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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: 00763)

(Debt Stock Code: 85046)

2026 THIRD QUARTERLY REPORT

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

This announcement is published simultaneously in the Mainland in accordance with the Rules Governing Listing of Stocks on The Shenzhen Stock Exchange and in Hong Kong in accordance with the disclosure obligations under Rule 13.09(2), Rule 37.47B and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

§1 IMPORTANT

1.1 The Board of Directors, the Directors and senior management of ZTE Corporation ("ZTE" or the "Company") warrant that the contents of this quarterly report are true, accurate and complete without false information, misleading statements or material omissions, and collectively and individually accept responsibility therefor.

1.2 This quarterly report has been considered and approved at the Thirty-seventh Meeting of the Tenth Session of the Board of Directors of the Company held on 26 October 2026. All Directors have attended the meeting in person.

1.3 Mr. Xu Ziyang, Legal Representative of the Company, Ms. Li Ying, Chief Financial Officer of the Company and Ms. Wang Xiuhong, Head of Finance Division of the Company, hereby declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The financial statements contained in this quarterly report are unaudited. The financial information contained in this quarterly report has been prepared in accordance with PRC

Accounting Standards for Business Enterprises.

1.5 All monetary amounts set out in this quarterly report are expressed in RMB.

1.6 This quarterly report is published in both Chinese and English. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

§2 MAJOR FINANCIAL DATA

2.1 Major accounting data and financial indicators of the Company and its subsidiaries (the "Group")

Statement on retrospective adjustments to or restatement of accounting data for the previous year by the Company because of changes in accounting policies and rectification of accounting errors

□ Applicable √ N/A

Item	Three months ended 30 September 2026	Increase/decrease compared with the same period last year	Nine months ended 30 September 2026	Increase/decrease compared with the same period last year
Operating revenue *(RMB in thousands)*	**38,813,107**	33.99%	**116,838,466**	16.23%
Net profit attributable to shareholders of the listed company *(RMB in thousands)*	**1,307,417**	394.46%	**4,060,242**	(23.71%)
Net profit after extraordinary items attributable to shareholders of the listed company *(RMB in thousands)*	**592,885**	363.65%	**2,813,682**	(27.46%)
Net cash flows from operating activities *(RMB in thousands)*	**841,570**	76.03%	**714,970**	(59.78%)
Basic earnings per share *(RMB/share)*[Note1]	**0.27**	350.00%	**0.85**	(23.42%)
Diluted earnings per share *(RMB/share)* [Note2]	**0.27**	350.00%	**0.83**	(25.23%)
Weighted average return on net assets *(%)*[Note3]	**1.69%**	Increased by 1.34 percentage points	**5.34%**	Decreased by 1.86 percentage points

Note1: The effect of interests on other equity instruments has been deducted in the computation of basic earnings per share for the period.

Note2: As the RMB3,584 MILLION USD SETTLED ZERO COUPON CONVERTIBLE BONDS DUE 2030 issued by the Company have given rise to 132,040 thousand shares of dilutive potential ordinary shares for the nine months ended 30 September 2026, diluted earnings per share has been calculated on the basis of basic earnings per share taking into account the said factor.

Note3: The effect of principal and interests of other equity instruments has been deducted in the computation of weighted average return on net assets for the period.

Item	As at the end of the reporting period (30 September 2026)	As at the end of last year (31 December 2025)	Increase/decrease as at the end of the reporting period compared with the end of last year
Total assets *(RMB in thousands)*	**246,699,996**	217,739,375	13.30%
Owners' equity attributable to shareholders of the listed company *(RMB in thousands)*	**78,023,122**	75,425,601	3.44%

2.2 Extraordinary gains or losses items and amounts

Unit: RMB in thousands

Extraordinary gains or losses items	Amount	
	Three months ended 30 September 2026	Nine months ended 30 September 2026
Gain from disposal of non-current assets	13,732	17,445
Gains or losses from fair-value change arising from financial assets and financial liabilities, and gains or losses from disposal of financial assets and financial liabilities held by non-financial enterprises, excluding the effective-value protection hedge business relating to ordinary businesses	690,559	840,805
Other income other than income from VAT refund on software products, refund of handling charge for personal tax and VAT add-on deductibles	42,272	219,841
Reversal of bad-debt provision for individually significant trade receivables for which provision was separately made	10,849	13,954
Net of other non-operating income and expenditure other than the above	(18,940)	(20,518)
Other gains or losses falling under the definition of extraordinary gain or loss	102,426	395,198
Less: Effect of income tax	126,135	220,009
Effect of non-controlling interest (after tax)	231	156
Total	**714,532**	**1,246,560**

The Group recognised extraordinary items of gain or loss in accordance with provisions under the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuer of Securities — Extraordinary Items". The following item, which is set out in the provisions as extraordinary items, has been categorised as recurring item:

Unit: RMB in thousands

Item	Nine months ended 30 September 2026	Reason
Investment gain and gain from fair-value change of Shenzhen ZTE Capital Management Company Limited	(31,649)	Within the scope of business

2.3 Substantial changes in key financial data and financial indicators of the Group and the reasons thereof

Unit: RMB in thousands

Balance sheet

Item	30 September 2026	31 December 2025	Change	Analysis of reasons for changes
Currency cash	**16,894,991**	33,751,116	(49.94%)	Attributable mainly to the increase in income-generating products purchased for the period
Trading financial assets	**29,688,545**	17,396,415	70.66%	Attributable mainly to the increase in income-generating products purchased for the period
Derivative financial assets	**380,023**	235,612	61.29%	Attributable mainly to the increase in gain arising from end-of-period fair-value revaluation of derivative contracts for the period
Prepayments	**2,051,739**	1,443,440	42.14%	Attributable mainly to the increase in prepayment of purchase fees for the period
Inventories	**73,634,815**	47,017,122	56.61%	Attributable mainly to the increase in purchases of materials for the period
Contract assets	**7,865,167**	5,881,166	33.73%	Attributable mainly to the recognition of revenue from projects for the period
Non-current assets due within one year	**20,159,538**	510,698	3,847.45%	Attributable mainly to the redesignation of maturity for large-amount certificates of deposit from over one year to under one year
Debt investment	**12,913,159**	31,081,323	(58.45%)	Attributable mainly to the redesignation of maturity for large-amount certificates of deposit from over one year to under one year
Other non-current financial assets	**829,434**	1,792,620	(53.73%)	Attributable mainly to the redesignation of maturity for income-generating products of deposit from over one year to under one year
Development costs	**1,445,048**	2,112,171	(31.58%)	Attributable mainly to the partial transfer-out of development expenses upon fulfillment of criteria for recognition as intangible assets for the period
Short-term bonds payable	**2,000,955**	-	N/A	Attributable mainly to the issuance of short-term bonds for the period
Bills payable	**25,246,917**	15,270,429	65.33%	Attributable mainly to the increase in purchases of materials for the period
Trade payables	**29,031,915**	18,766,840	54.70%	Attributable mainly to the increase in purchases of materials for the period
Non-current liabilities due within one year	**12,381,750**	7,900,409	56.72%	Attributable mainly to the increase in long-term loans due within one year for the period
Bonds payable	**10,244,054**	7,809,677	31.17%	Attributable mainly to the newly issuance of medium-term notes for the period
Deferred tax liabilities	**43,285**	107,910	(59.89%)	Attributable mainly to the decrease in taxable temporary differences for the period

Balance sheet(Continued)				
Item	**30 September 2026**	**31 December 2025**	**Change**	**Analysis of reasons for changes**
Other equity instruments	**1,634,353**	126,956	1,187.34%	Attributable mainly to the issuance of perpetual bonds for the period
Treasury shares	**1,000,218**	-	N/A	Attributable mainly to the repurchase of A shares for the period
Non-controlling interests	**142,349**	215,640	(33.99%)	Attributable mainly to dividend payments by certain subsidiaries with a higher percentage of minority shareholding interests for the period

Income statement				
Item	**Nine months ended 30 September 2026**	**Nine months ended 30 September 2025**	**Change**	**Analysis of reasons for changes**
Finance costs	**(211,752)**	(390,741)	45.81%	Attributable mainly to the decrease in the net interest income for the period
Investment income	**493,019**	220,628	123.46%	Attributable mainly to the increase in the profits generated by associates and joint ventures for the period
Gains from changes in fair values	**341,504**	203,332	67.95%	Attributable mainly to the increase in gain arising from end-of-period fair-value revaluation of trading financial assets for the period
Credit impairment losses (loss indicated by negative value)	**(257,388)**	23,848	1,179.29%	Attributable mainly to the increase in impairment charge for trade receivables for the period
Asset impairment losses (loss indicated by negative value)	**(1,559)**	(323,906)	(99.52%)	Attributable mainly to the reversal on inventory impairment provision for the period versus charge of inventory impairment provision for the same period last year
Gains from asset disposal	**17,445**	4,262	309.31%	Attributable mainly to the increase in gain from disposal of non-current assets for the period
Non-operating expenses	**156,159**	90,001	73.51%	Attributable mainly to the increase in non-operating loss for the period
Income tax	**746,539**	558,472	33.68%	Attributable mainly to the increase of deferred income tax for the period
Effective portion of hedge instruments	**31,562**	-	N/A	Attributable mainly to the addition of newnewly designated cash flow hedges for the period
Exchange differences on translation of foreign operations and others	**(97,467)**	(242,293)	59.77%	Attributable mainly to the decrease in loss on translation of statements in foreign currencies due to exchange rate fluctuation for the period
Other comprehensive income attributable to non-controlling interests, net of tax	**2,281**	393	480.41%	Attributable mainly to the increase in gain on translation of statements in foreign currencies of subsidiaries due to exchange rate fluctuation for the period

Cash Flow Statement				
Item	**Nine months ended 30 September 2026**	**Nine months ended 30 September 2025**	**Change**	**Analysis of reasons for changes**
Net cash flows from operating activities	**714,970**	1,777,478	(59.78%)	Attributable mainly to the increase in cash paid for the purchase of goods and labour services for the period
Net cash flows from investing activities	**(13,698,533)**	(4,540,480)	(201.70%)	Attributable mainly to the increase in net investment in income-generating products purchased for the period
Net cash flows from financing activities	**2,593,048**	1,583,210	63.78%	Attributable mainly to the increase in net borrowings for the period
Effect of changes in foreign exchange rate on cash and cash equivalents	**(175,550)**	(45,226)	(288.16%)	Attributable mainly to the increase in loss on translation due to exchange rate fluctuation for the period

§3 SHAREHOLDER INFORMATION

3.1 Total number of shareholders and shareholdings of top 10 shareholders and top 10 holders of shares that were not subject to lock-up of the Company as at the end of the reporting period

As at 30 September 2026, all shares held by the top 10 shareholders of the Company were shares not subject to lock-up, namely the shareholdings of the top 10 shareholders and the shareholdings of the top 10 holders of shares not subject to lock-up were identical, the details of which are set out as follows:

Total number of shareholders	
As at 30 September 2026	There were 643,175 shareholders in total (comprising 642,896 holders of A shares and 279 holders of H shares).

Shareholdings of the top 10 shareholders

Name of shareholders	**Nature of shareholders**	**Percentage of shareholdings**	**Number of shares held as at the end of the reporting period (shares)**	**Class of shares**	**Number of shares held subject to lock-up (shares)**	**Number of shares pledged, marked or frozen (shares)**
1. Zhongxingxin Telecom Company Limited ("Zhongxingxin")	Domestic general corporation	20.09%	958,940,400 2,038,000[Note1]	A share H share	-	Nil
2. HKSCC Nominees Limited[Note 2]	Foreign shareholder	15.73%	752,429,317	H share	-	Unknown
3. ICBC Limited —Guotai CSI All Share Communications Equipment Traded Open-ended Index Securities Investment Fund	Others	1.29%	61,847,331	A share	-	Nil
4. Hong Kong Securities Clearing Company Limited[Note 3]	Foreign corporation	1.09%	52,210,073	A share	-	Nil
5. Hunan Telecom Industry Group Company Limited	State-owned corporation	0.87%	41,516,065	A share	-	Nil
6. Hexie Health Insurance Co., Ltd. — Wanneng product	Others	0.81%	38,796,600	A share	-	Nil
7. Shanxi Communications Services Co., Ltd.	State-owned corporation	0.40%	19,073,940	A share	-	Nil
8. Hexie Health Insurance Co., Ltd. —Wanneng	Others	0.37%	17,930,000	A share	-	Nil
9. Li An Private Equity Fund Management (Beijing) Co., Ltd. — Li An Dong Yuan Private Equity Securities Investment Fund	Others	0.31%	15,001,807	A share	-	Nil
10. Bank of China Limited — Huaxia Chinese Securities 5G Themed Traded Open-ended Index Securities Fund	Others	0.30%	14,524,883	A share	-	Nil

Descriptions of any connected party relationships or concerted actions among the above shareholders	Zhongxingxin was neither a connected party nor a concerted action of any of the top 10 shareholders. Save for the above, the Company is not aware of any connected party relationships or concerted party relationships among the top 10 shareholders.
Special statement on special repurchase account(s) maintained by the top 10 shareholders	As at the end of the reporting period, 28,659,411 A shares in the Company (shareholding percentage 0.60%) were held in the "ZTE Corporation Special Repurchase Securities Account". In accordance with pertinent provisions, shares held in the special repurchase account are excluded from the shareholdings of top 10 shareholders and top 10 shareholders not subject to lock-up shown above.
Description of involvement in financing and securities lending businesses of top 10 shareholders (if any)	The 9th ranking shareholder Li An Private Equity Fund Management (Beijing) Co., Ltd. — Li An Dong Yuan Private Equity Securities Investment Fund held 15,001,807 A shares in the Company via a credit securities account.

Note 1: 2,038,000 H shares in the Company held by Zhongxingxin were held by HKSCC Nominees Limited as nominee.

Note 2: Shares held by HKSCC Nominees Limited represented the sum of shares held in the accounts of the H shareholders of the Company traded on the trading platform of HKSCC Nominees Limited. To avoid repetition in counting, 2,038,000 H shares in the Company held by Zhongxingxin have been excluded from the number of shares held HKSCC Nominees Limited.

Note 3: Shares held by Hong Kong Securities Clearing Company Limited represented the sum of A shares in the Company purchased through Shenzhen Hong Kong Stock Connect (Northbound).

Loan-out of stocks under securities refinancing by shareholders holding 5% shares or above, top 10 shareholders and top 10 holders of shares not subject to lock-up

□ Applicable √ N/A

Change compared to the previous period as a result of loan-out/return under securities refinancing by top 10 shareholders and top 10 holders of shares not subject to lock-up

□ Applicable √ N/A

3.2 The Company had no preferential shares.

§4 QUARTERLY FINANCIAL STATEMENTS

ZTE CORPORATION
BALANCE SHEET

RMB in thousands

	30 September 2026		31 December 2025	
Asset	Consolidated	Company	Consolidated	Company
Current assets:	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Currency cash	16,894,991	5,198,996	33,751,116	20,157,122
Trading financial assets	29,688,545	27,255,371	17,396,415	17,352,525
Derivative financial assets	380,023	358,699	235,612	229,125
Trade receivables	24,176,721	55,578,874	21,670,066	44,303,372
Factored trade receivables	8,112	8,112	9,070	9,070
Receivable financing	2,536,161	2,233,586	3,039,968	2,423,862
Prepayments	2,051,739	49,012	1,443,440	50,348
Other receivables	2,227,670	31,639,741	2,392,560	33,711,594
Inventories	73,634,815	24,713,748	47,017,122	16,850,693
Contract assets	7,865,167	3,199,059	5,881,166	2,594,216
Non-current assets due within one year	20,159,538	14,338,424	510,698	-
Other current assets	12,798,715	3,157,206	10,586,629	3,684,282
Total current assets	192,422,197	167,730,828	143,933,862	141,366,209
Non-current assets:				
Debt investment	12,913,159	9,100,792	31,081,323	22,239,348
Long-term receivables	1,016,149	7,991,912	1,198,005	3,996,767
Factored long-term receivables	4,056	4,056	3,628	3,628
Investment in associates and joints	3,038,139	23,033,597	2,578,282	19,136,136
Other non-current financial assets	829,434	791,560	1,792,620	1,736,221
Investment properties	98,223	-	94,577	-
Property, plant and equipment	13,430,934	4,754,334	13,421,946	5,260,455
Construction in progress	740,930	422,396	798,207	381,304
Right-of-use assets	1,439,637	396,741	1,534,289	474,301
Intangible assets	6,289,871	2,148,149	6,016,651	2,187,369
Development costs	1,445,048	348,561	2,112,171	420,844
Deferred tax assets	5,362,607	2,815,105	5,165,677	2,543,299
Other non-current assets	7,669,612	4,448,652	8,008,137	4,557,307
Total non-current assets	54,277,799	56,255,855	73,805,513	62,936,979
Total assets	246,699,996	223,986,683	217,739,375	204,303,188

Legal Representative: Xu Ziyang Chief Financial Officer: Li Ying Head of Finance Division: Wang Xiuhong

ZTE CORPORATION
BALANCE SHEET(CONTINUED)

RMB in thousands

	30 September 2026		31 December 2025	
Liabilities and shareholders' equity	Consolidated	Company	Consolidated	Company
Current liabilities:	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Short-term loans	4,595,681	486,758	3,628,665	-
Bank advances on factored trade receivables	8,112	8,112	9,070	9,070
Derivative financial liabilities	216,948	216,273	179,247	151,713
Short-term bonds payable	2,000,955	2,000,955	-	-
Bills payable	25,246,917	22,402,058	15,270,429	14,984,696
Trade payables	29,031,915	47,282,285	18,766,840	47,231,428
Contract liabilities	17,280,286	14,206,576	15,600,702	12,913,242
Employee benefits payable	13,959,945	7,598,036	15,084,210	7,602,792
Taxes payable	1,248,688	110,147	1,128,338	112,792
Other payables	2,253,614	13,930,702	2,828,768	8,996,237
Provisions	1,633,574	632,365	1,584,443	554,110
Non-current liabilities due within one year	12,381,750	2,917,912	7,900,409	4,982,861
Total current liabilities	109,858,385	111,792,179	81,981,121	97,538,941
Non-current liabilities:				
Long-term loans	41,603,380	32,732,582	45,712,509	31,857,556
Bank advances on factored long-term trade receivables	4,056	4,056	3,628	3,628
Bonds payable	10,244,054	10,244,054	7,809,677	7,809,677
Lease liabilities	977,374	383,265	940,369	306,496
Long-term employee benefits payable	135,810	135,810	141,685	141,685
Deferred income	1,967,745	109,289	1,638,224	166,588
Deferred tax liabilities	43,285	-	107,910	-
Other non-current liabilities	3,700,436	2,033,436	3,763,011	1,989,766
Total non-current liabilities	58,676,140	45,642,492	60,117,013	42,275,396
Total liabilities	168,534,525	157,434,671	142,098,134	139,814,337
Shareholders' equity:				
Share capital	4,783,535	4,783,535	4,783,535	4,783,535
Other equity instruments	1,634,353	1,634,353	126,956	126,956
Capital reserves	27,501,804	27,328,685	27,474,428	27,328,685
Less: Treasury shares	1,000,218	1,000,218	-	-
Other comprehensive income	(2,739,085)	459,981	(2,673,180)	408,601
Special reserve	152,349	108,130	121,392	83,893
Surplus reserve	3,053,523	2,391,767	3,053,523	2,391,767
Retained profits	44,636,861	30,845,779	42,538,947	29,365,414
Total equity attributable to shareholders of the parent	78,023,122	66,552,012	75,425,601	64,488,851
Non-controlling interests	142,349	-	215,640	-
Total shareholders' equity	78,165,471	66,552,012	75,641,241	64,488,851
Total liabilities and shareholders' equity	246,699,996	223,986,683	217,739,375	204,303,188

ZTE CORPORATION
INCOME STATEMENT

RMB in thousands

Item	Nine months ended 30 September 2026		Nine months ended 30 September 2025	
	Consolidated	Company	Consolidated	Company
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating revenue	116,838,466	123,988,164	100,519,599	106,705,041
Less: Operating costs	87,420,142	113,071,435	69,811,475	95,197,789
Taxes and surcharges	801,748	173,576	856,057	211,841
Selling and distribution costs	6,129,075	4,018,058	6,252,592	4,353,338
Administrative expenses	3,195,718	1,965,091	2,883,944	2,242,711
Research and development costs	16,941,788	5,395,185	17,813,974	5,159,043
Finance costs	(211,752)	1,433,179	(390,741)	(538,342)
Including: Interest expense	2,275,148	1,582,666	2,842,717	1,246,793
Interest income	2,642,286	1,550,204	3,455,721	1,601,595
Add: Other income	1,693,107	144,945	2,418,420	85,099
Investment income	493,019	5,056,758	220,628	755,614
Including: Gains from investment in associates and joint ventures	331,716	300,711	96,538	96,954
Losses from derecognition of financial assets at amortised cost	(246,610)	(113,291)	(228,226)	(160,159)
Gains from changes in fair values	341,504	519,659	203,332	3,004
Credit impairment losses	(257,388)	(253,142)	23,848	(57,988)
Asset impairment losses	(1,559)	6,993	(323,906)	(313,671)
Gains from asset disposal	17,445	8,622	4,262	393
2. Operating profit	4,847,875	3,415,475	5,838,882	551,112
Add: Non-operating income	135,641	51,483	154,268	630,009
Less: Non-operating expenses	156,159	112,542	90,001	45,286
3. Total profit	4,827,357	3,354,416	5,903,149	1,135,835
Less: Income tax	746,539	(88,278)	558,472	(188,998)
4. Net profit	4,080,818	3,442,694	5,344,677	1,324,833
Analysed by continuity of operations				
Net profit from continuing operations	4,080,818	3,442,694	5,344,677	1,324,833
Analysed by ownership				
Attributable to shareholders of the parent	4,060,242	3,442,694	5,321,985	1,324,833
Non-controlling interests	20,576	-	22,692	-
5. Other comprehensive income, net of tax	(63,624)	51,380	(241,900)	5,191
Other comprehensive income attributable to shareholders of the parent, net of tax	(65,905)	51,380	(242,293)	5,191
Other comprehensive income that cannot be reclassified to profit or loss				
Change arising from the re-measurement of defined benefit plans	-	-	-	-
	-	-	-	-
Other comprehensive income that will be reclassified to profit and loss				
Effective portion of hedge instruments	31,562	31,562	-	-
Exchange differences on translation of foreign operations and others	(97,467)	19,818	(242,293)	5,191
	(65,905)	51,380	(242,293)	5,191
Other comprehensive income attributable to non-controlling interests, net of tax	2,281	-	393	-
6. Total comprehensive income	4,017,194	3,494,074	5,102,777	1,330,024
Attributable to shareholders of the parent	3,994,337	3,494,074	5,079,692	1,330,024
Attributable to non-controlling interests	22,857	-	23,085	-
7. Earnings per share (RMB/share)				
(1) Basic earnings per share	RMB0.85		RMB1.11	
(2) Diluted earnings per share	RMB0.83		RMB1.11	

ZTE CORPORATION
INCOME STATEMENT

RMB in thousands

Item	Three months ended 30 September 2026		Three months ended 30 September 2025	
	Consolidated	Company	Consolidated	Company
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating revenue	38,813,107	43,147,065	28,966,865	30,189,422
Less: Operating costs	29,279,422	39,437,244	21,478,258	29,735,388
Taxes and surcharges	256,660	48,685	281,984	67,711
Selling and distribution costs	2,130,397	1,448,716	1,868,785	1,156,742
Administrative expenses	1,046,816	744,981	753,862	619,877
Research and development costs	6,011,933	1,740,421	5,149,162	1,298,728
Finance costs	(222,767)	104,012	53,956	135,527
Including: Interest expense	731,292	502,310	819,845	359,779
Interest income	951,538	514,549	903,614	482,087
Add: Other income	595,913	25,467	625,517	41,618
Investment income	21,694	204,609	69,719	80,773
Including: Gains from investment in associates and joint ventures	(41,739)	(46,203)	44,663	43,417
Losses from derecognition of financial assets at amortised cost	(94,852)	(37,707)	(63,091)	(47,651)
Gains from changes in fair values	500,724	438,151	43,930	203,059
Credit impairment losses	147,479	(45,867)	138,764	67,251
Asset impairment losses	118,245	86,628	(38,679)	(200,115)
Gains from asset disposal	13,732	-	416	-
2. Operating profit	1,708,433	331,994	220,525	(2,631,965)
Add: Non-operating income	23,773	44,715	57,181	33,336
Less: Non-operating expenses	42,713	29,038	38,863	9,379
3. Total profit	1,689,493	347,671	238,843	(2,608,008)
Less: Income tax	393,728	19,644	(49,251)	(370,767)
4. Net profit	1,295,765	328,027	288,094	(2,237,241)
Analysed by continuity of operations				
Net profit from continuing operations	1,295,765	328,027	288,094	(2,237,241)
Analysed by ownership				
Attributable to shareholders of the parent	1,307,417	328,027	264,414	(2,237,241)
Non-controlling interests	(11,652)	-	23,680	-
5. Other comprehensive income, net of tax	(121,944)	29,340	(146,498)	(3,956)
Other comprehensive income attributable to shareholders of the parent, net of tax	(123,937)	29,340	(147,230)	(3,956)
Other comprehensive income that cannot be reclassified to profit or loss				
Change arising from the re-measurement of defined benefit plans	-	-	-	-
	-	-	-	-
Other comprehensive income that will be reclassified to profit and loss				
Effective portion of hedge instruments	27,267	27,267	-	-
Exchange differences on translation of foreign operations and others	(151,204)	2,073	(147,230)	(3,956)
	(123,937)	29,340	(147,230)	(3,956)
Other comprehensive income attributable to non-controlling interests, net of tax	1,993	-	732	-
6. Total comprehensive income	1,173,821	357,367	141,596	(2,241,197)
Attributable to shareholders of the parent	1,183,480	357,367	117,184	(2,241,197)
Attributable to non-controlling interests	(9,659)	-	24,412	-
7. Earnings per share (RMB/share)				
(1) Basic earnings per share	RMB0.27		RMB0.06	
(2) Diluted earnings per share	RMB0.27		RMB0.06	

ZTE CORPORATION
CASH FLOW STATEMENT

RMB in thousands

Item	Nine months ended 30 September 2026		Nine months ended 30 September 2025	
	Consolidated	Company	Consolidated	Company
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Cash flows from operating activities				
Cash received from sale of goods or rendering of services	126,222,076	127,663,454	106,253,552	109,300,787
Refunds of taxes	6,068,036	4,225,109	5,918,221	3,316,469
Other cash received in relation to operating activities	4,931,215	716,094	3,690,526	913,677
Sub-total of cash inflows from operating activities	137,221,327	132,604,657	115,862,299	113,530,933
Cash paid for goods and services	98,988,305	123,698,739	75,786,538	102,241,193
Cash paid to and on behalf of employees	21,554,710	6,081,429	23,308,207	6,949,842
Cash paid for various types of taxes	4,715,530	418,893	5,883,911	892,405
Other cash paid in relation to operating activities	11,247,812	5,636,781	9,106,165	6,088,176
Sub-total of cash outflows from operating activities	136,506,357	135,835,842	114,084,821	116,171,616
Net cash flows from operating activities	714,970	(3,231,185)	1,777,478	(2,640,683)
2. Cash flows from investing activities				
Cash received from sale of investments	90,651,253	79,427,778	83,259,719	80,656,026
Cash received from return on investment	2,535,688	4,333,511	1,371,294	2,294,266
Net cash received from the disposal of property, plant and equipment, intangible assets and other long-term assets	27,113	479,066	56,585	613,555
Net cash received from the disposal of subsidiaries and other operating units	-	-	-	-
Other cash received in relation to investing activities	2,000,000	35,392	-	2,218,214
Sub-total of cash inflows from investing activities	95,214,054	84,275,747	84,687,598	85,782,061
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets	2,650,331	941,113	2,917,727	1,199,005
Cash paid for acquisition of investments	104,210,113	93,142,185	86,310,351	84,791,233
Net cash paid for the acquisition of subsidiaries and other business units	-	-	-	-
Other cash paid in relation to investing activities	2,052,143	66,279	-	2,498,875
Sub-total of cash outflows from investing activities	108,912,587	94,149,577	89,228,078	88,489,113
Net cash flows from investing activities	(13,698,533)	(9,873,830)	(4,540,480)	(2,707,052)
3. Cash flows from financing activities				
Cash received from capital injection	1,504,450	1,499,550	-	-
Including: Capital injection into subsidiaries by minority shareholders	4,900	-	-	-
Cash received from borrowings	77,122,193	54,600,963	66,283,787	53,391,991
Other cash received in relation to financing activities	20	13,309,702	-	12,981,869
Sub-total of cash inflows from financing activities	78,626,663	69,410,215	66,283,787	66,373,860
Cash repayment of borrowings	71,394,081	50,094,288	60,295,503	45,102,167
Cash payments for distribution of dividends, profits and for interest expenses	3,128,615	2,734,216	4,055,854	3,672,608
Including: Distribution of dividends and profits by subsidiaries to minority shareholders	62,186	-	28,877	-
Other cash paid in relation to financing activities	1,510,919	13,275,062	349,220	12,388,401
Sub-total of cash outflows from financing activities	76,033,615	66,103,566	64,700,577	61,163,176
Net cash flows from financing activities	2,593,048	3,306,649	1,583,210	5,210,684
4. Effect of changes in foreign exchange rate on cash and cash equivalents	(175,550)	(77,994)	(45,226)	(7,944)
5. Net increase/(decrease) in cash and cash equivalents	(10,566,065)	(9,876,360)	(1,225,018)	(144,995)
Add: Balance of cash and cash equivalents at the beginning of the period	25,482,400	14,340,671	28,026,417	15,604,627
6. Balance of cash and cash equivalents at the end of the period	14,916,335	4,464,311	26,801,399	15,459,632

Adjustments to the financial statements as at the beginning of the year due to the application of new accounting standards for the first time since 2026

□ Applicable √ N/A

By Order of the Board
Fang Rong
Chair

Shenzhen, the PRC
26 October 2026

As at the date of this announcement, the Board of Directors of the Company comprises executive director, Xu Ziyang; non-executive directors, Fang Rong, Yan Junwu, Zhu Weimin, Zhang Hong; independent non-executive directors, Zhuang Jiansheng, Wang Qinggang, Tsui Kei Pang; and employee director, Li Miaona.