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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 – EXPORT RESTRICTIONS BY U.S. COMMERCE DEPARTMENT

This announcement is made by ZTE Corporation (the “**Company**”, and together with its subsidiaries, the “**Group**”) 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**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders and potential investors of the Company that the Bureau of Industry and Security of the Department of Commerce of the United States of America (“U.S.”) has added the Company, ZTE Kangxun Telecommunications Ltd., ZTE Parsian and Beijing 8-Star International Co. to the Entity List on 7 March 2016 (the “**Decision**”). Pursuant to the Decision, with effect from 8 March 2016, suppliers of items subject to the Export Administration Regulations shall be required to apply for a license for the supplies of such items to the Company and the other three companies, and a license review policy of presumption of denial shall apply. The Company is conducting a thorough assessment on the potential impacts of the restriction measures on the business and operation of the Group.

As at the date of this announcement, the Company has been and will continue to be cooperative in the investigations by the U.S. relevant governmental department, and has been actively facilitating communications with the U.S. governmental department for to search for a solution.

The Company will make further announcements in due course according to the Listing Rules and the SFO in the event of any material developments of the above matter.

As the Company is conducting a thorough assessment on potential impacts of the restriction measures and there is uncertainty as to whether a solution can be achieved through the communication between the Company and the relevant U.S. governmental department, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, the PRC

9 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.