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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)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

Pursuant to the "Resolution on Proposed Application of Internal Funds in Entrusted Fund Management for 2024" considered and approved at the Twenty-third Meeting of the Ninth Session of the Board and the 2023 Annual General Meeting of the Company, it was approved that the Group be authorised to apply internal funds with a total amount of not more than RMB20 billion on a rolling basis for the subscription for wealth management products with a high level of security, good liquidity and a low / medium risk profile from financial institutions such as banks, securities companies and fund companies in 2024, whereby the transaction amount at any point of time during the period shall not exceed the aforesaid investment limit. The authorisation shall be effective for the period from the date on which the resolution was considered and approved at the 2023 Annual General Meeting of the Company to the date on which the 2024 Annual General Meeting of the Company is convened.

During the period from 9 May 2024 to 9 September 2024 (the "Relevant Period"), the Company subscribed for a total of 9 Guangfa Bank wealth management products for an aggregate amount of RMB6,100 million; the Company and its subsidiary ZTE Kangxun subscribed for a total of 6 Bank of Hangzhou wealth management products for an aggregate amount of RMB7,000 million.

IMPLICATION UNDER THE HONG KONG LISTING RULES

As all subscriptions of wealth management products during the Relevant Period were transactions of a similar nature conducted with the same counterparty and completed within a period of 12 months, such transactions shall be aggregated and shall constitute a discloseable transaction, if the applicable percentage ratio exceeds 5% but is less than 25%, in accordance with Rule 14.22 of the Hong Kong Listing Rules.

Out of the 9 subscriptions for Guangfa Bank wealth management products made by the Company during the Relevant Period, the first 8 subscriptions (No.1-No.8) did not constitute a discloseable transaction of the Company when aggregated. On 9 September 2024, the Company made the 9th (No.9) subscription for Guangfa Bank wealth management products and the applicable percentage ratio exceeded 5% but was less than 25% when aggregated with the aforesaid 8 subscriptions. Therefore, in accordance with Rule 14.22 of the Hong Kong Listing Rules, the subscriptions for Guangfa Bank wealth management products on an aggregated basis constituted a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements, but shall be exempted from the shareholders' approval requirement under the Hong Kong Listing Rules.

Out of the 6 subscriptions of Bank of Hangzhou wealth management products made by the Company and its subsidiary ZTE Kangxun during the Relevant Period, the first 5 subscriptions (No.1-No.5) did not constitute a discloseable transaction of the Company when aggregated. On 9 September 2024, the Company made the 6th (No.6) subscription for Bank of Hangzhou wealth management products and the applicable percentage ratio exceeded 5% but was less than 25% when aggregated with the aforesaid 5 subscriptions. Therefore, in accordance with Rule 14.22 of the Hong Kong Listing Rules, the subscription for Bank of Hangzhou wealth management products on an aggregated basis constituted a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements, but shall be exempted from the shareholders' approval requirement under the Hong Kong Listing Rules.

1. BACKGROUND

Pursuant to the “Resolution on Proposed Application of Internal Funds in Entrusted Fund Management for 2024” considered and approved at the Twenty-third Meeting of the Ninth Session of the Board and the 2023 Annual General Meeting of the Company, it was approved that the Group be authorised to apply internal funds with a total amount of not more than RMB20 billion on a rolling basis for the subscription for wealth management products with a high level of security, good liquidity and a low / medium risk profile from financial institutions such as banks, securities companies and fund companies in 2024, whereby the transaction amount at any point of time during the period shall not exceed the aforesaid investment limit. The authorisation shall be effective for the period from the date on which the resolution was considered and approved at the 2023 Annual General Meeting of the Company to the date on which the 2024 Annual General Meeting of the Company is convened.

During the period from 9 May 2024 to 9 September 2024, the Company made a total of 9 subscriptions for Guangfa Bank wealth management products for an aggregate amount of RMB6,100 million; the Company and its subsidiary ZTE Kangxun made a total of 6 subscriptions for Bank of Hangzhou wealth management products for an aggregate amount of RMB7,000 million.

2. DETAILS OF THE WEALTH MANAGEMENT PRODUCTS

The Group’s subscriptions for the Guangfa Bank and Bank of Hangzhou wealth management products were paid by its internal funds. The principal terms of the Guangfa Bank and Bank of Hangzhou wealth management products purchased are summarised as follows:

(1) Guangfa Bank wealth management products

The Company made 9 subscriptions for Guangfa Bank wealth management products for an aggregate principal amount of RMB6,100 million during the Relevant Period.

No.	Name of product	Date of subscription	Term of product	Principal amount
1	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 125 2024 Tailored RMB Structured Deposit Product	9 May 2024	94 days	RMB1,000 million
2	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 126 2024 Tailored RMB Structured Deposit Product	9 May 2024	90 days	RMB1,000 million
3	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 281 2024 Tailored RMB Structured Deposit Product	17 July 2024	106 days	RMB500 million
4	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 282 2024 Tailored RMB Structured Deposit Product	17 July 2024	106 days	RMB500 million
5	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 298 2024 Tailored RMB Structured Deposit Product	25 July 2024	105 days	RMB200 million
6	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 337 2024 Tailored RMB Structured Deposit Product	5 August 2024	99 days	RMB500 million
7	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 351 2024 Tailored RMB Structured Deposit Product	12 August 2024	105 days	RMB1,000 million
8	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 356 2024 Tailored RMB Structured Deposit Product	14 August 2024	109 days	RMB900 million
9	“Xinjiaxin No. 16 (薪加薪 16 号)” Option W Tranche 401 2024 Tailored RMB Structured Deposit Product	9 September 2024	87 days	RMB500 million

Note: All wealth management products set out above are aimed at principal protection and variable income and are rated as low-risk products; the expected annualised yield rate is 0.5%-2.65%, the exact rate of which shall be determined based on market performance.

(2) Bank of Hangzhou wealth management products

The Company and its subsidiary ZTE Kangxun made a total of 6 subscriptions for Bank of Hangzhou wealth management products for an aggregate principal amount of RMB7,000 million during the Relevant Period.

No.	Name of product	Date of subscription	Term of product	Principal amount
1	“Tianlibao (添利宝)” Structured Deposit Product	17 May 2024	11 days	RMB500 million
2	“Tianlibao (添利宝)” Structured Deposit Product	5 June 2024	23 days	RMB500 million
3	“Tianlibao (添利宝)” Structured Deposit Product	8 July 2024	21 days	RMB1,000 million
4	“Tianlibao (添利宝)” Structured Deposit Product	10 July 2024	19 days	RMB1,000 million
5	“Tianlibao (添利宝)” Structured Deposit Product	2 August 2024	25 days	RMB2,000 million
6	“Tianlibao (添利宝)” Structured Deposit Product	9 September 2024	19 days	RMB2,000 million

Note: All wealth management products set out above are aimed at principal protection and variable income and are rated as low-risk products; the expected annualised yield rate is 1.25%-2.9%, the exact rate of which shall be determined based on market performance.

3. REASONS FOR AND BENEFITS OF SUBSCRIPTION FOR BANK WEALTH MANAGEMENT PRODUCTS

The approval procedures for the Group’s subscription for bank wealth management products were in accordance with pertinent provisions of the “Administrative Procedures for the Company’s Fund Management”. The subscriptions for the Guangfa Bank wealth management products and Bank of Hangzhou wealth management products were financed by the Group’s internal funds, and the application of such funds towards entrusted fund management is conducive to enhancing the efficiency of the use of the Group’s internal funds without affecting the Group’s day-to-day operation. Meanwhile, investment gain will be achieved through appropriate cash management.

The subscription for bank wealth management products was determined according to normal commercial terms by reference to prevailing market prices for the relevant wealth management products following arm’s length negotiations between the Group and Guangfa Bank and Bank of Hangzhou. The Group has adopted sufficient measures to closely monitor the performance of the wealth management products and to assess from time to time the impact of the subscription for bank wealth management products on the Group’s day-to-day operation and working capital.

In light of the above, the Board is of the view that the subscriptions for the Guangfa Bank wealth management products and Bank of Hangzhou wealth management products have been conducted in accordance with normal commercial terms and are fair and reasonable and in line with the interests of the Group and its Shareholders as a whole.

4. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As all subscriptions for wealth management products during the Relevant Period were transactions of a similar nature conducted with the same counterparty and completed within a period of 12 months, such transactions shall be aggregated and shall constitute a discloseable transaction, if the applicable percentage ratio exceeds 5% but is less than 25%, in accordance with Rule 14.22 of the Hong Kong Listing Rules.

Out of the 9 subscriptions for Guangfa Bank wealth management products made by the Company during the Relevant Period, the first 8 subscriptions (No.1-No.8) did not constitute a discloseable transaction of the Company when aggregated. On 9 September 2024, the Company made the 9th (No.9) subscription for Guangfa Bank wealth management products and the applicable percentage ratio exceeded 5% but was less than 25% when aggregated with the aforesaid 8 subscriptions. Therefore, in accordance with Rule 14.22 of the Hong Kong Listing Rules, the subscriptions for Guangfa Bank wealth management products on an aggregated basis constituted a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements, but shall be

exempted from the shareholders' approval requirement under the Hong Kong Listing Rules.

Out of the 6 subscriptions of Bank of Hangzhou wealth management products made by the Company and its subsidiary ZTE Kangxun during the Relevant Period, the first 5 subscriptions (No.1-No.5) did not constitute a discloseable transaction of the Company when aggregated. On 9 September 2024, the Company made the 6th (No.6) subscription for Bank of Hangzhou wealth management products and the applicable percentage ratio exceeded 5% but was less than 25% when aggregated with the aforesaid 5 subscriptions. Therefore, in accordance with Rule 14.22 of the Hong Kong Listing Rules, the subscription for Bank of Hangzhou wealth management products on an aggregated basis constituted a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements, but shall be exempted from the shareholders' approval requirement under the Hong Kong Listing Rules.

5. GENERAL INFORMATION

The Company

The Company is committed to the supply of ICT products and solutions that meet the requirements of customers, integrating design, development, production, sales and services with a special focus on carriers' networks, government and corporate business and consumer business.

ZTE Kangxun

ZTE Kangxun is a wholly-owned subsidiary of the Company incorporated in the PRC. It is principally engaged in the production of electronic products and related accessories, design, production and sales of integrated circuit products, import and export trade, storage services and technical services for electronic products.

Guangfa Bank

Established in 1988 and formerly known as Guangdong Development Bank, Guangfa Bank is one of the national joint-stock commercial banks in the PRC. The principal businesses of Guangfa Bank include corporate and personal banking, investment banking, asset management, brokerage and other financial services. According to public information available to the Company, as at the end of June 2024, the major shareholders of Guangfa Bank were China Life Insurance Company Limited and CITIC Trust Co., Ltd. which held 43.69% and 14.14% interests, respectively. The controlling shareholder and ultimate beneficial owner of China Life Insurance Company Limited was China Life Insurance (Group) Company.

Bank of Hangzhou

Established in 1996, Bank of Hangzhou is one of the regional joint-stock commercial banks in the PRC and is listed on the main board of the Shanghai Stock Exchange. The principal businesses of Bank of Hangzhou include corporate banking, retail banking, small- and micro-loan, investment banking, asset management and other financial services. According to public information available to the Company, as at the end of June 2024, the major shareholders of Bank of Hangzhou are Hangzhou Caikai Investment Group Company Limited (杭州市財開投資集團有限公司) and Hongshi Holding Group Co., Ltd. (紅獅控股集團有限公司), which held 18.74% and 11.81% interests, respectively. The controlling shareholder and ultimate beneficial owner of Hangzhou Caikai Investment Group Company Limited were Hangzhou Finance & Investment Group Co., Ltd. (杭州市金融投資集團有限公司) and Hangzhou Municipal Finance Bureau, respectively.

So far as known to the Directors after making all reasonable enquiries, Guangfa Bank and Bank of Hangzhou and their respective ultimate beneficial owners are third parties independent from the Company and its connected person(s) and are not connected persons of the Company.

6. DEFINITIONS

In this announcement, the following terms shall have the following meanings unless otherwise specified:

Company	ZTE Corporation, a company incorporated in the PRC, the shares of which are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, respectively
Group	the Company and its subsidiaries
ZTE Kangxun	ZTE KANGXUN TELECOM CO., LTD., a wholly-owned subsidiary of the Company

Board	The Board of Directors of the Company
Directors	Directors of the Company
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Guangfa Bank	China Guangfa Bank Co., Ltd., a joint-stock commercial bank incorporated in the PRC
Bank of Hangzhou	Bank of Hangzhou Co., Ltd., a joint-stock commercial bank incorporated in the PRC
the applicable percentage ratios	have the meaning ascribed thereto under the Chapter 14 of Hong Kong Listing Rules. The applicable percentage ratios to this announcement include the asset ratio, consideration (market value) ratio, profits ratio and revenue ratio.
connected person(s)	has the meaning ascribed thereto under the Hong Kong Listing Rules
Relevant Period	the period from 9 May 2024 to 9 September 2024
Guangfa Bank wealth management products	9 wealth management products of Guangfa Bank subscribed by the Company during the Relevant Period
Bank of Hangzhou wealth management products	6 wealth management products of Bank of Hangzhou subscribed by the Company and its subsidiary ZTE Kangxun during the Relevant Period
PRC	The People's Republic of China
RMB	RMB, the legal currency of the PRC
Shareholders	Shareholders of the Company
%	percentage

By order of the Board
Li Zixue
Chairman

Shenzhen, PRC
9 September 2024

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, Fang Rong, Zhu Weimin, Zhang Hong; and three independent non-executive directors, Zhuang Jiansheng, Wang Qinggang, Tsui Kei Pang.