

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 on the Subscription for Shares in Jianguang Zhanlu Fund

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 and misleading statement or material omission in this information disclosure.

I. General information on the investment

1. ZTE Corporation (“ZTE” or the “Company”) has proposed to subscribe for shares in Beijing Shunyi Jianguang Zhanlu Emerging Industry Equity Investment Partnership Enterprise (Limited Partnership) (北京順義建廣湛盧新興產業股權投資合夥企業(有限合夥)) (tentative title subject to the final approval of the industrial and commercial registration authorities, hereinafter the “Jianguang Zhanlu Fund”) as limited partner with a capital contribution of RMB500 million (the “Investment”).

2. At the Thirteenth Meeting of the Ninth Session of the Board of Directors of the Company held on 15 September 2023, the “Resolution on the Participation in the Subscription for Shares in Beijing Shunyi Jianguang Zhanlu Emerging Industry Equity Investment Partnership Enterprise (Limited Partnership)” was considered and approved. Pursuant to the “Articles of Association of ZTE Corporation”, “Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange”, “Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.7 – Transactions and Connected Transactions” (《深圳證券交易所上市公司自律監管指引第7號——交易與關聯交易》) and other pertinent rules and regulations, the Investment is not required to be tabled at the general meeting for consideration. The Investment does not involve any connected transaction, nor does it constitute a significant asset reorganisation of a listed company under the “Measures for the Administration of Significant Asset Reorganizations of Listed Companies” (《上市公司重大資產重組管理辦法》).

3. The Company’s controlling shareholder, shareholders interested more than 5% of the Company’s shares, Directors, Supervisors and senior management will not participate in the subscription for shares in, nor does any of them hold offices at, Jianguang Zhanlu Fund.

II. General information on partners

(I) Beijing Jianguang Shunchuang Private Equity Fund Management Co., Ltd. (北京建廣順創私募基金管理有限公司) (“Jianguang Shunchuang”)

1. Name of company: Beijing Jianguang Shunchuang Private Equity Fund Management Co., Ltd.
2. Date of incorporation: 11 November 2021
3. Registered address: Room 1292, No. 6 Anfu Street, Houshayu Town, Shunyi District, Beijing (北京市順義區後沙峪鎮安富街 6 號 1292 室)
4. Registered capital: RMB50 million
5. Legal representative: Tan Zhengxing (談正興)
6. Shareholding structure: 40% held by Beijing Guangda Huitong Engineering Technology Research Institute (北京廣大匯通工程技術研究院); 40% held by Guangda Rongxin (Zhuhai Hengqin) Holding Co., Ltd. (廣大融信(珠海橫琴)控股有限公司); 20% held by Beijing Shunyi Technology Innovation Group Co., Ltd. (北京順義科技創新集團有限公司)
7. Scope of operation: private equity investment fund management; venture capital fund management services (must complete registration and filing with the China Securities Investment Fund Industry Association before engaging in business activities)
8. Registration details: Jianguang Shunchuang's registration number with the China Securities Investment Fund Industry Association is P1073350.

(II) Beijing Ziguang Capital Management Co., Ltd. (北京紫光資本管理有限公司) (“Ziguang Capital”)

1. Name of company: Beijing Ziguang Capital Management Co., Ltd.
2. Date of incorporation: 20 October 2014
3. Registered address: Room 601, 6th Floor, Block B, Zhizhen Building, No. 7 Zhichun Road, Haidian District, Beijing (北京市海澱區知春路 7 號致真大廈 B 座 6 層 601 室)
4. Registered capital: RMB6,500 million
5. Legal representative: Ma Ninghui (馬寧輝)
6. Shareholding structure: 100% held by Tsinghua Unigroup Co., Ltd. (紫光集團有限公司)
7. Scope of operation: investment consulting; investment management; project investment; asset management; financial consulting (no business that requires special approval such as auditing, capital verification, account checking, evaluation, accounting consulting, agency bookkeeping, etc., and no corresponding written materials shall be issued, such as audit reports, capital verification reports, account checking reports, evaluation reports, etc.)

Jianguang Shunchuang and Ziguang Capital are not concerted parties nor discredited parties subject to enforced actions, and are not related to, or a party to arrangements of interests with, the Company or the controlling shareholder, shareholders interested more than 5% of the Company's shares, Directors, Supervisors and senior management of the Company, and does not directly or indirectly hold any shares of the Company.

III. General information on Jianguang Zhanlu Fund

1. Name of fund: Beijing Shunyi Jianguang Zhanlu Emerging Industry Equity Investment Partnership Enterprise (Limited Partnership) (北京順義建廣湛盧新興產業股權投資合夥企業(有限合夥)) (tentative title subject to the final approval of the industrial and commercial registration authorities)

2. Size of fund and method and schedule of capital contribution: the fund size shall be RMB851 million (subject to the finalised amount of proceeds raised).

Jianguang Shunchuang, ZTE and Ziguang Capital shall in aggregate subscribe for a capital contribution of RMB851 million by way of cash. The respective capital contribution amounts to be subscribed for by the partners are set out in the following table:

Unit: RMB ten thousand				
Name of partner	Type of partner	Amount of capital contribution subscribed for	Percentage of capital contribution	Type
Jianguang Shunchuang	Limited liability company	100	0.12%	General partner
ZTE	Joint stock limited company	50,000	58.75%	Limited partner
Ziguang Capital	Limited liability company	35,000	41.13%	Limited partner
Total	-	85,100	100%	-

The total initial contribution of all partners shall be RMB10 million (including RMB1 million from Jianguang Shunchuang, RMB5.3 million from ZTE, and RMB3.7 million from Ziguang Capital). Subsequent contributions will be made in accordance with the amount, deadline, and payment path specified in the payment notice issued by the general partner.

3. Organisation of the fund: Jianguang Zhanlu Fund shall be in the form of limited partnership and established under the Law of the People's Republic of China on Partnership Enterprises and other pertinent laws and regulations.

4. Duration: The operating period of Jianguang Zhanlu Fund shall be 8 years, calculated from the date when all partners transfer their first paid in capital to the custody account. The first 5 years shall be the investment period, and the last 3 years shall be the withdrawal period. After unanimous approval by all partners, the operating period can be extended twice, with each extension of 1 year. The extension period shall be the withdrawal period.

5. Investment direction of the fund: Investing in excellent domestic enterprises in TMT field.

6. The fund shall meet the following investment business restrictions:

- (1) No borrowing (deposit) or lending, real debt of well-known stocks, and no provision of loans, entrusted loans, fund lending or other non-private fund investment activities to any third party;
- (2) No investing in quasi credit assets such as factoring assets, financial leasing assets, pawn assets, and the equity or beneficial rights involved in such assets;
- (3) No investing in enterprises that bear or may bear unlimited liability, and to make external investments that may cause Jianguang Zhanlu Fund to bear unlimited or unlimited joint liability;
- (4) No investing in publicly listed liquid securities, futures, options, forward contracts, securities investment funds, corporate bonds, trust products, insurance plans, entrusted wealth management, and other financial derivative products (except for situations where the invested enterprise withdraws its shares after listing or participates in private placement or non-public issuance of listed companies due to investment trading plans);
- (5) No engaging in real estate investment for government, social welfare, etc., and no engaging in guarantee, mortgage, or real estate industry (including purchasing self-use real estate) business;
- (6) No sponsorship donations;
- (7) Other investments prohibited by laws, regulations and regulatory requirements

Subject to compliance with laws, regulations, and relevant regulatory provisions, the above

investment restrictions shall not apply unless unanimously agreed upon by all partners

7. Fund management mode: Jianguang Zhanlu Fund shall establish an investment decision committee (the “Investment Committee”) to make decisions on the investment and withdrawal of Jianguang Zhanlu Fund. The Investment Committee shall comprise 5 members, with 3 nominated by the general partner and each of 1 nominated by each limited partner after the confirmation by the general partner. Members of the Investment Committee shall not receive any form of compensation or remuneration from the Jianguang Zhanlu Fund, including job salaries. The Investment Committee can only be convened with the attendance of all members. For investment decision-making matters, it shall be valid before at least 4 members vote and agree, and any member nominated by a limited partner has not exercised the veto vote right.

8. Profit distribution of the fund:

The distributable cash from project investment income and investment operation income, unless otherwise agreed, shall follow the principle of “instant distribution upon divestment” and “full distribution as much as possible”, and shall be distributed by the general partner in the following order:

- (1) Recoup of investment costs: Distribute to all partners in proportion to their paid-up capital contributions, until all partners have recouped their full paid-up capital contributions;
- (2) Basic income distribution: after all partners have recouped their paid-up capital contributions in full, any balance shall continue to be distributed to each partner according to their respective paid in capital ratios, until its annualised return rate reaches 6% on a simple rate basis;
- (3) Distribution of excess income: 15% of the balance after the distributions described in the two foregoing paragraphs, if any, shall be distributed to the fund manager (by the general partner, Jianguang Shunchuang), and 85% of the balance shall be distributed to all partners based on their respective paid in capital ratios.

9. Major expenses of the fund:

Management fee payable to the fund manager: unless otherwise waived by the general partner, the partnership shall pay a management fee of 0.2% of the subscribed capital to the general partner each year; During the withdrawal period of the fund, the general partner shall not charge management fees.

10. Divestment mechanism of the fund:

Equity interests in invested enterprises held by the Fund may be divested by way of transfer to third parties, acquisition by or merger with other companies and principals, repurchase, listing, liquidation or designated capital reduction of the enterprise and other means permissible under laws and regulations.

11. Fund accounting: the general partner shall maintain accounting books that comply with relevant legal provisions and reflect the transactions of the partnership enterprise during the statutory period, as the basis for submitting financial statements to the limited partners..

12. Effectiveness of agreement: effective from the date on which the agreement has been signed by all partners under seal.

13. Date of execution of the agreement: 15 September 2023

The information set out above is subject to the finalised terms of the partnership agreement as approved by the industrial and commercial administration authorities.

IV. Statement on possible competition in the same business or connection transaction arising from the investment in Jianguang Zhanlu Fund and other statement

Jianguang Zhanlu Fund is principally engaged in equity investments. It is not involved in competition in the same business or connected transaction at the current stage. In the event of any changes in the future, due procedures shall be performed in accordance with pertinent laws and regulations.

During the 12 months immediately preceding the Investment, the Company does not have any over-subscribed funds, and there is no application of over-subscribed funds as permanent replenishment of working capital.

V. Effect on the Company and inherent risks

The investment in subscribing for Jianguang Zhanlu Fund by ZTE, is to rely on the experience and capital strength of professional investment institutions to better promote the execution and implementation of the Company's strategy and obtain greater investment gains.

Jianguang Zhanlu Fund has yet to be established and is required to complete registration as a private fund following its establishment. Hence, it is subject to the risks of not obtaining approval for registration or failure to raise sufficient funds. In addition, it is also subject to the risk of failing to achieve the expected income. The Company will closely monitor the progress of fund establishment and filing, and urge the manager to develop a sound investment process and strict risk control process, in order to reduce the risk of the Investment.

VI. Documents for inspection

Resolutions of the Thirteenth Meeting of the Ninth Session of the Board of Directors of the Company

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
15 September 2023

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.