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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 Completion of 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.

On 29 June 2021, ZTE Corporation (the “Company”) issued the “Overseas Regulatory Announcement Announcement on the Cancellation of Certain Share Options”.

Before the commencement of the third exercise period under the 2017 Share Option Incentive Scheme, the details of the adjustment of participants are as follows:

1. As 99 of the original participants under the 2017 Share Option Incentive Scheme have departed, 3 have retired, 2 hold the position of Caltta Technologies Co., Ltd., former controlled subsidiary, which has been disposed of the entire equity interests held by the Company, they are no longer eligible as participants under the 2017 Share Option Incentive Scheme. Pursuant to the ZTE Corporation 2017 Share Option Incentive Scheme (Draft) (the “Draft Scheme”), the Company shall disqualify the 104 aforesaid persons from participation in the 2017 Share Option Incentive Scheme and a total of 2,200,490 share options granted to but unexercised by the 104 aforesaid persons shall be withdrawn and cancelled by the Company without compensation;
2. As 9 of the participants under the 2017 Share Option Incentive Scheme were subjected to demerit or more serious disciplinary actions by the Company during the effective period of the 2017 Share Option Incentive Scheme, 1 participant failed to pass the performance appraisal for the previous year, they have not fulfilled the exercise conditions for the third exercise period. Pursuant to the Draft Scheme, a total of 236,940 of their granted but unexercised share options for the third exercise period shall be withdrawn and cancelled by the Company without compensation.

On 7 July 2021, as confirmed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company has completed the cancellation of the aforesaid 2,437,430 share options granted. Such cancellation does not have impact on the share capital of the Company and there is no change to the shareholding structure of the Company.

The cancellation of certain share options is in compliance with relevant provisions of pertinent laws and regulations and relevant provisions of the Draft Scheme and the Articles of Association of ZTE Corporation.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
7 July 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.