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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 First Quarter of 2014

This announcement is made by ZTE Corporation (the "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. Period to which the preliminary results relate: 1 January 2014 to 31 March 2014
2. Preliminary results: Growth over the same period last year
3. Table of preliminary results announcement

Item	Current period	Same period last year	Increase/ decrease
Net profit attributable to shareholders of the listed company (RMB'000)	Profit: 425,000 - 637,000	Profit: 204,996	Increase: 107.32% - 210.74%
Basic earnings per share (RMB/share)	Profit: 0.12 - 0.19	Profit: 0.06	Increase: 100.00% - 216.67%

II. Preliminary audit of the preliminary results announcement

The preliminary results announcement has not been pre-audited by certified public accountants.

III. Reasons for the change in results

The Group expected net profit attributable to shareholders of the listed company of RMB425 million to RMB637 million for the reporting period, representing an increase of over 100% as compared with the same period last year. Such increase was mainly due to the Group's on-going strengthening of management over contract profitability, improvement in gross profit margin for international projects as well as an increase in the operating revenue from domestic 4G systems projects as a percentage of total operating revenue, resulting in relatively significant increases in both gross profit margin and gross profit.

IV. Other relevant information

During the reporting period, the profitability of the Group's principal business recorded a relatively significant increase. It is expected that the net profit after extraordinary items attributable to shareholders of the listed company will be over RMB583 million for the reporting period (same period last year: RMB-615 million).

The financial data set out above have been arrived at through preliminary computations of the financial department of the Company based on information as of now. The finalised figures will be disclosed in detail in the 2014 first quarterly report. Investors are advised to beware of any investment risks associated therewith.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC

10 April 2014

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Richard Xike Zhang.