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ZTE中兴
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 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.

I. Framework Agreement of Chipset Procurement between ZTE Corporation (the “Company”) and Qualcomm Incorporated of the United States (“Qualcomm”)

1. General Information

Representatives of the Company recently visited the United States as members of the PRC Delegation for Trade and Investment Cooperation in Mechanical and Electrical Industries. In accordance with the business plans of the Company, a “Framework Agreement of Chipset Procurement for Calendar Years 2012-2015” (“Qualcomm Framework Agreement”) was entered into with Qualcomm on 17 February 2012 (PST). Pursuant to the Qualcomm Framework Agreement, the Company is willing to procure from Qualcomm with an aggregate value of no less than USD4 billion in Calendar Years 2012-2015. The transaction is an ordinary business of the Company for the purchase of raw materials.

2. Information on Qualcomm

Headquartered in California, the United States, Qualcomm is known as the company that has pioneered the CDMA (Code Division Multiple Access) digital wireless technology. It is also one of the leading manufacturers in promoting the development of 3G wireless products and services, as well as a global leader in developing chipsets and solutions that operate on CDMA2000, 1X, 1xEV-DO and WCDMA (UMTS). Qualcomm’s core CDMA patent technologies have been licensed to many telecommunications equipment manufacturers worldwide.

3. Risk reminder

(1) The Qualcomm Framework Agreement entered into between the Company and Qualcomm set out the parties’ intention to cooperate. It is not binding on either party, nor does it create any legal rights or obligations between the two parties to the agreement.

(2) Any actual transactions between the Company and Qualcomm shall be subject to long-term supply contracts signed between the two parties and specific purchase orders. The Company will

conduct its purchases in a progressive manner based on the status of its production and operation and there might be discrepancies between actual purchases made and those described under the Qualcomm Framework Agreement.

II. Framework Agreement of Chipset Procurement between the Company and Broadcom Corporation of the United States (“Broadcom”)

1. General Information

Representatives of the Company recently visited the United States as members of the PRC Delegation for Trade and Investment Cooperation in Mechanical and Electrical Industries. In accordance with the business plans of the Company, a “Framework Agreement of Chipset Procurement for Calendar Years 2012-2014” (“Broadcom Framework Agreement”) was entered into with Broadcom on 17 February 2012 (PST). Pursuant to the Broadcom Framework Agreement, the Company is willing to procure from Broadcom with an aggregate value of no less than USD1 billion in Calendar Years 2012-2014. The transaction is an ordinary business of the Company for the purchase of raw materials.

2. Information on Broadcom

Broadcom is a global leader in semiconductor solutions for wired and wireless communications based on California, the United States. Broadcom products deliver seamless voice, video, data and multimedia connectivity in the home, office and mobile environments.

3. Risk reminder

(1) The Broadcom Framework Agreement entered into between the Company and Broadcom set out the parties’ intention to cooperate. It is not binding on either party, nor does it create any legal rights or obligations between the two parties to the agreement.

(2) Any actual transactions between the Company and Broadcom shall be subject to long-term supply contracts signed between the two parties and specific purchase orders. The Company will conduct its purchases in a progressive manner based on the status of its production and operation and there might be discrepancies between actual purchases made and those described under the Broadcom Framework Agreement.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
20 February 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; five non-executive directors, Hou Weigui, 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.