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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

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 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 17 April 2018, 20 April 2018, 22 April 2018, 25 April 2018, 1 May 2018 and 6 May 2018 in relation to the trading halt of H shares of the Company, the order issued by BIS, the Actions 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**”). As a result of the Denial Order, the major operating activities of the Company have ceased.

As of now, the Company maintains sufficient cash and strictly adheres to its commercial obligations subject to compliance with laws and regulations. The Company and related parties are actively communicating with the relevant U.S. government departments in order to facilitate the modification or reversal of the Denial Order by the U.S. government and forge a positive outcome in the development of the matters.

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.

By Order of the Board

Yin Yimin

Chairman

Shenzhen, the PRC

9 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.