

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 Commencement of the Second Exercise Period of the Reserved Grant of Share Options under the 2020 Share Option Incentive Scheme

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.

Pursuant to the “Overseas Regulatory Announcement Announcement on the Fulfillment of Exercise Conditions for the Second Exercise Period and Relevant Adjustment of the Reserved Grant of Share Options, and Cancellation of Certain Share Options under the 2020 Share Option Incentive Scheme” published by ZTE Corporation (the “Company”) on 25 September 2023, the exercise conditions for the second exercise period of the reserved grant of share options under the 2020 Share Option Incentive Scheme of the Company have been fulfilled. Following examination by the Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company has completed the procedures related to the exercise of share options, and the second exercise period of the reserved grant of share options under the 2020 Share Option Incentive Scheme of the Company shall officially commence on 13 October 2023.

The share option code for the voluntary exercise of share options: 037180; the abbreviated title of the option: 中興 JLC4. The exercise price is RMB34.92 per share, namely participants shall purchase the Company's A shares at the price of RMB34.92 per share, which shall be financed by the participants on their own.

I. Details and arrangements for exercise of share options in the second exercise period for the reserved grant of share options under the 2020 Share Option Incentive Scheme

(I) Source of underlying shares: additional ordinary A shares denominated in RMB placed to participants.

(II) The exercise conditions for the second exercise period have been fulfilled.

(III) Participants entitled to exercise their share options and number of exercisable share options: 397 participants shall be entitled to exercise their share options and a total of 2,402,000 share options shall be exercisable, accounting for 0.05% of the existing total share capital of the Company. For details, please refer to “Overseas Regulatory Announcement Announcement on the Fulfillment of Exercise

Conditions for the Second Exercise Period and Relevant Adjustment of the Reserved Grant of Share Options, and Cancellation of Certain Share Options under the 2020 Share Option Incentive Scheme” published by the Company on 25 September 2023.

(IV) Exercise price: RMB 34.92 per share. Funds required for the exercise of options shall be paid on the date on which the participants exercise the share options and it shall be financed by the participants on their own. The Company shall not provide any loans or financial assistance in any other forms to the participants for their exercise of share options, including the provision of guarantee for loans.

(V) Exercise period: The dates on which the share options are exercisable during the period from 13 October 2023 to 20 September 2024.

(VI) Method of exercise: The participants shall exercise the share options on a voluntary basis. The participants may report their exercise of share options voluntarily via the system of the agent securities firm (Guosen Securities Co., Ltd.) during the exercise period. The agent securities firm has adopted effective measures to ensure the functions of the relevant service systems are in compliance with requirements for listed companies in relation to business operations and compliance.

(VII) Details of the dedicated account for the deposit of issue proceeds: The Company has opened a dedicated account for the management of proceeds from the exercise of options. Issue proceeds from the exercise of options shall be deposited in the aforesaid bank account and utilised as additional working capital for the Company.

The Company undertakes that proceeds from the exercise of options shall be deposited in the aforesaid designated bank account and shall be applied in strict accordance with the use of proceeds as disclosed.

(VIII) Participants shall not exercise their share options during the following periods:

Participants shall not exercise their share options during the following periods in accordance with 2020 Share Option Incentive Scheme (Draft) and “Shenzhen Stock Exchange Self-Disciplinary and Regulatory Guide for Listed Companies No. 10 — Management of Shareholding Changes”:

(1) The period commencing on the date which is 30 days prior to the publication of annual report and interim report, or in the event of delaying the announcement date for special reasons, 30 days prior to the original date of publication;

(2) The period commencing on the date which is 10 days prior to the quarterly report, preliminary results announcement or express results announcement of the Company;

(3) The period commencing on the date on which a significant event that may have a material impact on the trading prices of the Company’s shares and their derivative products or the date on which the decision-making relating to such significant event has started and ending on the day after the relevant announcement in accordance with the law; and

(4) Other periods stipulated by the CSRC and Shenzhen Stock Exchange.

“A significant event that may have a material impact” described above shall be transactions or other significant events required to be disclosed by the Company under the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange or Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Any transfer of subject shares held by participants shall be in compliance with the provisions of laws, regulations and regulatory documents, including the Company Law, Securities Law and Rules

Governing the Listing of Stocks on the Shenzhen Stock Exchange, and the Articles of Association. Participants who are Directors or members of the senior management should avoid short-term trading, namely, they shall not sell their holdings of shares in the Company within 6 months after exercising any share options, nor shall they exercise the share options within 6 months after selling any of their holdings of shares in the Company.

(IX) The exercise of share options will not result in the distribution of shareholdings not meeting listing requirements: The share capital of the Company will increase to 4,785,650,652, considering the full exercise of share options exercisable in the second exercise period, which will not result in non-compliance with listing requirements regarding the breakdown of shareholdings.

II. The effect of the exercise on the financial conditions and results of operation of the Company for the relevant year

In accordance with the “ASBE 11 – Share-based Payment”, services rendered by participants are charged to relevant costs or expenses at the fair value of the share options on the date of grant and the capital reserve is credited accordingly, based on the best estimates of number of exercisable share options. During the exercise period of the share options, the Company will not adjust recognised costs or expenses. According to the actual situation of exercising, the Company recognized monetary funds received, as well as the increase in the share capital and capital reserve.

If the share options for the second exercise period are exercised in full, the total share capital of the Company will increase by 2,402,000 shares, and its capital reserve will increase by RMB 81,475,840. The actual figures of the effect are subject to figures audited by the accountant.

III. Arrangements pertaining to subsequent information disclosure

The Company will disclose such information as changes in participants of share options, adjustments to significant parameters of the share options, details of voluntary exercise by participants and changes in the share capital of the Company in accordance with relevant provisions of pertinent laws and regulations.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
12 October 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.