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ZTE中兴
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)

**BONUS SHARES ISSUE AND DIVIDENDS PAYMENT
DATE OF DESPATCH OF SHARE CERTIFICATES & CHEQUES
FOR THE DIVIDENDS AND DATE OF COMMENCEMENT OF
DEALINGS**

Reference is made to the Circular and the Results Announcement.

As at 31 December 2007, the Company's capital reserve under the PRC GAAP was RMB 5,772,061,760. The Company proposed to (1) declare the final dividend of RMB0.25 per Share (including tax) for A Shareholders and HK\$0.2807 per Share for H Shareholders (based on the average exchange rate of RMB100 to HK\$89.0486 over the calendar week prior to the date of declaration of the current final dividend(including 27 May 2008)as announced by The People's Bank of China)for 2007; and (2) issue a total of 383,808,660 Bonus Shares, out of which 64,060,416 Bonus H Shares would be issued to the H Shareholders whose names appear on the H Shareholders' register at the close of business day on the H Share Record Date, being 25 April 2008.

The Board proposes to dispatch (1) the cheques for the Dividends; and (2) the share certificates for the Bonus H Shares to the H Shareholders entitled thereto at their own risk on or about Thursday, 10 July 2008 by ordinary post. The first day of dealing in the Bonus H Shares is expected to commence on 10 July 2008.

INTRODUCTION

Reference is made to the circular of the Company dated 10 April 2008 (the "**Circular**") in relation to the Proposed Bonus Shares Issue and Dividends and the announcement dated 27 May 2008 of the results of the annual general meeting of the Company held on 27 May 2008 (the "**Results Announcement**"), which relates to, among other things, the approval of the Shareholders of the Bonus Share Issue and Dividends. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

As at 31 December 2007, the Company's capital reserve under the PRC GAAP was RMB 5,772,061,760. The Company proposed to (1) declare the final dividend of

RMB0.25 per Share (including tax) for A Shareholders and HK\$0.2807 per share for H Shareholders (based on the average exchange rate of RMB100 to HK\$89.0486 over the calendar week prior to the date of declaration of the current final dividend(27 May 2008,inclusive)as announced by The People’s Bank of China) for 2007; and (2) issue a total of 383,808,660 Bonus Shares, out of which 64,060,416 Bonus H Shares would be issued to the H Shareholders whose names appear on the H Shareholders’ register at the close of business day on the H Share Record Date, being 25 April 2008. The Bonus Shares Issue would be made, by way of capitalisation of the capital reserve of the Company, on the basis of four Bonus Shares, credited as fully paid, for every ten (10) existing Shares held by its Shareholders as registered on the register of members on the respective record date for the A Shareholders and H Shareholders.

DESPATCHING OF CHEQUES AND SHARE CERTIFICATES

The Board now proposes to dispatch (1) the cheques for the Dividends; and (2) the share certificates for the Bonus H Shares to the H Shareholders entitled thereto at their own risk on or about Thursday, 10 July 2008 by ordinary post. In case of joint shareholdings, the certificates for the Bonus H Shares will be posted to the address of the first person on the H Shareholder’s register in respect of such joint shareholdings.

LISTING AND DEALINGS IN THE BONUS H SHARES

All necessary arrangements have been made for the Bonus H Shares to be admitted into CCASS. The Bonus H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Bonus H Shares are now expected to commence on 10 July 2008.

By order of the board of Directors
ZTE CORPORATION
Hou Weigui
Chairman

Shenzhen, PRC
3 July 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 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.