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ZTE

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)

**Announcement Update on the Acquisition of 24% Equity Interests in
ZTE Microelectronics by Renxing Technology and the Waiver of Preemptive
Subscription Rights by the Company**

The Company and all the members of the Board of Directors confirm that all the information contained in this information disclosure is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

Following friendly negotiations between National Integrated Circuit Industry Investment Fund Corporation (國家集成電路產業投資基金股份有限公司) (the “IC Fund”) and ZTE Corporation (the “Company”), the Company has proposed to acquire, through Shenzhen Renxing Technology Company Limited (深圳市仁興科技有限責任公司) (“Renxing Technology”), a wholly-owned subsidiary of the Company, the 24% equity interests in ZTE Microelectronics Technology Company Limited (深圳市中興微電子技術有限公司) (the “ZTE Microelectronics”), a subsidiary of the Company, held by IC Fund (the “Acquisition”). The Acquisition is subject to approval at the general meeting. For details, please refer to the “Announcement on the Acquisition of 24% Equity Interests in ZTE Microelectronics by Renxing Technology and the Waiver of Preemptive Subscription Rights by the Company” published by the Company on 10 September 2020.

The appraised price for the entire shareholders’ equity of ZTE Microelectronics is RMB13,530,227,900 and the aforesaid appraised price has completed the assessment and registration by the Ministry of Finance. The finalised consideration for IC Fund transferring 24% equity interests in ZTE Microelectronics to Renxing Technology is RMB 3,315,287,671.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
25 September 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, Gordon Ng, Zhuang Jiansheng.