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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.*

Pursuant to the “Resolution on Cancellation of the Second Exercise Period of the Reserved Grant of Share Options under the 2020 Share Option Incentive Scheme” considered and approved at the Thirtieth Meeting of the Ninth Session of the Board of Directors of the Company on 20 September 2024, it was approved that the unexercised 2,402,000 share options upon the end of the second exercise period of the Reserved Grant of Share Options under the 2020 Share Option Incentive Scheme shall be cancelled (the “Cancellation”), the details of which are announced as follows:

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

As considered and passed at the Twenty-fifth Meeting of the Eighth Session of the Board of Directors and the Eighteenth Meeting of the Eighth Session of the Supervisory Committee of the Company on 12 October 2020 and the Second Extraordinary General Meeting of 2020 on 6 November 2020, pursuant to the “ZTE Corporation 2020 Share Option Incentive Scheme (Draft)” (the “Draft Scheme”), a total of not more than 163,492,000 share options were granted to Directors, senior management and other key employees by the Company, of which 158,492,000 share options were granted initially, 5,000,000 share options were reserved.

As considered and passed at the Fortieth Meeting of the Eighth Session of the Board of Directors and the Thirty-first Meeting of the Eighth Session of the Supervisory Committee of the Company on 23 September 2021, the date of the reserved grant of share options under the 2020 Share Option Incentive Scheme of the Company was set for 23 September 2021 (Thursday). A total of 5,000,000 share options were granted to 410 participants with two exercise periods.

As considered and passed at the Fifth Meeting of the Ninth Session of the Board of Directors and the Fourth Meeting of the Ninth Session of the Supervisory Committee of the Company on 22 September 2022, the adjustments to participants and number of the reserved grant of share options under the 2020 Share Option Incentive Scheme, cancellation of share options previously granted to participants who no longer fulfilled the conditions to be a participant, and confirmation of the fulfillment of exercise conditions for the first exercise period of the reserved share option granted under the 2020

Share Option Incentive Scheme of the Company were approved.

As considered and passed at the Fourteenth Meeting of the Ninth Session of the Board of Directors and the Eleventh Meeting of the Ninth Session of the Supervisory Committee of the Company on 25 September 2023, the adjustments to participants and number of the reserved grant of share options under the 2020 Share Option Incentive Scheme, cancellation of share options previously granted to participants who no longer fulfilled the conditions to be a participant and the unexercised share options upon the end of the first exercise period, and confirmation of the fulfillment of exercise conditions for the second exercise period of the reserved grant of share options under the 2020 Share Option Incentive Scheme of the Company, were approved.

As considered and passed at the Thirtieth Meeting of the Ninth Session of the Board of Directors and the Eighteenth Meeting of the Ninth Session of the Supervisory Committee of the Company on 20 September 2024, the cancellation of the unexercised share options upon the end of the second exercise period of the Reserved Grant of Share Options under the 2020 Share Option Incentive Scheme was approved.

There is no difference between the implemented share option incentive scheme and the disclosed share option incentive scheme.

## **II. Description of the Cancellation**

The second exercise period of the reserved grant of share options under the 2020 Share Option Incentive Scheme were the dates on which the share options are exercisable during the period from 13 October 2023 to 20 September 2024. The number of participants entitled to exercise the share options was 397 and the number of exercisable share options was 2,402,000. For details, please refer to the “Overseas Regulatory Announcement on the Commencement of the Second Exercise Period of the Reserved Grant of Share Options under the 2020 Share Option Incentive Scheme” published by the Company on 12 October 2023.

As at 20 September 2024, the second exercise period of the reserved grant of share options under the 2020 Share Option Incentive Scheme has ended, and 2,402,000 share options have yet to exercise. Pursuant to “Administrative Measures on Share Incentives of Listed Company” (《上市公司股權激勵管理辦法》) and the Draft Scheme, the unexercised 2,402,000 share options upon the end of the second exercise period shall be invalidated and cancelled by the Company without compensation. The Company will handle matters related to the Cancellation in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch.

The Cancellation represents normal adjustments conducted in accordance with relevant provisions under the Draft Scheme, and it will not affect the implementation of the 2020 Share Option Incentive Scheme. The Cancellation will not have impact on the share capital of the Company and there will be no change to the shareholding structure of the Company.

## **III. The effect of the Cancellation on the financial conditions and results of operation of the Company**

In accordance with the “ASBE 11 – Share-based Payment”, the Cancellation will not adjust the confirmed costs and expenses, nor will it have a significant impact on the financial conditions and results of operation of the Company.

## **IV. Opinion of the Remuneration and Evaluation Committee**

The cancellation of certain share options is in compliance with relevant provisions of pertinent laws and regulations and the Draft Scheme, and has conducted according to currently required procedures.

It is approved that the Company shall handle matters related to the cancellation of share options in accordance with relevant provisions.

#### **V. Examination opinion of the Supervisory Committee**

The Supervisory Committee has verified the number of share options and the list of participants involved in the Cancellation, and believes that the cancellation of certain share options is in compliance with relevant provisions of pertinent laws and regulations and the Draft Scheme, and has conducted according to currently required procedures. It is approved that the Company shall handle matters related to the cancellation of share options in accordance with relevant provisions.

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

Beijing Jun He Law Offices (Shenzhen Office) is of the view that:

1. The Cancellation has been duly authorized and approved and conducted according to currently required procedures.
2. The Cancellation is in compliance with relevant provisions of pertinent laws and regulations, the Draft Scheme and the Articles of Association of ZTE Corporation.
3. The Company shall process the cancellation of previously granted share options and fulfill its information disclosure obligations.

#### **VII. Documents for inspection**

1. Resolution of the Tenth Meeting of the Ninth Session of the Remuneration and Evaluation Committee of the Board of Directors;
2. Resolution of the Thirtieth Meeting of the Ninth Session of the Board of Directors;
3. Resolution of the Eighteenth Meeting of the Ninth Session of the Supervisory Committee;
4. “Legal Opinion on Matters pertaining to the Cancellation of the Second Exercise Period of the Reserved Grant of Share Options under the 2020 Share Option Incentive Scheme” furnished by Beijing Jun He Law Offices (Shenzhen Office).

By Order of the Board  
**Li Zixue**  
*Chairman*

Shenzhen, the PRC  
20 September 2024

*As at the date of this announcement, the Board of Directors comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Fang Rong, Zhu Weimin, Zhang Hong; and three independent non-executive directors, Zhuang Jiansheng, Wang Qinggang, Tsui Kei Pang.*