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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 Completion of the Second Unlocking of Subject Shares under the First Award of the Phase I Share Incentive Scheme

The Company and all members of the Board of the 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 3 June 2010, ZTE Corporation (hereinafter referred to as the "Company") received a "Reply Slip in Acknowledgment of the Application for Unlocking of Shares under Share Incentive Schemes" (《股權激勵股份解除鎖定申請受理回執》) issued by China Securities Depository & Clearing Corporation Limited, Shenzhen Branch, the details of which are announced as follows:

I. Unlocking of restricted shares

1. A total of 26,452,094 Subject Shares have been unlocked, accounting for 1.38% of the total share capital of the Company.
2. Date of listing and circulation of Subject Shares subsequent to the release of restrictions: 4 June 2010 (Friday)

II. Changes in share capital structure following the completion of the Unlocking of Subject Shares

At the Fourth Meeting of the Fifth Session of the Board of Directors of the Company, it was confirmed that 3,239 persons out of the Scheme Participants entitled to the First Award under the Phase I Share Incentive Scheme of the Company had fulfilled the conditions for the Second Unlocking of Subject Shares under the Phase I Share Incentive Scheme, and a total of 26,452,094 shares were unlocked. Following the completion of the Second Unlocking, the total share capital of the Company has remained unchanged, while details of the changes in the share capital structure are set out as follows:

Unit: share

Class of shares	Prior to the change		Increase / decrease as a result of the change (+/-)	Subsequent to the change	
	Number of shares (shares)	Shareholding percentage (%)		Number of shares (shares)	Number of shares (shares)
I. Shares subject to lock-up	71, 622, 224	3. 75%	-25, 298, 066	46, 324, 158	2. 42%
1. State-owned shares					
2. State-owned corporate shares					
3. Other domestic shares	71, 622, 224	3. 75%	-25, 298, 066	46, 324, 158	2. 42%
Including: domestic corporate shares					
Domestic natural person shares (including senior management shares)	71, 622, 224	3. 75%	-25, 298, 066	46, 324, 158	2. 42%
4. Foreign shares					
Including: foreign corporate shares					
Foreign natural person shares					
II. Shares not subject to lock-up	1, 839, 532, 232	96. 25%	25, 298, 066	1, 864, 830, 298	97. 58%
1. RMB ordinary shares	1, 489, 762, 540	77. 95%	25, 298, 066	1, 515, 060, 606	79. 28%
2. Domestic listed foreign shares					
3. Overseas listing foreign shares (H shares)	349, 769, 692	18. 30%		349, 769, 692	18. 30%
4. Others					
III. Total number of shares	1, 911, 154, 456	100%		1, 911, 154, 456	100%

(The specific figure should be based on the listed company's shareholding structure statement issued by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited).

By Order of the Board
Hou Weigui
Chairman

Shenzhen, PRC
3 June 2010

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 Zhancheng, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Li Jin, Qu Xiaohui, Wei Wei, Chen Naiwei and Tan Zhenhui.