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中航國際控股股份有限公司

AVIC INTERNATIONAL HOLDINGS LIMITED

(formerly known as CATIC Shenzhen Holdings Limited (深圳中航集團股份有限公司))
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00161)

INFORMATION ON THE PAYMENT OF 2015 FINAL DIVIDEND

Reference is made to the announcement of AVIC International Holdings Limited (the “**Company**”) dated 24 March 2016 in relation to the annual results of the Company for the year ended 31 December 2015, the annual report of the Company for the year ended 31 December 2015 and the circular of 2015 annual general meeting of the Company (the “**2015 AGM**”) dated 21 April 2016 and the announcement of the voting results of the 2015 AGM dated 17 June 2016. The board of directors of the Company (the “**Board**”) hereby announces further information in relation to the payment of the 2015 final dividend of the Company (the “**2015 Final Dividend**”).

The resolution in relation to the profit appropriation plan (including but not limited to the distribution of the 2015 Final Dividend) of the Company for the year ended 31 December 2015 was approved at the 2015 AGM. The 2015 Final Dividend of RMB0.2 (equivalent to approximately HK\$0.236) per share (tax inclusive) will be paid to holders of H shares whose names appear on the register of members of the Company at the close of business on Wednesday, 29 June 2016. The 2015 Final Dividend is expected to be paid to holders of H shares of the Company on or about Friday, 12 August 2016.

According to the Law on Corporate Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》), the “**Corporate Income Tax Law**”) which came into effect on 1 January 2008 and its implementing rules and other relevant rules, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H shares register of members of the Company. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore their dividends receivables will be subject to the withholding and payment of the corporate income tax by the Company.

Pursuant to Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (《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》) (the “**Notice**”) issued by the State Administration of Tax (國家稅務總局) on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders is subject to individual income tax with a tax rate of 10% in general. However, the individual income tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries where they are residing and Mainland China.

Pursuant to the aforesaid tax regulations, the Company will, in general, withhold and pay individual income tax at a rate of 10% of the dividend to be distributed to the individual holders of H shares of the Company unless otherwise specified by the tax regulations and relevant tax agreements, in which case the Company will withhold and pay individual income tax of such dividend at the tax rates and according to the procedures as specified by the relevant regulations.

The Company will strictly comply with the Corporate Income Tax Law and the Notice to withhold for payment of enterprise income tax. After the withholding and payment of non-resident enterprise income tax by the Company, any enterprise shareholder who may be entitled to a deduction or exemption of enterprise income tax in accordance with the relevant laws, regulations or treaties may itself apply to the competent tax authority for a tax refund pursuant to the provisions of applicable laws, regulations or treaties. The Company will have no liability in respect of any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of the withholding and payment.

In the event of any doubts for the above arrangement, holders of H shares of the Company are recommended to consult their taxation advisors regarding relevant tax laws and regulations in the PRC, Hong Kong and other countries on the dividend payment by the Company and on the taxation implications of holding or dealing in the H shares of the Company.

By Order of the Board
AVIC International Holdings Limited
Wu Guang Quan
Chairman

Shenzhen, the People’s Republic of China, 24 June 2016

As at the date of this announcement, the board of directors of the Company comprises a total of 9 directors, Mr. Wu Guang Quan, Mr. Lai Wei Xuan, Mr. You Lei, Mr. Pan Lin Wu, Mr. Chen Hong Liang and Mr. Liu Jun as executive directors; and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei as independent non-executive directors.

In this announcement, the English names of the PRC entities, departments, facilities or titles are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistencies, the Chinese names shall prevail.