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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)**

**Overseas Regulatory Announcement  
Announcement on the Adjustment of Participants and Number 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 “Resolution on the Adjustment of Participants and Number of Share Options under the 2020 Share Option Incentive Scheme” considered and approved at the Thirty-seventh Meeting of the Eighth Session of the Board of Directors of ZTE Corporation (the “Company”), the adjustment of participants and number of share options under the 2020 Share Option Incentive Scheme (the “Adjustment”) was approved. Matters pertaining to the Adjustment are announced as follows:

**I. Brief description of the 2020 Share Option Incentive Scheme**

On 12 October 2020, the “Resolution on ‘ZTE Corporation 2020 Share Option Incentive Scheme (Draft)’ (the ‘2020 Share Option Incentive Scheme’) and its summary”, “Resolution on the ‘ZTE Corporation 2020 Share Option Incentive Scheme Performance Appraisal System’” and “Resolution on a mandate granted to the Board of Directors by the General Meeting to deal with matters pertaining to the 2020 Share Option Incentive Scheme” were considered and passed at the Twenty-fifth Meeting of the Eighth Session of the Board of Directors and Eighteenth Meeting of the Eighth Session of the Supervisory Committee of the Company. The Supervisory Committee of the Company has verified the list of participants to be granted share options as confirmed under the 2020 Share Option Incentive Scheme and the Independent Non-executive Directors and legal advisor of the Company have furnished opinions on matters relating to share option incentives, respectively.

On 12 October 2020, the “Resolution on the Verification of the List of Participants under the 2020 Share Option Incentive Scheme” were considered and passed at the Eighteenth Meeting of the Eighth Session of the Supervisory Committee of the Company. The Company published the “List of Participants for the ZTE Corporation 2020 Share Option Incentive Scheme (Draft)” on [www.cninfo.com.cn](http://www.cninfo.com.cn). The Company gave public notice of the names and positions of the aforesaid participants on the Company’s website ([www.zte.com.cn](http://www.zte.com.cn)), the

public notice period commenced on 13 October 2020 and ended on 22 October 2020. No instances of participants' non-fulfillment of relevant qualifications had been identified upon the expiry of the public notice period. The Company disclosed the result of the verification of the list of participants by the Supervisory Committee and the result of the public notice on 28 October 2020.

The 2020 Share Option Incentive Scheme was approved by the general meeting pursuant to the "Resolution on the 'ZTE Corporation 2020 Share Option Incentive Scheme (Draft)' and its Summary", "Resolution on the 'ZTE Corporation 2020 Share Option Incentive Scheme Performance Appraisal System'" and "Resolution on a mandate granted to the Board of Directors by the General Meeting to deal with matters pertaining to the 2020 Share Option Incentive Scheme" considered and approved at the Second Extraordinary General Meeting of 2020 on 6 November 2020.

Pursuant to the 2020 Share Option Incentive Scheme, it is proposed that a total of not more than 163,492,000 share options shall be granted to participants by the Company, of which 158,492,000 share options will be granted initially, 5,000,000 share options will be reserved. Each share option shall entitle its holder to purchase one ZTE ordinary A share on any exercise date during the effective period of the 2020 Share Option Incentive Scheme at the exercise price and subject to the conditions of exercise. The source of shares under the Scheme is the issuance of shares of the Company to the participants.

On 6 November 2020, the "Resolution on the Adjustment to the List of Participants and Number of Share Options to be Granted under the 2020 Share Option Incentive Scheme" and "Resolution on Matters pertaining to the Grant of Shares Options under the 2020 Share Option Incentive Scheme" were considered and passed at the Twenty-seventh Meeting of the Eighth Session of the Board of Directors and the Twentieth Meeting of the Eighth Session of the Supervisory Committee of the Company, pursuant to which the adjustments to participants and number of share options granted under the 2020 Share Option Incentive Scheme were approved, and the date of first grant for the 2020 Share Option Incentive Scheme of the Company was set for 6 November 2020 (Friday); the Independent Non-executive Directors have furnished an unequivocal affirmative independent opinion on adjustments to the list of participants and the number of share options to be granted and the first grant of share options to participants as adjusted; and the Eighth Session of the Supervisory Committee of the Company has furnished an unequivocal affirmative examination opinion on the adjusted list of participants and number of share options to be granted. The registration of the first grant of share options under the 2020 Share Option Incentive Scheme was completed on 30 November 2020. A total of 158,472,000 share options had been granted to 6,123 participants, the initial exercise price was RMB34.47 per share.

On 2 August 2021, the "Resolution on the adjustments of participants and number of share options under the 2020 Share Option Incentive Scheme" and "Resolution on the cancellation of certain share options", among others, were considered and passed at the Thirty-seventh Meeting of the Eighth Session of the Board of Directors of the Company and the Twenty-eighth Meeting of the Eighth Session of the Supervisory Committee of the Company, pursuant to which the adjustments to participants and number of share options under the 2020 Share Option Incentive Scheme and cancellation of share options previously granted to participants who no longer fulfilled the conditions to be a participant were approved; the Independent Non-executive Directors have furnished an unequivocal affirmative independent

opinion on the aforesaid adjustments and cancellation; the Eighth Session of the Supervisory Committee of the Company has furnished an unequivocal affirmative examination opinion on the adjusted list of participants and number of share options and cancellation of certain share options.

## II. Reasons for the Adjustment and status following the Adjustment

### (I) Reasons for the Adjustment

As 1 participant has waived participation in the 2020 Share Option Incentive Scheme due to personal reasons, pursuant to the 2020 Share Option Incentive Scheme, the Company shall disqualify the aforesaid person from participation in the 2020 Share Option Incentive Scheme and a total of 26,000 share options granted to but unexercised by the aforesaid person shall be withdrawn and cancelled by the Company without compensation.

Following the Adjustment, the number of participants of the first grant shall be adjusted from 6,123 persons to 6,122 persons, and the number of share options shall be adjusted from 163,472,000 to 163,446,000, of which the number of share options of the first grant shall be adjusted from 158,472,000 to 158,446,000 and the number of share options to be reserved remains 5,000,000.

### (II) Status following the Adjustment

Following the Adjustment, the number of share options granted under the 2020 Share Option Incentive Scheme shall be adjusted from 163,472,000 to 163,446,000, of which the number of share options of the first grant shall be 158,446,000, which shall account for approximately 3.42% of the Company's current total share capital, and the number of share options to be reserved remains 5,000,000, which shall account for approximately 0.11% of the Company's current total share capital. There shall be a total of 6,122 participants of the first grant, comprising 10 Directors and senior management personnel of the Company and 6,112 members of other key personnel. Details of which are set out as follows:

Name	Position	Number of share options granted (Unit: in ten thousands)	As a percentage of the total number of share options granted	As a percentage of the total share capital in issue of the Company
Li Zixue	Chairman	18	0.11%	0.0039%
Xu Ziyang	Director and president	18	0.11%	0.0039%
Li Buqing	Director	5	0.03%	0.0011%
Gu Junying	Director and executive vice president	18	0.11%	0.0039%
Zhu Weimin	Director	5	0.03%	0.0011%
Fang Rong	Director	5	0.03%	0.0011%
<b>Sub-total of Directors</b> <sup>Note</sup>		<b>69</b>	<b>0.42%</b>	<b>0.0150%</b>
Wang Xiyu	Executive vice president	18	0.11%	0.0039%
Li Ying	Executive vice president and	18	0.11%	0.0039%

Name	Position	Number of share options granted (Unit: in ten thousands)	As a percentage of the total number of share options granted	As a percentage of the total share capital in issue of the Company
	chief financial officer			
Xie Junshi	Executive vice president	18	0.11%	0.0039%
Ding Jianzhong	Secretary to the Board of Directors and Company Secretary	12	0.07%	0.0026%
<b>Sub-total of senior management personnel</b>		<b>66</b>	<b>0.40%</b>	<b>0.0143%</b>
Other key personnel of the Company	6,112	15,709.60	96.12%	3.3872%
<b>Total options under the first grant</b>	<b>6,122</b>	<b>15,844.60</b>	<b>96.94%</b>	<b>3.4165%</b>
<b>Options under the reserved grant</b>	-	<b>500</b>	<b>3.06%</b>	<b>0.1078%</b>
<b>Total</b>		<b>16,344.60</b>	<b>100%</b>	<b>3.5243%</b>

*Note: To avoid repetition in counting, the number of share options granted to Mr. Xu Ziyang, Director and president, and Mr. Gu Junying, Director and executive vice president, shall be counted into the sub-total of Directors.*

For details, please refer to the “Overseas Regulatory Announcement” published on the same date as this announcement.

### **III. Other pertinent matters**

The Adjustment has been effected in accordance with the relevant contents of the 2020 Share Option Incentive Scheme (Draft) and its summary and other relevant documents.

### **IV. Opinion of the Remuneration and Evaluation Committee in respect of the adjustment of participants and number of share options under the 2020 Share Option Incentive Scheme**

As 1 participant has waived participation in the 2020 Share Option Incentive Scheme due to personal reasons, share options granted to but unexercised will lapse.

The Company adjusts the participants and number of share options under the 2020 Share Option Incentive Scheme in accordance with the aforesaid status, the Adjustment is in compliance with relevant provisions of the “Administrative Measures on Share Incentives of Listed Company” (《上市公司股權激勵管理辦法》) and the 2020 Share Option Incentive Scheme (Draft) of the Company.

### **V. Independent opinion of the Independent Non-executive Directors in respect of the adjustment of participants and number of share options under the 2020 Share Option Incentive Scheme**

As 1 participant has waived participation in the 2020 Share Option Incentive Scheme due to personal reasons, the Company shall disqualify the aforesaid person from participation in the 2020 Share Option Incentive Scheme and share options granted to but unexercised by the aforesaid person shall be withdrawn and cancelled by the Company without compensation. The Company adjusts the participants and number of share options under the 2020 Share Option Incentive Scheme in accordance with the above status.

The Independent Non-executive Directors of the Company are of the view that the Adjustment effected by the Company is in compliance with relevant provisions of the “Administrative Measures on Share Incentives of Listed Company”, “Guidelines for Business Handling of Listed Companies in Shenzhen Stock Exchange No. 9 – Share Option Incentive” and the 2020 Share Option Incentive Scheme (Draft) of the Company, and unanimously approve the conduct of the aforesaid adjustment of the participants and the number of share options by the Board of Directors of the Company.

#### **VI. Examination of the adjustment of participants and number of share options of the 2017 Share Option Incentive Scheme by the Supervisory Committee**

As 1 participant has waived participation in the 2020 Share Option Incentive Scheme due to personal reasons, the Company shall disqualify the aforesaid person from participation in the 2020 Share Option Incentive Scheme and share options granted to but unexercised by the aforesaid person shall be withdrawn and cancelled by the Company without compensation. The Adjustment effected by the Company is in compliance with relevant provisions of the “Administrative Measures on Share Incentives of Listed Company” and the 2020 Share Option Incentive Scheme (Draft) of the Company.

#### **VII. Conclusion of the legal opinion**

Beijing Jun He Law Offices (Shenzhen Office) is of the view that the Adjustment has been duly authorised and approved and has fulfilled necessary procedures for the current stage; and the participants and number of share options of the Company, as adjusted by the Board of Directors of the Company pursuant to the mandate of general meeting of the Company and relevant provisions of the 2020 Share Option Incentive Scheme (Draft), are in compliance with relevant provisions of pertinent laws and regulations, the 2020 Share Option Incentive Scheme (Draft) and the Articles of Association.

#### **VIII. Documents for inspection**

1. Resolution of the Thirty-seventh Meeting of the Eighth Session of the Board of Directors;
2. Resolution of the Twenty-eighth Meeting of the Eighth Session of the Supervisory Committee;
3. Opinion of the Remuneration and Evaluation Committee of the Board of Directors on Matters pertaining to the 2020 Share Option Incentive Scheme;
4. Independent Opinion of the Independent Non-executive Directors on Matters pertaining to the 2020 Share Option Incentive Scheme;

5. Examination Opinion of the Supervisory Committee on Matters pertaining to the 2020 Share Option Incentive Scheme;
6. “Legal opinion on matters pertaining to adjustments to the participants and number of share options and cancellation of certain share option previously granted under the 2020 Share Option Incentive Scheme of ZTE Corporation” furnished by Beijing Jun He Law Offices (Shenzhen Office).

By Order of the Board

**Li Zixue**

*Chairman*

Shenzhen, the PRC

2 August 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.*