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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 OF THE RESOLUTIONS PASSED AT THE TWENTY-SIXTH MEETING
OF THE FOURTH SESSION OF THE BOARD OF DIRECTORS**

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

ZTE Corporation (hereinafter referred to as the "Company") issued the "Notice of convening the Twenty-sixth Meeting of the Fourth Session of the Board of Directors" to all the Directors of the Company by electronic mail and telephone on 3 July 2009. The Twenty-sixth meeting of the Fourth session of the Board of Directors of the Company (hereinafter referred to as the "Board Meeting") was convened by way of video-conference on 6 July 2009, with Directors attending at the Shenzhen headquarters of the Company and various locations in Beijing, Shanghai, Nanjing and Xiamen. Of the 14 Directors required to attend the meeting, 10 Directors attended in person and 4 Directors appointed proxy to attend on their behalf Mr Wang Zongyin, Vice Chairman, was unable to attend the Meeting due to work reasons, and has authorized in writing Mr. Hou Weigui, Chairman, to vote on his behalf. Mr. Zhang Junchao, Director, was unable to attend the Meeting due to work reasons, and has authorized in writing Mr. Xie Weiliang, Vice Chairman, to vote on his behalf. Mr. Qiao Wenjun and Mr. Li Jin, Independent Directors, were unable to attend the Meeting due to work reasons, and have both authorized in writing Mr. Mi Zhengkun, Independent Director, to vote on their behalves. The meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association of the Company, and was legal and valid.

The "Resolution on Matters relating to the Implementation of the Phase I Share Incentive Scheme"

was considered and passed at the Board Meeting.

Vice Chairmen Mr. Wang Zongyin and Mr. Xie Weiliang and Directors Mr. Zhang Junchao, Mr. Li Juping and Mr. Dong Lianbo, being beneficiaries of the Phase I Share Incentive Scheme, did not participate in the vote in respect of the above matter at the poll.

Voting results: votes in favour of: 9, votes against: 0 and votes abstained: 0.

I. That the adjustment of the number of subject share quotas under the Phase I Share Incentive Scheme of the Company as a result of the enlarged share capital of the Company, namely the adjustments of the subject share quotas under the first and second awards to 78,591,240 shares and 8,732,360 shares, respectively, be confirmed.

A no-comment letter was issued from the CSRC in respect of the Phase I Share Incentive Scheme (Revised Version dated 5 February 2007) of the Company (hereinafter referred to as the "Phase I Share Incentive Scheme"), the implementation of which has been commenced upon consideration and approved at the first extraordinary general meeting of the Company for 2007 convened on 13 March 2007. The Company granted a subject share quotas of 47,980,000 shares to the Scheme Participants by way of the issue of new shares (A shares), including the grant to 3,435 Scheme Participants of 43,182,000 subject shares (accounting for 90% of the subject share quotas under the Phase I Share Incentive Scheme, hereinafter referred to as the "First Award") and reserved 10% of the subject share quotas (namely 4,798,000 shares).

At the Twentieth Meeting of the Fourth Session of the Board of Directors held on 25 November 2008, the "Resolution of the Company regarding the adjustment of the number of subject shares and granting of reserved subject shares to the staff under Phase I of the Share Incentive Scheme". Following the Company's implementation of the profit distribution and capitalisation of capital reserves for 2007 (creation of 4 shares for every 10 shares and distribution of RMB2.5 for every 10 shares (including tax) in cash by the Company on the basis of a total share capital of 959,521,650 shares) on 10 July 2008, the Board of Director approved the corresponding adjustment of the subject

share quotas under the Phase I Share Incentive Scheme of the Company to 67,172,000 shares (representing the adjustment of the subject share quota under the First Award to 60,454,800 shares and the adjustment of the number of reserved subject shares to 6,717,200 shares) and the grant of reserved subject share quotas of 6,717,200 shares to 794 Scheme Participants (hereinafter referred to as the "Second Award"). For details, please refer to the "Announcement of Resolutions Passed at the Twentieth Meeting of the Fourth Session of the Board of Directors of the Company" published by the Company on 26 November 2008.

At the 2008 annual general meeting of the shareholders of the Company held on 19 May 2009, the "Proposals of profit distribution and capitalisation from capital reserve for 2008" were considered and passed, whereby the creation of 3 shares for every 10 shares and the distribution of RMB3 for every 10 shares (including tax) in cash would be made by the Company on the basis of a total share capital of 1,343,330,310 shares in respect of all shareholders. The plan for profit distribution and capitalisation of capital reserve for 2008 was completed on 4 June 2009. In accordance with the "Phase I Share Incentive Scheme" and as a result of the implementation of the aforesaid plan, the subject share quotas of the Phase I Share Incentive Scheme was adjusted to 87,323,600 shares accordingly, representing the adjustments of the subject share quotas under the First Award and the Second Award to 78,591,240 shares and 8,732,360 shares, respectively. (Note: Unless otherwise specified, figures relating the number of subject shares under the share incentive scheme below represent figures adjusted after the two exercises to increase the share capital).

II. That the adjustment of Scheme Participants under the Phase I Share Incentive Scheme of the Company and the adjustment of the number of subject share quotas as a result thereof be confirmed

Scheme Participants under the First Award of the Phase I Share Incentive Scheme of the Company are as follows: 21 Directors and senior management personnel who have been granted subject share quotas of 3,749,200 shares and 3,414 key personnel who have been granted subject share quotas of 74,842,040 shares; the Scheme Participants under the Second Award of the Phase I Share Incentive Scheme of the Company are 794 key personnel (including 23 employees who are also Scheme

Participants under the First Award) who have been granted subject share quotas of 8,732,360 shares. Subject share quotas granted to certain Scheme Participants who have subsequently departed or waived on the Phase I Share Incentive Scheme have lapsed in accordance with provision of the Phase I Share Incentive Scheme. As at 2 July 2009, there were 3,274 Scheme Participants (as adjusted) under the First Award of the Phase I Share Incentive Scheme of the Company granted with the subject share quotas of 76,563,578 shares (as adjusted) and 771 Scheme Participants (as adjusted) (including 23 employees who are also Scheme Participants under the First Award) under the Second Award of the Phase I Share Incentive Scheme of the Company granted with the subject share quotas of 8,486,660 shares (as adjusted) . Please refer to the “List of Scheme Participants under the Phase I Share Incentive Scheme of the Company” posted by the Company on the website of Shenzhen Stock Exchange and www.cninfo.com.cn on the same date.

III. That the fulfillment of conditions precedent to the first unlocking of subject shares under the Phase I Share Incentive Scheme by 3,265 employees out of the Scheme Participants under the First Award of the Phase I Share Incentive Scheme be confirmed and the processing of first unlocking of shares under the Phase I Share Incentive Scheme be approved.

(I) Fulfillment of conditions precedent to the application for the first unlocking of subject shares under the First Award

In accordance with the Phase I Share Incentive Scheme, subject shares under the First Award shall be subject to a lock-up period of 2 years commencing on 13 March 2007 (the date on which implementation was approved at the first extraordinary general meeting for 2007 of the Company) . The lock-up period for subject shares under the First Award has expired and the unlocking period has commenced since 12 March 2009. Upon due consideration, the Board of Directors is of the view that the conditions precedent to the application for the first unlocking of subject shares under the First Award have been fulfilled and has confirmed upon examination that 3,265 Scheme Participants of the Company have fulfilled conditions precedent to the first unlocking of subject shares under the Phase I Share Incentive Scheme. The processing of first unlocking of subjects shares under the First Award of the Phase I Share Incentive Scheme (hereinafter referred to as the “First Unlocking”) has been approved, and the number of shares to be unlocked shall represent 20% of the subject share quotas

granted to the Scheme Participants.

Conditions precedent to the First Unlocking of subject shares shall specifically be as follows:

1. None of the following having occurred in respect of the Company:

(1) Issue of a qualified opinion or absence of opinion on the financial and accounting report for the most recent accounting year by a certified public accountant;

(2) The imposition of administrative penalties by the CSRC during the most recent year due to material breaking of laws or regulations by the Company;

(3) Annual performance appraisal of the company falling short of performance standards stipulated under the share incentive scheme;

(4) Significant objection to the results or annual financial and accounting report of the company raised by state-owned assets regulatory authorities or departments, the supervisory committee or audit department;

(5) Other circumstances under which share incentives should not be granted as determined by the CSRC.

2. None of the following having occurred in respect of Scheme Participants applying for unlocking:

(1) Public censure or declaration as an unfit person by the stock exchange in the previous three years;

(2) The imposition of administrative penalties by the CSRC during the previous three years due to material breaking of laws or regulations by the Company;

(3) Circumstances under which the Scheme Participant is prohibited from acting as Director, Supervisor and Senior Management of the Company, as stipulated in the Company Law;

(4) Violations of relevant laws and regulations of the State and articles of association of the company;

(5) Engagement in illegal and irregular acts such as bribery, embezzlement and theft, unauthorized disclosure of confidential operational and technical information of the company and connected transactions that harm the interests, damage the reputation and bearing a material

adverse impact on the image of the company, resulting in losses for the company;

(6) Other serious violations of relevant regulations of the Company, as determined by the Board of Directors.

3. Conditions relating to company performance appraisal

The ratios of weighted average return on net asset before and after deduction of extraordinary items of the Company for 2007 were 10.94% and 10.88%, respectively, both of which were not lower than 10%.

4. Conditions relating to staff performance appraisal

Based on the 2007 appraisal of Scheme Participants conducted in accordance with the ZTE Performance Appraisal System, 9 Scheme Participants were determined as not meeting the staff performance appraisal conditions for unlocking and 3,265 Scheme Participants were determined as meeting the staff performance appraisal conditions for unlocking. For 3 Scheme Participants, however, the number of subject shares to be unlocked should be reduced by 50%, namely the number of subject shares to be unlocked should represent 10% of the subject share quotas granted, in accordance with Administrative Measures for the Phase I Share Incentive Scheme of ZTE Corporation.

5. Payment of subscription price by the Scheme Participants

The price for the subject shares under the First Award to be paid by the Scheme Participants shall be the closing price of ZTE A Shares as quoted on the Shenzhen Stock Exchange on the trading day immediately preceding the date on which the Board meeting at which the Phase I Share Incentive Scheme of ZTE was reviewed for the first time was convened. Upon the First Award of the subject shares to the Scheme Participants by the Company, the Scheme Participants shall pay the subscription amounts for the subject shares on the basis of the purchase of 5.2 subject shares at the grant price for every 10 subject shares granted, out of which the subscription amounts for 3.8 subject shares shall be funded by Scheme Participants at their own cost and the subscription amounts for 1.4 subject shares shall be funded by the conversion of the deferred bonus that Scheme Participants would have received prior to their agreement not to participate in the distribution of 2006 deferred bonus, calculated as a percentage of the grant price.

Scheme Participants applying for the First Unlocking have made payments of the subscription price in accordance with prices stipulated by the Phase I Share Incentive Scheme and based on the subject share quotas granted. The payments of the said subscription price have been verified by BDO Guangdong Dahua Delu CPA, who has issued Capital Verification Report on the Total Proceeds Received from the Implementation of the Share Incentive Scheme of ZTE Corporation (Hua De Zhuan Shen Zi [2009] No. 268) 《關於對中興通訊股份有限公司實施股權激勵所募集資金總額的驗資報告》(華德專審字[2009]268 號).

(II) List of Scheme Participants entitled to the current unlocking and share quota to be unlocked

Based on adjustments made to the subject share quotas under the First Award and the subject share quotas under the share incentive scheme, Scheme Participants fulfilling conditions for unlocking and share quotas to be unlocked by such Scheme Participants are as follows:

1. The subject share quotas to be unlocked for Scheme Participants which include 19 Directors and senior management personnel of the Company currently in office represent 673,181 shares, which do not exceed 5% of the total subject share quotas that may be unlocked. The subject share quotas to be unlocked for 3 former senior management personnel represent 145,600 shares. Details relating to subject share quotas that may be unlocked are as follows:

Name	Position	Number of subject shares granted (adjusted)	Number of shares unlocked	Number of shares in the current unlocking (adjusted)	Number of shares pending unlocking (adjusted)
Directors and senior management personnel of the Company in office					
Wang Zongyin	Vice Chairman	18,200	0	3,640	14,560
Xie Weiliang	Vice Chairman	18,200	0	3,640	14,560
Zhang Junchao	Director	18,200	0	3,640	14,560
Li Juping	Director	18,200	0	3,640	14,560

Dong Lianbo	Director	18,200	0	3,640	14,560
Xie Daxiong	Executive Vice President	182,000	0	36,400	145,600
Tian Wenguo	Executive Vice President	182,000	0	36,400	145,600
Qiu Weizhao	Executive Vice President	182,000	0	36,400	145,600
Fan Qingfeng	Executive Vice President	273,000	0	54,600	218,400
Chen Jie	Senior Vice President	182,000	0	36,400	145,600
Ye Weimin	Senior Vice President	182,000	0	36,400	145,600
Ni Qin	Senior Vice President	182,000	0	36,400	145,600
Zhao Xianming	Senior Vice President	327,600	0	65,520	262,080
Xu Huijun	Senior Vice President	327,600	0	65,520	262,080
Pang Shengqing	Senior Vice President	273,000	0	54,600	218,400
Zeng Xuezhong	Senior Vice President	273,000	0	54,600	218,400
Wu Zengqi Note 1	Senior Vice President	273,000	0	54,600	218,400
Zhu Jinyun Note 1	Senior Vice President	253,708	0	50,741	202,966
Feng Jianxiong	Secretary to the Board	182,000	0	36,400	145,600
Former senior management personnel who remain key personnel of the Company					
Zhong Hong	Note 2	273,000	0	54,600	218,400
Fang Rong	Note 2	182,000	0	36,400	145,600
Yu Yong	Note 2	273,000	0	54,600	218,400
Total	---	4,093,908	0	818,781	3,275,126

Note 1: Mr. Wu Zengqi and Mr. Zhu Jinyun were granted subject shares prior to their respective appointments as Senior Vice President.

Note 2: At the Thirteenth Meeting of the Fourth Session of the Board of Directors of the Company held on 19 March 2008, the resignations of Mr. Yu Yong and Mr. Zhong Hong respectively as Senior Vice President for personal reasons were approved. At the Twenty-third Meeting of the Fourth Session of the Board of Directors of the Company held on 19 March 2009, the resignation of Ms. Fang Rong as Senior Vice President for personal reasons was approved. The aforesaid personnel have remained employees of the Company as of now.

Note 3: At the Eighteenth Meeting of the Fourth Session of the Board of Directors of the Company held on 6 October 2008, the resignation of Mr. Ding Mingfeng as Senior Vice President for personal reasons was approved. Mr. Ding Mingfeng has ceased to be Scheme Participant following his departure from the Company and the previous subject share quota of 100,000 shares (before adjustment as a result of share capital increase) granted to him has lapsed. The Company has refunded the subscription price paid by him in respect of the said subject shares.

2. The subject share quotas to be unlocked for other 3,243 Scheme Participants of the Company represent 14,450,509 shares. Subject shares granted to 3 deceased employees to be unlocked in the current exercise will be inherited by their 4 successors and the shares unlocked shall be registered under the names of such successors, respectively. For the list of the employees entitled to the unlocking, please refer to the "List of Scheme Participants entitled to the First Unlocking of Subjects Shares under the First Award of the Phase I Share Incentive Scheme" posted by the Company on the website of Shenzhen Stock Exchange and www.cninfo.com.cn on the same date. It should be noted that:

(1) Among the Scheme Participants under the First Award, 3,265 Scheme Participants have fulfilled the performance appraisal conditions for unlocking. For 3 Scheme Participants, however, shares to be unlocked should be reduced by 50% in accordance with Administrative Measures for the

Phase I Share Incentive Scheme of ZTE Corporation. Another 9 Scheme Participants will not be entitled to unlocking as their individual performance appraisals for 2007 have not met the required standards, and the total number of subject shares not to be unlocked is 43,425 shares. The aforesaid 12 Scheme Participants shall not be entitled to apply for the unlocking of such subject shares in subsequent years, and the subject share quotas concerned shall lapse.

(2) Fractional entitlements which may arise in the unlocking of subject shares shall be dealt with in accordance with the relevant rules of Shenzhen Stock Exchange and China Securities Depository & Clearing Co. Ltd., Shenzhen Branch. The number of subject shares actually unlocked by the Scheme Participants might be slightly different as a result.

(III) Schedules and arrangements for the unlocking of subject shares

The Remuneration and Appraisal Committee of the Company, or other persons authorized by the Remuneration and Appraisal Committee, has been authorized to determine the timing for the listing of the subject shares to be unlocked and apply for such listing in accordance with the rules of Shenzhen Stock Exchange, and the actual timing will be subject to confirmation by Shenzhen Stock Exchange and China Securities Depository & Clearing Co. Ltd., Shenzhen Branch.

(IV) Use of proceeds raised

All of the proceeds received from the implementation of the Phase I Share Incentive Scheme shall be used as additional working capital for the Company. There will be no change to the plan for the use of proceeds raised following the completion of the current unlocking of subject shares.

(V) Impact on the share capital and earnings per share of the Company upon completion of the current unlocking

Upon completion of the current unlocking, the total share capital of the Company will increase by 15,269,290 shares (specific number subject to confirmation by Shenzhen Stock Exchange).

According to the 2008 financial report of the Company, the net profit after extraordinary items attributable to the shareholders of the Company for 2008 was RMB1,548.1 million. Based on a total

share capital of 1,746,329,403 shares, basic earnings per share of the Company after extraordinary items for 2008 would be RMB0.89. Following the current unlocking, based on a total share capital of 1,761,598,693 shares (total share capital after the 2008 profit distribution and dividend payment of the Company plus 15,269,290 new shares as a result of the current unlocking) with the net profits unchanged, the basic earnings per share of the Company after extraordinary items for 2008 would be RMB0.88.

The number of subject shares in the current unlocking will not have any material impact on the financial conditions and operating results of the Company of the current period.

The Remuneration and Appraisal Committee, Independent Directors and Supervisory Committee of the Company have verified the list of Scheme Participants and have issued respective verification opinions.

Having diligently inspected the adjusted list of Scheme Participants as at 2 July 2009 under the Phase I Share Incentive Scheme (Revised Version dated 5 February 2007) of the Company, the Remuneration and Appraisal Committee of the Company is of the view that the Scheme Participants are in compliance with the conditions for Scheme Participants stipulated in Administrative Measures on Share Incentives of Listed Company (Trial) (《上市公司股權激勵管理辦法（試行）》), Memorandum No. 1 on Matters pertaining to Share Incentives(《股權激勵有關事項備忘錄 1 號》) and Memorandum No. 2 on Matters pertaining to Share Incentives(《股權激勵有關事項備忘錄 2 號》), and their qualifications as Scheme Participants of the current grant of share incentives by the Company are legal and valid. Adjustments made to the list of Scheme Participants as a result of voluntary waivers or staff departures, etc are in compliance with relevant laws and regulations and company documents such as Administrative Measures on Share Incentives of Listed Company (Trial) (《上市公司股權激勵管理辦法（試行）》), Memorandum No. 1 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄 1 號》) and Memorandum No. 2 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄 2 號》) issued by the CSRC and the Phase I Share Incentive Scheme of the Company.

Having conducted inspections on the dispensation of duties by the Scheme Participants and the 2007 performance appraisal, the Remuneration and Appraisal Committee of the Company confirms that there are 3,265 Scheme Participants at the Company who are in compliance with conditions

precedent to the application for the first unlocking of subject shares under the Phase I Share Incentive Scheme, and the number of subject shares under the First Unlocking by such Scheme Participants is 15,269,290 shares.

Having diligently inspected the adjusted list of Scheme Participants as at 2 July 2009 under the Phase I Share Incentive Scheme (Revised Version dated 5 February 2007) of the Company, Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin, the independent directors of the Company, are of the view that the Scheme Participants are in compliance with the conditions for Scheme Participants stipulated in Administrative Measures on Share Incentives of Listed Company (Trial) (《上市公司股權激勵管理辦法(試行)》), Memorandum No. 1 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄1號》) and Memorandum No. 2 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄2號》), and their qualifications as Scheme Participants of the current grant of share incentives by the Company are legal and valid. Adjustments made to the list of Scheme Participants as a result of voluntary waivers or staff departures, etc are in compliance with relevant laws and regulations and company documents such as Administrative Measures on Share Incentives of Listed Company (Trial) (《上市公司股權激勵管理辦法(試行)》), Memorandum No. 1 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄1號》) and Memorandum No. 2 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄2號》) issued by the CSRC and the Phase I Share Incentive Scheme of the Company.

Having conducted verification on the list of the Scheme Participants of application for the current unlocking of shares, Mr. Zhu Wuxiang, Mr. Chen Shaohua, Mr. Qiao Wenjun, Mr. Mi Zhengkun and Mr. Li Jin, the independent directors of the Company are view of that having conducted inspections on the conditions for unlocking announced under Phase I Share Incentive Scheme of the Company and the 2007 performance appraisal of the company, 3,265 Scheme Participants submitted by the Remuneration and Appraisal Committed to the Board of Directors for examination are in compliance with conditions precedent to the application for the first unlocking of subject shares under the Phase I Share Incentive Scheme, and the number of subject shares under the First Unlocking by such Scheme Participants is 15,269,290 shares.

Having diligently inspected the adjusted list of Scheme Participants as at 2 July 2009 under the Phase I Share Incentive Scheme (Revised Version dated 5 February 2007) of the Company, the Supervisory Committee of the Company is of the view that the Scheme Participants are in compliance with the conditions for Scheme Participants stipulated in Administrative Measures on Share Incentives of Listed Companies (Trial) (《上市公司股權激勵管理辦法(試行)》), Memorandum No. 1 on Matters pertaining to Share Incentives(《股權激勵有關事項備忘錄 1 號》) and Memorandum No. 2 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄 2 號》), and their qualifications as Scheme Participants of the current grant of share incentives by the Company are legal and valid. Adjustments made to the list of Scheme Participants as a result of voluntary waivers or staff departures, etc are in compliance with relevant laws and regulations and company documents such as Administrative Measures on Share Incentives of Listed Companies (Trial) (《上市公司股權激勵管理辦法(試行)》), Memorandum No. 1 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄 1 號》) and Memorandum No. 2 on Matters pertaining to Share Incentives (《股權激勵有關事項備忘錄 2 號》) issued by the CSRC and the Phase I Share Incentive Scheme of the Company.

Having conducted verification on the list of Scheme Participants entitled to the First Unlocking as approved by the Board of Directors, the Supervisory Committee of the Company is of the view that the dispensations of duties at the Company by the 3,265 Scheme Participants are true and that they are in compliance with conditions precedent to the application for the first unlocking of subject shares under the Phase I Share Incentive Scheme.

Jun He Law Offices, the legal advisor of the Company who has issued a legal opinion on the current unlocking of subject shares, is of the view that:

The Scheme Participants of the Company participating in the Phase I Share Incentive Scheme and the share quotas granted to them have been determined by the general meeting and Board of Directors of the Company in accordance with legal procedures. The Board of Directors has made adjustments to the total number of subject share quotas based on changes in the share capital of the Company, as well as adjustments to the Scheme Participants as a result of departures of and waivers on the share incentive scheme by Scheme Participants and such other reasons. The aforesaid adjusted list of Scheme Participants has been verified by the Remuneration and Appraisal Committee,

Independent Directors and Supervisory Committee. The qualifications of the Scheme Participants of the Phase I Share Incentive Scheme as such and the subject share quotas granted to them are in compliance with Administrative Measures on Share Incentives of Listed Companies (Trial) 《上市公司股權激勵管理辦法（試行）》 (hereinafter referred to as the “Administrative Measures”), Trial Measures for the Implementation of Share Incentive Schemes by State-controlled Listed Companies (Domestic) 《國有控股上市公司(境內)實施股權激勵試行辦法》 (hereinafter referred to as the “Trial Measures”) and the Phase I Share Incentive Scheme of ZTE Corporation.

The qualifications and unlocking conditions of the Scheme Participants applying for the current unlocking of shares are in compliance with the Administrative Measures, Trial Measures and the Phase I Share Incentive Scheme, as well as relevant procedures stipulated in the Administrative Measures, Trial Measures and the Phase I Share Incentive Scheme.

By order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
6 July 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.