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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 of the Board of Directors**

*The Company and all the members of the Board of Directors warrant 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.*

Reference is being made to the “Announcement of the Board of Directors” published by ZTE Corporation (the “Company”) on 16 August 2012, regarding the petition filed with The High Court of the Hong Kong Special Administrative Region (“The High Court”) by Union Eternal Engineering Limited (“Union Eternal”) of Hong Kong for the liquidation of the Company and ZTE (H.K.) Limited (“ZTE HK”), a wholly-owned subsidiary of the Company, as a result of a dispute in engineering work payments. The announcement was posted on the website of The Stock Exchange of Hong Kong Limited <http://www.hkexnews.hk> and the Company’s website <http://www.zte.com.cn>.

As of the date of hereof, the Company and ZTE HK have reached an agreement for settlement with Union Eternal and the case has been officially closed following The High Court’s issuance of a notice on 24 August 2012 sanctioning the withdrawal of the application for the liquidation of the Company and ZTE HK previously filed by Union Eternal.

By Order of the Board

**Hou Weigui**

*Chairman*

Shenzhen, the PRC

27 August 2012

*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, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.*