

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 Dividend Payment for 2005

The Company and all members of its 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.

The 2005 profit distribution plan of ZTE Corporation (the "Company") was considered and approved at the 2005 annual general meeting held on 14 June 2006. The Company hereby announces details of dividend payments in respect of its A Shares and H Shares as follows:

I. PLAN FOR DIVIDEND PAYMENT

The Company's plan for dividend payment for 2005 is as follows: a cash dividend payment of RMB2.50 (inclusive of tax) for every 10 shares or approximately RMB239,880,000 in aggregate based on the Company's total share capital of 959,521,650 shares as at 31 December 2005 will be made.

Individual holders (including senior management of the Company) of A Shares and investment funds will receive a cash dividend of RMB2.25 for every 10 shares net of tax. Holders of A Shares who are legal person shareholders and holders of H Shares will not have any tax amount withheld. The total share capital of the Company will remain unchanged after the dividend payment.

II. DETAILS OF THE DIVIDEND PAYMENT FOR A SHARES

1. The record date and ex-dividend date

The record date will be 13 July 2006 and the ex-dividend date will be 14 July 2006 in relation to the current dividend payment.

2. Persons entitled to the dividend payment

Holders of A Shares of the Company whose names were registered on the register of the Company maintained at China Securities Depository & Clearing Corporation Limited, Shenzhen Branch after the close of the afternoon trading session at the Shenzhen Stock Exchange on 13 July 2006 will be entitled to the dividend payment.

3. Method of dividend payment

Dividends payable in respect of shares not subject to lock-up will be credited to the accounts of shareholders through custodian securities houses on 14 July 2006. Dividends payable in respect of shares subject to lock-up (including shares held by senior management of the Company) will be paid out by the Company directly.

III. DETAILS OF THE DIVIDEND PAYMENT FOR H SHARES

Holders of H Shares whose names were registered on the H Share register of the Company on 12 May 2006 will be entitled to the aforesaid final dividend of the Company.

Dividends in respect of H Shares of the Company will be denominated and declared in RMB and payable in Hong Kong Dollars. The applicable exchange rate will be the average base exchange rate for RMB/HK\$ announced by the People's Bank of China over the calendar week prior to the date of declaration of the current final dividend (14 June 2006), that is, HK\$100.00: RMB103.2964. The final dividend of HK\$0.2420 per share will be payable to holders of H Shares of the Company on 14 July 2006.

IV. CONTACT INFORMATION FOR ENQUIRIES

Address: 6/F, Building A, ZTE Plaza
Keji Road South, Hi-Tech Industrial Park
Nanshan District,
Shenzhen
Contact Person: Li Liuhong
Tel: +86 (755) 26770285
Fax: +86 (755) 26770286

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
7 July 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 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.