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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 - UPDATED INFORMATION IN RELATION TO THE EXPORT RESTRICTIONS BY THE U.S. COMMERCE DEPARTMENT

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 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 and 28 June 2016 in relation to the decisions of the Bureau of Industry and Security of the Department of Commerce of the United States of America (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

As disclosed in the Announcements, BIS previously issued the Ruling which created a temporary general license with the effect that the export restrictions on the Company and ZTE Kangxun Telecommunications Ltd. under the Decision would not apply until 30 June 2016, which was extended to 30 August 2016. The Company was notified that BIS has issued a further ruling which will come into effect on 19 August 2016 (United States time) and will further extend the temporary general license to 28 November 2016 (United States time).

The Company will continue to be cooperative with the relevant U.S. governmental departments, actively communicate with the U.S. governmental departments to reach a final solution on the matter and strictly comply with relevant U.S. laws and regulations on export restrictions.

The Company will make further announcements to inform the shareholders and potential investors of the Company of any material development of the above matters as and when appropriate in accordance with the requirements of the Listing Rules and the SFO.

By Order of the Board
Zhao Xianming
Chairman

Shenzhen, the PRC
19 August 2016

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Zhao Xianming, Yin Yimin and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Shi Lirong, 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.