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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
Progress of Material Matter in relation to
Suspension of Trading**

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 or material omission in this announcement.

The United States Department of Commerce Bureau of Industry and Security (the “**BIS**”) has activated the denial order. At the application of ZTE Corporation (the “**Company**”) to the Shenzhen Stock Exchange, trading in the A shares of the Company (Abbreviation: ZTE, stock code: 000063) was halted with effect from 17 April 2018 and will remain suspended. During the suspension period, the Company made announcements on 17 April 2018, 20 April 2018, 22 April 2018, 25 April 2018, 1 May 2018, 6 May 2018 and 9 May 2018 in relation to the trading halt of A shares of the Company, the order issued by BIS and related effects, the actions taken by the Company and related parties and the continued suspension of trading of A shares of the Company.

The Company will make announcements of material developments in relation to the above matters as soon as practicable. Investors of the Company are advised to pay attention to further announcements made by the Company and investment risks.

By Order of the Board

Yin Yimin

Chairman

Shenzhen, the PRC

16 May 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.