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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)

INFORMATION ON PAYMENT OF FINAL DIVIDENDS

Reference is made to the circular of ZTE Corporation (the “Company”) dated 16 March 2023 (the “**Circular**”) in relation to final dividends and the announcement of the Company dated 6 April 2023 on the voting results of the AGM of the Company held on 6 April 2023 in relation to, among other things, the approval of the payment of final dividends by the shareholders of the Company. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

In addition to the above resolution approved at the AGM, the Board announces the following information relating to the payment of final dividends:

The Company will distribute a final dividend of RMB4 (before tax) per 10 shares, i.e. RMB0.4 (before tax) per share. The final dividend is payable to H shareholders whose names appeared on the H shares register of members of the Company on Thursday, 20 April 2023 (the “**H Share Record Date**”). Dividend on A shares shall be paid in Renminbi and dividend on H shares shall be paid in Hong Kong dollar. The related exchange rate is calculated based on the average median of exchange rates of Hong Kong dollar against Renminbi published by the People's Bank of China for the 5 China mainland business days up to and including the AGM date. The average median of exchange rate of Hong Kong dollar against Renminbi published by the People's Bank of China for the 5 China mainland business days up to and including 6 April 2023 was HKD1 to RMB0.87613 (converted RMB1 to HKD1.14138). Accordingly, the final dividend payable for per 10 shares is HKD4.5655 (before tax), i.e. each H share is HKD0.45655 (before tax).

Withholding of Income Taxes on Dividends Paid to Overseas Non-Resident Corporate Shareholders and Individual Shareholders

In respect of the Company's distribution of final dividend to shareholders whose names appear on the H share register of the Company on the H Share Record Date, the Company

will process income tax payable on dividends and profit distributions in accordance with relevant taxation laws and regulations of China. The details are as follow:

1. In connection with overseas non-resident corporate H shareholders, a 10% enterprise income tax to be withheld and paid on behalf of such shareholders by the Company shall apply in accordance with relevant provisions of the “Notice of the State Administration of Taxation on issues concerning the withholding and payment of enterprise income tax on dividends paid by Chinese resident enterprises to overseas non-resident corporate H shareholders” (Guo Shui Han[2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)). Upon receipt of the dividend, overseas non-resident corporate H shareholders may apply, either directly or through the Company, for entitlements to preferential treatments under relevant agreements by furnishing evidence of their status as beneficial owners in compliance with provisions under relevant taxation agreements (arrangements).

2. In connection with overseas non-resident individual H shareholders, in accordance with pertinent provisions of the “Notice on the collection and administration of personal income tax after the repeal of Document Guo Shui Fa[1993] No. 045” (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), (1) non-resident individual H shareholders being residents of Hong Kong or Macau, or residents for tax purposes of other countries which have entered into taxation agreements with China with a dividend tax rate lower than or equivalent to 10% shall be subject to a 10% personal income tax to be withheld and paid on behalf of such shareholders by the Company, provided that if the dividend tax rate stipulated under the relevant taxation agreement is below 10%, the Company may apply on behalf of the shareholder for entitlements to preferential treatments under such agreement in accordance with the “Announcement of the State Administration of Taxation on the promulgation of the ‘Administrative Measures on Non-resident Taxpayers’ Entitlements to Treatments Under Taxation Agreements” (SAT Announcement 2019 No. 35) (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》(國家稅務總局公告2019年第35號)); (2) if the dividend tax rate stipulated under the taxation agreement is higher than 10% but lower than 20%, personal income tax shall be withheld and paid on behalf of the shareholders by the Company at the effective tax rate; (3) in the absence of any applicable taxation agreements and otherwise, personal income tax shall be withheld and paid on behalf of the shareholders by the Company at a 20% tax rate.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent (the “**Receiving Agent**”) in Hong Kong which will receive the declared final dividends from the Company on behalf of H shareholders. The final dividends will be paid by the Receiving Agent and the cheques for the Dividends will be dispatched by

Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, via ordinary post on Friday, 12 May 2023 to the H shareholders at their own risk.

Final dividend distribution for H shares investors of Southbound Trading

For mainland investors who have invested in the H shares of the Company listed in the Hong Kong Stock Exchange via the Shenzhen Stock Exchange and Shanghai Stock Exchange (“**Southbound Trading**”), China Securities Depository and Clearing Corporation as the nominee of the shareholders of the H shares of the Company of Southbound Trading, will receive the cash dividend distributed by the Company to investors of Southbound Trading and distribute such cash dividends to the relevant investors of the H shares of the Company of Southbound Trading through its depository and clearing system. The cash dividends for the investors of the H shares of the Company of Southbound Trading will be paid in Renminbi. The Company shall withhold a personal income tax at a rate of 20% in respect of dividend receivable by individual mainland investors and mainland securities investment funds as a result of investment in the H shares of the Company through Southbound Trading in accordance with pertinent provisions under the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127)” (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅〔2016〕127號)) and “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81)” (《關於沪港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅〔2014〕81號)). For dividend receivable by mainland corporate investors as a result of investment in the H shares of the Company through Southbound Trading, the Company shall not withhold any enterprise income tax, and the tax amount payable shall be declared and payable by such mainland corporate investors on their own.

Shareholders of the Company should read this announcement carefully. The Company is neither obligated nor responsible for ascertaining the identity of shareholders and will strictly comply with the relevant laws on withholding and paying income taxes in accordance with the records of the H shares register of members as at the H Share Record Date.

This announcement is not applicable to distribution of the 2022 final dividend to the A shareholders of the Company. Relevant information in respect of 2022 final dividend to A shareholders and other relevant matters will be announced by the Company in due course.

By Order of the Board
Li Zixue
Chairman

Shenzhen, the PRC
11 April 2023

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Li Zixue, Xu Ziyang, Gu Junying; three non-executive directors, Li Buqing, Zhu Weimin, Fang Rong; and three independent non-executive directors, Cai Manli, Gordon Ng, Zhuang Jiansheng.