

Notice of the First Extraordinary General Meeting for 2005

NOTICE IS HEREBY GIVEN that the first Extraordinary General Meeting (hereinafter referred to as the “EGM”) of ZTE Corporation (hereinafter referred to as the “Company”) for the year 2005 will be held in accordance with the resolutions passed by the fourteenth meeting of the third session of the Board of Directors of the Company on 23 August 2005. Details of the EGM are set out below:

I. Information regarding the meeting

(1) Time

The EGM will commence at 9:00 am on 12 October 2005.

(2) Venue

The EGM will be held at the Novotel Bauhinia Shenzhen Hotel

Address: Qiaocheng E., Road, Huaqiao City, Shenzhen, Guangdong Province, People’s Republic of China (near the western entrance of Yuanboyuan)

Tel: +86 755 82829966

(3) Convener

The EGM is convened by the Board of Directors of the Company.

(4) Mode of Meeting

The meeting will be physically convened with on-site voting.

(5) Who may attend

1. All ZTE (000063) shareholders registered with China Securities Depository & Clearing Corporation Limited, Shenzhen Office upon the close of trading of its A shares on the Shenzhen Stock Exchange on Friday, 9 September 2005 at 3:00 pm (hereinafter referred to as “Domestic Shareholders”);
2. All shareholders registered on the Company’s H share register maintained by Computershare Hong Kong Investor Services Limited upon the close of trading of its H shares on The Stock Exchange of Hong Kong Limited on Friday, 9 September 2005 at 4:00 pm (hereinafter referred to as “H Shareholders”);
3. Directors, supervisors and senior management of the Company;
4. Representatives of intermediaries engaged by the Company and parties otherwise invited by the Board of Directors.

(6) Period of closure of H share register

The Company will close its H share register from Monday, 12 September 2005 to Tuesday, 11 October 2005 (inclusive). Holders of H shares in the Company who intend to attend the meeting shall lodge instruments of transfer, together with corresponding share certificate(s) with Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 9 September 2005 at 4:00 pm.

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II. Matters to be considered at the meeting

The following ordinary resolutions will be considered at the meeting:

1. Resolution concerning the appointment of new PRC auditors for the Company

To appoint Ernst & Young Hua Ming as the PRC auditors of the Company for 2005 for a term of one year following the expiry of the term of appointment for Shenzhen Dahua Tiancheng Certified Public Accountants as the Company's PRC auditors on 1 September 2005 with a view to more effective coordination between the international and PRC auditors of Company, and to authorise the board of directors to determine the auditors' fee of Ernst & Young Hua Ming for 2005 based on actual circumstances.

2. Resolution concerning the purchase of "liability insurance for directors, supervisors and senior management"

To approve the execution between the Company and AIU Insurance Company Shenzhen Branch of an insurance contract for a maximum annual indemnity amount of RMB10 million for a term of 1 year in connection with the Company's plan to purchase "liability insurance for directors, supervisors and senior management" for the directors, supervisors and senior management of the Company with a view to encouraging better performance of their duties; and to authorise the board of directors to negotiate with AIU Insurance Company Shenzhen Branch the renewal or amendment of such insurance contract upon or prior to the expiry of the same.

III. Registration at the EGM

(1) Registration of attendance

1. Any legal person shareholder (including but not limited to corporate shareholders) entitled to attend the meeting shall produce to the register with a copy of its corporate business licence, a duly signed power of attorney and the ID card of the attendee.
2. Any individual shareholder entitled to attend the meeting shall produce for registration his own ID card, stock account card and evidence of shareholding.
3. Any shareholder intending to attend the meeting shall return the completed confirmation slip to the address for registration by courier, registered mail or fax.

(2) Time of registration

From 19 September 2005 to 22 September 2005

(3) Address for registration

The address where registration is conducted is: 6/F, Block A, ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, PRC (Postal Code: 518057).

(4) Requirements when registering and voting by way of proxy

1. Any shareholder entitled to attend and vote at the meeting may appoint one or more persons (whether or not a shareholder) as his proxy/proxies to attend and vote at the meeting on his behalf. The completion and submission of the proxy form shall not preclude a shareholder from attending and voting at the meeting if he so wishes, in which case the proxy form shall be deemed withdrawn. For a shareholder who appoints two or more proxies, voting rights attached to shares held by him and exercised by his proxies shall not, on a cumulative basis, exceed the total number of votes such shareholder is entitled to exercise at the meeting. Voting rights attached to one share shall not be exercised by more than one proxy.

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2. A shareholder appointing a proxy or his/her duly authorised attorney shall sign the proxy form in writing. Any proxy form signed by an authorised attorney other than the shareholder himself shall be notarized. The proxy form is valid only if it is deposited within 24 hours at the registered address of the Company before the meeting.
3. Persons attending and voting at the meeting as proxies on behalf of shareholders shall produce upon registration their own ID cards, the duly signed proxy forms, the stock account cards of shareholders and evidence of shareholding.

IV. Miscellaneous

- (1) It is expected that the EGM will last no more than one day. All accommodation, travel and other related expenses should be borne by the attendees.
- (2) Contact person in connection with the EGM: Li Liuhong
- (3) Contact telephone number in connection with the EGM: + 86 755 26770285
- (4) Contact fax number in connection with the EGM: + 86 755 26770286

V. Documents for inspection

Resolutions of the Fourteenth Meeting of the Third Session of the Board of Directors of ZTE Corporation.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
24 August 2005