

China tech stocks Lenovo, ZTE tumble after chip hack report

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In this Sept. 27, 2018, file photo, Lenovo chairman and CEO Yang Yuanqing delivers a keynote speech during the Lenovo Tech World summit in Beijing. Chinese tech stocks Lenovo Group and ZTE Corp. have tumbled in Hong Kong following a news report Chinese spies might have used chips supplied by another company to hack into U.S. computer systems. (AP Photo/Mark Schiefelbein, File)

Chinese tech stocks Lenovo Group and ZTE Corp. tumbled in Hong

Kong on Friday following a news report [Chinese spies might have used chips](#) supplied by another company to hack into U.S. computer systems.

Lenovo shares closed down 15.1 percent while ZTE lost 11 percent.

Bloomberg News cited unidentified U.S. officials as saying malicious chips were inserted into equipment supplied by Super Micro Computer Inc. to American companies and government agencies.

Lenovo, with headquarters in Beijing and Research Triangle Park, North Carolina, is the biggest global manufacturer of personal computers and has a growing smartphone brand.

"Super Micro is not a supplier to Lenovo in any capacity," said Lenovo in a statement. "Furthermore, as a global [company](#) we take extensive steps to protect the ongoing integrity of our supply chain."

A spokeswoman for ZTE, headquartered in Shenzhen in southern China, said she wasn't aware of the report.

The Chinese foreign ministry didn't respond to a request for comment.

Bloomberg said Chinese military operatives added components to Super Micro products made at factories in China. It said the components included code that caused the products to accept changes to their software and to connect to outside computers.



In this Sept. 26, 2018, file photo, staff members stand at a display for Chinese technology firm ZTE at the PT Expo in Beijing. Chinese tech stocks Lenovo Group and ZTE Corp. have tumbled in Hong Kong following a news report Chinese spies might have used chips supplied by another company to hack into U.S. computer systems. (AP Photo/Mark Schiefelbein, File)

Super Micro, headquartered in San Jose, California, denied its products contained malicious chips.

"Supermicro has never found any malicious chips, nor been informed by any customer that such chips have been found," said a company statement.

Chinese tech companies face heightened scrutiny in the United States.

A 2012 report by a congressional panel said ZTE and Chinese rival Huawei Technology Ltd. were security risks and warned American

telecoms companies not to buy their equipment.

ZTE faced possible bankruptcy this year after Washington imposed a seven-year ban on sales of U.S. technology to the company over its exports to Iran and North Korea. American authorities lifted the ban in July after ZTE paid a \$1 billion fine, agreed to replace its executive team and hired U.S.-selected compliance officers.

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