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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 Provision of Guarantee Limits for Subsidiaries for 2022**

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 Forty-fifth Meeting of the Eighth Session of the Board of Directors of ZTE Corporation (the “Company” or “ZTE”) held on 8 March 2022, 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 [2022] No. 26 “Regulation of Listed Companies No.8-Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies ” of the China Securities Regulatory Commission (“CSRC”), “Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.1-Standardized Operation of Listed Mainboard Companies (January 2022)” 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 2022, representing 5.16%¹ of the Company’s owners’ equity attributable to holders of ordinary shares of the listed company set out in the audited consolidated accounting statements as at 31 December 2021.

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

The Company has proposed to provide performance guarantees (including but not limited to signing of guarantee agreements by the parent company) with an aggregate amount of not more than USD300 million for 8 subsidiaries, the details are as follows:

¹ Based on the Company’s book foreign exchange rate as at 28 February 2022 of USD1: RMB6.3199.

1. Guarantor: ZTE Corporation

2. Guarantees: ZTE Japan K.K., PT. ZTE INDONESIA, ZTE Corporation Bangladesh LTD, Foreign Limited Liability Company “ZTE”, ZTE (Malaysia) Corporation SDN. BHD, ZTE (Thailand) Company Limited , ZTE (H.K.) Limited (“ ZTE HK ”) and NETAŞ TELEKOMÜNİKASYON A.Ş. (“Netaş”). 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 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. 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 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 the provision of a guarantee amount for contract performance for 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.

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

To meet the actual requirements of day-to-day operations and business development, the “Resolution on Provision of the Reciprocal Guarantee Among Turkish Company NETAŞ TELEKOMÜNİKASYON A.Ş. and its Subsidiaries” was considered and approved by the Forty-third Meeting of the Eighth Session of the Board of Directors of the Company held on 16 December 2021. The proposed reciprocal provision of joint-liability guarantee among Netaş (a subsidiary of the Company, listed in Turkey) and its subsidiaries in respect of composite credit facilities sought from financial institutions for an amount is equivalent to not more than USD120 million for an effective period commencing on 1 January 2022 and ending on 31 December 2022. According to the “Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.1-Standardized Operation of Listed Mainboard Companies” issued in January 2022, the subsidiaries of listed companies that provide guarantees for other subsidiaries whose asset-liability ratios exceed 70% shall submit it to the general meeting of the listed companies for consideration. The guarantees between Netaş and its subsidiaries shall be considered by the Board of Directors and the general meeting of the Company again. After the general meeting approves the guarantees, the limits approved on 16 December 2021 shall be invalid.

1. Guarantee limits: Netaş and its 3 subsidiaries have proposed the reciprocal provision of joint-liability guarantee in respect of composite credit facilities sought from financial institutions for an amount of 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.

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 100% equity interests in BDH	0.65
Netaş and Netaş Bilişim	BDH	Netaş indirectly holds 100% equity interests in BDH; Netaş Bilişim directly holds 100% 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 Netas Kazakhstan	0.1

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

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 companies 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, the total amount of third-party guarantees approved by the Company and its subsidiaries is approximately RMB8,410,607,700. The actual balance of the aggregate amount of third-party guarantees provided by the Company and its subsidiaries is approximately RMB6,517,937,400 (of which guarantees provided for subsidiaries by the Company amounted to approximately RMB5,519,164,900), representing 12.66% 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 2021. The actual 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 0.04% 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 2021. 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.

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 [2022] No. 26 "Regulation of Listed Companies No.8-Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies" of the CSRC, "Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.1-Standardized Operation of Listed Mainboard Companies (January 2022)" 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 Forty-fifth 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

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
8 March 2022

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:

No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure ^{Note 1}	Principal operation
1	ZTE Japan K.K.	1 April 2008	JPY488.10 million	Tokyo, Japan	Li Ming	100% held by ZTE HK	Agents, sales, and sales communication products, and provides corresponding engineering, after-sales services, technical support, consultation, and training
2	PT. ZTE INDONESIA	23 June 2004	IDR380.016 billion	Jakarta, Indonesia	Liang Weiqi, Hao Yi, Yu Congqing	99.9952% held by ZTE HK and 0.0048% by ZTE Cooperatief	Distribution of telecommunications equipment, spare parts, and related equipment; after-sales services of telecommunications equipment and spare parts; and operation activities required for distribution of telecommunications equipment and spare parts
3	ZTE Corporation Bangladesh LTD	30 October 2007	BDT1 million	Dhaka, Bangladesh	Liu Wencheng	5% held by ZTE Indian and 95% by ZTE HK	Agents, sales, and sales communication products, and provides corresponding engineering, after-sales services, technical support, consultation, and training
4	Foreign Limited Liability Company "ZTE"	29 December 2009	BYN290,500	Minsk, Belarus	Wei Wei	99.9% held by ZTE HK and 0.1% by ZTE Mongolia	Agents, sales, and sales communication products, and provides corresponding engineering, after-sales services, technical support, consultation, and training
5	ZTE (Malaysia) Corporation SDN. BHD	16 February 2004	MYR750,000	Kuala Lumpur, Malaysia	Ge Yuqiao	100% held by ZTE HK	Develops and provides end-to-end integrated telecommunication network solutions and ITS software for fixed networks, mobile networks, and data, and provides training and related services
6	ZTE (Thailand) Company Limited	31 July 2002	THB50 million	Bangkok, Thailand	Zhou Zhengyuan, Li Wei, Han Zhiming	51% held by ZTE Holdings (Thailand) Co.,Ltd., 48.9999% held by ZTE, 0.00002% held by Mr. Yong YU, Mr. Ting MingFeng, Mr. Yabin Zing, Mr. Feizhen Lu, Mr. Renzhun Zhan respectively	Agents, sales, and sales communication products, and provides corresponding engineering, after-sales services, technical support, consultation, and training

No.	Name of company	Date of incorporation	Registered capital	City of registration	Legal representative	Shareholding structure ^{Note 1}	Principal operation
7	ZTE (H.K.) Limited	27 October 2000	HKD995 million	Hong Kong, China	Li Ying, Wang Xiang, Yang Jianming, Xu Jianrui, Li Yuan	100% held by ZTE	General services
8	NETAŞ TELEKOM ÜNİKASYON A.Ş.	3 March 1967	TRY64,864,800	Istanbul, Turkey	AiGuang Peng, Şuay Alpay, Ali Zülfü Tigrel, Bowen Mei, Minzhongxia Ding, Ming Li, Özer Karabulut	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
9	Netaş Bilişim Teknolojileri A.Ş.	9 August 1989	TRY11,000,000	Istanbul, Turkey	Sinan Dumlu, Alper Acindi, Borgehan Koksak	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
10	BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret. A.Ş.	23 February 2006	TRY11,600,000	Istanbul, Turkey	Sinan Dumlu, Alper Acindi, Borgehan Koksak	100% held by Netaş Bilişim	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
11	Netaş Telecom Liability Partnership	25 June 2012	KZT161,800	Almaty, Kazakhstan	Zeki Yagci; Country Manager, Kazakhstan	100% held by Netaş	Telecommunication equipment manufacturing and sales and leasing, project installation, technical support, computing solutions, integration and operation services

Note 1: ZTE HK and ZTE Telecom India Pvt. Ltd. ("ZTE India") are wholly-owned subsidiaries of ZTE. ZTE Cooperatief U.A. ("ZTE Cooperatief"), ZTE (Mongolia) Limited Liability Company ("ZTE Mongolia") are wholly-owned subsidiaries of ZTE HK. ZTE Holdings (Thailand) Co.,Ltd. is a subsidiary controlled by ZTE.

Note 2: None of the 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

No.	Name of company	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)	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)
1	ZTE Japan K.K.	39,634	31,337	8,297	115,174	1,552	972	31,330	22,981	8,349	98,234	1,514	1,003
2	PT. ZTE INDONESIA	368,649	391,188	(22,539)	281,346	(8,877)	(9,052)	323,004	350,154	(27,150)	308,143	(391)	3,845
3	ZTE Corporation Bangladesh LTD	2,633	4,947	(2,314)	2,244	904	907	3,462	7,042	(3,580)	1,866	209	209
4	Foreign Limited Liability Company "ZTE"	6,632	2,201	4,431	12,278	2,543	2,293	19,612	16,289	3,323	10,738	321	194
5	ZTE (Malaysia) Corporation SDN. BHD	60,070	31,961	28,109	73,512	7,137	6,128	61,741	62,624	(883)	52,812	1,179	608
6	ZTE (Thailand) Company Limited	138,396	171,974	(33,578)	109,866	(13,084)	(14,341)	124,282	118,159	6,123	110,545	3,348	2,697
7	ZTE (H.K.) Limited	767,499	446,332	321,167	362,863	9,688	7,822	767,142	457,774	309,368	274,943	6,502	5,703
No.	Name of company	Total assets (31 October 2021)	Total liabilities (31 October 2021)	Net assets (31 October 2021)	Operating revenue (10 months ended 31 October 2021)	Total profit (10 months ended 31 October 2021)	Net profit (10 months ended 31 October 2021)	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)
8	NETAŞ TELEKOMÜNİKASYON A.Ş.	185,930	148,325	37,605	128,150	(14,651)	(12,534)	214,172	162,139	52,033	161,235	(6,416)	(6,599)
9	Netaş Bilişim Teknolojileri A.Ş.	39,423	35,708	3,715	63,294	1,374	1,057	58,748	55,853	2,895	109,001	3,353	(1,338)
10	BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret. A.Ş.	15,348	12,294	3,054	26,702	(1,082)	(933)	16,278	12,235	4,043	32,439	2,112	964
11	Netas Telecom Limited Liability Partnership	786	722	64	2,293	(65)	(68)	7,022	5,529	1,493	10,220	368	366

Note: The financial data of Netaş and its subsidiaries in 2021 is the data of unaudited statements up to 31 October 2021, and the financial data in 2020 is the data of audited statements. The financial data of ZTE HK in 2021 is the data of unaudited single statements, and the financial data in 2020 is the data of audited single statements. In the case of other subsidiaries, the 2021 financial data are the data of unaudited statements, while the 2020 financial data are the data of audited statements .