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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)

**INSIDE INFORMATION - UPDATED INFORMATION IN RELATION TO THE
EXPORT RESTRICTIONS BY THE UNITED STATES DEPARTMENT OF
COMMERCE**

This announcement is made by ZTE Corporation (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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 and 23 March 2017 in relation to the decisions of the Bureau of Industry and Security of the United States Department of Commerce, relevant updates and settlement (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

The Company would like to announce that on 23 March 2017 (United States time), the settlement order by BIS was issued, upon which the agreement with BIS has become effective.

The Company will make announcements of material development of the above matters as soon as practicable. Shareholders and potential 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

24 March 2017

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