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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 2018

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 2018 to 30 September 2018
2. Preliminary results for the nine months ended 30 September 2018: Loss
3. Table of preliminary results announcement: (1 January 2018 to 30 September 2018)

Item	1 January 2018 to 30 September 2018	1 January 2017 to 30 September 2017	Change (Increase / decrease)
Net profit attributable to holders of ordinary shares of the listed company (RMB'000)	Loss: 6,800,000-7,800,000	Profit: 3,904,652	Decreased by 274.15%-299.76%
Basic earnings per share (RMB / share)	Loss: 1.62-1.86	Profit: 0.93	Decreased by 274.19%-300.00%

4. Table of preliminary results announcement: (1 July 2018 to 30 September 2018)

Item	1 July 2018 to 30 September 2018	1 July 2017 to 30 September 2017	Change (Increase / decrease)
Net profit attributable to holders of ordinary shares of the listed company (RMB'000)	Profit: 24,190-1,024,190	Profit: 1,611,785	Decreased by 36.46%-98.50%
Basic earnings per share (RMB / share)	Profit: 0.01-0.24	Profit: 0.38	Decreased by 36.84%-97.37%

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 substantial decrease in results for the period from January to September 2018 compared to the same period last year was mainly attributable to: (1) the USD1 billion penalty mentioned in the “INSIDE INFORMATION ANNOUNCEMENT AND RESUMPTION OF TRADING” published by the Company on 12 June 2018; (2) operating losses and provision for losses resulting from the suspension of the major operating activities of the Company as referred in “INSIDE INFORMATION ANNOUNCEMENT” published by the Company on 9 May 2018.

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 2018 Third Quarterly Report. Investors are asked to beware of investment risks.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

30 August 2018

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.