

## P R E S S I N F O R M A T I O N

### Statement of ZTE Corporation on Activation of the “Denial Order” by U.S. Department of Commerce

**Düsseldorf, 20th of April, 2018 – Since April 2016, ZTE Corporation (hereinafter referred to as “ZTE”) has continuously reflected on lessons from its past experience in Export Control Compliance and has attached great importance to Export Control Compliance. Within ZTE, compliance is regarded as the foundation and bottom-line of the Company’s operation.**

ZTE has established a Compliance Committee led directly by its CEO; built a global team of experienced export control compliance experts; engaged several world-class counsels and consultants to provide professional guidance in order to establish and optimize ZTE’s export control compliance structure, system and procedure; introduced and implemented the SAP Global Trade System (GTS); organized compliance training covering over 65,000 employees; cooperated comprehensively with the independent Monitor designated by U.S. Government to ensure the Monitor’s real-time and transparent monitoring over ZTE’s implementation of the relevant Agreements with U.S. Government and applicable export control compliance requirements, and provided over 132,000 pages of documents. In 2017 alone, ZTE invested over USD 50 million in its export control compliance program and is planning to invest more resources in 2018.

However, the Bureau of Industry and Security (hereinafter referred to as “BIS”) activated the Suspended Denial Order on 16 April 2018, on the ground that ZTE did not timely reduce bonus of and issue letters of reprimand to certain employees involved in past violation of export control and made false statements in correspondence with the U.S. Government.

ZTE has been working diligently on Export Control Compliance program and has invested tremendous resources in export compliance and has made significant progress since 2016. It is unacceptable that BIS insists on unfairly imposing the most severe penalty on ZTE even before the completion of investigation of facts, ignoring the continuous diligent work of ZTE and the progress we have made on export compliance and disregarding the fact that (1) ZTE self-identified the issues in the correspondence and self-reported by ZTE immediately; (2) the Company has taken measures against the employees who might have been responsible for this incident; (3) corrective measures has been taken

#### At a glance



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#### Internet

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immediately; and (4) a prestigious U.S. law firm has been engaged to conduct independent investigation.

The Denial Order will not only severely impact the survival and development of ZTE but will also cause damages to all partners of ZTE including a large number of U.S. companies.

In any case, ZTE will not give up its efforts to resolve the issue through communication, and we are also determined, if necessary, to take judicial measures to protect the legal rights and interests of our Company, our employees and our shareholders, and to fulfill obligations and take responsibilities to our global customers, end-users, partners and suppliers.

As a global company originating in China, ZTE will unite all of its employees as one with full confidence to work together taking best efforts to facilitate a final resolution.

#### **Über ZTE Mobile Devices**

ZTE Mobile Devices ist ein Geschäftsbereich der ZTE Corporation, einem international führenden Anbieter von modernen Telekommunikationssystemen, Netzwerklösungen und mobilen Endgeräten. Das Stammhaus von ZTE befindet sich in Shenzhen/China, die ZTE Deutschland GmbH ist seit 13 Jahren in Deutschland niedergelassen. Die Aktien von ZTE werden an den Börsen von Hongkong und Shenzhen gehandelt.

ZTE gehört zu den weltweit führenden Mobiltelefon-Herstellern. Das Unternehmen produziert mit Handys, Smartphones, Tablet-PCs, mobilen Breitband-Modems und Hotspots ein umfassendes Portfolio an mobilen Endgeräten.

ZTE unterhält strategische Partnerschaften mit 47 der 50 größten Mobilfunkbetreiber der Welt. Außerdem belegt ZTE seit 2011 kontinuierlich Spitzenplätze in dem von der WIPO veröffentlichten Ranking internationaler PCT-Patentanmeldungen.

Weitere Informationen über die mobilen Endgeräte finden Sie unter:

- Website: [www.ztemobile.de](http://www.ztemobile.de)
- Facebook: [ZTE Mobile Deutschland](https://www.facebook.com/ztemobile.de)
- Instagram: [ZTE Mobile Deutschland](https://www.instagram.com/ztemobile_deutschland/)
- YouTube: [ZTE Mobile Deutschland](https://www.youtube.com/ztemobile_deutschland)