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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 on the “Development Financing Strategic Cooperation Agreement” with China Development Bank**

*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.*

On 4 December 2012, ZTE Corporation (the “Company”) entered into a “Development Financing Strategic Cooperation Agreement” (the “Agreement”) with China Development Bank (“CDB”). In line with the principle of mutual benefit, the Company and CDB will seek to establish a new model of investment and financing featuring in-depth cooperation in all areas between industry and finance by closely integrating the strengths of CDB in investment and financing and those of the Company in industrial technologies, so as to achieve the aim of rapid development for the two parties. The Agreement signifies the commencement of a new strategic cooperation agreement further to the “Development Financing Cooperation Agreement” between the two parties entered into in March 2009 (for details please refer to the “Announcement on the ‘Development Financing Cooperation Agreement’ with China Development Bank” dated 20 March 2009 published by the Company).

The principal terms of the Agreement include the provision by CDB of a USD20 billion facility for cooperation, comprising financing facilities for the Company’s overseas projects and credit facilities for the Company. The overseas project financing facilities shall be applied towards meeting the funding requirements of overseas customers in the purchase of the Company’s equipment and related technical services. The credit facilities shall be applied

in mid-to-long term loans, short-term loans, debenture financing, factored financing, supply chain financing, as well as trade financing such as guarantees, bills and letters of credit.

On the basis of the aforementioned “Development Financing Strategic Cooperation Agreement,” the Company will enter into a “Letter of Intent for Financing Cooperation Project 2013” (“LOI”) and an “Strategic Cooperation Agreement” with CDB Shenzhen Branch and CDB Capital Company Limited (國開金融有限責任公司), respectively. The LOI will provide for intended cooperation in investment and financing in 2013. The “Strategic Cooperation Agreement” will provide for cooperation in key business segments and overseas investment of the Company by way of industrial investments, overseas investment cooperation, investment funds and joint venture funds, etc.

The Agreement forms the framework of business cooperation for an effective period of five years. Separate agreements shall have to be signed by the two parties in respect of specific cooperation entered into under this Agreement, in the event of which the Company will comply with relevant approval procedures and its obligations in information disclosure as and when necessary in accordance with the “Rules Governing the Listing of Stocks on Shenzhen Stock Exchange” and the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited”.

By Order of the Board  
**Hou Weigui**  
Chairman

Shenzhen, the PRC  
4 December 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.*