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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)

Preliminary Results Announcement for the Nine Months ended 30 September 2019

This announcement is made by ZTE Corporation (the "Company" or "listed company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

I. Preliminary results for the period

1. Reporting period of the preliminary results: 1 January 2019 to 30 September 2019
2. Preliminary results for the nine months ended 30 September 2019: Turnaround to profit
3. Table of preliminary results announcement: (1 January 2019 to 30 September 2019)

Item	1 January 2019 to 30 September 2019	1 January 2018 to 30 September 2018	Change (increase / decrease)
Net profit attributable to holders of ordinary shares of the listed company (RMB'000)	Profit: 3,800,000-4,600,000	Loss: 7,259,723	Increased by 152.34%-163.36%
Basic earnings per share (RMB / share) ^{Note}	Profit: 0.90-1.09	Loss: 1.73	Increased by 152.02%-163.01%

4. Table of preliminary results announcement: (1 July 2019 to 30 September 2019)

Item	1 July 2019 to 30 September 2019	1 July 2018 to 30 September 2018	Change (Increase / decrease)
Net profit attributable to holders of ordinary shares of the listed company (RMB'000)	Profit: 2,329,301-3,129,301	Profit: 564,467	Increased by 312.65%-454.38%
Basic earnings per share (RMB / share) ^{Note}	Profit: 0.55-0.74	Profit: 0.14	Increased by 292.86%-428.57%

Note: Basic earnings per share for the nine months ended 30 September 2019 and the three months ended 30 September are computed based on the Company's total share capital of 4,217,247,000 shares as at the date of this announcement.

II. Pre-audit of the preliminary results announcement

This preliminary results announcement has not been pre-audited by a certified public accountant.

III. Reasons for change in results

The significant growth in the Group's results for the nine months ended 30 September 2019 compared to the same period last year was mainly attributable to: (1) loss reported for the same period last year attributable mainly to the USD1 billion penalty described in the "INSIDE INFORMATION ANNOUNCEMENT AND RESUMPTION OF TRADING" published by the Company on 12 June 2018 and operating losses and loss provisions arising from the matter described in the "INSIDE INFORMATION ANNOUNCEMENT" published by the Company on 9 May 2018; and (2) income pertaining to matters described in the "UPDATE ON DISCLOSEABLE TRANSACTION SUPPLEMENTAL AGREEMENT TO THE FRAMEWORK AGREEMENT FOR ENTRUSTMENT OF DEVELOPMENT, CONSTRUCTION, SALES AND OPERATION" published by the Company on 11 July 2019 recognised by the Company for the third quarter of 2019.

IV. Other information

The data of business results set out in the above represent the Company's estimates based on the information as of now. Finalised data shall be disclosed in detail in the 2019 Third Quarterly Report. Investors should beware of investment risks.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

27 August 2019

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