
**SUPPLEMENTARY NOTICE OF EX TEMPORE MOTIONS AT THE
FIRST EXTRAORDINARY GENERAL MEETING OF 2009**

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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)

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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.

Reference is made to the notice of extraordinary general meeting dated 14 May 2009 (the “EGM notice”) of ZTE Corporation (“ZTE” or the “Company”) which set out details relating to the time, venue and agenda of the First Extraordinary General Meeting of 2009 to be convened by the Company (the “EGM”).

On 9 June 2009, the Board of Directors of the Company received two ex tempore motions submitted by its shareholder, Shenzhen Zhongxingxin Telecommunications Equipment Company, Limited (“Zhongxingxin”, holding 620,214,413 A shares or 35.52% of the total share capital of the Company), requesting the Board of Directors of the Company to table the same for consideration at the EGM. Details of the motions are as follows:

1. RESOLUTION ON THE PROVISION OF PERFORMANCE GUARANTEE FOR THE COMPANY’S WHOLLY-OWNED SUBSIDIARY, PT. ZTE INDONESIA

The “Resolution on the Provision of Performance Guarantee for the Company’s wholly-owned subsidiary, PT. ZTE Indonesia” was considered by the Board of Directors of the Company at the Twenty-Fifth Meeting of the Fourth Session of the Board of Directors held on 5 June 2009, the details of which have been disclosed in the Company’s announcements entitled “Announcement of the Resolutions passed at the Twenty-Fifth Meeting of the Fourth Session of the Board of Directors” published on 5 June 2009.

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Zhongxingxin is seeking the approval of the provision of performance guarantee for PT. ZTE Indonesia (“ZTE Indonesia”) by the shareholders of ZTE by way of an ordinary resolution at the First Extraordinary General Meeting of 2009 to be held on 30 June 2009, the details of which are as follows:

1. The Company will provide performance guarantee for ZTE Indonesia for an amount not exceeding US\$40 million, with a term commencing on the date on which the Technical Support Framework Agreement takes effect upon execution and ending on the date on which the performance of ZTE Indonesia’s obligations under the Technical Support Framework Agreement is completed.
2. The Company will apply to the relevant bank for the issuance of a letter of performance guarantee to provide guarantee with a maximum accumulated amount of US\$5 million in favour of PT. Telekomunikasi Selular, an Indonesian mobile communications carrier, in respect of the performance obligations of ZTE and ZTE Indonesia under the Equipment Purchase Framework Agreement and Technical Support Framework Agreement, with a term commencing on the date of issuance of the letter of guarantee by the bank and ending on the date falling 3 years and 6 months after the issuance of the letter of guarantee or on which the performance obligations of ZTE and ZTE Indonesia under the Equipment Purchase Framework Agreement and Technical Support Framework Agreement are fully completed, whichever is later.

Please refer to Appendix I entitled “ZTE Corporation — Announcement of External Guarantee” for details.

2. RESOLUTION ON THE RENEWAL OF THE 2009 GENERAL MANDATE OF ZTE CORPORATION

At the 2008 annual general meeting of the shareholders of the Company held on 19 May 2009 (the “AGM”), special resolutions were passed to approve, among other things, (i) the granting of a general mandate to the Board of Directors of the Company to separately or concurrently allot, issue and deal with additional shares in the domestic shares (the “Domestic Shares”) and overseas-listed foreign shares (the “H Shares”) of the Company (including securities convertible into domestic shares and/or H Shares of the Company) and to make or grant offers, agreements or options in respect of the above during or after the end of the relevant period which shall not exceed 20% of the aggregate nominal amount of each of the share capital of the Domestic Shares and H shares of the Company in issue as at the date of the AGM (“Previous Issue Mandate”); (ii) the issue of a total of 402,999,093 bonus shares (subject to adjustment in respect of fractional entitlements) (the “Bonus Shares”), through capitalisation of the Company’s capital reserve, on the basis of 1,343,330,310 Shares (comprising a total of 224,211,456 H Shares and a total of 1,119,118,854 Domestic Shares) in issue as at 31 December 2008, to the shareholders whose names appear on the register of members of the Company at the close of business on

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the respective record date for the holders of the Domestic Shares and the H Shareholders on the basis of three Bonus Shares for every 10 existing shares held by them on such record date.

The Company has not issued any Shares under the Previous Issue Mandate since the AGM.

On 5 June 2009, a total of 402,999,092 Bonus Shares were issued to the shareholders, comprising a total of 335,735,656 Bonus Shares issued to the holders of the Domestic Shares and a total of 67,263,436 Bonus Shares issued to the holders of the H Shares. As a result of the issue of the Bonus Shares, the number of the issued shares of the Company has been increased to a total of 1,746,329,402 shares, comprising a total of 1,454,854,510 Domestic Shares and a total of 291,474,892 H Shares.

In view of the enlarged issued share capital of the Company as a result of the issue of the Bonus Shares, Zhongxingxin, the controlling shareholder of the Company, has proposed to seek the approval of the Shareholders at the extraordinary general meeting to be held on 30 June 2009 to top-up the Previous Issue Mandate (i) from 1,119,118,854 Domestic Shares to 1,454,854,510 Domestic Shares, and (ii) from 224,211,456 H Shares to 291,474,892 H Shares, respectively, representing 20% of the aggregate nominal amount of each of the share capital of the Domestic Shares and H shares of the Company as enlarged by the issue of the Bonus Shares.

As permitted by Rule 13.36(4)(e) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, no Shareholder shall abstain from voting at the EGM.

Pursuant to Rule 103 of the Company Law of the People's Republic of China (the "PRC Company Law"), "shareholders individually or collectively holding more than 3% of the shares of the Company may propose ex tempore motions no later than ten days prior to the convening of the general meeting by submitting the same in writing to the Board of Directors; the Board of Directors should notify other shareholders within two days after the receipt of the motions and table the same at the general meeting for consideration." Further, pursuant to Article 78 of the Articles of Association of ZTE Corporation, "shareholders individually or collectively holding more than 3% of the shares of the Company may propose ex tempore motions no later than ten days prior to the convening of the general meeting by submitting the same in writing to the convener. The convener should issue a supplementary notice of general meeting within two days after the receipt of the motions to announce the details of such motions."

Having examined the aforesaid ex tempore motions, the full Board of Directors of the Company is of the view that they are in compliance with the relevant provisions of the PRC Company Law and the Articles of Association, with Zhongxingxin meeting the requirements for proposing ex tempore motions and such motions carrying specific subjects and matters to be resolved that fall within the scope of authority of the General Meeting. Accordingly, the Board of Directors of the Company has approved the tabling of

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the ex tempore motions at the First Extraordinary General Meeting of 2009 of the Company in accordance with the Rules of Procedure for General Meetings of Listed Companies.

Save for the aforesaid additional ex tempore motions, other details such as the time, venue and record date for the First Extraordinary General Meeting of 2009 of the Company will remain unchanged. A revised Proxy Form has been published on the even day with this notice.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
11 June 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.

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ANNOUNCEMENT OF EXTERNAL GUARANTEE

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. BRIEF DESCRIPTION OF THE GUARANTEE

ZTE Corporation (hereinafter referred to as “ZTE” or the “Company”) has proposed to enter into the “2G BSS and 3G UTRAN Rollout Agreement” (a three-year framework agreement referred to hereinafter as the “Equipment Purchase Framework Agreement”) with PT. Telekomunikasi Selular (hereinafter referred to as “Telkomsel”), the largest mobile carrier of Indonesia. As requested by Telkomsel, all equipment sold by ZTE to Telkomsel must be supported by technical services provided by PT. ZTE Indonesia (hereinafter referred to as “ZTE Indonesia”), a wholly-owned subsidiary of ZTE. In light of the above-mentioned request of Telkomsel, ZTE Indonesia has proposed to enter into the “2G BSS and 3G UTRAN Technical Support Agreement” (also a three-year framework agreement, referred to hereinafter as the “Technical Support Framework Agreement”) with Telkomsel, under which the rights and obligations of the two parties will be performed in future. ZTE Indonesia will provide systems upgrade, on-site technical support and repair and maintenance services, etc to Telkomsel.

ZTE has proposed to provide joint-liability guarantee (hereinafter referred to as the “Guarantee by Assurance”) in respect of the performance obligations of ZTE Indonesia under the Technical Support Framework Agreement for an amount not exceeding US\$40 million, with a term commencing on the date on which the Technical Support Framework Agreement takes effect upon execution and ending on the date on which the performance of ZTE Indonesia’s obligations under the Technical Support Framework Agreement is completed. ZTE has also proposed to apply to the relevant bank for the issuance of a letter of performance guarantee (hereinafter referred to as the “Guarantee Letter”) to provide guarantee with a maximum accumulated amount of US\$5 million in favour of Telkomsel in

respect of the performance obligations of ZTE and ZTE Indonesia under the aforesaid Equipment Purchase Framework Agreement and Technical Support Framework Agreement.

As ZTE Indonesia is a wholly-owned subsidiary of ZTE, ZTE Indonesia has not provided any counter-guarantee to ZTE in respect of the aforesaid guarantee.

The aforesaid guarantee has been considered and passed at the Twenty-Fifth Meeting of the Fourth Session of the Board of Directors of the Company. As the gearing ratio of ZTE Indonesia exceeds 70%, the said guarantee is further subject to consideration and approval by the general meeting of the Company.

II. INFORMATION ON THE GUARANTEE

1. Name: PT. ZTE Indonesia
2. Date of incorporation: June 2004
3. Registered address: Jakarta, Indonesia
4. Authorised representative: Cui Wu
5. Registered capital: US\$200,000
6. Scope of business: Sales of systems, software, services and terminals; project installation, repair and maintenance and technical support.
7. Relationship with the Company: ZTE Indonesia is a wholly-owned subsidiary of ZTE, held as to 99.5% by ZTE and 0.5% by ZTE (H.K.) Limited, another wholly-owned subsidiary of ZTE.
8. Operating and financial conditions:

ZTE Indonesia's accounts are denominated in IDR, the currency of Indonesia. Translated at 1IDR = 0.00062CNY (RMB), the exchange rate adopted in the 2008 Annual Report of ZTE, the operating revenue, total profit and net profit of ZTE Indonesia for 2008 amounted to approximately RMB811,830,000, RMB1,200,000 and RMB-2,450,000, respectively. Total assets, total liabilities and net assets of ZTE Indonesia as at 31 December 2008 amounted to RMB1,256,240,000, RMB1,232,580,000 and RMB23,660,000, respectively, and the gearing ratio was 98%. Translated at 1IDR = 0.00058CNY (RMB), the exchange rate adopted in the 2009 First Quarterly Report of ZTE, the operating revenue, total profit and net profit of ZTE Indonesia for the first quarter of 2009 amounted to RMB210,080,000, RMB-50,910,000 and RMB-50,910,000, respectively. Total assets, total liabilities and net assets of ZTE Indonesia as at 31 March 2009 amounted to RMB967,240,000, RMB996,010,000 and RMB-28,770,000, respectively, and the gearing ratio was 103%.

III. PRINCIPAL TERMS OF THE GUARANTEE

1. Guarantor: ZTE
2. Guarantee: ZTE Indonesia
3. Amount guaranteed: (1) Guarantee by Assurance: In the event of ZTE Indonesia's non-performance of the contract, ZTE shall perform the contract on behalf of ZTE Indonesia and guarantee the execution of the contract for an amount not exceeding US\$40 million; (2) Guarantee Letter: for a maximum accumulated amount of US\$5 million.
4. Term of guarantee: (1) Guarantee by Assurance: commencing on the date on which the Technical Support Framework Agreement takes effect upon execution and ending on the date on which the performance of ZTE Indonesia's obligations under the Technical Support Framework Agreement is completed; (2) Guarantee Letter: commencing on the date of issuance of the letter of guarantee by the bank and ending on the date falling 3 years and 6 months after the issuance of the letter of guarantee or on which the performance obligations of ZTE and ZTE Indonesia under the said Equipment Purchase Framework Agreement and Technical Support Framework Agreement are fully completed, whichever is later.
5. Type of assurance: joint liability

IV. OPINION OF THE BOARD OF DIRECTORS AND INDEPENDENT DIRECTORS

1. The Board of Directors approves the provision of performance guarantee by the Company for ZTE Indonesia, with a view to facilitating the smooth execution of Technical Support Framework Agreement between ZTE Indonesia and Telkomsel as part of the effort to advance ZTE Indonesia's business development and sustained operation, which is set to generate sound investment returns for ZTE and enhance its overseas business expansion.
2. ZTE Indonesia is a wholly-owned subsidiary of the Company. The Board of Directors of the Company is of the view that the said guarantee is conducive to the business development and sustained operation of the ZTE Indonesia, and is therefore in the interests of the Company as a whole.

The Independent Directors of the Company are of the view that the aforesaid guarantee provided by the Company is in compliance with relevant provisions of the Notice Regulating the External Guaranties Provided by Listed Companies (《關於規範上市公司對外擔保行為的通知》) (Notice [2005] No. 120 of China Securities Regulatory Commission ("CSRC")) and the Articles of Association, and the decision-making procedures are legal and valid.

V. AGGREGATE AMOUNT OF OUTSTANDING EXTERNAL GUARANTEES AND OVERDUE EXTERNAL GUARANTEES OF THE COMPANY

As at the date of this announcement, the aggregate amount of external guarantees provided by the Company is approximately RMB316,347,700 (including an amount of US\$32,862,200, which has been translated at the exchange rate of US\$1: RMB6.8324 published by the People's Bank of China on 27 May 2009), representing 2.08% of the net asset value of the Company as set out in the 2008 audited combined accounting statement of the Company. The Company has no overdue guarantees.

All of the aforesaid guarantees are in compliance with relevant provisions of the CSRC without any violation of applicable rules and regulations.

VI. DOCUMENTS FOR INSPECTION

1. Agreement on the Performance Guarantee
2. Letter of Guarantee issued by the bank
3. Resolutions of the Twenty-Fifth Meeting of the Fourth Session of the Board of Directors of the Company duly signed by the attending Directors to give effect to the same
4. The business licence in photocopies and financial statements of ZTE Indonesia
5. Opinion of the Independent Directors

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
5 June 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.