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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 of the 2019 First Quarterly

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 XIV A 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 31 March 2019
2. Preliminary results for first quarter of 2019: Turnaround from loss to profit
3. Table of preliminary results announcement: (1 January 2019 to 31 March 2019)

Item	1 January 2019 to 31 March 2019	1 January 2018 to 31 March 2018	Change (Increase / decrease)
Net profit attributable to holders of ordinary shares of the listed company (RMB'000)	Profit: 800,000–1,200,000	Loss: 5,407,237	Increased by 114.79%-122.19%
Basic earnings per share (RMB / share)	Profit: 0.19–0.29	Loss: 1.29	Increased by 114.73%-122.48%

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 increase in results for the period from January to March 2019 compared to the same period last year was mainly attributable to the loss recorded for the same period last year. The loss reported for the period from January to March 2018 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 arising from the matter described in the “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 2019 First Quarterly Report. Investors are asked to beware of investment risks.

By Order of the Board

Li Zixue

Chairman

Shenzhen, the PRC

27 March 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.