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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 Provision of Guarantee Between Subsidiaries**

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 announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

I. Brief description of the guarantee

ZTE ICT Company Limited (深圳中興網信科技有限公司) ("ZTE ICT") is a 90%-owned subsidiary of ZTE Corporation ("ZTE" or the "Company"). ZTE ICT (Guangxi) Company Limited (廣西中興網信有限公司) ("Guangxi ICT"), a wholly-owned subsidiary of ZTE ICT, has entered into a "Working Capital Maximum Borrowing Contract" (the "Borrowing Contract") with Guilin Bank Co., Ltd. Wuzhou Branch (桂林銀行股份有限公司梧州分行) for bank borrowings amounting to RMB20 million. ZTE ICT has proposed to provide maximum amount guarantee by way of assurance with the amount of RMB10 million in respect of the obligations of Guangxi ICT under the Borrowing Contract and to sign the "Maximum Guarantee Contract" with Guilin Bank Co., Ltd. Wuzhou Branch, for a term commencing on the date on which the "Maximum Guarantee Contract" comes into effect and ending on the date on which a period of three years has lapsed since the expiry of the exercisable period for the principal credit rights secured by the guarantee.

The aforesaid matter has been considered and passed at the Forty-fifth Meeting of the Seventh Session of the Board of Directors of the Company held on 19 March 2019.

II. Information on the guaranteed party

1. Name: ZTE ICT (Guangxi) Company Limited (廣西中興網信有限公司)
2. Date of incorporation: 16 June 2015
3. Registered address: Unit 303, 3rd Floor, Yuegui Building, Interprovincial Border Area, East Exit, Wuzhou (梧州市東出口兩省交界處粵桂大廈3樓303室)

4. Authorised representative: Shi Ligong (史立功)

5. Registered capital: RMB20 million

6. Scope of business: Design, development and sales of corporate management software and hardware and related technical consultation, technical upgrade and maintenance; exports and imports; air ticket agency; design, integration, operation and maintenance of information systems; information technology consultation; consultation, design and implementation relating to intelligent engineering for building construction; technical development, service, transfer, consultation and sales relating to information security products and computer software and hardware; R&D and sales of wireless data terminals; aviation accident insurance, travel safety insurance and information services; production and sales of medical equipment; production of wireless data terminals.

7. Relationship with the guaranteed party: Guangxi ICT is a wholly-owned subsidiary of ZTE ICT, which is in turn a 90%-owned subsidiary of ZTE.

8. Key financial data:

RMB: Yuan

Item	Year ended 31 December 2017	Nine months ended 30 September 2018
Operating revenue	53,689,200.08	40,155,643.45
Total profit	20,721,927.32	512,334.27
Net profit	21,808,723.49	(574,461.89)
Item	31 December 2017	30 September 2018
Total assets	45,154,489.37	100,165,391.21
Total liabilities	26,008,845.84	61,594,209.58
Net assets	19,145,643.53	38,571,181.63
Gearing ratio	57.59%	61.49%

9. Guangxi ICT is not a discredited party subject to enforcement.

III. Principal terms of the guarantee

1. Guarantor: ZTE ICT

2. Guarantee: Guangxi ICT

3. Amount guaranteed: RMB10 million

4. Term of guarantee: From the date on which the “Maximum Guarantee Contract” comes into effect to the date on which a period of three years has lapsed since the expiry of the exercisable period for the principal credit rights secured by the guarantee.

5. Type of guarantee: joint liability assurance

6. Counter-guarantee: As Guangxi ICT is a wholly-owned subsidiary of ZTE ICT, Guangxi ICT has not provided any counter-guarantees in favour of ZTE ICT in respect of the aforesaid guarantee.

IV. Opinion of the Board of Directors

The aforesaid guarantee is conducive to the business development and ongoing operation of Guangxi ICT. As Guangxi ICT is a wholly-owned subsidiary of ZTE ICT, Guangxi ICT has not provided any counter-guarantees in favour of ZTE ICT in respect of the aforesaid guarantee. The risk of the aforesaid guarantees is under control.

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

Following the provision of the said guarantee, the balance of the aggregate amount of third-party guarantees provided by the Company and its subsidiaries is approximately RMB2,545,807,200 (of which guarantees provided for subsidiaries by the Company amounted to approximately RMB2,283,229,200), representing 8.04% of the net asset value set out in the audited consolidated accounting statement of the Company as at 31 December 2017. The balance of the aggregate amount of guarantees provided by the Company and its subsidiaries to parties not reported in the consolidated statements is approximately RMB21,019,300, representing 0.07% of the net asset value set out in the audited consolidated accounting statement of the Company as at 31 December 2017. The aforesaid guarantees are in compliance with relevant provisions of China Securities Regulatory Commission. There are no guarantees provided in violation of relevant regulations.

The Company has no overdue guarantees or guarantees subject to litigation.

VI. List of documents available for inspection

1. Resolutions of the Forty-fifth Meeting of the Seventh Session of the Board of Directors of the Company duly signed by the attending Directors to give effect to the same.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
19 March 2019

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, Yuming Bao, Gordon Ng.