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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 Proposed Application for Termination of Quotation on National Equities
Exchange and Quotations by Subsidiary SHANGHAI ZXELINK CO., LTD**

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 information disclosure is true, accurate and complete and that there is no false or misleading statement in or material omission from this announcement.

Reference is made to the announcements of ZTE Corporation (“ZTE” or the “Company”) dated 11 November 2015, 29 March 2016, 2 February 2017 and 20 February 2017, respectively, in relation to the quotation of SHANGHAI ZXELINK CO., LTD (上海中興易聯通訊股份有限公司) (formerly known as Shanghai Zhongxing Telecom Equipment Technologies Corporation (上海中興通訊技術股份有限公司), hereinafter “ZXELINK”), a subsidiary of the Company, on the National Equities Exchange and Quotations (“NEEQ”).

Pursuant to the “Resolution on the proposed application for termination of quotation on the National Equities Exchange and Quotations by subsidiary SHANGHAI ZXELINK CO., LTD” considered and approved at the Thirtieth Meeting of the Eighth Session of the Board of Directors of the Company held on 11 January 2021, ZXELINK has proposed to apply for its termination of quotation on NEEQ, the relevant details of which are as follows:

I. GENERAL INFORMATION OF ZXELINK

Name of company: SHANGHAI ZXELINK CO., LTD

Date of incorporation: 10 May 2004

Registered address: No. 889 Bibo Road, China (Shanghai) Pilot Free-Trade Zone (中國(上海)自由貿易試驗區碧波路 889 號)

Registered capital: RMB236,690,000

Legal representative: Liu Bobin (劉伯斌)

Scope of business: general items: design, research, development, production and sales

of communication products and related hardware and software; design, development, production (by branch entities only) and sales of handsets, technology development, technology transfer, technical consultation and technical services for the specialised area of communication technology; import and export of commodities and technologies; design, installation, testing and maintenance for network engineering; engineering construction work for communication facilities; design and construction of intelligent building facilities, specialised engineering construction work for telecommunication facilities; design, installation, maintenance (on-site servicing only) and sales of security and protection technologies and systems (engineering); systems integration for security and protection systems; participation in and production and publication of advertisements; lease of owned equipment (Other than items subject to approval under the law, the company may commence business activities on a voluntary basis in accordance with the law by virtue of its business licence)

Shareholding structure: held as to 90% by the Company, 8.26% by Shanghai Poyu Tonghang Investment Partnership Enterprise (Limited Partnership)* (上海珀瑀彤珩投資合夥企業 (有限合夥)) and 1.74% by Shanghai Poyu Tongheng Investment Partnership Enterprise (Limited Partnership)* (上海珀瑀彤衡投資合夥企業 (有限合夥)).

Major financial indicators:

Unit: RMB in ten thousands

Major financial indicator	31 December 2019 (Audited)	30 June 2020 (Unaudited)
Total assets	79,041.49	72,148.29
Total liabilities	48,322.94	42,918.98
Net assets	30,718.55	29,229.31
Major financial indicator	Year ended 31 December 2019 (Audited)	Six months ended 30 June 2020 (Unaudited)
Operating income	64,983.68	25,509.89
Net profit	1,240.34	-1,489.24

II. IMPACT OF THE DELISTING OF ZXELINK

ZXELINK has proposed to apply for termination of quotation on NEEQ owing to the requirements of its own business development, and the termination of quotation will not have any material impact on the production operations of ZTE and ZXELINK.

III. OTHER MATTERS

The application by ZXELINK for termination of quotation on NEEQ is subject to the latter's approval. Therefore, matters pertaining to the termination of quotation are subject to uncertainties, and investors are asked to beware of investment risks.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
11 January 2021

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.

** For identification purposes only*