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ZTE

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 Impairment Charge for Long-term Equity Investment**

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 or misleading statement in this announcement or material omission therefrom.

ZTE Corporation (the "Company") has made an impairment charge for long-term equity investment amounting to approximately RMB1,094 million in respect of its 49.9% equity interests in Nubia Technology Limited ("Nubia") for 2018.

As at 31 December 2018, the book balance of the investment in 49.9% equity interests of Nubia held by the Company prior to the impairment charge was approximately RMB2,375 million. According to the valuation report prepared by Jones Lang LaSalle (*Beijing*) Consulting Co., Ltd., the recoverable amount for the Company's 49.9% equity interest in Nubia is approximately RMB1,281 million. Based on the aforesaid valuation result, the ASBEs and the Company's relevant accounting policies, the Company made an impairment charge of approximately RMB1,094 million for 2018 in respect of the long-term equity investment in Nubia.

The aforesaid matter has reduced the Company's total profit on the face of its 2018 consolidated financial statements by approximately RMB1,094 million.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

27 March 2019

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.