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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 Resolutions of the Eighth Meeting of the Ninth 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 Eighth Meeting of the Ninth Session of the Board of Directors (the “Board”) of ZTE Corporation” to all the Directors of the Company by electronic mail on 28 October 2022. The Eighth Meeting of the Ninth Session of the Board of Directors of the Company (the “Meeting”) was convened by way of voting via telecommunication on 4 November 2022. 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. 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 “Resolution on the Fulfillment of Exercise Conditions for the Second Exercise Period, Relevant Adjustment, and Cancellation of Certain Share Options of the First Grant of Share Options under the 2020 Share Option Incentive Scheme” was considered and approved at the Meeting, the details of which are as follows:

1. That, the adjustment of participants and number of share options of the first grant under the 2020 Share Option Incentive Scheme by the Company, pursuant to the “ZTE Corporation 2020 Share Option Incentive Scheme (Draft)” (the “Draft Scheme”), be approved.

In view of the following adjustments of the 2020 Share Option Incentive Scheme of the Company before the commencement of the second exercise period of the first grant of share options:

(1) As 141 of the original participants have departed, 3 have retired and 1 have acted as Supervisor of the Company, they are no longer eligible as participants under the 2020 Share

Option Incentive Scheme. Pursuant to the Draft Scheme, the Company shall disqualify the 145 aforesaid persons from participation in the 2020 Share Option Incentive Scheme and a total of 2,606,067 share options (including the 1,302,933 share options for the second exercise period) granted to but unexercised by the 145 aforesaid persons shall be withdrawn and cancelled by the Company without compensation;

(2) As 10 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 second exercise period. Pursuant to the Draft Scheme, a total of 118,996 of their granted but unexercised share options for the second exercise period shall be withdrawn and cancelled by the Company without compensation.

Following this adjustment, the number of participants for the second exercise period of the first grant of share option will be adjusted from 5,971 to 5,816, and the number of exercisable share options for the second exercise period will be adjusted from 51,612,424 to 50,190,495.

2. In accordance with the relevant provisions of the Draft Scheme, the exercise conditions for the second exercise period of the first grant of share option under the 2020 Share Option Incentive Scheme of the Company have been fulfilled, and it is approved that 5,816 participants who have met the exercise conditions are entitled to exercise 50,190,495 share options during the second exercise period.

3. It is approved that the Company shall cancel a total of 54,100,415 share options and handle matters related to the cancellation in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch. The said cancellation of certain share options will not affect the implementation of the 2020 Share Option Incentive Scheme. Following the cancellation, the number of the first grant of share options will be adjusted from 154,675,339 to 100,574,924, the details of which are as follows:

(1) In view of the above two adjustment items before the commencement of the second exercise period, the Company shall cancel a total of 2,725,063 share options.

(2) As at the date of this announcement, the first exercise period of the first grant of share options under the 2020 Share Option Incentive Scheme has ended, and 51,375,352 share options have yet to exercise. Pursuant to the Draft Scheme, the unexercised 51,375,352 share options upon the end of the first exercise period shall be invalidated and cancelled by the Company without compensation.

Voting result: For: 3; against: 0; abstained: 0.

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

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
4 November 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.