

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)

Report on the Solicitation of Voting Rights by the Independent Directors

Important

In accordance with relevant provisions of the Administrative Measures on Share Incentives of Listed Company (Provisional) (《上市公司股权激励管理辦法(試行)》) (hereinafter the "Administrative Measures on Share Incentives") issued by the China Securities Regulatory Commission (hereinafter the "CSRC") and pursuant to the appointment by other Independent Directors of the Company, Independent Director of ZTE Corporation (hereinafter the "Company" or "ZTE") Mr Zhu Wuxiang, as the soliciting party, hereby solicit voting rights from all shareholders of the Company in connection with "The resolution with respect to the Phase I Share Incentive Scheme of the of ZTE Corporation (Version Dated 5 February 2007)", "The resolutions regarding the grant and issue of Subject Shares (including the number of shares) to twenty-one Scheme Participants who are Directors and Senior Management of the Company pursuant to Phase I of the Share Incentive Scheme of ZTE Corporation" and "The resolution regarding requesting the general meeting of ZTE Corporation to authorize the Board to deal with certain matters regarding Phase I of the Share Incentive Scheme", to be considered at the first extraordinary general meeting of the Company for 2007 to be held on 13 March 2007.

CSRC, the Shenzhen Stock Exchange, The Stock Exchange of Hong Kong Limited and other government departments make no representation as to the truthfulness, accuracy or completeness of this report and take no responsibility for the contents of thereof. Any representation to the contrary is a false statement.

I. REPRESENTATION FROM THE SOLICITING PARTY

In accordance with relevant provisions of the Administrative Measures on Share Incentives and the appointment by other Independent Directors of the Company, I, Zhu wuxiang, as the soliciting party, have prepared and signed this report in connection with the solicitation from shareholders of voting rights to be exercised at the first extraordinary general meeting for 2007. The soliciting party represents that this report does not contain any false or misleading statement or material omission and accepts legal responsibility for the truthfulness, accuracy and completeness of its contents. The soliciting party also warrants that it will not take advantage of this solicitation of voting rights to engage in any insider dealing, market manipulation or any other fraudulent act in securities transactions.

The current solicitation of voting rights is being conducted without any consideration. This report is being published in newspapers and journals designated by competent authorities and there is no unauthorised dissemination of information. The current solicitation is conducted solely to fulfill the duties of independent directors of listed companies. The information contained herein has no false or misleading statements. The solicitation of voting rights by the soliciting party has been approved by the other Independent Directors of the Company. The report has been signed by the soliciting party and the performance of duties as stated herein will not violate or be in conflict with any clauses of the Articles of Association or internal regulations of the Company.

II. CORPORATE INFORMATION AND THE SUBJECT OF SOLICITATION

1. Basic information

Name of the Company: ZTE Corporation
Name of stock: ZTE
Stock Code: 000063 (A shares)/763 (H shares)
Legal representative: Hou Weigui (侯為貴)
Secretary to the Board: Feng Jianxiong (馮健雄)
Securities affairs representative: Li Liuhong (李柳紅)
Correspondence address: 6/F, Block A, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen
Postal Code: 518057
Telephone: 86-755-26770282
Facsimile: 86-755-26770286
Website: <http://www.zte.com.cn>
E-mail: fengjianxiong@zte.com.cn

2. Subject of solicitation

The solicitation of voting rights from ZTE shareholders by the soliciting party in connection with "The resolution with respect to the Phase I Share Incentive Scheme of the of ZTE Corporation (Version Dated 5 February 2007)", "The resolutions regarding the grant and issue of Subject Shares (including the number of shares) to twenty-one Scheme Participants who are Directors and Senior Management of the Company pursuant to Phase I of the Share Incentive Scheme of ZTE Corporation" and "The resolution regarding requesting the general meeting of ZTE Corporation to authorize the Board to deal with certain matters regarding Phase I of the Share Incentive Scheme"

III. INFORMATION ON THE GENERAL MEETING

Please refer to the notice of the first extraordinary general meeting of the Company for 2007 (Revised) to be published and despatched to the shareholders in due course for detailed information about the convening of the general meeting.

IV. BASIC INFORMATION OF THE SOLICITING PARTY

(I) The soliciting party of the current solicitation of voting rights is Mr Zhu Wuxiang, current Independent Director of the Company, the basic information of whom is as follows:

Mr. Zhu Wuxiang, 40, is an Independent Non-executive Director of the Company initially appointed in July 2003. He is currently a professor and deputy chairman of the Department of Finance of the School of Economics and Management, Tsinghua University. Mr. Zhu graduated from Tsinghua University in 2002 with a doctoral degree specialising in economics. He has been studying and working at Tsinghua University since 1982.

(II) The soliciting party has not been subject to any punishment as a result of securities transaction activities in violation of laws or involved in any material civil litigation or arbitration relating to economic disputes.

(III) The soliciting party and his primary direct family members have not reached any agreement or arrangement in respect of the Company's share and there are no interests at stake between him, as an Independent Director of the Company, and the Directors, senior management and substantial shareholders of the Company and their respective connected parties, nor does he have any interest in the subject matter of solicitation.

V. THE SOLICITING PARTY'S VOTE IN RESPECT OF THE SUBJECT MATTER OF SOLICITATION

As an Independent Director of the Company, the soliciting party attended the nineteenth meeting of the third session of the Board of Directors of the Company held on 25 October 2006 and voted in favour of Phase I of the Share Incentive Scheme (Draft) of the Company. The soliciting party also

voted in favour of the Resolution on the Revision of Phase I of the Share Incentive Scheme of the Company at the twentieth meeting of the third session of the Board of Directors convened on 15 December 2006.

VI. THE SOLICITATION SCHEME

The soliciting party has prepared a solicitation scheme for the solicitation of voting rights in accordance with the prevailing laws, administrative regulations and regulatory documents of the PRC and the Articles of Association of the Company, the details of which are as follows:

- (I) Target of solicitation: all "ZTE" (000063) shareholders registered with China Securities Depository & Clearing Corporation Limited, Shenzhen office after the close of trading of A shares on the Shenzhen Stock Exchange at 3 pm on 27 November 2006 (hereinafter the "Domestic Shareholders") and all holders of H shares whose names appear on the share register maintained at Computershare Hong Kong Investor Services Limited after the close of trading of H shares on the Stock Exchange of Hong Kong Limited at 4 pm on 27 November 2006 (hereinafter the "H Shareholders").
- (II) Solicitation Period: 5 March 2007 to 9 March 2007 (9:00 to 17:00 daily)
- (III) Method of solicitation: open solicitation of voting rights by way of announcement on the China Securities Journal, Shanghai Securities News, Securities Times, The Standard, Hong Kong Economic Times and the web site <http://www.cninfo.com.cn> (巨潮資訊網) and the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk>
- (IV) Procedures and steps of solicitation

Step 1: Shareholders falling within the target group for solicitation who decide to appoint the soliciting party as proxy to vote on their behalf should complete the Solicitation Proxy Form by the Independent Directors ("The Solicitation Proxy Form") specifying their intended vote for each resolution in the form and with the content as determined in the annex to this report.

Step 2: The Solicitation Proxy Form should be signed and returned together with the following documents as required:

1. In case of a legal person shareholder, a duplicate copy of its legal person business licence, the original copy of the identity document of its legal representative, the original of the Solicitation Proxy Form and the shareholder's account card should be furnished. The legal representative should sign and the company seal should be affixed on each page of all documents furnished by the legal person shareholders.
2. In case of an individual shareholder, a copy of his/her identity document, the original of the Solicitation Proxy Form and the shareholder's account card should be furnished;
3. A Solicitation Proxy Form signed by other persons on behalf of the shareholders should be notarised and the notarisation letter should be furnished together with the original of the Solicitation Proxy Form. Notarisation is not required for Solicitation Proxy Forms signed by shareholders themselves or legal representatives of corporate shareholders.

Step 3: Shareholders appointing the soliciting party as the proxies to vote on their behalf should deliver Solicitation Proxy Forms and relevant documents to the address specified in this report by courier, registered post or express mail within the solicitation period after the relevant documents have been prepared in accordance with Step 2 above. In case of registered posts or express mails, the postal date affixed by the post office of the destination of delivery shall be deemed as the date of delivery.

Shareholders appointing the soliciting party as the proxies should deliver the Solicitation Proxy Forms and the relevant documents to the address and addressee specified below:

Address: 6/F, Block A, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen
Addressee: Securities Affairs and Investors' Relations Department, ZTE Corporation
Postal Code: 518057
Telephone: 86-755-26770282
Facsimile: 86-755-26770286

All documents submitted should be properly sealed and the contact telephone numbers and contact persons of the shareholders appointing the soliciting party as the proxies should be provided. The words of "Proxy Form for the Solicitation of Voting Rights by Independent Directors" should be clearly indicated.

(V) Solicitation Proxy Forms will be confirmed as valid upon full compliance with the following conditions as verified after all the required documents to be furnished by shareholders appointing the soliciting parties as the proxies have been duly delivered:

1. The Solicitation Proxy Form and the required documents having been delivered to the designated address in accordance with the solicitation procedures set out in this report;
2. The Solicitation Proxy Form and the required documents having been submitted within the solicitation period;
3. The Solicitation Proxy Form having been completed and signed by the shareholders in the form specified in the annex to this report with clear and specific authorisation and the required documents submitted being complete and valid;
4. The Solicitation Proxy Form and the required documents furnished being consistent with records of the share register;

(VI) Where a shareholder gives duplicate voting instructions to the soliciting party in respect of the matters for which the voting rights are being solicited, the latest Solicitation Proxy Form signed by the shareholder, or the latest Solicitation Proxy Form received by the Company if the timing of the signature could not be ascertained, shall be deemed as the valid one.

(VII) A shareholder may attend the meeting in person or by appointing persons other than the soliciting party as his/her proxy notwithstanding the appointment of the soliciting party as his/her proxy to exercise the solicited voting rights.

(VIII) The soliciting party may act in accordance with the following with respect to a valid Solicitation Proxy Form:

1. A shareholder may expressly revoke in writing his/her previous appointment of the soliciting party as his/her proxy not less than 24 hours before the holding the extraordinary general meeting of the Company for 2007, in which case the soliciting party shall treat such proxy invalid;
2. Where a shareholder has appointed persons other than the soliciting party as proxy to exercise the solicited voting right and to be registered for attending the meeting, and where such shareholder expressly revokes in writing his/her appointment of the soliciting party prior to on-site registration at the meeting, the solicit party shall treat the appointment of the soliciting party as the proxy invalid;
3. Shareholders should specify in the Solicitation Proxy Form their voting instructions in respect of the matters for which voting rights are being solicited and check either "For", "Against" or "Abstained" as appropriate. Any proxy for which more than one or no voting direction is indicated shall be deemed invalid.
4. The same voting right may only be exercised by way of either on-site voting, solicitation of votes by Independent Directors or online voting in respect of the same resolution. In case of duplicate voting of the same voting right, the first vote shall prevail. If the same right to vote has been exercised twice, the result of the first voting shall prevail. In the event that the timing of the votes cannot be determined and there is inconsistency regarding the same resolution between votes cast by way of other methods and votes cast by way of authorising the soliciting party to vote, the latter shall prevail.

(IX) Please refer to the attached Solicitation Proxy Form, which will be despatched to H Shareholders together with the notice for the first extraordinary general meeting of the Company for 2007.

Signed by
Zhu Wuxiang
The Soliciting Party

14 February 2007

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.

Annex: Solicitation Proxy Form (duplicate copies permitted)

Proxy Form for the Solicitation of Voting Rights by Independent Directors of ZTE Corporation

I _____/We _____ confirm as the appointing party that I/we have, prior to signing this solicitation proxy form, have read carefully the full text of the Report on the Solicitation of Voting Rights by the Independent Directors prepared and published by the soliciting party for the current solicitation of voting rights, the notice of the first extraordinary general meeting of ZTE Corporation for 2007 (Revised) and other relevant documents, and I/we have been sufficiently informed about details relating to the current solicitation of voting rights. I/ we have the right to, prior to registering for the on-site meeting, revoke the appointment of the soliciting party under this proxy solicitation proxy form or to amend the contents of this solicitation proxy form in accordance with procedures specified in the Report on the Solicitation of Voting Rights by the Independent Directors.

As the appointing party, I/we hereby appoint Mr Zhu Wuxiang, an Independent Director of ZTE Corporation, as my/our proxy to attend the first extraordinary general meeting of the ZTE Corporation for 2007 and to exercise the voting rights in respect of matters stipulated in this proxy form in accordance with instructions contained herein.

My/our voting directions in respect of the matters for which voting rights are being solicited are as follows:

	Matters to be considered	For	Against	Abstained
1	The resolution with respect to the Phase I of the Share Incentive Scheme of ZTE Corporation (Version Dated 5 February 2007) (excluding the grant and issue of shares (including the number of shares) to the twenty one Scheme Participants who are Directors and Senior Management of the Company pursuant to the Share Incentive Scheme, which should be voted on separately).			
2	The resolutions regarding the grant and issue of Subject Shares (including the number of shares) to twenty one Scheme Participants who are Directors and Senior Management of the Company pursuant to the Phase I of the Share Incentive Scheme of ZTE Corporation	—	—	—
2.1	The grant and issue of 10,000 Subject Shares to Scheme Participants, Mr. Xie Weiliang (Vice Chairman) and Mr. Dong Lianbo (Director), respectively, pursuant to the Phase I of the Share Incentive Scheme of ZTE Corporation.			
2.2	The grant and issue of 10,000 Subject Shares to Scheme Participant, Mr. Zhang Junchao (Director), pursuant to the Phase I of the Share Incentive Scheme of ZTE Corporation.			
2.3	The grant and issue of such number of Subject Shares as stipulated by the Phase I of the Share Incentive Scheme of ZTE Corporation to Directors and Senior Management other than Mr. Xie Weiliang, Mr. Dong Lianbo and Mr. Zhang Junchao. (Please refer to phase I of the Share Scheme of ZTE Corporation (Version Dated 5 February 2007) for details)			
3	The resolution regarding requesting the general meeting of ZTE Corporation to authorize the Board to deal with certain matters regarding the Phase I of the Share Incentive Scheme.			

This proxy shall be valid from the date on which it is signed to the close of the first extraordinary general meeting of ZTE Corporation for 2007.

Number of shares held by appointer: _____ shares

Share account number of appointer: _____

Identity card number of appointer (or business license number in case of legal person shareholders): _____

Contact telephone number of appointer: _____

Shareholder (endorsement by signature, company seal to be affixed in case of legal person shareholders): _____

Date of signature: _____