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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 Proposed Registration and Issue of Medium Term Notes**

*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. General**

To expand the Company's financing options, optimise its debt structure and meet its working capital requirements, ZTE Corporation (the "Company") has proposed to apply to the National Association of Financial Market Institutional Investors ("NAFMII") for the registration and issue of Medium Term Notes with an amount of not more than RMB8,000 million.<sup>1</sup>

At the Fifteen Meeting of the Eighth Session of the Board of Directors of the Company held on 27 March 2020, the "Resolution on the Proposed Registration and Issue of Medium Term Notes" was considered and approved.

**II. Overview of the proposed registration and issue of Medium Term Notes**

1. Registering party / issuer: ZTE Corporation.
2. Issue method: the Medium Term Notes shall be publicly issued in the national inter-bank bond market by the lead underwriter by way of book-building and centralised placing and shall be underwritten by the lead underwriter.
3. Size of registration / issue: Proposed registration and issue with an amount of not more than RMB8,000 million.

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<sup>1</sup> In accordance with the provisions of the "Measures for the Administration of Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market" and "Guidelines for the Issue of Medium Term Notes by Non-financial Enterprises in the Inter-bank Bond Market", a medium-term note is a debt financing instrument issued in tranches according to planned schedules in the inter-bank bond market by a non-financial enterprise with corporate status subject to the repayment of principal and interests within an agreed period.

4. Timing of issue: The Company shall conduct a one-off issue or issue in tranches as it deems appropriate during the effective period of the registration with NAFMII taking into account its actual funding requirements and prevailing market rates.
5. Term of the Medium Term Notes: Not more than 5 years, to be finalised subject to the funding requirements of the Company and market conditions prevailing at the time of the issue.
6. Interest rate of the issue: To be determined according to market conditions prevailing at the time of the issue.
7. Target subscribers of the issue: institutional investors in the national inter-bank bond market (save for parties prohibited from such purchase under national laws and regulations).
8. Use of proceeds: Provision of additional working capital, repayment of due debts and other applications in compliance with NAMFII requirements.

### **III. Mandate**

To ensure the efficiency and well-ordered completion of the said registration and issue of Medium Term Notes, the Board of Directors of the Company will submit a request to the general meeting for the authorisation of the legal representative of the Company or his authorised representative to deal with matters pertaining to the said registration and issue of Medium Term Notes, including but not limited to:

- (1) confirming relevant intermediaries relating to the registration and issue (including but not limited to the lead underwriter and the bookrunner);
- (2) confirming the actual issue plan (including all matters pertaining to the issue of Medium Term Notes, including but not limited to the timing, amount and number of tranches of issue) based on the outcome of consultation between the Company and parties related to the issue subject to the aforesaid plan for the registration and issue of Medium Term Notes, vetting, revising, executing, delivering, implementing and determining the publication of agreements, announcements, forms, letters and any other requisite documents in connection with the issue of Medium Term Notes, including but not limited to application documents, prospectuses, underwriting agreements and relevant legal documents in relation to the issue;
- (3) To deal with all other matters and formalities relating to the registration, issue and continuation, quotation and trading, and principal and interest payments in respect of the Medium Term Notes;
- (4) adjusting as appropriate the actual plan for the issue of Medium Term Notes and other pertinent matters based on the advice of regulatory authorities, or determining, based on the actual conditions, whether proceedings relating to the issue of Medium Term Notes should be

carried on with, in the event of any changes to relevant regulatory policies or market conditions;

(5) To publish relevant information in accordance with applicable regulatory provisions;

(6) To deal with other matters pertinent to the issue of Medium Term Notes not provided for in the foregoing;

(7) the mandate shall be effective from the date of the consideration and approval of the same at the general meeting and shall remain in effect during the valid period for the registration, issue and continuation of the Medium Term Notes.

#### **IV. Approval procedure**

The implementation of the said issue of Medium Term Notes is subject to consideration at the general meeting of the Company and registration with the NAFMII. The Company will publish updates on the progress of the issue of Medium Term Notes in accordance with the provisions of pertinent laws, regulations and governing documents.

The issue of Medium Term Notes is subject to uncertainties and investors should beware of investment risks.

#### **V. Documents for inspection**

1. Resolutions of the Fifteen Meeting of the Eighth Session of the Board of Directors of the Company;
2. Resolutions of the Thirteen of the Eighth Session of the Supervisory Committee of the Company.

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.*