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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)

**Anti-subsidy Investigation by the European Commission
in respect of Data Card Products from China**

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 and misleading statement or material omission in this announcement.

The European Commission (the "EC") announced on 16 September 2010 that it has opened an anti-subsidy investigation in respect of data card products (more specifically known as wireless wide area networking (WWAN) modems) imported from China. This represents the third type of investigation by the EC in respect of data card products from China following its investigations relating to anti-dumping and protective measures which were initiated on 30 June 2010.

As indicated by relevant figures reported in the 2009 audited financial statements of ZTE Corporation (the "Company"), operating revenue generated from the sales of data card products in EU nations accounted for a relatively small percentage of the total operating revenue of the Company. As such, the EC investigations of data card products would not have any significant impact on the overall operations of the Company.

At present, the Company has substantially completed its preparation of responses to the questionnaires in the investigations relating of anti-dumping and protective measures and has submitted its defense to the EC through its attorneys. The Company will continue to closely monitor the progress of investigations, offer cooperation with the EC in its investigations and actively adopt measures in response to further progress of the matter.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, PRC
17 September 2010

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.