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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)

## DELAY IN DESPATCH OF CIRCULAR

ZTE Corporation ("**Company**") has applied to The Stock Exchange of Hong Kong Limited ("**Exchange**") for an extension of time for despatch of the circular ("**Circular**") regarding the adoption of the Phase I of the Share Incentive Scheme of ZTE Corporation (Phase I, Draft) ("**Share Incentive Scheme**"), the grant of shares to certain connected Scheme Participants pursuant to the Share Incentive Scheme and other relevant matters. The Company will despatch the Circular to the H shareholders of the Company within 21 days after the Company receives a no comment letter from China Securities Regulatory Commission ("**CSRC**") on the Share Incentive Scheme.

Reference is made to the announcement of the Company published on 26 October 2006 ("**Announcement**") in relation to the Share Incentive Scheme and the grant of shares to certain connected Scheme Participants pursuant to the Share Incentive Scheme. Unless otherwise defined herein, capitalised terms used herein shall have the meanings ascribed thereto in the Announcement.

Pursuant to Rule 14A.49 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), the Company is required to despatch the Circular and arrange for its publication in accordance with the Listing Rules within 21 days after publication of the Announcement, deadline falls on 16 November 2006.

According to relevant regulations of the CSRC, the Share Incentive Scheme is subject to the comments from the CSRC and the Company is not allowed to propose the Share Incentive Scheme to the general meeting of the Company for approval until it receives a no comment letter from the CSRC on the Share Incentive Scheme. The Company is still in discussion with the CSRC on the Share Incentive Scheme and therefore cannot despatch the Circular by 16 November 2006.

The Company has applied to the Exchange for an extension of time for despatch of the Circular. The Company will despatch the Circular to the H shareholders of the Company within 21 days after the Company receives the no comment letter from the CSRC on the Share Incentive Scheme.

By order of the Board  
**Hou Weigui**  
Chairman

Shenzhen, PRC  
16 November 2006

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.