

# ZTE中兴

## ZTE CORPORATION

### 中兴通讯股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 763)

## Announcement of the Resolutions Passed at the Twenty Third Meeting of the Third Session of the Board of Directors

The Company and all the members of the Board of Directors confirm 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.

ZTE Corporation (hereinafter referred to as the "Company") has issued the Notice of Convening the Twenty Third Meeting of the Third Session of the Board of Directors to all the Directors of the Company by electronic mail and telephone on 9 March 2007. The twenty third meeting of the Third Session of the Board of Directors of the Company (the "Meeting") was convened by way of telecommunications on 13 March 2007. All of the fourteen Directors attended the Meeting. Five of them, as beneficiaries of Phase I of the Share Incentive Scheme of the Company, abstained from voting in respect of resolutions considered at the Meeting. The remaining nine Directors took part in the voting. The Meeting was convened and held in accordance with the relevant laws, administrative regulations, departmental rules and the Company's Articles of Associations, and was legal and valid.

The following resolutions were considered and approved at the Meeting:

### I. Consideration and approval of the "Resolution on matters regarding the implementation of Phase I of the Share Incentive Scheme of ZTE Corporation".

1. Pursuant to relevant provisions of the Administrative Measures on Share Incentives of Listed Company (Provisional) issued by China Securities Regulatory Commission and Phase I of the Share Incentive Scheme of ZTE Corporation (Version Dated 5 February 2007) reviewed and passed at the first extraordinary general meeting for 2007 of the Company (the "Phase I Scheme"), the Board of Directors of the Company shall grant the corresponding quotas of Subject Shares to Scheme Participants, who should pay the subscription amounts during the period from 14 March to 18 March 2007 (inclusive) to receive their quotas of Subject Shares in accordance with relevant provisions of the Phase I Scheme.
2. Matters pertaining to the grant of the quotas of Reserved Subject Shares and the determination of the payment date for the Reserved Subject Shares shall be separately determined by the Board of Directors of the Company in accordance with relevant provisions of the Phase I Scheme.

Voting results: votes in favour of: 9, votes against: 0 and votes abstained: 0

*Note:* As beneficiaries of Phase I of the Share Incentive Scheme of the Company, Vice Chairmen Mr. Wang Zongyin and Mr. Xie Weiliang, Directors Mr. Zhang Junchao, Mr. Li Juping and Mr. Dong Lianbo, did not participate in the vote in respect of this resolution at the meeting. The "Resolution on matters regarding the implementation of Phase I of the Share Incentive Scheme of ZTE Corporation" was considered and unanimously approved by the remaining nine Directors.

### II. Consideration and approval of the "Resolution on the adjustment of the number of subject shares and the allocation plan relating to Phase I of the Share Incentive Scheme of ZTE Corporation".

According to the Phase I Scheme, the Board of Directors of the Company may adjust the number and allocation of Subject Shares pursuant to the mandate of the first extraordinary meeting for 2007 of the Company if such adjustment becomes necessary as a result of the issue of new shares, ex-right and ex-dividend arrangements by the Company or for other reasons. The Board of Directors of the Company hereby determines the adjustment plan as follows:

Adjustments shall be made according to the following formula in the event of bonus share issue or transfer to share capital from capital reserves by the Company:

$$Q = Q_0 \times (1+R)$$

Where Q represents the quota of Subject Shares after adjustment;  $Q_0$  represents the quota of Subject Shares before adjustment; and R represents the proportion at which the bonus share issue or transfer to share capital from capital reserve is conducted, namely the amount of bonus shares or transferred capital on a per share basis.

Scheme Participants shall not be entitled to any cash dividend payments by the Company prior to the unlocking of their Subject Shares and the quota of such Subject Shares of the Scheme Participants shall not be adjusted as a result of such cash dividend payments.

The Board of Directors of the Company will separately determine whether adjustments to the number and allocation of Subject Shares are necessary under other circumstances.

Voting results: votes in favour of: 9, votes against: 0 and votes abstained: 0

*Note:* As beneficiaries of Phase I of the Share Incentive Scheme of the Company, Vice Chairmen Mr. Wang Zongyin and Mr. Xie Weiliang, Directors Mr. Zhang Junchao, Mr. Li Juping and Mr. Dong Lianbo, did not participate in the vote in respect of this resolution at the meeting. The "Resolution on the adjustment of the number of subject shares and the allocation plan relating to Phase I of the Share Incentive Scheme of ZTE Corporation" was considered and unanimously approved by the remaining nine Directors.

By Order of the Board of Directors  
**Hou Weigui**  
Chairman

Shenzhen, PRC  
14 March 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.