



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 IN RELATION TO ESTIMATED INCREASE IN THE
PERFORMANCE RESULTS**

This announcement is published simultaneously in Shenzhen pursuant to the Rules Governing Listing of Stocks on Shenzhen Stock Exchange and in Hong Kong pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

ZTE Corporation (the “Company”) and all the members of the Board of Directors guarantee that the information contained in this announcement is true, accurate and complete and that there are no false and misleading statements or material omissions in this announcement.

1. ESTIMATED INCREASE IN THE RESULTS

1. Relevant Period:

1 January 2007 to 31 December 2007.

2. Estimated Results: increase substantially..

Based on preliminary calculations in accordance with the generally accepted accounting principles of the People's Republic of China, the net profits of the Group for the period from January to December 2007 is estimated to increase by 50% to 70% as compared to the same period in 2006.

3. Whether the estimated results have been pre-audited by certified public accountant:

No.

2. RESULTS FOR THE SAME PERIOD IN 2006

1. Net profits: RMB 807,353,000

2. Earnings per share: RMB0.84

3. REASONS FOR THE INCREASE IN THE PERFORMANCE

RESULTS

The substantial increase of performance result of the Group for 2007 as compared to 2006 is mainly attributable to the expansion of the Group's oversea business.

4. OTHER RELEVANT MATTERS

Further details of the financial results will be disclosed in the annual report of the Company for 2007.

Investors should exercise caution in investment.

By order of the Board

Hou Weigui

Chairman

Shenzhen, PRC

28th January 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 Shiyou; 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.