

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Provision of Guarantee Limits for Subsidiaries for 2023**

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 Tenth Meeting of the Ninth Session of the Board of Directors of ZTE Corporation (the "Company" or "ZTE") held on 10 March 2023, it was considered and approved that the Company and its subsidiaries would provide a guarantee amount of not exceeding USD420 million in aggregate for subsidiaries. Pursuant to the provisions of regulatory documents, including the "Regulation of Listed Companies No.8-Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies", "Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.1-Standardized Operation of Listed Mainboard Companies" and the Articles of Association of ZTE Corporation, the provision of guarantee limits for subsidiaries by the Company and its subsidiaries is required to be submitted to the general meeting of the Company for consideration.

I. Overview of guarantees

To consistently ensure smooth progress of the Group's business, the Company and its subsidiaries have proposed to provide guarantees for subsidiaries with an aggregate amount of not more than USD420 million in 2023, representing 4.98% of the Company's audited net assets attributable to holders of ordinary shares of the listed company as at 31 December 2022.

(I) Provision of guarantee limits for subsidiaries by the Company

The Company has proposed to provide performance guarantees with an aggregate amount of not more than USD300 million for 4 subsidiaries for sales projects in 2023, the details are as follows:

1. Guarantor: ZTE Corporation
2. Guarantees: ZTE Corporation Bangladesh LTD, ZTE (H.K.) Limited, ZTE ITALIA S.R.L.

and PT. ZTE INDONESIA. For details of the guarantees and their basic financial information, please refer to the appendix.

3. Limit validity period: The aforesaid guarantee amount will be applied on a revolving basis during an effective period commencing from the date on which the guarantee amount is considered and approved at the Company’s general meeting and ending on the date of the Company’s next annual general meeting. Any unused amount outstanding upon the expiry of the effective period will be cancelled by the Company.

4. Arrangement for transferring authorization: In order to improve the decision-making efficiency, within the scope and validity of the limits, the Board of Directors requests the general meeting to authorize the Board of Directors to make decisions on specific guarantee matters. The Board of Directors, while obtaining the authorization of the general meeting, sub-authorizes the management of the Company to make decisions and timely disclose the guarantee when it occurs.

(II) Provision of guarantee limits provided between the Company's subsidiaries and its subsidiaries

To meet the actual requirements of day-to-day operations and business development, NETAŞ TELEKOMÜNİKASYON A.Ş. (“Netaş”) and its 3 subsidiaries propose to provide reciprocal provision of joint-liability guarantee in respect of composite credit facilities sought from financial institutions for one another, the details of which are as follows.

1. Guarantee limits: the total guarantee amount is not more than USD120 million. The guaranteed parties shall apply to financial institutions for credit facilities such as, among others, loans, guarantee letters and reverse supply-chain financing. The aforesaid guarantee amount will be applied on a revolving basis during an effective period commencing from the date on which the guarantee amount is considered and approved at the Company’s general meeting and ending on the date of the Company’s next annual general meeting. For details of the guarantees and their basic financial information, please refer to the appendix.

Guarantor	Guaranteed party	Equity relationship between guarantor and guaranteed party	Limit of guarantee amount (USD100 million)
Netaş and BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret. A.Ş. (“BDH”)	Netaş Bilişim Teknolojileri A.Ş (“Netaş Bilişim”)	Netaş directly holds 100% equity interests in Netaş Bilişim; Netaş Bilişim directly holds 99.999983% equity interests in BDH, Netaş directly holds 0.000017% equity interests in BDH	0.65
Netaş and Netaş Bilişim	BDH	Netaş Bilişim directly holds 99.999983% equity interests in BDH, Netaş directly holds 0.000017% equity interests in BDH	0.15
Netaş Bilişim	Netaş	Netaş directly holds 100% equity interests in Netaş Bilişim	0.3
Netaş	Netas Telecom Limited Liability Partnership (“Netas Kazakhstan”)	Netaş directly holds 100% equity interests in Netaş Kazakhstan	0.1

2. Type of guarantee: joint-liability guarantee

3. Amount and term of guarantee: the actual amount and term of guarantee shall be confirmed by Netaş and its subsidiaries based on negotiations with the financial institutions and actual conditions, subject to the authorised limit of guarantee.

4. Counter-guarantee: the guaranteed parties are subsidiaries reported in the consolidated statements of Netaş and subsidiaries reported in the consolidated statements of ZTE, and have not provided counter-guarantees.

II. Cumulative amount of outstanding third-party guarantees and overdue guarantees of the Company

Following the provision of the said guarantee limits be approved, the total amount of third-party guarantees approved by the Company and its subsidiaries is approximately RMB8,947,905,400. The estimated balance of the amount of third-party guarantees provided by the Company and its subsidiaries is approximately RMB4,770,464,300 (of which the estimated actual balance of the amount of third-party guarantees provided for subsidiaries by the Company amounted to approximately RMB3,856,070,300), representing 8.14% of Company's the audited net assets attributable to holders of ordinary shares of the listed company as at 31 December 2022. The Company and its subsidiaries don't provide guarantee for the parties not reported in the consolidated statements.

The Company has no overdue guarantees and no guarantees is subject to litigation.

III. Opinion of the Board of Directors and Independent Non-executive Directors

The Board of Directors is of the view that the provision of guarantee limits by the Company and its subsidiaries for subsidiaries is conducive to the Group's business development. The parties under the guarantee are subsidiaries reported in the consolidated financial statements of ZTE, and the risk associated with the guarantee is within control.

The Independent Non-executive Directors of the Company are of the view that the provision of guarantee limits for subsidiaries by the Company and its subsidiaries set out in this announcement is in compliance with pertinent provisions including the "Regulation of Listed Companies No.8-Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies" of the China Securities Regulatory Commission, "Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.1-Standardized Operation of Listed Mainboard Companies" and the Articles of Association of ZTE Corporation, and the decision making procedures have been legal and valid.

IV. Documents for inspection

1. Resolutions of the Tenth Meeting of the Ninth Session of the Board of Directors of the Company

2. Independent Opinion of the Independent Non-executive Directors of the Company

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
10 March 2023

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.

Appendix:

1. General information of subsidiaries under guarantee:

Name of company	Date of incorporation	Registered capital	City of registration	Shareholding structure ^{Note 1}	Principal operation
ZTE Corporation Bangladesh LTD	30 October 2007	BDT1 million	Dhaka, Bangladesh	5% held by ZTE Indian and 95% by ZTE HK	Communication product sales, engineering services, maintenance and technical support
ZTE (H.K.) Limited	27 October 2000	HKD2,483.75 million	Hong Kong, China	100% held by ZTE	Investment and financing, capital and logistics platform, providing communication products and services for Hong Kong customers and some overseas branches
ZTE ITALIA S.R.L.	16 April 2007	EUR0.1 million	Rome, Italy	100% held by ZTE Cooperatief	Communication product sales, engineering services, maintenance and technical support
PT. ZTE INDONESIA	23 June 2004	IDR380.016 billion	Jakarta, Indonesia	99.9952% held by ZTE HK and 0.0048% by ZTE Cooperatief	Communication product sales, engineering services, maintenance and technical support
NETAŞ TELEKOMÜNİKASYON A.Ş.	3 March 1967	TRY64,864,800	Istanbul, Turkey	48.05% by ZTE Cooperatief, 15% held by Turkish Armed Forces Foundation, 36.95% held by the public	manufacturing and sales of telecommunication equipment; project installation, technical support and maintenance services; IT outsourcing services; project delivery and related services
Netaş Bilişim Teknolojileri A.Ş.	9 August 1989	TRY11,000,000	Istanbul, Turkey	100% held by Netaş	engineering work, construction, consultation and other servicing operations, such as production and installation of computer software and hardware, data processing and production of communication and multi-media products
BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret. A.Ş.	23 February 2006	TRY11,600,000	Istanbul, Turkey	Netaş Bilişim directly holds 99.999983% equity interests in BDH, Netaş directly holds 0.000017% equity interests in BDH	engineering work, construction, consultation and other servicing operations, such as production and installation of computer software and hardware, and data processing, mobile phone refurbishment and production of communication and multi-media products
Netaş Telecom Limited Liability Partnership	25 June 2012	KZT161,800	Almaty ,Kazakhstan	100% held by Netaş	Designs, manufactures, and installs various electronic communication devices, power supplies, and related devices. Conducting other business activities within the legal scope

Note 1: ZTE (H.K.) Limited (“ZTE HK”) and ZTE Telecom India Pvt. Ltd. (“ZTE India”) are wholly-owned subsidiaries of ZTE. ZTE Cooperatief U.A. (“ZTE Cooperatief”) is a wholly-owned subsidiary of ZTE HK.

Note 2: None of the aforesaid subsidiaries have been included by PRC courts in the list of discredited parties subject to enforcement.

2. Headline financial data of subsidiaries under the guarantee:

Unit: RMB10,000

Name of company	Total assets (31 December 2022)	Total liabilities (31 December 2022)	Net assets (31 December 2022)	Operating revenue (12 months ended 31 December 2022)	Total profit (12 months ended 31 December 2022)	Net profit (12 months ended 31 December 2022)	Total assets (31 December 2021)	Total liabilities (31 December 2021)	Net assets (31 December 2021)	Operating revenue (12 months ended 31 December 2021)	Total profit (12 months ended 31 December 2021)	Net profit (12 months ended 31 December 2021)
ZTE Corporation Bangladesh LTD	8,245	10,416	(2,171)	9,451	(198)	(254)	2,595	4,803	(2,208)	2,803	608	592
ZTE (H.K.) Limited	832,486	327,177	505,309	426,743	26,200	22,454	745,156	426,436	318,720	358,912	8,296	5,823
ZTE ITALIA S.R.L.	136,161	128,425	7,736	211,528	1,631	655	158,740	150,234	8,506	210,309	4,551	2,496
PT. ZTE INDONESIA	247,589	283,752	(36,163)	246,889	(11,992)	(15,470)	321,984	342,757	(20,773)	281,052	(14,536)	(10,662)
NETAŞ TELEKOMÜNİKASYON A.Ş.	155,483	154,825	658	168,411	(3,511)	(1,040)	175,382	173,688	1,694	164,543	(44,884)	(48,038)
Netaş Bilişim Teknolojileri A.Ş.	1,673	1,887	(214)	3,770	(267)	(267)	1,141	1,093	48	3,067	(79)	(64)
BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret. A.Ş.	13,571	12,100	1,471	28,116	2,161	1,963	9,796	9,794	2	33,207	(2,395)	(2,356)
Netas Telecom Limited Liability Partnership	50,894	52,896	(2,002)	95,701	(47)	556	43,524	45,268	(1,744)	90,470	(2,978)	(3,720)

Note: The 2021 and 2022 financial data of Netaş are both audited data. The financial data of other subsidiaries in 2021 is audited data and in 2022 is unaudited data.