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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: 00763)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

Pursuant to the “Resolution on Proposed Application of Internal Funds in Entrusted Fund Management for 2024” considered and approved at the Twenty-third Meeting of the Ninth Session of the Board and the 2023 Annual General Meeting of the Company, it was approved that the Group be authorised to apply internal funds with a total amount of not more than RMB20 billion on a rolling basis for the subscription for wealth management products with a high level of security, good liquidity and a low / medium risk profile from financial institutions such as banks, securities companies and fund companies in 2024, whereby the transaction amount at any point of time during the period shall not exceed the aforesaid investment limit. The authorisation shall be effective for the period from the date on which the resolution was considered and approved at the 2023 Annual General Meeting of the Company to the date on which the 2024 Annual General Meeting of the Company is convened.

Reference to the announcement titled “DISCLOSEABLE TRANSACTION—SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS” published by the Company on 9 September 2024, which relates to the subscription by the Company for 9 Guangfa Bank wealth management products for an aggregate amount of RMB6,100 million during the period from 9 May 2024 to 9 September 2024.

During the period from 26 September 2024 to 21 February 2025 (the “Relevant Period”), the Company further subscribed for a total of 23 Guangfa Bank wealth management products for an aggregate amount of RMB10,530 million.

IMPLICATION UNDER THE HONG KONG LISTING RULES

As all subscriptions of wealth management products during the Relevant Period were transactions of a similar nature conducted with the same counterparty and completed within a period of 12 months, such transactions shall be aggregated and shall constitute a discloseable transaction, if the applicable percentage ratio exceeds 5% but is less than 25%, in accordance with Rule 14.22 of the Hong Kong Listing Rules.

Out of the 23 subscriptions of Guangfa Bank wealth management products further made by the Company during the Relevant Period, the first 20 subscriptions (No.1-No.20) did not constitute a discloseable transaction of the Company when aggregated. On 21 February 2025, the Company made the 21th, 22th, 23th (No.21, No.22, No.23) subscription for Guangfa Bank wealth management products and the applicable percentage ratio exceeded 5% but was less than 25% when aggregated with the aforesaid 20 subscriptions. When the 23 newly subscribed Guangfa Bank wealth management products are aggregated with the 9 Guangfa Bank wealth management products disclosed on 9 September 2024, the applicable percentage ratio exceeded 5% but was less than 25%. Therefore, in accordance with Rule 14.22 of the Hong Kong Listing Rules, the subscription for Guangfa Bank wealth management products on an aggregated basis constituted a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements, but shall be exempted from the shareholders’ approval requirement under the Hong Kong Listing Rules.

1. BACKGROUND

Pursuant to the “Resolution on Proposed Application of Internal Funds in Entrusted Fund Management for 2024” considered and approved at the Twenty-third Meeting of the Ninth Session of the Board and the 2023 Annual

General Meeting of the Company, it was approved that the Group be authorised to apply internal funds with a total amount of not more than RMB20 billion on a rolling basis for the subscription for wealth management products with a high level of security, good liquidity and a low / medium risk profile from financial institutions such as banks, securities companies and fund companies in 2024, whereby the transaction amount at any point of time during the period shall not exceed the aforesaid investment limit. The authorisation shall be effective for the period from the date on which the resolution was considered and approved at the 2023 Annual General Meeting of the Company to the date on which the 2024 Annual General Meeting of the Company is convened.

During the period from 26 September 2024 to 21 February 2025 (the “Relevant Period”), the Company further subscribed for a total of 23 Guangfa Bank wealth management products for an aggregate amount of RMB10,530 million.

2. DETAILS OF THE WEALTH MANAGEMENT PRODUCTS

The Company’s subscriptions for the Guangfa Bank wealth management products were paid by its internal funds. The principal terms of the Guangfa Bank wealth management products purchased are summarised as follows:

No.	Name of product	Date of subscription	Term of product	Principal amount
1	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 430 2024 Tailored RMB Structured Deposit Product	26 September 2024	112 days	RMB500 million
2	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 431 2024 Tailored RMB Structured Deposit Product	26 September 2024	105 days	RMB500 million
3	“Wuhuatianbao (物华添宝)” Option W Tranche 391 2024 Tailored RMB Structured Deposit Product	26 September 2024	112 days	RMB200 million
4	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 438 2024 Tailored RMB Structured Deposit Product	15 October 2024	119 days	RMB500 million
5	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 449 2024 Tailored RMB Structured Deposit Product	21 October 2024	115 days	RMB500 million
6	“Wuhuatianbao (物华添宝)” Option W Tranche 425 2024 Tailored RMB Structured Deposit Product	21 October 2024	115 days	RMB369 million
7	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 451 2024 Tailored RMB Structured Deposit Product	22 October 2024	117 days	RMB110 million
8	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 452 2024 Tailored RMB Structured Deposit Product	22 October 2024	119 days	RMB400 million
9	“Wuhuatianbao (物华添宝)” Option W Tranche 448 2024 Tailored RMB Structured Deposit Product	30 October 2024	123 days	RMB101 million
10	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 482 2024 Tailored RMB Structured Deposit Product	30 October 2024	123 days	RMB500 million
11	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 497 2024 Tailored RMB Structured Deposit Product	7 November 2024	118 days	RMB500 million
12	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 498 2024 Tailored RMB Structured Deposit Product	7 November 2024	122 days	RMB500 million
13	“Wuhuatianbao (物华添宝)” Option W Tranche 473 2024 Tailored RMB Structured Deposit Product	7 November 2024	122 days	RMB200 million

14	“Wuhuatianbao (物华添宝)” Option W Tranche 515 2024 Tailored RMB Structured Deposit Product	20 November 2024	35 days	RMB470 million
15	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 288 2024 Tailored RMB Structured Deposit Product	20 November 2024	35 days	RMB280 million
16	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 540 2024 Tailored RMB Structured Deposit Product	27 November 2024	106 days	RMB500 million
17	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 555 2024 Tailored RMB Structured Deposit Product	5 December 2024	101 days	RMB500 million
18	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 2 2025 Tailored RMB Structured Deposit Product	3 January 2025	79 days	RMB1,000 million
19	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 3 2025 Tailored RMB Structured Deposit Product	3 January 2025	78 days	RMB1,000 million
20	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 84 2025 Tailored RMB Structured Deposit Product	13 February 2025	90 days	RMB500 million
21	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 110 2025 Tailored RMB Structured Deposit Product	21 February 2025	87 days	RMB500 million
22	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 111 2025 Tailored RMB Structured Deposit Product	21 February 2025	87 days	RMB500 million
23	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 112 2025 Tailored RMB Structured Deposit Product	21 February 2025	87 days	RMB400 million

Note: All wealth management products set out above are aimed at principal protection and variable income and are rated as low-risk products; the expected annualised yield rate is 0.5%-2.7%, the exact rate of which shall be determined based on market performance.

As of the date of this announcement, the cumulative subscription amount of the wealth management products of Guangfa Bank subscribed by the Company, including those announced on 9 September 2024, is RMB16,630 million.

3. REASONS FOR AND BENEFITS OF SUBSCRIPTION FOR BANK WEALTH MANAGEMENT PRODUCTS

The approval procedures for the Group’s subscription for bank wealth management products were in accordance with pertinent provisions of the “Administrative Procedures for the Company’s Fund Management”. The subscriptions for the Guangfa Bank wealth management products were financed by the Group’s internal funds, and the application of such funds towards entrusted fund management is conducive to enhancing the efficiency of the use of the Group’s internal funds without affecting the Group’s day-to-day operation. Meanwhile, investment gain will be achieved through appropriate cash management.

The subscription for bank wealth management products was determined according to normal commercial terms by reference to prevailing market prices for the relevant wealth management products following arm’s length negotiations between the Group and Guangfa Bank. The Group has adopted sufficient measures to closely monitor the performance of the wealth management products and to assess from time to time the impact of the subscription for bank wealth management products on the Group’s day-to-day operation and working capital.

In light of the above, the Board is of the view that the subscriptions for the Guangfa Bank wealth management products have been conducted in accordance with normal commercial terms and are fair and reasonable and in line with the interests of the Group and its Shareholders as a whole.

4. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As all subscriptions for wealth management products during the Relevant Period were transactions of a similar nature conducted with the same counterparty and completed within a period of 12 months, such transactions shall be aggregated and shall constitute a discloseable transaction, if the applicable percentage ratio exceeds 5% but is less than 25%, in accordance with Rule 14.22 of the Hong Kong Listing Rules.

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5. GENERAL INFORMATION

The Company

The Company is committed to the supply of ICT products and solutions that meet the requirements of customers, integrating design, development, production, sales and services with a special focus on carriers' networks, government and corporate business and consumer business.

Guangfa Bank

Established in 1988 and formerly known as Guangdong Development Bank, Guangfa Bank is one of the national joint-stock commercial banks in the PRC. The principal businesses of Guangfa Bank include corporate and personal banking, investment banking, asset management, brokerage and other financial services. According to public information available to the Company, as at the end of June 2024, the major shareholders of Guangfa Bank were China Life Insurance Company Limited and CITIC Trust Co., Ltd. which held 43.69% and 14.14% interests, respectively. The controlling shareholder and ultimate beneficial owner of China Life Insurance Company Limited was China Life Insurance (Group) Company.

So far as known to the Directors after making all reasonable enquiries, Guangfa Bank and its ultimate beneficial owner are third parties independent from the Company and its connected person(s) and are not connected persons of the Company.

6. DEFINITIONS

In this announcement, the following terms shall have the following meanings unless otherwise specified:

Company	ZTE Corporation, a company incorporated in the PRC, the shares of which are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, respectively
Group	the Company and its subsidiaries
Board	The Board of Directors of the Company
Directors	Directors of the Company
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Guangfa Bank	China Guangfa Bank Co., Ltd., a joint-stock commercial bank incorporated in the PRC
the applicable percentage	have the meaning ascribed thereto under the Chapter 14 of Hong Kong

ratios	Listing Rules. The applicable percentage ratios to this announcement include the asset ratio, consideration (market value) ratio, profits ratio and revenue ratio.
connected person(s)	has the meaning ascribed thereto under the Hong Kong Listing Rules
Relevant Period	the period from 26 September 2024 to 21 February 2025
Guangfa Bank wealth management products	23 wealth management products of Guangfa Bank subscribed by the Company during the Relevant Period
PRC	The People's Republic of China
RMB	RMB, the legal currency of the PRC
Shareholders	Shareholders of the Company
%	percentage

By order of the Board
Li Zixue
Chairman

Shenzhen, PRC
21 February 2025

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, Fang Rong, Zhu Weimin, Zhang Hong; and three independent non-executive directors, Zhuang Jiansheng, Wang Qinggang, Tsui Kei Pang.