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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. Overview of the guarantee**

ZICT Technology Co.,Ltd (深圳中興網信科技有限公司) (“Shenzhen ZICT”) is a 90%-owned subsidiary of ZTE Corporation (“ZTE” or the “Company”). Hunan ZICT Technology Co.,Ltd (湖南中興網信科技有限公司) (“Hunan ZICT”) is a wholly-owned subsidiary of Shenzhen ZICT. Shenzhen ZICT has proposed to enter into a “Facility Agreement” with Shanghai Pudong Development Bank Company Limited, Shenzhen Branch (“SPD Bank”), pursuant to which SPD Bank shall provide a facility of RMB100 million to Shenzhen ZICT. Under the said “Facility Agreement”, Shenzhen ZICT shall enter into relevant loan contracts with SPD Bank. Hunan ZICT has proposed to enter into a “Maximum Mortgage Contract” with SPD Bank to provide guarantee backed by real estate mortgages in respect of the obligations of Shenzhen ZICT under the “Facility Agreement” and relevant loan contracts. The maximum amount of the guarantee shall be RMB100 million and the term of the guarantee shall commence on the date on which the “Maximum Mortgage Contract” comes into effect and end on 3 January 2023.

The aforesaid matter has been considered and passed at the Sixteenth Meeting of the Eighth Session of the Board of Directors of the Company held on 24 April 2020.

**II. Information on the guaranteed party**

1. Name: ZICT Technology Co.,Ltd
2. Date of incorporation: 25 May 2009
3. Registered capital: RMB100 million
4. Registered address: 8th Floor, Block C, Huihai Plaza, Chuangye Road, Longhua Street,

Longhua District, Shenzhen (深圳市龍華區龍華街道創業路匯海廣場C棟8樓)

5. Authorised representative: 俞義方 (Yu Yifang)

6. Scope of business: Design, development, 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 (in respect of the above, save for items prohibited by law, administrative regulations and State Council decisions and subject to the obtaining of licenses in case of restricted items); aviation accident insurance, travel safety insurance and information services (limited to mobile network information services only); production and sales of medical equipment; production of wireless data terminals.

7. Relationship with the guarantor: Shenzhen ZICT is the parent company of Hunan ZICT and a 90%-owned subsidiary of ZTE.

8. Key financial data:

RMB in ten thousands

<b>Key financial indicator</b>	<b>Year ended 31 December 2019</b>	<b>Two months ended 29 February 2020</b>
Operating revenue	98,743.74	3,172.98
Net profit	2,065.39	-3,008.16
<b>Key financial indicator</b>	<b>31 December 2019</b>	<b>29 February 2020</b>
Total assets	318,230.26	300,192.98
Total liabilities	210,594.94	203,683.82
Net assets	107,635.32	96,509.16
Gearing ratio	66.18%	67.85%

9. Shenzhen ZICT is not a discredited party subject to enforcement.

### III. Principal terms of the guarantee

1. Guarantor: Hunan ZICT Technology Co.,Ltd

2. Guarantee: ZICT Technology Co.,Ltd

3. Amount guaranteed: not more than RMB100 million

4. Term of guarantee: commencing on the date on which the “Maximum Mortgage Contract” comes into effect and ending on 3 January 2023

5. Type of guarantee: guarantee with maximum-amount security

6. Collateral to be mortgaged: (1) State-owned land use rights and properties recorded on Property Ownership Certificate [Heng Fang Quan Zheng Zheng Xiang Qu Zi] No. 08256111;

(2) State-owned land use rights recorded on State-owned Land Use Rights Certificate [Heng Guo Yong (2016A)] No. 08-05242.

7. Counter-guarantee: As both Hunan ZICT and Shenzhen ZICT are subsidiaries reported in the consolidated financial statements of ZTE and Shenzhen ZICT is the parent company of Hunan ZICT, Shenzhen ZICT has not provided any counter-guarantee 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 Shenzhen ZICT. Given that Shenzhen ZICT is the parent company of Hunan ZICT and both companies are the subsidiaries reported in the consolidated financial statements of ZTE, the risk of the aforesaid guarantee 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 RMB1,204,274,100 (of which guarantees provided for subsidiaries by the Company amounted to approximately RMB832,079,000), representing 4.178% 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 2019. 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 0.073% 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 2019. 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 Sixteenth Meeting of the Eighth 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  
24 April 2020

*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.*