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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 for the Subsidiary**

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 announcement.

I. Brief description of the guarantee

PT. ZTE INDONESIA (“ZTE Indonesia”), the wholly-owned subsidiary of ZTE Corporation (“ZTE” or the “Company”), has proposed to enter into the “Enterprise Private Core Network (EPCN) Solution Rollout Agreement”, “Enterprise Private Core Network (EPCN) Solution Technical Support Agreement” (hereinafter referred to as the “EPCN Equipment Purchase and Technical Support Agreement”) and “EPC USO Solution Rollout Agreement”, “EPC USO Solution Technical Support Agreement” (hereinafter referred to as the “EPC Equipment Purchase and Technical Support Agreement”) with PT. Telekomunikasi Selular (“Telkomsel”), a mobile carrier of Indonesia, pursuant to which ZTE Indonesia has proposed to provide core network construction and technical support services to Telkomsel.

The Company has proposed to provide joint-liability guarantee in respect of the performance obligations of ZTE Indonesia under the “EPCN Equipment Purchase and Technical Support Agreement” and “EPC Equipment Purchase and Technical Support Agreement” for a total amount of IDR8.1 billion (equivalent to approximately USD0.53 million), with a term commencing on the date of issuance of a letter of guarantee by the Company and ending on the date on which the performance obligations of ZTE Indonesia under the “EPCN Equipment Purchase and Technical Support Agreement” and “EPC Equipment Purchase and Technical Support Agreement” are completed in full.

As ZTE Indonesia is a wholly-owned subsidiary of ZTE, ZTE Indonesia has not provided any counter-guarantee in favour of ZTE in respect of the aforesaid guarantee.

As considered and passed at the Forty-fifth Meeting of the Eighth Session of the Board of

Directors and the 2021 Annual General Meeting of the Company, the Company would provide a guarantee amount for contract performance of not exceeding USD300 million in aggregate for 8 overseas subsidiaries including ZTE Indonesia. The aforesaid guarantee amount will be 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, subject to the approval of the Board of Directors of the Company for specific guarantees. The aforesaid guarantee falls within the guarantee amount considered and approved at the general meeting and was considered and approved at the Sixth Meeting of the Ninth Session of the Board of Directors of the Company held on 10 October 2022. Hence, it is not required to be submitted to the general meeting for consideration.

II. Information on the guaranteed party

1. Name: PT. ZTE INDONESIA
2. Date of incorporation: 23 June 2004
3. Place of registration: Jakarta, Indonesia
4. Authorised representatives: Liang Weiqi (梁璋琦), Yu Congqing(禹從慶), Hao Yi (郝毅)
5. Registered capital: IDR380.016 billion (equivalent to approximately USD24.86 million)
6. Scope of business: Sales of systems, software and services; project installation, repair and maintenance and technical support.
7. Relationship with the Company: ZTE Indonesia is a subsidiary of the Company, held as to 99.9952% by ZTE (H.K.) Limited and 0.0048% by ZTE Cooperatief U.A, wholly-owned subsidiaries of the Company
8. Operating and financial conditions
As at 30 June 2022, the total assets of ZTE Indonesia converted to RMB3,017.25 million, total liabilities converted to RMB3,146.05 million. The operating revenue converted to RMB1,239.49 million , and net profit converted to RMB80.49 million for the six months ended 30 June 2022.
9. ZTE Indonesia is not a discredited party subject to enforcement.

For the further information of the guaranteed party, please refer to the "Overseas Regulatory Announcement Announcement Provision of Guarantee Limits for Subsidiaries for 2022" published by the Company on 8 March 2022.

III. Principal terms of the guarantee

ZTE has proposed to provide joint-liability guarantee in respect of ZTE Indonesia's performance of obligations under the "EPCN Equipment Purchase and Technical Support Agreement" and "EPC Equipment Purchase and Technical Support Agreement".

1. Guarantor: ZTE
2. Guarantee: ZTE Indonesia
3. Amount guaranteed: IDR8.1 billion (equivalent to approximately USD0.53 million).

4. Term of guarantee: with a term commencing on the date of issuance of a letter of guarantee by the Company and ending on the date on which the performance obligations of ZTE Indonesia under the “EPCN Equipment Purchase and Technical Support Agreement” and “EPC Equipment Purchase and Technical Support Agreement” are completed in full.

5. Type of guarantee: joint liability

6. Counter-guarantee: As ZTE Indonesia is a wholly-owned subsidiary of ZTE, ZTE Indonesia has not provided any counter-guarantees in favour of ZTE 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 ZTE Indonesia and will generate reasonable returns for the Company and facilitate its overseas business expansion. The risk of providing guarantees for ZTE Indonesia, a wholly-owned subsidiary of the Company, 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 total amount of third-party guarantees approved by the Company and its subsidiaries is approximately RMB12,342,581,100. The actual balance of the aggregate amount of third-party guarantees provided by the Company and its subsidiaries is approximately RMB5,408,456,600 (of which guarantees provided for subsidiaries by the Company amounted to approximately RMB5,105,352,200), representing 10.51% 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 0. 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.

VI. Documents for inspection

Resolutions of the Sixth Meeting of the Ninth Session of the Board of Directors of the Company

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
10 October 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.