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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 Cancellation of Certain Share Options**

*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.*

At the Thirty-seventh Meeting of the Eighth Session of the Board of Directors of the ZTE Corporation (the “Company”) held on 2 August 2021, the “Resolution on the Cancellation of Certain Share Options” was considered and passed, pursuant to which the cancellation of share options granted to but unexercised by the participant who had waived participation in the 2020 Share Option Incentive Scheme due to personal reasons (the “Cancellation”) was approved. Details of the Cancellation are set out 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 cancellation of certain share options and number of share options to be cancelled**

In accordance with pertinent laws and regulations and the 2020 Share Option Incentive Scheme (Draft), the “Resolution on the Cancellation of Certain Share Options” was considered and passed at the Thirty-seventh Meeting of the Eighth Session of the Board of Directors of the Company. 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 (Draft), 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.

As a result, a total of 26,000 share options as aforesaid are to be cancelled by the Company.

## **III. Effect on the Company**

The said cancellation of certain share options represents normal adjustments conducted in accordance with relevant provisions under the 2020 Share Option Incentive Scheme (Draft), and the said cancellation will not affect the implementation of the 2020 Share Option Incentive Scheme.

## **IV. Verification opinion of the Remuneration and Evaluation Committee on the cancellation of certain share options**

The said cancellation of certain share options 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), and it is approved that the Company shall handle the cancellation of share options in accordance with relevant provisions.

## **V. Independent opinion of the Independent Non-executive Directors on the cancellation of certain share options**

The said cancellation of certain share options is in compliance with relevant provisions of the “Administrative Measures on Share Incentives of Listed Company” and the 2020 Share Option Incentive Scheme (Draft) and has been conducted according to currently required procedures. It is approved that the Company shall handle the cancellation of share options in accordance with relevant provisions.

## **VI. Examination Opinion of the Supervisory Committee on the cancellation of certain share options**

On 2 August 2021, the “Resolution on the Cancellation of Certain Share Options” was considered and approved at the Twenty-eighth Meeting of the Eighth Session of the

Supervisory Committee, the Supervisory Committee has furnished an unequivocal affirmative examination opinion on the cancellation of certain share options. The Supervisory Committee is of the view that the cancellation of certain share options is in compliance with relevant provisions of the “Administrative Measures on Share Incentives of Listed Company” and the 2020 Share Option Incentive Scheme (Draft) and has been conducted according to currently required procedures. It is approved that the Company shall handle the cancellation of share options in accordance with relevant provisions.

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

Beijing Jun He Law Offices (Shenzhen Office) is of the view that the cancellation of certain share options have been duly authorised and approved and conducted according to currently required procedures; and the Cancellation is 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.*