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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 on the Termination of the Issuance of Share to Raise Ancillary Funds

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 or misleading statement in or material omission from this information disclosure.

References are made to the announcements of ZTE Corporation (the “Company”) respectively dated 28 October 2020, 16 November 2020, 25 March 2021, 30 March 2021, 31 March 2021, 26 April 2021, 27 October 2021 and 8 November 2021 and the circular of the Company dated 4 December 2020 (the “Announcements and Circular”) in relation to, amongst others, the acquisition of assets by issuance of shares and ancillary fund-raising by the Company. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements and Circular.

The Company received the “Approval in Relation to the Acquisition of Assets by Issuance of Shares and Ancillary Fund-raising by ZTE Corporation” (Zheng Jian Xu Ke [2021] No. 1399) from the China Securities Regulatory Commission (《關於核准中興通訊股份有限公司發行股份購買資產並募集配套資金的批覆》(證監許可[2021]1399號))(the “Approval”) on 26 April 2021, the Approval shall be valid for 12 months as of the date of issuance (i.e. it expires on the date of 20 April 2022). On 10 November 2021, the Company has completed the acquisition of 18.8219% of ZTE Microelectronics Technology Company Limited by issuance of A Shares.

The Company has been actively advancing the issuance of A Shares to raise ancillary funds (the “Ancillary Fundraising Issuance”), but has been unable to implement the Ancillary Fundraising Issuance within the approved effective period owing to the COVID-19 pandemic and changes in capital market conditions.

After the Approval expired, as the progress of the Ancillary Fundraising Issuance has continued to be affected by the COVID-19 pandemic, the Company has resolved to terminate the Ancillary Fundraising Issuance taking into consideration the interests of the Company’s shareholders, capital market conditions and the Company’s financial conditions.

The Company’s production and operation activities are carried out normally and the termination of the Ancillary Fundraising Issuance will not have any material impact on the Company’s operations and development. Investors are reminded to beware of investment risks.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
21 June 2022

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.