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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

**Proposed IPO of Indirect Investee Shenzhen Jufei Optoelectronics Co., Ltd.
Approved by CSRC GEM Issue Approval Committee**

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 is no false and misleading statement or material omission in this announcement.

ZTE Corporation (the "Company") wishes to announce that the application for initial public offering by Shenzhen Jufei Optoelectronics Co., Ltd. (深圳市聚飛光電股份有限公司) (the "Jufei Optoelectronics"), a ZTE indirectly invested company, was approved by the GEM Board Issue Approval Committee under the China Securities Regulatory Commission ("CSRC") at the 78th working meeting of 2011 of the Committee on 13 December 2011.

By injecting capital of RMB15.30 million, the Company becomes the controlling shareholder of Shenzhen Changfei Investment Company Limited ("Changfei Investment") with 51% shareholding. Changfei Investment is interested in 12.87 million shares of the Jufei Optoelectronics, representing 21.62% of the total share capital of the Jufei Optoelectronics before the offering.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
14 December 2011

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyou; six non-executive directors, Hou Weigui, Lei Fanpei, Xie Weiliang, Wang Zhancheng, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.