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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)**

**Updated Information in Relation to Export Restrictions by the U.S.  
Commerce Department  
and  
Announcement Regarding the Revision of Preliminary Results  
For the Year Ended 31 December 2015**

*This announcement is made by ZTE Corporation (the “Company” or the “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.*

**Updated Information in Relation to Export Restrictions by the U.S. Commerce Department**

Reference is made to the announcements of the Company dated 9 March 2016, 23 March 2016 and 28 March 2016 (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

The Company is currently cooperating with the U.S. Commerce Department, the U.S. Department of Justice, the U.S. Department of Treasury and other relevant U.S. government departments in their respective investigations of the Company’s compliance with U.S. Export Administration Regulations (the “**Investigations**”). As at the date of this announcement, the Investigations are still in progress, and may result in criminal and civil liabilities under U.S. laws. Further, the potential impact of the Investigations and the potential legal liabilities on the results and financial position of the Company and its subsidiaries cannot be fully assessed by the Company at present. The Company will continue to actively cooperate with the relevant U.S. government departments to appropriately resolve the matters as soon as practicable.

As the final outcome of the above matters are highly uncertain, shareholders and potential investors of the Company are advised to exercise caution in the dealing of shares in the Company.

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, the Directors have confirmed that, save for the information disclosed in the announcement headed “2015 Annual Report Summary and Results Announcement and Resumption of Trading” dated 6 April 2016 and this announcement, the Directors are not aware of any inside information that needs to be disclosed under Part XIVA of the SFO.

The Company will make further announcements to inform the shareholders and potential investors of the Company of any material development of the above matters as and when appropriate in accordance with the requirements of the Listing Rules and the SFO.

### **Announcement Regarding the Revision of Preliminary Results For the Year Ended 31 December 2015**

Important: The financial data for the year ended 31 December 2015 contained in this announcement have been prepared in accordance with the Accounting Standards for Business Enterprises of the People’s Republic of China (“PRC ASBEs”) and audited by an accountant firm, and are consistent with the financial data set out in the “2015 Annual Report Summary and Results Announcement and Resumption of Trading” published by the Company on the date of this announcement.

Reference is made to the “Preliminary Results Announcement For the Year Ended 31 December 2015” and “2015 Annual Report Summary and Results Announcement and Resumption of Trading” published by the Company on 19 January 2016 and 6 April 2016, respectively. The differences between the major financial data and indicators set out in the “Preliminary Results Announcement For the Year Ended 31 December 2015” and those set out in the “2015 Annual Report Summary and Results Announcement and Resumption of Trading”, both published by the Company, are mainly attributable to the impact of export restriction measures imposed on the Company by the Bureau of Industry and Security of the Department of Commerce of the United States of America. Hence, the Company has made adjustments to recognised contract revenue following reassessment of future cash inflows arising from related contracts as a prudent measure. The differences are also due to general accounting adjustments. For details, please refer to the following table prepared in accordance with PRC ASBEs:

Unit: RMB in thousands

	Reporting Period		Reasons for revision	Same period last year	Percentage of year-on-year change after revision (%)
	Before revision	After revision			
Operating revenue	100,825,351	100,186,389	Mainly attributable to the impact of the Investigations, revenue recognition of the related contracts was adjusted by the Company whilst the cost of the related contracts had already been incurred.	81,471,275	22.97%
Operating profit	1,044,324	320,471		60,328	431.21%
Total profit	5,233,002	4,303,532	Mainly attributable to the combined impact of the Investigations and the adjustments of asset-related deferred revenue (science and technology grants).	3,538,222	21.63%
Net profit attributable to holders of ordinary shares of the listed company	3,778,570	3,207,885	Mainly attributable to the combined impact of the reasons for the reduction of total profit, the recognition of deferred tax assets and the adjustments of profit or loss attributable to non-controlling interests.	2,633,571	21.81%
Basic earnings per share (RMB/share)	0.92	0.78	-	0.64	21.88%
Weighted average return on net assets	14.16%	12.28%	-	11.10%	Increased by 1.18 percentage points
	As at the end of the Reporting Period		Reasons for revision	As at the beginning of the Reporting Period	Percentage of year-on-year change after revision (%)
	Before revision	After revision			
Total assets	122,324,607	120,893,897	Mainly attributable to the Investigations, the Company decreased the recognized revenue of the related contracts and the relevant trade receivables accordingly. Also attributable to the derecognition of certain financial assets.	106,214,196	13.82%
Owners' equity attributable to holders of ordinary shares of the listed company	30,720,151	29,660,094	Mainly attributable to the combined impact of the Investigations and the provisions for deferred tax liabilities arising from gains on fair value changes of available-for-sale financial assets.	24,878,574	19.22%
Share capital (thousand shares)	4,150,791	4,150,791	-	3,437,541	20.75%
Net asset per share attributable to holders of ordinary shares of the listed company (RMB/share)	7.40	7.15	-	6.03	18.57%

Note 1: The above figures are based on figures of the consolidated financial statements.

Note 2: For details of the calculation of the relevant figures, please refer to the section headed "5.1 Accounting information prepared in accordance with PRC ASBEs" in the "2015 Annual Report

Summary and Results Announcement and Resumption of Trading” published by the Company on 6 April 2016.

By Order of the Board

**Zhao Xianming**

*Chairman*

Shenzhen, the PRC

6 April 2016

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Zhao Xianming, Yin Yimin and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Shi Lirong, Wang Yawen, Tian Dongfang and Zhan Yichao; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.*