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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 the Approval of Business Commencement of ZTE Group Finance Co., Ltd

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.

The China Banking Regulatory Commission ("CBRC") granted approval to the establishment of a group finance company by ZTE Corporation (the "Company") on 31 January 2011. For further details of the aforesaid matter, please refer to the Announcement on Approval Received for the Establishment of a Group Finance Company dated 15 February 2011.

After the establishment work for almost 6 months and the check and acceptance by the CBRC, the Company has recently received from the CBRC the "Approval Reply of CBRC concerning the Commencement of Business of ZTE Group Finance Co., Ltd" (Yin Jian Fu [2011] No. 236) (《中國銀監會關於中興通訊集團財務有限公司開業的批復》銀監復[2011]236號), granting approval to the commencement of business of ZTE Group Finance Co., Ltd (the "ZTEFC"). The registered capital of ZTEFC is RMB1 billion (including USD20 million), to be 100% contributed by ZTE.

Pursuant to the aforesaid reply, the Company will proceed with relevant pre-operating formalities for ZTEFC in accordance with pertinent provisions.

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

13 July 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 Shiyou; 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.