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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by ZTE Corporation (the “**Company**”) on a voluntary basis.

Reference is made to the announcement of the Company dated 20 April 2018 (PRC time) in relation to the denial order that the U.S. Commerce Department’s Bureau of Industry and Security (“**BIS**”) activated on 15 April 2018 (U.S. time) (the “**15 April 2018 Denial Order**”) (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement. All times and dates in this announcement refer to U.S. time, except as otherwise stated.

The Company and ZTE Kangxun Telecommunications Ltd. (collectively, “**ZTE**”) received a limited authorization under Section 764.3(a)(2) of the U.S. Export Administration Regulations (“**EAR**”) from the BIS Office of Exporter Services on 2 July 2018, pursuant to which BIS granted a limited general authorization (the “**Authorization**”) for “all persons, except those in Country Group E Countries (currently, Cuba, Iran, North Korea, Sudan and Syria)”, to engage only in the limited transactions described below, subject to the following conditions:

- (1) The Authorization is effective from the date of the Authorization until 1 August 2018.
- (2) The Authorization does not relieve persons of other obligations under the EAR, including but not limited to licensing requirements to the PRC or elsewhere and/or the requirements of part 744 of the EAR. The Authorization does not authorize any activities or transactions involving Country Group E Countries or persons.
- (3) With the exception of those explicitly authorized in the Authorization, exports, reexports, transfers (in-country), activities and transactions prohibited under the 15 April 2018 Denial Order remain prohibited without additional written prior authorization from BIS.

The Authorization allows, from 2 July 2018 until 1 August 2018, the following:

(1) Continued Operation of Existing Networks and Equipment. BIS authorizes engagement in any transaction, subject to other provisions of the EAR, necessary to maintain and support any networks or equipment, including software updates or patches, subject to contracts and agreements executed between ZTE and third parties before 15 April 2018.

(2) Support to Existing Handsets. BIS authorizes engagement in transactions, subject to other provisions of the EAR, necessary to provide service and support, including software updates or patches to ZTE phones. The Authorization is limited to models of ZTE phones that were available to the public on or before 15 April 2018.

(3) Cybersecurity Research and Vulnerability Disclosure. BIS authorizes, subject to other provisions in the EAR, the disclosure to ZTE of information regarding security vulnerabilities in items owned, possessed, or controlled by ZTE when related to the process of providing ongoing security research critical to maintaining the integrity and reliability of communications networks and equipment.

(4) Limited Transfer of Funds. BIS authorizes parties to make and receive payment to or from ZTE for transactions and activities lawful pursuant to the Authorization.

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
Li Zixue
Chairman

Shenzhen, the PRC
6 July 2018 (PRC time)

As at the date of this announcement, the Board of Directors of the Company comprises two executive directors, Li Zixue, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Yuming Bao, Gordon Ng.