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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 Six Months ended 30 June 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. Important Risk Reminder

Reference is made to the “INSIDE INFORMATION ANNOUNCEMENT AND CONTINUED SUSPENSION OF TRADING”, “INSIDE INFORMATION ANNOUNCEMENT” and “INSIDE INFORMATION ANNOUNCEMENT AND RESUMPTION OF TRADING” published by ZTE Corporation (the “Company”) on 20 April 2018, 9 May 2018 and 12 June 2018, respectively. This preliminary announcement represents preliminary projections made on the basis of the state of affairs as of now. Investors are asked to beware of investment risks.

II. Preliminary results for the period

1. Reporting period of the preliminary results: 1 January 2018 to 30 June 2018
2. Preliminary results: Loss
3. Table of preliminary results announcement:

Item	Reporting period	Same period last year	Change (Increase / decrease)
Net profit attributable to holders of ordinary shares of the listed company (RMB'000)	Loss: 7,000,000–9,000,000	Profit:2,292,867	Decreased by 405.29%–492.52%

Item	Reporting period	Same period last year	Change (Increase / decrease)
Basic earnings per share (RMB / share)	Loss: 1.67–2.15	Profit: 0.55	Decreased by 403.64%–490.91%

III. Pre-audit of the preliminary results announcement

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

IV. Reasons for change in results

The substantial decrease in results for the reporting period compared to the same period last year was mainly attributable to: (1) 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; (2) the USD1 billion penalty mentioned in the “INSIDE INFORMATION ANNOUNCEMENT AND RESUMPTION OF TRADING” published by the Company on 12 June 2018.

V. Other information

The data of business results set out in the above represent the Company’s estimates based on the state of affairs as of now. Finalised data shall be disclosed in detail in the 2018 Interim Report. Investors are asked to beware of investment risks.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
13 July 2018

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