

*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 Performance Guarantee Limits  
for Overseas Subsidiaries for 2021**

*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 Thirty-third Meeting of the Eighth Session of the Board of Directors of ZTE Corporation (the "Company" or "ZTE") held on 16 March 2021, it was considered and approved that the Company would provide a guarantee amount for contract performance of not exceeding USD576 million in aggregate for subsidiaries incorporated and operating businesses in territories other than Mainland China ("Overseas Subsidiaries"). Pursuant to the provisions of regulatory documents, including the [2005] No. 120 "Notice on Regulating Third-party Guarantees of Listed Companies" of the China Securities Regulatory Commission ("CSRC"), and the Articles of Association of ZTE Corporation, the provision of performance guarantee limits for overseas subsidiaries by the Company 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 Company's overseas business, the Company has proposed to provide performance guarantees with an aggregate amount of not more than USD576 million in 2021 for the following overseas subsidiaries:

**(I) Provision of guarantee limits for 11 overseas subsidiaries involved in MTN Group projects**

The Company has proposed to enter into the "GROUP EQUIPMENT SUPPLY AND LICENCE AGREEMENT" ("Equipment Supply Agreement"), "GROUP SERVICES CONTRACT" ("Services Contract") and "GROUP MANAGED SERVICES CONTRACT" ("Managed Services Contract") (together the "Framework Agreement") with GLOBAL SOURCING COMPANY LTD ("MTN Group"), a South African telecommunication operator. Under the "Framework Agreement", 11 overseas subsidiaries

are expected to sign subsidiary contracts under the aforesaid “Framework Agreement” and undertake the implementation of the actual projects to supply communication equipment, local engineering work and management and maintenance services to the relevant branches of MTN Group. ZTE has proposed to provide guarantee for the performance obligations of the 11 overseas subsidiaries involved in the MTN Group projects under the “Framework Agreement” and its subsidiary contracts for an aggregate amount of not more than USD176 million.

## **(II) Provision of performance guarantee limits for the 11 overseas subsidiaries (excluding the aforesaid provision of guarantee limits for MTN Group projects)**

In addition to the aforesaid 11 overseas subsidiaries involved in MTN Group projects, the Company has proposed to provide performance guarantees with an aggregate amount of not more than USD400 million in 2021 for 11 overseas subsidiaries commencing business.

## **II. Principal terms of the guarantees**

The Company has proposed to provide performance guarantees in 2021 for overseas subsidiaries with an aggregate amount of not more than USD576 million, representing 8.62%<sup>1</sup> of the Company’s owners’ equity attributable to holders of ordinary shares of the listed company offset out in the audited consolidated accounting statements as at 31 December 2020.

### **(I) Provision of guarantee limits for 11 overseas subsidiaries involved in MTN Group projects**

1. Guarantor: ZTE Corporation

2. Guarantees: ZTE Corporation South Africa Proprietary Limited (“ZTE South Africa”), ZTE Congo SARL, ZTE Zambia Service Limited, ZTE Uganda Limited, ZTE Nigeria Limited, ZTE Corporation Cote D’Ivoire SARL.U, ZTE Ghana Limited, ZTE Guinea SA, ZTE Afghanistan Ltd Co, ZTE Cameroon SARL and ZTE (H.K.) Limited (“ZTE HK”). For details of the guarantees and their basic financial information, please refer to the appendix.

3. Guarantee amount: (1) guarantee by way of assurance: not more than USD160 million; (2) by way of letter of guarantee: not more than USD16 million.

4. Term of guarantee:

(1) Guarantee by way of assurance: from the date on which a guarantee certificate is issued by the Company to MTN Group to the date on which the “Framework Agreement” expires, in any event not more than 5 years from the date on which the “Framework Agreement” comes into effect; (2) by way of letter of guarantee: from the date of issuance of the letter of guarantee by the bank to the date on which the performance of obligations under the “Framework Agreement” and its subsidiary contracts are completed.

5. Type of guarantee: assurance

---

<sup>1</sup> Based on the Company’s book foreign exchange rate as at 28 February 2021 of USD1: RMB6.476.

6. Counter-guarantee: ZTE South Africa under the guarantee is a subsidiary held as to 69.9% by ZTE HK and 30.1% by a minority shareholder who does not participate in the daily operations. The absence of a counter-guarantee pro-rata to the capital contribution ratio will not compromise the interests of the Company.

Other than ZTE South Africa, all other parties under the guarantee are wholly-owned subsidiaries of ZTE. No counter-guarantees are provided and the risk associated with the guarantee is within control.

**(II) Provision of performance guarantee limits for the 11 overseas subsidiaries (excluding the aforesaid provision of guarantee limits for MTN Group projects)**

1. Guarantor: ZTE Corporation

2. Guarantees: ZTE HK, Zhongxing Telecom Pakistan (Private) Ltd., PT. ZTE INDONESIA, ZTE Japan K.K., WEIXIANTONG INTERNATIONAL ANGOLA LDA, ZTE TELECOMMUNICATIONS LIMITED, ZTE CZECH,s.r.o., ZTE Austria GmbH, ZTE Deutschland GmbH, ZTE MANAGED SERVICES SOUTHERN EUROPE,SL., ZTE Belgium N.V.. For details of the guarantees and their basic financial information, please refer to the appendix.

3. Scope of guarantee: excluding financing guarantees.

4. The aforesaid guarantee amount will be applied on a revolving basis during an effective period commencing on the date on which the provision of a guarantee amount for contract performance for overseas subsidiaries by the Company 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. During the effective period, if the total amount of guarantee provided to third parties by the Company has exceeded 50% of its latest audited net asset value, no guarantee for contract performance provided to such overseas subsidiaries within the aforesaid guarantee limit shall thereafter be submitted to the general meeting for consideration.

5. After the general meeting of the Company has considered and approved provision of a guarantee amount for contract performance for overseas subsidiaries by the Company, the Board of Directors of the Company shall be responsible for the approval of specific guarantees within the limit, and shall fulfill obligations in information disclosure.

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

Following the provision of the said guarantee limits, the total amount of third-party guarantees approved by the Company and its subsidiaries is approximately RMB11,574,741,400. The balance of the aggregate amount of third-party guarantees provided by the Company and its subsidiaries is approximately RMB7,095,526,100, representing 16.39% of the owners' equity attributable to holders of ordinary shares of the listed company set out in the audited consolidated accounting statement of the Company as at 31 December 2020. 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 0.05% of the owners' equity attributable to

holders of ordinary shares of the listed company set out in the audited consolidated accounting statement of the Company as at 31 December 2020. The aforesaid guarantees are in compliance with relevant provisions of CSRC. There are no guarantees provided in violation of relevant regulations.

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

#### **IV. Opinion of the Board of Directors and Independent Non-executive Directors**

The Board of Directors is of the view that the provision of performance guarantee limits by the Company for overseas subsidiaries is conducive to the Company's overseas business development and will provide support for the Company's competition in the overseas market. 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 performance guarantee limits for its overseas subsidiaries by the Company set out in this announcement is in compliance with pertinent provisions including the [2005] No. 120 "Notice on Regulating Third-party Guarantees of Listed Companies" of the CSRC and the Articles of Association of ZTE Corporation, and the decision making procedures have been legal and valid.

#### **V. Examination Opinion of the Sponsor**

China Securities Co., Ltd. ("China Securities"), the sponsor, is of the view that:

The provision of performance guarantee limits by ZTE for its overseas subsidiaries is conducive to enhancing the efficiency of the Company's overseas subsidiaries in international business development in support of the Company's competition in the overseas market. Hence it is in the interest of the Company as a whole. The matter has been considered and approved at the Thirty-third Meeting of the Eighth Session of the Board of Directors of the Company and an independent opinion has been furnished by the Independent Non-executive Directors. The matter is subject to consideration by the general meeting, and the relevant procedures are in compliance with the requirements of pertinent regulations including the "Notice on the Regulation Thirty-party Guarantees of Listed Companies", "Rules Governing the Listing of Stocks on Shenzhen Stock Exchange", "Shenzhen Stock Exchange Guide to the Regulated Operation of Listed Companies" and "Articles of Association of ZTE Corporation", among others. China Securities has no disagreement to the provision of performance guarantee limits by ZTE for its overseas subsidiaries.

#### **VI. Documents for inspection**

1. Resolutions of the Thirty-third Meeting of the Eighth Session of the Board of Directors of the Company
2. Independent Opinion of the Independent Non-executive Directors of the Company
3. Examination opinion on the provision of performance guarantee limits for overseas subsidiaries for 2021 by ZTE Corporation furnished by China Securities Co., Ltd.

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

Shenzhen, the PRC  
16 March 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.*

**Appendix:**

**1. General information of overseas subsidiaries under guarantee:**

No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure <sup>Note 1</sup>	Principal operation
<b>11 overseas subsidiaries involved in MTN Group projects</b>							
1	ZTE Corporation South Africa Proprietary Limited	6 February 2006	ZAR2,871,690	Johannesburg, South Africa	Parya Latifinamin Zhao Peng MOHAMED SHAHEEN CASSIM BAWA Wang Guolei Nai Feng Cheng Dong Zhou Tao Chen Min TARIQ JASON BAWA Fu Zhen ANIQA LYDIA BAWA	69.9% held by ZTE HK and 30.1% by Saldomax Technologies (Pty) Ltd	Telecommunication
2	ZTE Congo SARL	5 August 2014	XAF33,320,000	Brazzaville, Congo	Guo Fei	100% held by ZTE HK	Installation and construction of communication facilities, maintenance of communication facilities, supply of and training on communication networks, import and export of communication equipment
3	ZTE Zambia Service Limited	16 February 2012	ZMW15,000	Lusaka, Zambia	Song Shibo Dong Rengjie Wang Yuexi	99% held by ZTE HK and 1% by Mauritius International	Electric power / electronics; general electronics and communications
4	ZTE Uganda Limited	21 January 2010	UGX6 million	Kampala, Uganda	Wu Qiong Xue Jiaqi	99% held by ZTE HK and 1% by Mauritius International	Agent sales and consulting service for communications, electrical appliances, IT, signal-related equipment and software; channel sales and retail sales of communications, electrical appliances, IT, signal-related equipment and software; installation, maintenance and repair service for relevant products; market research and services and

No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure <sup>Note 1</sup>	Principal operation
							consulting services relating to communications; sales, distribution and distributorship for terminal products
5	ZTE Nigeria Limited	4 September 2002	NGN16 million	Lagos, Nigeria	Cui Haibo Zhang Wenxu Ding Yinshan	99.9% held by Nigeria Investment and 0.1% by Newinfo Holdings	Provision of installation and services for communication equipment
6	ZTE Corporation Cote D' Ivoire SARL.U	13 February 2013	XOF9 million	Abidjan, Côte d'Ivoire	He Jun	100% held by ZTE	Installation and construction of communications facilities, maintenance of communications facilities, supply of and training on communication networks, import and export of communication equipment
7	ZTE Ghana Limited	12 September 2013	GHS270,000	Accra, Ghana	Wang Lou Zhang Ruigang	100% held by ZTE HK	Construction and installation of telecommunication infrastructure, maintenance of telecommunication infrastructure, training on telecommunication networks telecommunication network training, IT consulting services, IT and telecommunication equipment trading
8	ZTE Guinea SA	17 July 2014	GNF100 million	Conakry, Guinea	Xiong Wei	100% held by ZTE	R&D sales and related IT consulting services for energy saving products; transfer of proprietary energy saving technologies; design of energy saving projects; construction and conversion design for energy saving work; sales and domestic trade of new energy products

No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure <sup>Note 1</sup>	Principal operation
9	ZTE Afghanistan Ltd Co	12 October 2006	USD100,000	Kabul, Afghanistan	Dou Lihui Ma Zhi	100% held by ZTE HK	Communications
10	ZTE Cameroon SARL	8 March 2016	XAF480 million	Yaoundé, Cameroon	Shi Jingqin	100% held by ZTE	Construction, installation and maintenance of telecommunication infrastructure
11	ZTE Limited (H.K.)	27 October 2000	HKD995 million	Hong Kong, China	Li Ying, Wang Xiang, Yang Jianming, Xu Jianrui, Li Yuan	100% held by ZTE	International sales of communications products, procurement of components and ancillary equipment, technology R&D and transfer, training and consulting services, investment
<b>11 overseas subsidiaries under guarantee in 2021 (excluding the 11 overseas subsidiaries involved in MTN Group projects)</b>							
1	ZTE Limited (H.K.)	27 October 2000	HKD995 million	Hong Kong, China	Li Ying, Wang Xiang, Yang Jianming, Xu Jianrui, Li Yuan	100% held by ZTE	International sales of communications products, procurement of components and ancillary equipment, technology R&D and transfer, training and consulting services, investment
2	Zhongxing Telecom Pakistan (Private) Ltd.	21 September 1998	PKR37,919,000	Islamabad, Pakistan	Chen Tao Najeeb ur Rehman Sadiq Wang Lei	93% held by ZTE and 7% by J.S. Management GMBH	International engineering and maintenance services
3	PT. ZTE INDONESIA	23 June 2004	IDR20.4 billion	Jakarta, Indonesia	Liang Weiqi, Zhang Yafei, Yang Zhiwei	99.9952% held by ZTE HK and 0.0048% by ZTE Netherland	Sales of systems, software and services; project work installation, maintenance and repair and technical support
4	ZTE Japan K.K.	1 April 2008	JPY488.10 million	Tokyo, Japan	Li Ming	100% held by ZTE HK	1. Import and export, sales, and leasing of electronic communication equipment, software and other related commodities; 2. related consulting services for the aforesaid items; 3. systems integration (integrated



No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure <sup>Note 1</sup>	Principal operation
							communications and joint systems construction and maintenance) services; 4. design, supervision, implementation and contracting of electrical, telecommunication and other works for communication systems, communication equipment, information processing and control systems, information equipment and other electrical equipment; 5. consulting services and training services for communications and IT; 6. marketing services; 7. all businesses incidental to the aforesaid items.
5	WEIXIANTONG INTERNATIONAL ANGOLA LDA	2 July 2014	AOA10 million	Luanda, Angola	Qiao Liang Liu Xichen	99% held by ZTE HK and 1% by Mauritius International	Sales, import, work installation, maintenance and repair and communication technical and servicing support for communication equipment
6	ZTE TELECOMMUNICATIONS LIMITED	18 December 2015	TZS700 million	Dar es Salaam, Tanzania	Zhou Maoxi Yin Yanfang Lv Xun	99% held by ZTE HK and 1% by Mauritius International	Sales, import, work installation, maintenance and repair and technical support for communication equipment
7	ZTE CZECH,s.r.o.	10 October 2005	CZK70,262,000	Prague, Czech Republic	Luo Wenchao Wang Houbao	100% held by ZTE HK	Production, operation and service
8	ZTE Austria GmbH	18 February 2009	EUR35,000	Vienna, Austria	Christian Woschitz	100% held by ZTE Cooperatief	Automated data processing and IT services; commercial trade (excluding restricted trade)
9	ZTE Deutschland GmbH	19 July 2005	EUR150,000	Dusseldorf, Germany	Li Wei Sun Jie	100% held by ZTE Cooperatief	Sales of systems, software, services and terminals; project work installation, maintenance and repair and technical support

No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure <sup>Note 1</sup>	Principal operation
10	ZTE MANAGED SERVICES SOUTHERN EUROPE,SL.	17 November 2014	EUR500,000	Bilbao, Spain	Li Guangping Yang Jiaxiao Li Weizheng	100% held by ZTE Cooperatief	Sales of systems, software, services and terminals; project work installation, maintenance and repair and technical support
11	ZTE Belgium N.V.	29 April 2010	EUR1,511,500	Brussels, Belgium	Bin Chuan	0.40% held by ZTE HK and 99.60% by ZTE Cooperatief	Sales of systems, software, services and terminals; project work installation, maintenance and repair and technical support

Note 1: ZTE HK is a wholly-owned subsidiary of ZTE. ZTE Cooperatief U.A. (“ZTE Cooperatief”), ZTE International Limited (中興通訊 (毛裡求斯) 國際公司) (“Mauritius International”), Newinfo Holdings Limited (新訊控股有限公司) (“Newinfo Holdings”) and ZTE Nigeria Investment Limited (“Nigeria Investment”) are wholly-owned subsidiaries of ZTE HK.

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

## 2. Headline financial data of overseas subsidiaries under the guarantee:

No.	Name of company	Total assets (31 December 2020)	Total liabilities (31 December 2020)	Net assets (31 December 2020)	Operating revenue (12 months ended 31 December 2020)	Total profit (12 months ended 31 December 2020)	Net profit (12 months ended 31 December 2020)	Total assets (31 December 2019)	Total liabilities (31 December 2019)	Net assets (31 December 2019)	Operating revenue (12 months ended 31 December 2019)	Total profit (12 months ended 31 December 2019)	Net profit (12 months ended 31 December 2019)
<b>11 overseas subsidiaries involved in MTN Group projects</b>													
1	ZTE Corporation South Africa Proprietary Limited	17,435	38,605	(21,170)	36,326	484	484	40,053	65,349	(25,296)	61,437	1,314	1,314
2	ZTE Congo SARL	4,141	2,434	1,707	7,191	2,621	1,919	2,178	2,513	(335)	2,888	1,083	651
3	ZTE Zambia Service Limited	30,520	29,329	1,191	10,180	1,349	1,251	46,814	47,115	(301)	12,881	823	823
4	ZTE Uganda Limited	6,116	7,351	(1,235)	6,451	157	44	8,688	10,023	(1,335)	8,601	2,490	2490
5	ZTE Nigeria Limited	39,511	58,827	(19,316)	17,384	235	(520)	40,658	62,007	(21,349)	15,218	6,650	6,650
6	ZTE Corporation Cote D' Ivoire SARL.U	150	523	(373)	-	(114)	(114)	61	388	(327)	-	(129)	(129)
7	ZTE Ghana Limited	416	20,737	(20,321)	0	(1,144)	(1,144)	697	21,770	(21,073)	-	(3,117)	(3,117)

No.	Name of company	Total assets (31 December 2020)	Total liabilities (31 December 2020)	Net assets (31 December 2020)	Operating revenue (12 months ended 31 December 2020)	Total profit (12 months ended 31 December 2020)	Net profit (12 months ended 31 December 2020)	Total assets (31 December 2019)	Total liabilities (31 December 2019)	Net assets (31 December 2019)	Operating revenue (12 months ended 31 December 2019)	Total profit (12 months ended 31 December 2019)	Net profit (12 months ended 31 December 2019)
8	ZTE Guinea SA	1,056	1,851	(795)	1,643	135	89	3,168	3,134	34	1,947	230	230
9	ZTE Afghanistan Ltd Co	8,283	6,188	2,095	3,860	152	152	11,768	8,329	3,439	10,713	221	221
10	ZTE Cameroon SARL	883	352	531	391	(474)	(474)	902	144	758	946	124	124
11	ZTE (H.K.) Limited	1,886,113	1,839,925	46,188	1,234,204	(48,883)	(62,259)	2,077,866	1,999,827	78,039	1,403,576	96,793	94,813
<b>11 overseas subsidiaries under guarantee in 2021 (excluding the 11 overseas subsidiaries involved in MTN Group projects)</b>													
1	ZTE (H.K.) Limited	1,886,113	1,839,925	46,188	1,234,204	(48,883)	(62,259)	2,077,866	1,999,827	78,039	1,403,576	96,793	94,813
2	Zhongxing Telecom Pakistan (Private) Ltd.	33,910	27,795	6,115	14,429	2,666	2,437	38,518	34,440	4,078	18,972	329	(1,815)
3	PT. ZTE INDONESIA	299,150	323,148	(23,998)	308,144	(66)	4,499	394,701	425,667	(30,966)	261,197	(1,720)	(8,454)
4	ZTE Japan K.K.	31,371	23,011	8,360	98,363	1,516	1,005	33,167	25,700	7,467	102,570	1,643	1,095
5	WEIXIANTONG INTERNATIONAL ANGOLA LDA	1,135	5,171	(4,036)	15	(2,036)	(2,036)	2,293	4,293	(2,000)	942	(1,667)	(1,667)
6	ZTE TELECOMMUNICATIO NS LIMITED	191	1,355	(1,164)	191	(257)	(257)	66	1,039	(973)	0	(397)	(397)
7	ZTE CZECH,s.r.o.	4,676	6,200	(1,524)	2,572	1	0	4,151	5,487	(1,336)	3,002	540	392
8	ZTE Austria GmbH	37,727	33,136	4,591	65,471	1,859	1,302	18,210	15,703	2,507	40,604	1,394	1,223
9	ZTE Deutschland GmbH	25,334	21,220	4,114	31,113	(213)	(213)	30,118	25,671	4,447	48,231	229	144
10	ZTE MANAGED SERVICES SOUTHERN EUROPE,SL.	17,260	19,756	(2,496)	42,883	1,756	1,267	14,176	17,848	(3,672)	43,283	1,624	1,209
11	ZTE Belgium N.V.	1,4914	13,307	1,607	13,312	335	306	14,542	10,816	3,726	11,563	258	245

Note: The 2019 and 2020 financial data of ZTE HK are data extracted from unaudited consolidated statements; the 2019 and 2020 financial data of ZTE Corporation Cote D' Ivoire SARL.U and ZTE Guinea SA TE are unaudited data. In the case of other subsidiaries, the 2019 financial data are audited data, while the 2020 financial data are unaudited data.