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)

PROPOSED OFFER AND ISSUE OF BONDS CUM WARRANTS IN THE PRC

The Company is pleased to announce that it has received the formal approval from the CSRC to offer and issue the Bonds cum Warrants in the PRC.

Reference is made to the announcement (the "Announcement") dated 17 August 2007 and the circular (the "Circular") dated 28 August 2007 of the ZTE Corporation (the "Company") in relation to the proposed offer and issue of Bonds cum Warrants in the PRC. Capitalised terms used in this announcement shall have the same meanings as those set out in the Announcement and the Circular unless otherwise defined herein.

The Company is pleased to announce that it has received a formal approval from the CSRC to offer and issue the Bonds cum Warrants in the PRC. The following is a summary of the major terms of the offer and issue of the Bonds cum Warrants in addition to those set out in the Announcement and the Circular:

(1) Offer Size

A total of 40,000,000 Bonds with nominal value of RMB 100 each will be offered.

(2) Term of Bonds

The Bonds will mature on 30 January 2013.

(3) Number of Warrants

Subscribers for the Bonds will be offered 1.63 Warrants for each Bond at nil consideration. As such, a total of 65,200,000 Warrants will be offered.

(4) Conversion Ratio and Initial Exercise Price of the Warrants

The conversion ratio of the Warrants will be 2:1, i.e., holders of the Warrants will be entitled to one A Share for every two Warrants upon their exercise of the Warrants. The initial exercise price of the Warrants will be RMB78.13, being the highest of (i) the average trading price of the A Shares over the 20 Trading Days, (ii) the average trading price of the A Shares on the Trading Day, (iii) the average trading price of the H Shares over the 20 Trading Days, and (iv) the average trading price of the H Shares on the Trading Day, immediately preceding the date of the issue of Offering Memorandum.

(5) Interest Rate of the Bonds

The interest rate of the Bonds is expected to fall within the range between 0.8% to 1.5% per annum and will be determined by the Company and the sponsor (lead underwriter) in light of the level of subscription.

The arrangements for the offer and issue of the Bonds cum Warrants have also been approved by the Shenzhen Stock Exchange.

The Offering Memorandum and the relevant announcements in relation to the offer and issue of the Bonds cum Warrants prepared pursuant to the PRC laws and regulations will be released in the PRC on 25 January 2008. The Chinese version of the Offering Memorandum and the relevant announcements will be available for public inspection on the website of the Hong Kong Stock Exchange (http://www.hkex.com.hk) and the PRC website designated for information disclosure purposes (http://www. cninfo.com.cn) thereafter.

By order of the board of Directors
Hou Weigui
Chairman

Shenzhen, PRC
24 January 2008

As at the date of this announcement, the Board of Directors of the Company comprises three Executive Directors, Yin Yimin, Shi Lirong and He Shiyou; 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.