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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 on the Partial Disposal of Shares in Nationz Technologies, Inc.**

*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.*

At the Nineteenth Meeting of the Fifth Session of the Board of Directors of ZTE Corporation (the "Company"), the disposal of shares in Nationz Technologies, Inc. ("Nationz Technologies", Shenzhen Stock Exchange stock code: 300077) by the Company at appropriate time was considered and approved.

The Company had held 36,853,128 shares in Nationz Technologies, accounting for 13.55% of the total share capital of Nationz Technologies. From 24 June 2011 to 23 August 2011, the Company disposed of a total of 8,578,498 shares in Nationz Technologies (accounting for 3.15% of the total share capital of Nationz Technologies), of which 3,578,498 shares were disposed of via the price-bidding trading system of Shenzhen Stock Exchange at an average selling price of 27.39RMB/ share and 5,000,000 shares were disposed of via the bulk-volume trading system at an average selling price of 25.55RMB/share. Net investment gains before income tax generated from the sale, after deduction of investment costs and related transaction levies and fees, are estimated at approximately RMB141 million, representing 4.33% of the Company's audited net profit for the latest reporting period. As the Company no longer exercised significant influence over the business activities of Nationz Technologies in the first half of 2011, shares held by the Company that remained unsold were reclassified from long-term equity investment to financial assets held for trading for accounting purposes. Investment gains and fair-value gains/losses were recognised under fair-value measurement. The Company recognised investment gains of RMB142 million for the first half of the year in respect of 8,578,498 shares which had been disposed of. Following the aforesaid sell-down, the Company currently holds 28,274,630 shares in Nationz Technologies (accounting for 10.40% of the total share capital of Nationz Technologies), all of which are unrestricted circulating shares.

By Order of the Board  
Hou Weigui  
Chairman

Shenzhen, PRC  
24 August 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 Shiyou; six non-executive directors, Hou Weigui, Lei Fanpei, 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.*