

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 IN RESPECT OF RESOLUTIONS OF THE 2006 ANNUAL GENERAL MEETING

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 are no false and misleading statements or material omissions in this announcement.

The 2006 Annual General Meeting (hereinafter referred to as the "AGM") of ZTE Corporation (hereinafter referred to as the "Company") was held at the venue on 15 June 2007. Details in respect of the resolutions and voting of the AGM were as follows:

I. IMPORTANT NOTICE

There was no addition, rejection or amendment to any proposed resolution during the AGM.

II. INFORMATION REGARDING THE MEETING

1. Time of meeting

The AGM was held from 9:00 a.m. to 11:40 a.m. on 15 June 2007.

2. Venue

The AGM was held at the Conference Room on the 4th Floor, Block A of the Company's headquarters in Shenzhen.

3. Mode of meeting

The AGM was convened physically with on-site voting.

4. Convener

The AGM was convened by the Board of Directors of the Company.

5. Chairman

The AGM was presided over by Mr. Hou Weigui, the Chairman of the Board of Directors of the Company.

6. The convening of AGM complied with the relevant provisions of relevant laws, administrative regulations and departmental rules such as the *Company Law of the People's Republic of China*, the *Rules Governing Listing of Stocks on Shenzhen Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Articles of Association of ZTE Corporation*, and was legal and valid.

III. INFORMATION REGARDING ATTENDANCE AT THE AGM

Overall Attendance

36 Shareholders (including proxies), holding 449,975,655 shares, accounting for 46.90% of the total shares carrying voting rights of the Company.

Of which:

(1) Attendance of holders of domestic shares (A shares)

35 holders (including proxies) of A shares, holding 398,398,143 shares, accounting for 49.84% of the total A shares carrying voting rights of the Company.

(2) Attendance of holders of overseas-listed foreign shares (H shares)

1 holders (including proxies) of H shares, holding 51,577,512 shares, accounting for 32.21% of the total H shares carrying voting rights of the Company.

IV. CONSIDERATION AND VOTING OF RESOLUTIONS

The following resolutions were considered and passed by voting by ballot at the AGM:

Ordinary Resolutions

(I) To consider and approve the financial report of the Company for the year ending 31 December 2006 audited by the PRC and Hong Kong auditors

1. Overall voting details:

For: 449,810,414 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,416,771 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. Results of Voting:

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

(II) To consider and approve the report of the Board of Directors of the Company for the year ending 31 December 2006;

1. Overall voting details:

For: 449,810,414 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,416,771 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. Results of Voting:

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

(III) To consider and approve the report of the Supervisory Committee of the Company for the year ending 31 December 2006;

1. Overall voting details:

For: 449,810,414 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,416,771 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. Results of Voting:

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

(IV) To consider and approve the report of the President of the Company for the year ending 31 December 2006

1. Overall voting details:

For: 449,810,414 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,416,771 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. Results of Voting:

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

(V) To consider and approve the final financial accounts of the Company for the year ending 31 December 2006

1. Overall voting details:

For: 449,840,414 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,446,771 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. *Results of Voting:*

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

(VI) *To consider and approve the profit distribution plan of the Company for the year ending 31 December 2006*

The audited net profit of the Company for the year 2006 calculated in accordance with PRC GAAP amounted to RMB650,356,000. Profit available for distribution amounted to RMB3,766,426,000 after adding the undistributed profit of RMB3,116,070,000 carried forward at the beginning of the year.

The audited net profit of the Company for the year 2006 calculated in accordance with HKFRSs amounted to RMB831,130,000. Profit available for distribution amounted to RMB1,786,512,000 after adding the undistributed profit of RMB955,382,000 carried forward at the beginning of the year.

In accordance with the requirements of the Ministry of Finance of the People's Republic of China and the Articles of Association, profit available for distribution shall be the lower of profit available for distribution as calculated in accordance with PRC GAAP and that calculated in accordance with HKFRSs, being RMB1,786,512,000.

The 2006 profit distribution plan is as follows: payment of RMB1.50 (including tax) for every 10 shares in cash on the basis of the Company's total share capital of 959,521,650 shares as at 31 December 2006, totalling RMB143,928,000.

1. *Overall voting details:*

For: 449,971,155 shares, accounting for 99.99900% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 100 shares, accounting for 0.00002% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,400 shares, accounting for 0.00098% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.99887% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 100 shares, accounting for 0.00003% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,400 shares, accounting for 0.00110% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,577,512 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. *Results of Voting:*

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

(VII) *To consider and approve on an individual basis the resolutions of the Company on the appointment of the PRC auditors and the Hong Kong auditors of the Company for the year ending 31 December 2007*

7.1 That the re-appointment of Ernst & Young Hua Ming as the PRC auditors of the Company for 2007 be approved and the Board of Directors be authorised to determine the audit fees of Ernst & Young Hua Ming for 2007 based on specific audit work to be conducted.

1. *Overall voting details:*

For: 449,971,155 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,577,512 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. *Results of Voting:*

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

7.2 That the re-appointment of Ernst & Young as the Hong Kong auditors of the Company for 2007 be approved and the Board of Directors be authorised to determine the audit fees of Ernst & Young for 2007 based on specific audit work to be conducted.

1. *Overall voting details:*

For: 449,971,155 shares, accounting for 99.999% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,500 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,643 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,500 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 51,577,512 shares, accounting for 100% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. *Results of Voting:*

The resolution, being an ordinary resolution, was passed by votes representing more than one-half of the total number of shares held by shareholders with voting rights attending the AGM.

Special Resolution

(VIII) *To consider and pass the resolution of the Company on the general mandate for 2007, the details of which are as follows:*

1. Subject to the conditions set out below, the Board of Directors be hereby granted an unconditional and general mandate during the Relevant Period to separately or concurrently allot, issue and deal with additional domestic shares and overseas-listed foreign shares ("H Shares") of the Company and to make or grant offers, agreements or options in respect of the above:

(1) such mandate shall not extend beyond the Relevant Period, other than in the case of the making or granting of offers, agreements or options by the Directors during the Relevant Period which might require the performance or exercise of such powers after the close of the Relevant Period;

(2) the aggregate nominal amount of domestic shares and H shares authorised to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board of Directors, otherwise than pursuant to (i) a Rights Issue or (ii) any option scheme or similar arrangement from time to time being adopted for the grant or issue to Directors, Supervisors, senior management and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, 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 at the date on which this Resolution is passed; and

(3) the Board of Directors will only exercise the above authority in compliance with the Company Law of the People's Republic of China (as amended from time to time) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and with the necessary approvals of the China Securities Regulatory Commission and/or other relevant PRC government authorities;

2. For the purpose of this resolution:

"Relevant Period" means the period from the passing of this Resolution until the earliest of:

(1) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;

(2) the expiration of a twelve-month period following the passing of this Resolution; or

(3) the revocation or variation of the authority given to the Directors under this Resolution by the passing of a special resolution of the Company at the shareholders' general meeting.

"Rights Issue" means an offer to all shareholders of the Company (except any shareholders to which the making of such offers by the Company is not permitted under the laws of the jurisdictions where they reside) and, as appropriate, holders of other equity securities of the Company who are qualified for such offers to for the allotment and issue of shares or other securities in the Company which will or might require the allotment and issue of shares in proportion to their existing holdings of such shares or other equity securities (subject to the exclusion of fractional entitlements);

3. Where the Board of Directors resolve to issue shares pursuant to paragraph 1 of this resolution, the Board of Directors be hereby authorised to approve and execute all documents and deeds and do all things or to procure the execution of such documents and deeds and the doing of such things necessary in their opinion for the issue of the new shares (including but not limited to determining the time and place for issue, submitting all necessary applications to relevant authorities, entering into underwriting agreements (or any other agreements), determining the use of proceeds, and fulfilling filing and registration requirements of the PRC, Hong Kong and other relevant authorities, including but not limited to registration with relevant PRC authorities of the increase in registered share capital as a result of the issue of shares pursuant to paragraph 1 of this Resolution); and

4. The Board of Directors be hereby authorised to amend the Company's Articles of Association as they deem necessary to increase the registered share capital of the Company and to reflect the new capital structure of the Company following the allotment and issue of the Company's shares contemplated in paragraph 1 of this Resolution.

1. *Overall voting details:*

For: 418,596,143 shares, accounting for 93.442% of the total shares carrying voting rights held by all shareholders attending the AGM;

Against: 29,373,412 shares, accounting for 6.557% of the total shares carrying voting rights held by all shareholders attending the AGM.

Abstained: 4,400 shares, accounting for 0.001% Of the total shares carrying voting rights held by all shareholders attending the AGM

Of which:

(1) Voting details of holders of domestic shares (A shares):

For: 398,393,743 shares, accounting for 99.999% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Against: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of A shares attending the AGM;

Abstained: 4,400 shares, accounting for 0.001% of the total shares carrying voting rights held by holders of A shares attending the AGM;

(2) Voting details of holders of overseas-listed foreign shares (H shares):

For: 20,202,400 shares, accounting for 40.751% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Against: 29,373,412 shares, accounting for 59.249% of the total shares carrying voting rights held by holders of H shares attending the AGM;

Abstained: 0 shares, accounting for 0% of the total shares carrying voting rights held by holders of H shares attending the AGM;

2. *Results of Voting:*

The resolution, being a special resolution, was passed by votes representing more than two-thirds of the total number of shares held by shareholders with voting rights attending the AGM.

Independent Directors Mr Zhu Wuxiang, Mr Chen Shaohua, Mr Qiao Wenjun, Mr Mi Zhengkun and Mr Li Jin each delivered the Work Report of Independent Directors for the year ended 31 December 2006 at the AGM.

The Company appointed Computershare Hong Kong Investor Services Limited, a witnessing lawyer, two shareholder representatives and two Supervisor representatives to act as scrutineers for vote taking at the AGM.

V. LEGAL OPINION BY LAWYER

1. Name of Law Firm: Jun He Law Offices, Shenzhen Office

2. Name of Attorney: Mr. Yu Yongqiang

3. Conclusive opinion:

Mr. Yu Yongqiang, an attorney of Shenzhen Office of Jun He Law Offices, was of the opinion that matters relating to the convening and holding procedures, qualifications of the attendees and the voting procedures of the 2006 Annual General Meeting of the Company complied with laws, regulations and rules including the Company Law of the People's Republic of China and the Regulatory Opinion of General Meetings of Listed Companies as well as the Articles of Association of ZTE Corporation and the resolutions of the 2006 Annual General Meeting of ZTE Corporation approved at the AGM were legal and valid.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Documents of the 2006 Annual General Meeting of ZTE Corporation

2. Resolutions of the 2006 Annual General Meeting of ZTE Corporation

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
18 June 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 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.