines entitlements to subscription and proceed with the placing in accordance with the principles of price priority, amount priority and timing priority, the issue results are as follows:

No.	Name of subscribers	Number of A Shares Issued (shares)	Amount (RMB)	Lock-up period (months)
1	China Southern Asset Management Co., Ltd. 南方基金管理股份有限公司	76,729,559	2,317,999,977.39	12
2	New China Assets Management Co., Ltd. 新華資產管理股份有限公司	43,032,108	1,299,999,982.68	12
3	Guangdong Henghui Equity Investment Fund (Limited Partnership) 廣東恒會股權投資基金（有限合夥）	43,032,108	1,299,999,982.68	12
4	Nanjing Xinchuanxing Consulting Management Partnership (Limited Partnership) 南京市新創興諮詢管理合夥企業（有限合夥）	43,032,108	1,299,999,982.68	12
5	Shenzhen Investment Holding Win-win Equity Investment Fund Partnership (Limited Partnership) 深圳投控共贏股權投資基金合夥企業（有限合夥）	43,032,108	1,299,999,982.68	12
6	Shenzhen Huitong Rongxin Investment Co., Ltd 深圳市匯通融信投資有限公司	43,032,108	1,299,999,982.68	12
7	GF Fund Management Co., Ltd. 廣發基金管理有限公司	30,519,695	921,999,985.95	12
8	Bosera Asset Management Co., Ltd. 博時基金管理有限公司	23,171,135	699,999,988.35	12
9	Zhong Ou Asset Management Company Limited 中歐基金管理有限公司	18,238,993	550,999,978.53	12
10	China Asset Management Co., Ltd. 華夏基金管理有限公司	17,279,046	521,999,979.66	12

III. Changes in the Shareholding Structure of the Company immediately Before and After Completion of the Non-Public Issuance of A Shares

The shareholding structure of the Company immediately before and after completion of the Non-public Issuance of A Shares is as follows:

Shareholder	Class of Shares	Before completion of the Non-public Issuance of A Shares		After completion of the Non-public Issuance of A Shares	
		Number of Shares	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the total issued share capital (%)
Zhongxingxin Telecom Company Limited	A	1,146,811,600	27.12	1,146,811,600	24.88
	H	2,038,000	0.05	2,038,000	0.04

Shareholder	Class of Shares	Before completion of the Non-public Issuance of A Shares		After completion of the Non-public Issuance of A Shares	
		Number of Shares	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the total issued share capital (%)
Subtotal		<u>1,148,849,600</u>	<u>27.17</u>	<u>1,148,849,600</u>	<u>24.93</u>
Public Shareholders	A	2,325,715,892	55.01	2,706,814,860	58.73
	H	753,464,534	17.82	753,464,534	16.35
Subtotal		<u>3,079,180,426</u>	<u>72.83</u>	<u>3,460,279,394</u>	<u>75.07</u>
Total		<u>4,228,030,026</u>	<u>100.00</u>	<u>4,609,128,994</u>	<u>100.00</u>

Note: The approximate percentages of the total issued share capital is rounded to the nearest two decimal places may not add up to 100% due to rounding.

For other details, please refer to the Overseas Regulatory Announcement published by the Company on the same date as this announcement.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
23 January 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.