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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.

According to media reports, Union Eternal Engineering Limited (“Union Eternal”) of Hong Kong has filed a petition with The High Court of the Hong Kong Special Administrative Region (“The High Court”) for the liquidation of the Company and ZTE (H.K.) Limited (“ZTE HK”), a wholly-owned subsidiary of the Company.

After due verification, the Company wishes to make the following statement in respect of the aforesaid reports:

On 15 August 2012, the Company and ZTE HK each received a copy of the petition for liquidation submitted to The High Court by the lawyer representing Union Eternal. The petition involves a cooperative engineering service project between the Company and ZTE HK on the one hand and Union Eternal on the other which lasted from 2008 to 2011. Union Eternal contended that amounts of HK\$2,376,379.89 and HK\$669,828.80 payable by the Company and ZTE HK, respectively, to Union Eternal remained outstanding, and hence it petitioned for the liquidation of the Company and ZTE HK. However, there are differences between the Company and ZTE HK on the one hand and Union Eternal on the other as to the due amounts of the payments referred to in the petition and whether the conditions for payment have been fulfilled.

The Company is of the view that the aforesaid case is a common incident of dispute in engineering work. The Company will address the case in a proactive manner in accordance with pertinent laws and regulations of Hong Kong, and is of the view that the aforesaid case would not have any material adverse impact on the financial conditions and operating results of the Group.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC

16 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 Shiyong; 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.