

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 15 April 2016 (the "**Circular**") in relation to final dividends and the announcement of the Company dated 2 June 2016 on the voting results of the AGM of the Company held on 2 June 2016 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 RMB0.25 (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 Monday, 13 June 2016 (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 following conversion formula shall apply to the calculation of the dividend payable to H Shareholders:

$$\begin{array}{l} \text{Final dividend per H} \\ \text{Share in Hong Kong} \\ \text{dollar} \end{array} = \frac{\text{Final dividend per Share in Renminbi}}{\text{the average median of exchange rates of Hong Kong} \\ \text{dollar against Renminbi published by The People's Bank} \\ \text{of China for the 5 business days up to and including the} \\ \text{AGM date}}$$

The average median of exchange rates of Hong Kong dollar against Renminbi published by The People's Bank of China for the 5 business days up to and including 2 June 2016 was HKD100 to RMB84.6100. Accordingly, the final dividend payable for each H Share is HKD0.29547 (before tax).

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, 15 July 2016 to the H Shareholders at their own risk.

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

Under the relevant tax rules and regulations of the PRC (collectively the “**PRC Tax Law**”), the Company is required to withhold corporate income tax at the rate of 10% when distributing the final dividends to non-resident enterprises (as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company on the H Share Record Date.

In accordance with the PRC Tax Law, the Company is also required to withhold individual income tax when distributing the final dividends to individual shareholders whose names appeared on the H Shares register of members of the Company on the H Share Record Date. The Company will determine the country of domicile of the individual shareholders based on the registered addresses as recorded in the H Shares register of members of the Company on the H Share Record Date with details as follows:

- For individual shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.
- For individual shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. The Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法（試行）〉的通知》(國稅發[2009]124號)).
- For individual shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.
- For individual shareholders who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax

rate of 20% and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

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.

By Order of the Board  
**Zhao Xianming**  
*Chairman*

Shenzhen, the PRC  
8 July 2016

*As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Zhao Xianming, Yin Yimin and Wei Zaisheng; six non-executive directors, Zhang Jianheng, Luan Jubao, Shi Lirong, Wang Yawen, Tian Dongfang and Zhan Yichao; and five independent non-executive directors, Richard Xike Zhang, Chen Shaohua, Lü Hongbing, Bingsheng Teng and Zhu Wuxiang.*