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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 U.S. COMMERCE
DEPARTMENT**

This announcement is made by ZTE Corporation (the “**Company**”) 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) (the “**SFO**”).

Reference is made to the (i) the announcements of the Company dated 7 March 2016 and 9 March 2016, respectively, in relation to the trading halt in the H shares of the Company with effect from 9:00 a.m. on 7 March 2016 and the decision of the Bureau of Industry and Security of the Department of Commerce of the United States of America (“**BIS**”) to impose export restrictions on the Company; and (ii) the announcement dated 17 March 2016 in relation to the delay in publication of the annual results of the Group for the year ended 31 December 2015 (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

The Board would like to inform shareholders and potential investors of the Company that on 22 March 2016 (**Hong Kong time**), the Company has noted that BIS has issued a ruling (the “**Ruling**”, together with the Decision, the “**Decisions**”) which will amend upon publication, no later than 24 March 2016 (**United States local time**), the Decision by creating 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, unless amended. The temporary general license is renewable if the U.S. Government determines, in its sole discretion, that the Company and ZTE Kangxun Telecommunications Ltd. are timely performing their undertakings to the U.S. Government and otherwise cooperating with the U.S. Government in resolving the matter.

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

The Company will conduct a thorough self-assessment on the potential impacts of the Decisions on the business and operations of the Group and publish an announcement on the 2015 Annual Results as soon as practicable.

The Company will make further announcements to inform the shareholders and potential investors of the Company of the date of the Board meeting to approve the 2015 Annual Results and any other material developments of the above matters in accordance with the requirements of the Listing Rules and the SFO.

Trading in the H shares of the Company will continue to be suspended from trading on The Stock Exchange of Hong Kong Limited pending the publication of the 2015 Annual Results.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
23 March 2016

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