



Monthly Return of Equity Issuer on Movements in Securities

For the month ended (dd/mm/yyyy) : 31/05/2009

To : Hong Kong Exchanges and Clearing Limited

Name of Issuer ZTE Corporation

Date Submitted 05/06/2009

I. Movements in Registered Share Capital

1. Ordinary Shares

(1) Stock code : 763 Description : H shares

| | No. of ordinary shares | Par value (RMB) | Registered share capital (RMB) |
|-------------------------------------|------------------------|-----------------|--------------------------------|
| Balance at close of preceding month | <u>224,211,456</u> | <u>1.00</u> | <u>224,211,456</u> |
| Increase/(decrease) | <u>0</u> | | <u>0</u> |
| Balance at close of the month | <u>224,211,456</u> | <u>1.00</u> | <u>224,211,456</u> |

(2) Stock code : 000063 Description : A shares (Shenzhen Stock Exchange)

| | No. of ordinary shares | Par value (RMB) | Registered share capital (RMB) |
|-------------------------------------|------------------------|-----------------|--------------------------------|
| Balance at close of preceding month | <u>1,119,118,854</u> | <u>1.00</u> | <u>1,119,118,854</u> |
| Increase/(decrease) | <u>0</u> | | <u>0</u> |
| Balance at close of the month | <u>1,119,118,854</u> | <u>1.00</u> | <u>1,119,118,854</u> |

2. Preference Shares

| | | | |
|-------------------------------------|--------------------------|--|---|
| Stock code : | <u>N/A</u> | Description : | <u>N/A</u> |
| | No. of preference shares | Par value (<i>State currency</i>) | Authorised share capital (<i>State currency</i>) |
| Balance at close of preceding month | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Increase/(decrease) | <u>N/A</u> | | <u>N/A</u> |
| Balance at close of the month | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |

3. Other Classes of Shares

| | | | |
|-------------------------------------|--------------------------------|--|---|
| Stock code : | <u>N/A</u> | Description : | <u>N/A</u> |
| | No. of other classes of shares | Par value (<i>State currency</i>) | Authorised share capital (<i>State currency</i>) |
| Balance at close of preceding month | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Increase/(decrease) | <u>N/A</u> | | <u>N/A</u> |
| Balance at close of the month | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |

Total registered share capital at the end of the month (*RMB*) : 1,343,330,310

Warrants to Issue Shares of the Issuer which are to be Listed

| Description of warrants (Date of expiry - dd/mm/yyyy) | Currency of nominal value | Nominal value at close of preceding month | Exercised during the month | Nominal value at close of the month | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|---|---------------------------------|---|----------------------------------|---|--|--|
| 1. A total of 65,200,000 warrants pursuant to which a total of 45,835,600 A Shares (ex-rights) may be issued. The warrants can be exercised during the period from 01/02/2010 to 12/02/2010 and will be expired on 21/02/2010 | RMB | N/A | N/A | N/A | N/A | N/A |
| (/ /) Stock code (if listed) <u>N/A</u> Class of shares issuable (Note 1) <u>A Shares</u> Subscription price <u>RMB55.582 per share(ex-rights)</u> EGM approval date (if applicable) (dd/mm/yyyy) <u>16/10/2007</u> | | | | | | |
| 2. N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| (/ /) Stock code (if listed) <u>N/A</u> Class of shares issuable (Note 1) <u>N/A</u> Subscription price <u>N/A</u> EGM approval date (if applicable) (dd/mm/yyyy) <u>(/ /)</u> | | | | | | |
| 3. N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| (/ /) Stock code (if listed) <u>N/A</u> Class of shares issuable (Note 1) <u>N/A</u> Subscription price <u>N/A</u> EGM approval date (if applicable) (dd/mm/yyyy) <u>(/ /)</u> | | | | | | |
| 4. N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| (/ /) Stock code (if listed) <u>N/A</u> Class of shares issuable (Note 1) <u>N/A</u> | | | | | | |

For Main Board and GEM listed issuers

| Description of warrants (Date of expiry - dd/mm/yyyy) | Currency of nominal value | Nominal value at close of preceding month | Exercised during the month | Nominal value at close of the month | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|--|---------------------------------|---|----------------------------------|---|--|--|
| Subscription price EGM approval date (if applicable) (dd/mm/yyyy) | <u>N/A</u> | _____ | | | | |
| | | (/ /) | | | | |
| | | | Total B. | (Ordinary shares) <u>N/A</u> | | |
| | | | | (Preference shares) <u>N/A</u> | | |
| | | | | (Other class) <u>N/A</u> | | |

Convertibles (i.e. Convertible into Shares of the Issuer which are to be Listed)

| Class and description | Currency of amount outstanding | Amount at close of preceding month | Converted during the month | Amount at close of the month | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|--|--------------------------------|------------------------------------|----------------------------|------------------------------|--|---|
| 1. <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Stock code (if listed) | <u>N/A</u> | | | | | |
| Class of shares issuable (<i>Note 1</i>) | <u>N/A</u> | | | | | |
| Subscription price | <u>N/A</u> | | | | | |
| EGM approval date (if applicable) (dd/mm/yyyy) | <u>(/ /)</u> | | | | | |
| 2. <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Stock code (if listed) | <u>N/A</u> | | | | | |
| Class of shares issuable (<i>Note 1</i>) | <u>N/A</u> | | | | | |
| Subscription price | <u>N/A</u> | | | | | |
| EGM approval date (if applicable) (dd/mm/yyyy) | <u>(/ /)</u> | | | | | |
| 3. <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Stock code (if listed) | <u>N/A</u> | | | | | |
| Class of shares issuable (<i>Note 1</i>) | <u>N/A</u> | | | | | |
| Subscription price | <u>N/A</u> | | | | | |
| EGM approval date (if applicable) (dd/mm/yyyy) | <u>(/ /)</u> | | | | | |
| 4. <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Stock code (if listed) | <u>N/A</u> | | | | | |
| Class of shares issuable (<i>Note 1</i>) | <u>N/A</u> | | | | | |
| Subscription price | <u>N/A</u> | | | | | |
| EGM approval date (if applicable) (dd/mm/yyyy) | <u>(/ /)</u> | | | | | |
| | | | Total C. (Ordinary shares) | <u>N/A</u> | | |
| | | | (Preference shares) | <u>N/A</u> | | |
| | | | (Other class) | <u>N/A</u> | | |

Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be Listed, including Options (other than under Share Option Schemes)

| Full particulars including EGM approval date (dd/mm/yyyy), if applicable, and class of shares issuable: | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|---|--|---|
| <p>1. Pursuant to the phase I share incentive scheme approved at the extraordinary general meeting of the Company on 13 March 2007, the rights to request the Company to issue a total of 47.98 million A shares (“Subject Shares”) have been granted to the scheme participants. Such rights shall be valid for a term of 5 years, comprising a lock-up period of the first 2 years and an unlocking period of the remaining 3 years. During the unlocking period, the scheme participants may apply for being unlocked Subject Shares in 3 tranches subject to the unlocking conditions stipulated under the share incentive scheme being satisfied: In the first year of the unlocking period, the number of A shares unlocked and issued pursuant to the scheme shall not exceed 20% of the aggregate number of the Subject Shares. In the second year of the unlocked period, the number of the A shares unlocked and issued pursuant to the scheme shall not exceed 35% of the aggregate number of the Subject Shares. In the third year during the unlocked period, the number of the A shares unlocked and issued pursuant to the scheme shall represent all outstanding Subjected Shares. If the unlocking conditions are not satisfied in any one year during the unlocking period, no application made by scheme participants during the such years, nor in subsequent years for unlocking of such Subject Shares will be accepted. The quote of such Subject Shares will be cancelled if the unlocking conditions are not satisfied.</p> <p>13/03/2007 A shares (Note 1)</p> | N/A | N/A |
| <p>2. Proposed issue of a total of 402,999,092 bonus shares (through capitalisation of the Company’s capital reserve) on the basis of 1,343,330,310 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 the respective record date for the A shareholders and the H shareholders, on the basis of 3 bonus shares for every 10 existing shares held by them on such record date, which was approved by the shareholders at the AGM held on 19 May 2009.</p> <p>19/05/2009 ordinary shares (Note 1)</p> | N/A | N/A |
| <p>3. N/A</p> <p>(/ /) shares (Note 1)</p> | N/A | N/A |
| <p>Total D. (Ordinary shares)</p> <p>(Preference shares)</p> <p>(Other class)</p> | N/A | N/A |

Other Movements in Issued Share Capital

| Type of Issue | | | | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|---------------|--------------|---------------------------------|---|--|---|
| 1. | Rights issue | At price : State currency _____ | Class of shares issuable _____ <i>(Note 1)</i> Issue and allotment date : (dd/mm/yyyy) (/ /) EGM approval date: (/ /) (dd/mm/yyyy) | <u>N/A</u> | <u>N/A</u> |
| 2. | Open offer | At price : State currency _____ | Class of shares issuable _____ <i>(Note 1)</i> Issue and allotment date : (dd/mm/yyyy) (/ /) EGM approval date: (/ /) (dd/mm/yyyy) | <u>N/A</u> | <u>N/A</u> |
| 3. | Placing | At price : State currency _____ | Class of shares issuable _____ <i>(Note 1)</i> Issue and allotment date : (dd/mm/yyyy) (/ /) EGM approval date: (/ /) (dd/mm/yyyy) | <u>N/A</u> | <u>N/A</u> |
| 4. | Bonus issue | | Class of shares issuable _____ <i>(Note 1)</i> Issue and allotment date : (dd/mm/yyyy) (/ /) EGM approval date: (/ /) (dd/mm/yyyy) | <u>N/A</u> | <u>N/A</u> |

For Main Board and GEM listed issuers

| Type of Issue | | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|----------------------------|---|--|---|
| 9. Capital reorganisation | Class of shares issuable _____ (Note 1) Issue and allotment date : (dd/mm/yyyy) _____ EGM approval date: (dd/mm/yyyy) _____ | (/ /) | (/ /) |
| | | <u>N/A</u> | <u>N/A</u> |
| 10. Other (Please specify) | At price : State currency _____ Class of shares issuable _____ (Note 1) Issue and allotment date : (dd/mm/yyyy) _____ EGM approval date: (dd/mm/yyyy) _____ | (/ /) | (/ /) |
| | | <u>N/A</u> | <u>N/A</u> |
| | | Total E. (Ordinary shares) _____ | _____ |
| | | (Preference shares) _____ | _____ |
| | | (Other class) _____ | _____ |

| | | |
|---|-----|------------|
| Total increase / (decrease) in ordinary shares during the month (i.e. Total of A to E): | (1) | <u>N/A</u> |
| | (2) | <u>N/A</u> |
| Total increase / (decrease) in preference shares during the month (i.e. Total of A to E): | | <u>N/A</u> |
| Total increase / (decrease) in other classes of shares during the month (i.e. Total of A to E): | | <u>N/A</u> |
| <i>(These figures should be the same as the relevant figures under II above ("Movements in Issued Share Capital").)</i> | | |

