



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

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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 of board resolutions.

### I. Rumour in issue

On 15 August 2008, a telecoms analyst of a certain securities house in Shanghai communicated the "research results and information" on China Telecom's tender for CDMA network equipment procurement to buyers' analysts and fund managers via telephone conference during trading hours. Subsequently, such "research results and information" from this analyst were extensively cited and publicised by the media, including a report published in the 19 August 2008 edition of 21<sup>st</sup> Century Business Herald (《21 世紀經濟報道》) and headlined "Reasons for ZTE's fall (in share price) 6 days in a row: equipment makers contesting hotly for China Telecom's RMB10 billion tender" (《中興連跌 6 日溯源，設備商酣戰中電信百億招標》) which claimed that "sources said that Huawei had snatched a 70% share on the back of low prices in the current C network tender of China Telecom, while ZTE and Alcatel Shanghai Bell had only managed to get 30% of the orders."

### II. Clarification

1. the CDMA equipment tender of China Telecom has not yet completed and the outcome of the tender has yet to be announced. Therefore, any speculations on the outcome of the tender are unfounded.
2. The Company has always conducted its business activities in a reasonable and regulated manner, in firm adherence to the business strategy of prudent development.

3. The Company shall perform its obligations in information disclosure in accordance with the Administrative Measures Governing Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》) and other relevant laws and regulations.

### III. Other matters

1. The sources of the aforementioned rumour are not related to the Company and the Company has not violated the principle of fair disclosure of information.

2. The Company reserves the right to take legal action against the institution or individual involved for making misleading analyses.

Investors are reminded that the domestic newspapers designated by the Company for information disclosures are China Securities Journal (《中國證券報》), Securities Times (《證券時報》) and Shanghai Securities News (《上海證券報》) and only information on the Company published in domestic newspapers designated by the Company for information disclosures should be relied upon. Investors are asked to exercise rational judgment in their investments and beware of risks.

By Order of the Board

Hou Weigui  
Chairman

Shenzhen, the PRC  
19 August 2008

*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.*