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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)

**INSIDE INFORMATION ANNOUNCEMENT
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by ZTE Corporation (the “**Company**” and “**ZTE**”) pursuant to Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 9 March 2016, 23 March 2016, 28 March 2016, 6 April 2016, 28 June 2016, 19 August 2016, 18 November 2016, 14 February 2017, 24 February 2017, 8 March 2017, 23 March 2017, 24 March 2017 and 29 March 2017 in relation to the civil penalty decision of the Bureau of Industry and Security of the United States Department of Commerce (the “**BIS**”), the United States Department of Justice, and the United States Department of Treasury, relevant updates and settlement and the announcements of the Company dated 17 April 2018 and 18 April 2018 in relation to the trading halt, delay in publication of the 2018 first quarterly report and continued suspension of trading (collectively the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

BIS has issued an order (the “**Order**”) that the suspension of a denial order for seven years that would restrict and prohibit, among other things, the Company and its wholly-owned subsidiary ZTE Kangxun Telecommunications Ltd. from applying for or using any licenses or license exceptions, and purchasing or selling any commodity, software, or technology that is subject to the U.S. Export Administration Regulations, was activated with effect from 15 April 2018 (U.S. time) until 13 March 2025 (U.S. time).

The Company will make active communications and seek legal channels to a solution. The Company will make announcements of material development. Shareholders and potential

investors of the Company are advised to pay attention to further announcements made by the Company and investment risks.

At the request of the Company, trading in the H shares of the Company on the Stock Exchange was halted from 9:00 a.m. on 17 April 2018 and will remain suspended pending the further release of an inside information announcement regarding updates to relative actions to be taken by the Company.

By Order of the Board
Yin Yimin
Chairman

Shenzhen, the PRC
20 April 2018

As at the date of this announcement, the Board of Directors of the Company comprises two executive directors, Yin Yimin and Zhao Xianming; seven non-executive directors, Zhang Jianheng, Luan Jubao, Wang Yawen, Tian Dongfang, Zhan Yichao, Wei Zaisheng and Zhai Weidong; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.