

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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)**

**Announcement**  
**Execution of Agreements**

The Company and all the 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.

**I. IMPORTANT NOTE**

ZTE Corporation (hereinafter referred to as “the Company”) and its subsidiary, ZTE Corporation South Africa (PTY) Limited, have entered into the Network Supply Agreement and the Managed Services Agreement (the “Agreements”) with Cell C (PTY) LTD., a mobile telecom operator in South Africa, and its controlling shareholder, OGER TELECOM (SOUTH AFRICA) (PTY) Limited. Pursuant to the Agreements, the Company will supply GSM/UMTS network turnkey solutions and operations services to Cell C (PTY) LTD. at an aggregate sum of USD378 million. The Agreements specify product sales and engineering services in relation to our daily operations. Prior to the date of this announcement, the Agreements have taken effect upon execution by the authorised representatives of both parties thereto with vesting conditions being fulfilled.

**II. INFORMATION ON OPERATORS**

**Cell C (PTY) LTD.**

Cell C (PTY) LTD. is a mobile telecom operator in South Africa as well as the first in operating GSM 900M/1800M dual mode network in South Africa. Incorporated in Johannesburg, South Africa with a registered capital of Rand525,525,000, Cell C (PTY) LTD. is principally engaged in the operations of mobile telecommunications networks. The Company is of the view that Cell C (PTY) LTD. is capable of fulfilling its obligations under the Agreements and is not in any way related to the Company.

**OGER TELECOM (SOUTH AFRICA) (PTY) Limited**

OGER Telecom (SOUTH AFRICA) (PTY) Limited is the controlling shareholder of Cell C (PTY) LTD. The Company is of the view that OGER Telecom (SOUTH AFRICA) (PTY) Limited is capable of fulfilling its obligations under the Agreements and is not in any way related to the Company.

**III. PRINCIPAL TERMS OF THE AGREEMENTS**

The aggregate sum of the Agreements is US\$378 million. The Agreements has taken effect upon execution by the authorised representative of the Company and the parties thereto with vesting conditions being fulfilled. The project contemplated under the Agreements is expected to be completed within 3 years, during which revenue and costs will be recognised according to the progress of the project. Revenue and costs of the project will be fully settled following issue of the final inspection certificate.

#### **IV. RISKS AND IMPACT ON COMPANY UNDER THE AGREEMENTS**

1. Risks under the Agreements: The construction process may be delayed due to unforeseeable or force majeure factors, which would affect the whole cycle of the project.
2. Impact on the Company under the Agreements: Profit contribution of the Agreements to the Company is expected to be within the normal scope of the Company's international operations.

#### **V. OTHER RELEVANT INFORMATION**

The Company will disclose the progress of the performance of the Agreements in its regular reports.

By Order of the Board  
**Hou Weigui**  
Chairman

Shenzhen, the PRC  
26 January 2010

*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, Mi Zhengkun, Li Jin, Qu Xiaohui, Wei Wei and Chen Naiwei.*