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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)

Announcement on the "Developmental Financial Cooperation Agreement" with National Development Bank

The Company and all the members of the Board confirm that the information contained in this announcement is true, accurate, and complete, and that there are no false and misleading statements or material omissions in this announcement.

ZTE Corporation (the "Company") has recently entered into a "Developmental Financial Cooperation Agreement" (the "Agreement") with National Development Bank ("NDB"), pursuant to which the two parties agree to jointly develop, on the basis of mutual benefits, an investment and financing platform by effectively combining NDB's advantage in financing strengths and the Company's advantage in industrial technologies, in a move to develop a new investment and financing model underpinned by full-scale and in-depth cooperation between the industrial sector and the financial sector, with an aim of achieving mutual prosperity and development for both parties.

The principal terms of the Agreement are as follows: NDB agrees to provide financial and business support to the Company in the latter's pursuit of overseas sales expansion, working capital requirements, industry mergers and acquisitions, finance leasing and wealth management businesses and diversified financing, etc. The Company agrees to consider NDB on a priority basis for any bank loan requirements or as a partner in projects supported by NDB. NDB shall provide the Company with a USD15 billion facility for cooperation, comprising the ZTE's overseas project financing facility and

the ZTE credit facility. The overseas project financing facility shall be applied in the purchase of company equipment and the funding of financing requirements of overseas customers for relevant technical services. The corporate credit facility shall be applied in the construction of R&D and production bases in the PRC, short-term loans, debenture financing, domestic and foreign supply chain financing, as well as trade financing such as guarantees, bills and letters of credit. The two parties will enter into a separate credit facility agreement to provide for the amount and application of such credit facility. The two parties are currently in talks to commence financing and business cooperation as agreed under this Agreement.

This Agreement forms the framework of cooperation for an effective period of five years. Separate agreements shall have to be signed by the two parties in respect of specific cooperation entered into under this Agreement, in the event of which the Company will observe relevant procedures for decision-making and comply with its obligations in information disclosure in respect of specific cooperation and agreements entered into.

By order of the Board

Hou Weigui
Chairman

Shenzhen, the PRC
20 March 2009

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Yin Yimin, Shi Lirong and He Shiyong; six non-executive directors, Hou Weigui, Wang Zongyin, Xie Weiliang, Zhang Junchao, Li Juping and Dong Lianbo; and five independent non-executive directors, Zhu Wuxiang, Chen Shaohua, Qiao Wenjun, Mi Zhengkun and Li Jin.