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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 Litigation

The Company and all 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 or misleading statement or material omission in this announcement.

ZTE Corporation (the "Company") wishes to announce that a provisional injunction against ZTE Deutschland GmbH ("ZTE Deutschland"), a wholly-owned subsidiary of the Company, in respect of "labelled data cards" has been awarded by the District Court of Hamburg, Germany based on an application by Huawei Technologies Co. Ltd. ("Huawei"), the provisional injunction order of which has recently been forwarded to the Company by Huawei's attorney.

The provisional injunction is not actual ruling by the by court, but a provisional relief measure prior to litigation immediately obtainable upon Huawei's unilateral application to the court. It is up to the final ruling of the court to determine whether the Company has committed infringement. Since 14 July 2009, the Company has discontinued the application of the RoHS label, mentioned in the said provisional injunction, on our data card products. The application for the relevant trademark was submitted by Huawei on 4 November 2009 to and approved by the European Union on 27 May 2010. Accordingly, the said provisional injunction will not have any effect on the current business of the Company.

Other than the aforesaid provisional injunction, the Company has not received other official litigation materials pertaining to Huawei's legal actions against the Company in Germany.

According to relevant reports, Huawei will institute lawsuits on patent infringement against the Company in France, Germany and Hungary. The Company and ZTE France SASU ("ZTE France"), a wholly-owned subsidiary of the Company, have received a statement of claim from the High Court of Paris, according to which a lawsuit has been filed by Huawei, claiming that the data card products of the Company and ZTE France have infringed upon its patent and demanding the Company and ZTE France to discontinue such act of infringement and pay damages in the amount of EUR500,000. As at the date of this announcement, the

Company has not received any official materials pertaining to lawsuits on patent infringement in Hungary.

Currently, legal counsels appointed by the Company are actively preparing for the lawsuit to defend its interests. Based on relevant data recorded in the 2010 audited Group consolidated financial statements of the Company and the operating revenue derived from the sales of data cards in Germany and France, the litigation will not have any material and adverse impact on the financial conditions and results of operation of the Group for the current period.

The Company will publish further announcements to disclose in a timely manner any substantial progress of the litigation. As at the date of this announcement, there are no other disclosable material litigations or arbitrations involving the Company which remain undisclosed.

By Order of the Board

Hou Weigui

Chairman

Shenzhen, PRC

12 May 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 Shiyong; six non-executive directors, Hou Weigui, Lei Fanpei, 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.