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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 Updates on participation in subscription for fund units 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.

Zhongxingxin Telecom Company Limited, the controlling shareholder, confirms that all information provided to the Company is true, accurate and complete and that there is no false and misleading statement or material omission.

The Company and all the members of the Board of Directors confirm that the contents of this announcement are consistent with the information provided by the responsible party for information disclosure.

On 16 May 2019, ZTE Corporation (the “Company”) received a “Letter of Notification” from Zhongxingxin Telecom Company Limited (“Zhongxingxin”), the controlling shareholder of the Company, which stated that Zhongxingxin had completed the subscription for units in ICBCCS Shanghai-Shenzhen 300 Traded Open-ended Index Securities Investment Fund (“ICBCCS SHSZ 300 ETF”) (i.e., by way of offline share subscription, hereinafter the “Fund Unit Subscription”) on 15 May 2019. For details of Zhongxingxin’s plan for the Fund Unit Subscription, please refer to the “Overseas Regulatory Announcement Announcement on proposed participation in subscription for fund units by the controlling shareholder using shares of the Company held by the controlling shareholder” published by the Company on 12 March 2019. Details of the Fund Unit Subscription by Zhongxingxin are announced as follows:

I. General information on the participating principal

1 Name of shareholder: Zhongxingxin Telecom Company Limited

2 Total number of shares held by the shareholder and as a percentage of the Company’s total share capital:

Prior to the Fund Unit Subscription, Zhongxingxin held a total of 1,190,776,300 shares in the Company (comprising 1,188,738,300 A shares and 2,038,000 H shares), accounting for approximately 28.40% of the Company’s total share capital.

II. Details of Zhongxingxin's participation in offline shares subscription for ICBCCS SHSZ 300 ETF

On 15 May 2019, Zhongxingxin completed the subscription for units in ICBCCS SHSZ 300 ETF for a subscription consideration of 41,926,700 A shares in the Company (approximately 1% of the Company's total share capital) held by Zhongxingxin at an average subscription price of RMB29.77 / share. A shares applied in the Fund Unit Subscription represented shares held by Zhongxingxin as a promoter of the Company prior to the Company's initial public offering and shares issued to Zhongxingxin in respect of such A shares following the Company's implementation of equity distribution plans.

Following the completion of the Fund Unit Subscription, Zhongxingxin held 1,148,849,600 shares in the Company (comprising 1,146,811,600 A shares and 2,038,000 H shares), accounting for approximately 27.40% of the Company's total share capital.

III. Other relevant information

1. The Fund Unit Subscription by Zhongxingxin is in compliance with the provisions of pertinent laws, regulations and regulatory documents including, among others, "Certain Provisions Governing the Sell-down of Shares by Shareholders, Directors, Supervisors and Senior Management of Listed Companies" and "Shenzhen Stock Exchange Implementation Rules for the Sell-down of Shares by Shareholders, Directors, Supervisors and Senior Management of Listed Companies".

2. The Fund Unit Subscription by Zhongxingxin is consistent with the fund unit subscription plan disclosed in the "Overseas Regulatory Announcement Announcement on proposed participation in subscription for fund units by the controlling shareholder using shares of the Company held by the controlling shareholder" published by the Company on 12 March 2019. The fund unit subscription plan by Zhongxingxin has been completed.

IV. Documents available for inspection

1. "Letter of Notification"

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
16 May 2019

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.