

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 a 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 information disclosure.

I. Overview of guarantees

Xi'an Cris Semiconductor Technology Company Limited ("Cris") is a wholly-owned subsidiary of ZTE Microelectronics Technology Company Limited ("ZTE Microelectronics"), which is in turn a wholly-owned subsidiary of ZTE Corporation (the "Company" or "ZTE"). Cris has requirements to make purchases from suppliers and, in respect of the obligations of Cris under such purchases, ZTE has proposed to provide a guarantee limit of not more than USD500 million, representing 6.49%¹ of the Company's owners' equity attributable to holders of ordinary shares of the listed company as set out in its audited consolidated accounting statements as at 31 December 2021. The guarantee limits shall be in effect for one year upon consideration and approval by the Board of Directors.

The aforesaid matter has been considered and approved at the Third Meeting of the Ninth Session of the Board of Directors of the Company held on 24 June 2022, and is not required to be tabled at the general meeting of the Company for consideration.

II. Information on the guaranteed party

1. Name: Xi'an Cris Semiconductor Technology Company Limited
2. Date of incorporation: 28 July 2016
3. Registered capital: RMB1,000 million
4. Registered address of the company: Room J4-02, Block J, ZTE Industry Park, 10

¹ Based on the Company's book foreign exchange rate of USD1 to RMB6.6803 as at 31 May 2022.

Tangyan South Road, Gaoxin District, Xi'an

5. Authorised representatives: Long Zhijun (龍志軍)

6. Scope of business: design, R&D and sales of ICs; technological development, consultation, transfer and services relating to computer technologies, electronic technologies and information technologies; import and export commodities and technologies (excluding commodities and technologies of which import and export is restricted, prohibited or subject to approval by the State). (Where permits are required for the operation of projects within the scope set out above, such operations shall be conducted within the effective period by virtue of the permit or approval documents. Unauthorised operation is prohibited.)

7. Relationship with the guarantor: Cris is a wholly-owned subsidiary of ZTE Microelectronics, which is in turn a wholly-owned subsidiary of ZTE

8. Major financial data

Unit: RMB ten thousand

Major financial indicator	2021 (Audited)	Three months ended 31 March 2022 (Unaudited)
Operating revenue	765,970	88,181
Total profit	68,816	15,538
Net profit	68,816	15,538
Major financial indicator	31 December 2021 (Audited)	31 March 2022 (Unaudited)
Total assets	411,057	521,231
Total liabilities	154,950	249,261
Net assets	256,107	271,970
Gearing ratio	38%	48%

9. Cris is not a discredited party subject to enforcement.

III. Principal terms of the guarantee

1. Guarantor: ZTE Corporation

2. Guaranteed party: Xi'an Cris Semiconductor Technology Company Limited

3. Guarantee limit: not more than USD500 million

4. Effective term of guarantee limit: one year upon consideration and approval by the Board of Directors

5. Type of guarantee: joint liability guarantee

6. Counter-guarantee: as Cris is a wholly-owned subsidiary reported in the consolidated statements of ZTE, Cris has not provided counter guarantees to ZTE in respect of the aforesaid guarantee.

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

The said guarantee is conducive to the business development of Cris, which is a wholly-owned subsidiary reported in the consolidated statements of ZTE. The risk associated with the guarantee is within control.

The Independent Non-executive Directors of the Company are of the view that the said guarantee is in compliance with the provisions of pertinent 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, “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.

V. 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 RMB12,143,713,200. The actual balance of the aggregate amount of third-party guarantees provided by the Company and its subsidiaries is approximately RMB7,442,177,100 (of which guarantees provided for subsidiaries by the Company amounted to approximately RMB7,130,634,300), representing 14.46% 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

1. Resolutions of the Third 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
24 June 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.