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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by ZTE Corporation (the “**Company**”) on a voluntary basis.

Reference is made to the announcement of the Company dated 20 June 2018 in relation to the differences in provisions with respect to the Company between the version of the National Defense Authorization Act (“**NDAA**”) passed by the U.S. Senate and the version of the NDAA passed by the U.S. House (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

In light of the public release by the U.S. Congress of the Conference Report of the National Defense Authorization Act (the “**Conference Report**”), the Company would like to provide an update to the Announcement.

The Conference Report would not alter or interfere in any manner with the 13 July 2018 Order (the “**13 July 2018 Order**”) issued by the U.S. Commerce Department’s Bureau of Industry and Security (“**BIS**”) terminating the 15 April 2018 Denial Order against the Company and Shenzhen ZTE Kangxun Telecom Company Limited (“**ZTE Kangxun**”). The Company wishes to reiterate that, pursuant to the Superseding Settlement Agreement between BIS and the Company and ZTE Kangxun, the 13 July 2018 Order has removed the Company and ZTE Kangxun from the Denied Persons List.

The Conference Report shall be submitted to both Chambers of the United States Congress for consideration and, if approved, then presented to the President of the United States for signature or veto. Investors of the Company are advised to pay attention to investment risks.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

26 July 2018

As at the date of this announcement, the Board of Directors of the Company comprises two executive directors, Li Zixue, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Yuming Bao, Gordon Ng.