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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 ANNOUNCEMENT AND CONTINUED SUSPENSION OF TRADING

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).

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, 23 March 2017, 24 March 2017 and 29 March 2017 in relation to the civil penalty decision of the relevant U.S. government departments, relevant updates and settlement and the announcements of the Company dated 17 April 2018, 18 April 2018, 20 April 2018, 22 April 2018, 25 April 2018, 26 April 2018 and 27 April 2018 in relation to the trading halt of H shares of the Company, the order issued by BIS, the 2018 first quarterly report of the Company, the Actions to be taken by the Company and the continued suspension of trading of H shares of the Company (collectively 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 announcement of the Company dated 20 April 2018, BIS has issued an order for the activation of a denial order (the "**Denial Order**"). The Company received instructions from BIS regarding the process by which the U.S. Department of Commerce will accept and consider supplemental information from the Company. The Company proposes to provide information to BIS according to the aforesaid process. If necessary, the Company intends to exhaust administrative or legal remedies available to it under applicable U.S. laws.

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.

At the request of the Company, trading in the H shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on 17 April 2018 and will remain suspended pending the further release of an inside information announcement regarding, among other things, an assessment on the major impact of the Denial Order on the business and operations of the Company.

By Order of the Board

Yin Yimin

Chairman

Shenzhen, the PRC

1 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.