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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 Release of Pledge and Creation of New Pledge against
Shares held by the Controlling Shareholder**

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.

ZTE Corporation (the "Company") has been notified by Zhongxingxin Telecom Company Limited ("Zhongxingxin"), the shareholder of the Company, that a pledge has been released and a new pledge has been created against certain shares in the Company held by Zhongxingxin, the details of which are as follows:

I. General information on the release of pledge and creation of new pledge against shares

As disclosed in the "Overseas Regulatory Announcement Announcement on the Pledge of Shares held by the Controlling Shareholder" published by the Company on 21 December 2018, Zhongxingxin, the shareholder of the Company, pledged its holdings of 98,667,983 A shares in the Company for financing requirements on 20 December 2018. As a result of the expiry and renewal of the relevant financing agreement, Zhongxingxin has released the aforesaid pledge and created a new pledge, the details of which are set out as follows:

1. General information on the release of pledge on shares

Name of shareholder	Whether a controlling shareholder or single largest shareholder and its party acting in concert	Number of shares subject to the pledge to be released	As a percentage of shares held by the shareholder	As a percentage of the Company's total share capital ^{Note}	Start date	Date of release	Pledgee
Zhongxingxin	Yes	98,667,983 A shares	8.59%	2.14%	20 December 2018	25 March 2020	Aerospace Science & Technology Finance Corporation* (航天科技財務有限公司)

Note: "As a percentage of the Company's total share capital" means as a percentage of the total share capital of the Company as at the date of this announcement.

2. General information on the creation of new pledge on shares

Name of shareholder	Whether a controlling shareholder or single largest shareholder and its party acting in concert	Number of shares subject to pledge	As a percentage of shares held by the shareholder	As a percentage of the Company's total share capital	Whether they are restricted shares	Whether a supplementary pledge	Date of commencement of the pledge	Date of maturity of the pledge	Pledgee	Purpose of pledge
Zhongxingxin	Yes	98,667,983 A shares	8.59%	2.14%	No	No	25 March 2020	The date when the registration procedure for the release of pledge is completed	Aerospace Science & Technology Finance Corporation* (航天科技財務有限公司)	Financing

II. Shares held by the shareholder under pledge on a cumulative basis

Details of pledged shares held by Zhongxingxin as at the date of the announcement are set out as follows:

Name of shareholder	Number of shareholders (shares)	Shareholding percentage	Number of shares under pledge before the release of pledge and the creation of new pledge	Number of shares under pledge after the release of pledge and the creation of new pledge	As a percentage of shares held by the shareholder	As a percentage of the Company's total share capital	Pledged shares		Unpledged shares	
							Number of pledged shares subject to selling restrictions and freezing	As a percentage of pledged shares	Number of unpledged shares subject to selling restrictions and freezing	As a percentage of unpledged shares
Zhongxingxin	A share: 1,146,811,600 H share: 2,038,000	24.91%	98,667,983 A shares	98,667,983 A shares	8.59%	2.14%	-	-	-	-

III. Documents for inspection

1. Notice of Registration of Release of Pledge on Securities;
2. Securities Pledge Registration Certificate;
3. China Securities Depository and Clearing Corporation Limited Shenzhen Branch Statement of Breakdown of Pledge of Securities and Freezing Under Judicial Orders.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
26 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.

**For identification purposes only.*