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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)

Announcement Resolutions of the Forty-second Meeting of the Eighth Session of the Board of Directors

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

ZTE Corporation (the “Company”) issued the “Notice of the Forty-second Meeting of the Eighth Session of the Board of Directors (the “Board”) of ZTE Corporation” to all the Directors of the Company by electronic mail on 28 October 2021. The Forty-second Meeting of the Eighth Session of the Board of Directors of the Company (the “Meeting”) was convened by way of voting via telecommunication on 4 November 2021. The Meeting was presided over by Mr. Li Zixue, Chairman. At the Meeting, Directors Mr. Li Zixue, Mr. Xu Ziyang, Mr. Li Buqing, Mr. Gu Junying, Mr. Zhu Weimin, Ms. Fang Rong, being participants of the 2020 Share Option Incentive Scheme of the Company, did not take part in the voting. 3 Directors required to vote at the Meeting and duly voted at the Meeting. Members of the Supervisory Committee of the Company and certain personnel concerned also attended the Meeting. The Meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of ZTE Corporation, and was legal and valid.

The following resolutions were considered and approved at the Meeting:

I. Consideration and approval of the “Resolution on the Adjustment of Participants and Number of Share Options of the First Grant under the 2020 Share Option Incentive Scheme”.

That, in view of the following developments of the 2020 Share Option Incentive Scheme of the Company before the commencement of the first exercise period of the first grant¹, the adjustment of participants and number of share options pursuant to the 2020 Share Option Incentive Scheme (Draft) (the “Draft Scheme”) was approved, the details of which are as follows:

¹ The 2020 Share Option Incentive Scheme of the Company was granted in two grants, of which the date of the first grant for the 2020 Share Option Incentive Scheme was 6 November 2020 and the date of the reserved grant for the 2020 Share Option Incentive Scheme was 23 September 2021.

1. As 151 of the original participants have departed, they are no longer eligible as participants under the 2020 Share Option Incentive Scheme. Pursuant to the Draft Scheme, the Company shall disqualify the 151 aforesaid persons from participation in the 2020 Share Option Incentive Scheme and a total of 3,601,000 share options granted to but unexercised by the 151 aforesaid persons shall be withdrawn and cancelled by the Company without compensation;

2. As 15 of the participants were subjected to demerit or more serious disciplinary actions by the Company during the effective period of the 2020 Share Option Incentive Scheme, they have not fulfilled the exercise conditions for the first exercise period of the first grant under the 2020 Share Option Incentive Scheme. Pursuant to the Draft Scheme, a total of 169,661 of their granted but unexercised share options for the first exercise period shall be withdrawn and cancelled by the Company without compensation.

Following this adjustment, the number of participants for the first exercise period of the first grant under the 2020 Share Option Incentive Scheme will be adjusted from 6,122 to 5,956 and the number of exercisable share options will be adjusted from 52,812,695 to 51,442,763; the number of share options of the first grant will be adjusted from 158,446,000 to 154,675,339.

Voting results: For: 3; against: 0; and abstained: 0.

For details, please refer to the “Overseas Regulatory Announcement Announcement on the Adjustment of Participants and Number of Share Options of the First Grant under the 2020 Share Option Incentive Scheme” published on the same date of this announcement.

II. Consideration and approval of the “Resolution on the Fulfillment of Exercise Conditions for the First Exercise Period of the First Grant under the 2020 Share Option Incentive Scheme”.

Pursuant to the Draft Scheme, participants of the first grant under the 2020 Share Option Incentive Scheme can exercise the share options after the expiry of the 12-month period from the date of grant (namely 6 November 2020), and participants may exercise the share options granted in three periods. The first exercise period commences on the first trading day after expiry of the 12-month period from the date of grant and ends on the last trading day of the 24-month period from the date of grant. Accordingly, the first exercise period of the first grant under the 2020 Share Option Incentive Scheme will be the dates on which the share options are exercisable during the period from 6 November 2021 to 5 November 2022.

In accordance with the relevant provisions of the Draft Scheme, the exercise conditions for the first exercise period of the first grant under the 2020 Share Option Incentive Scheme have been fulfilled, it is approved that 5,956 participants who have met the exercise conditions are entitled to exercise 51,442,763 share options during the first exercise period.

Voting results: For: 3; against: 0; and abstained: 0.

For details, please refer to the “Overseas Regulatory Announcement Announcement on the Fulfillment of Exercise Conditions for the First Exercise Period of the First Grant under the 2020 Share Option Incentive Scheme” published on the same date of this announcement.

III. Consideration and approval of the “Resolution on the Cancellation of Certain Share Options”.

Before the commencement of the first exercise period of the first grant under the 2020 Share Option Incentive Scheme, the details of the adjustment of participants are as follows:

1. As 151 of the original participants have departed, they are no longer eligible as participants under the 2020 Share Option Incentive Scheme. Pursuant to the Draft Scheme, the Company shall disqualify the 151 aforesaid persons from participation in the 2020 Share Option Incentive Scheme and a total of 3,601,000 share options granted to but unexercised by the 151 aforesaid persons shall be withdrawn and cancelled by the Company without compensation;
2. As 15 of the participants were subjected to demerit or more serious disciplinary actions by the Company during the effective period of the 2020 Share Option Incentive Scheme, they have not fulfilled the exercise conditions for the first exercise period of the first grant under the 2020 Share Option Incentive Scheme. Pursuant to the Draft Scheme, a total of 169,661 of their granted but unexercised share options for the first exercise period shall be withdrawn and cancelled by the Company without compensation.

It is approved that a total of 3,770,661 share options shall be cancelled by the Company. The said cancellation of certain share options will not affect the implementation of the 2020 Share Option Incentive Scheme.

Voting results: For: 3; against: 0; and abstained: 0.

For details, please refer to the “Overseas Regulatory Announcement Announcement on the Cancellation of Certain Share Options” published on the same date of this announcement.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
4 November 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.