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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 Approval Received for the Establishment of a Group Finance Company

The Company and all 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 or misleading statement or material omission in this announcement.

ZTE Corporation (the "Company") has recently received from the China Banking Regulatory Commission ("CBRC") the Yin Jian Fu [2011] No. 41 Document "Approval Reply of CBRC concerning the Establishment of a Group Finance Company by ZTE Corporation" (銀監復[2011]41號文件《中國銀監會關於中興通訊股份有限公司籌建企業集團財務公司的批復》) dated 9 February 2011, granting approval to the establishment of a group finance company by the Company.

The Company is required to complete the establishment work within 6 months from the date of approval reply, namely 31 January 2011. During the period of establishment, the capital amount, staffing and place of business of the proposed finance company should be confirmed, while the formulation of the Articles of Association, rules and regulations for its intended businesses and internal risk control system should also be completed. After the establishment work has been completed, the Company will file information for the application of business commencement to CBRC in accordance with relevant provisions of the "Rules for the Administration of Group Finance Companies" (《企業集團財務公司管理辦法》) and the "Implementation Rules for Administrative Permissions of Non-bank Financial Institutions" (《非銀行金融機構行政許可事項實施辦法》).

The proposed establishment of ZTE Finance Co., Ltd (中興通訊財務有限公司) (tentative name which is subject to final approval by the industry and commerce registration department) ("ZTEFC") by the Company as promoter and sole investor was approved at the Eleventh Meeting of the Fifth Session of the Board of Directors and the Third Extraordinary General Meeting for 2010 of the Company, held on 12 October 2010 and 30 November 2010, respectively. The registered capital of ZTEFC shall be RMB1,000 million (including USD20 million).

Following its incorporation and official commencement of operation, ZTEFC will strengthen the centralised treasury management of ZTE Group and enhance the efficiency of its fund application, providing support and service to the operation and development of the Group.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, PRC

15 February 2011

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Lei Fanpei, Xie Weiliang, Wang Zhancheng, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.