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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)

ANNOUNCEMENT PRINCIPAL FINANCIAL DATA AND INDICATORS OF TIAN MA FOR THE THIRD QUARTER OF 2019

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the overseas regulatory announcement (the “**Announcement**”) issued by AVIC International Holdings Limited (the “**Company**”) on 30 October 2019 in relation to the full text of the 2019 third quarterly report of Tian Ma Microelectronics Company Limited (“**Tian Ma**”), a subsidiary of the Company, the shares of which are listed and traded on the Shenzhen Stock Exchange (Stock Code: 000050). The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to draw the attention of its shareholders and the public investors to the following principal financial data and indicators of Tian Ma for the third quarter of 2019 as set out in the Announcement:

PRINCIPAL FINANCIAL DATA AND INDICATORS OF TIAN MA FOR THE THIRD QUARTER OF 2019

Unit: RMB

	End of the reporting period	End of the previous year		Increase/decrease of the end of the reporting period as compared with the end of the previous year (%)
		Before Adjustment	After Adjustment	After Adjustment
Total assets, in RMB	64,971,587,471.29	60,036,990,054.02	60,036,990,054.02	8.22%
Net assets attributable to TIAN MA's shareholders, in RMB	26,926,256,241.87	26,004,730,643.89	26,004,730,643.89	3.54%
	Reporting period	Year-on-year increase/decrease in the reporting period compared with the same period of the previous year	From the year beginning to the end of the reporting period	Increase/decrease from the year beginning to the end of the reporting period compared with the same period of the previous year
Total revenue, in RMB	8,826,443,636.02	13.69%	23,421,510,459.74	7.74%
Net profit attributable to TIAN MA's shareholders, in RMB	390,224,888.68	-10.28%	1,033,812,917.41	-15.03%
Net profit attributable to TIAN MA's shareholders after deduction of non-recurring profit or loss, in RMB	269,202,502.26	66.56%	545,017,331.67	7.25%
Net cash flows arising from operating activities, in RMB	–	–	2,542,549,209.51	6.39%
Basic earnings per share (RMB/share)	0.1905	-10.31%	0.5048	-17.00%
Diluted earnings per share (RMB/share)	0.1905	-10.31%	0.5048	-17.00%
Weighted average net assets income ratio (%)	1.46%	Reduce 0.21%	3.91%	Reduce 0.97%

REASONS FOR CHANGES IN ACCOUNTING POLICIES AND THE BUSINESS CONSOLIDATION UNDER THE SAME CONTROL

(1) Changes in accounting policies

According to the “Interpretation of the Issues Concerning the General Enterprise Financial Statement Formats for 2018 (《關於2018年度一般企業財務報表格式有關問題的解讀》)” issued by Ministry of Finance, Tian Ma as the withholding agent of personal income tax received the commission for withholding taxes which will be classified as “Other Income”. The government grant which was actually received by Tian Ma, whether it was related to the asset or revenue, will be presented as the “cash flow from the operating activities” when preparing the cash flow statement. Tian Ma has adjusted the figures for the same period of last year. In the period from January to September of 2018, the item of “other income” was adjusted and increased by RMB1,264,177.46 and the item of “non-operating income” was adjusted and decreased by RMB1,264,177.46. In the period from January to September of 2018, “other cash received relating to operating activities” was adjusted and increased by RMB142,241,922.73 which was originally presented as “other cash received relating to investing activities”.

This accounting policy change only affects the presentation of the financial statements. Except for the changes in the above items, there were no impact on the total assets, total liabilities and owner’s equity and net profit of Tian Ma.

(2) Business consolidation under the same control

In February 2018, Tian Ma completed the major assets restructuring, among which the acquisition of Xiamen Tianma Micro-electronics Company Limited (廈門天馬微電子有限公司) was the acquisition of equity interest of minority shareholders with the business consolidation under the same control. Tian Ma has conducted the retrospective adjustment to the financial figures for the year of 2018 and enhanced the comparability of the figures for the corresponding period.

Notes: The full text of the 2019 third quarterly report of Tian Ma has been published on the website of the Shenzhen Stock Exchange (<http://www.szse.cn>).

TAKEOVERS CODE IMPLICATIONS

Pursuant to Rule 10 of the Takeovers Code, the principal financial data and indicators of Tian Ma for the third quarter of 2019 set out in this announcement contain unaudited profit figures (“**Unaudited Profit Figures**”) of the Group which are required to be reported on by both the Company’s financial advisers and auditors or consultant accountants in accordance with the requirements set out in Rule 10.9 of the Takeovers Code. However, pursuant to Practice Note 2 issued by the Executive, such Unaudited Profit Figures are exempted from compliance with Rule 10.9 since Tian Ma is listed on the Shenzhen Stock Exchange and such Unaudited Profit Figures are published in accordance with the listing rules of the Shenzhen Stock Exchange, the PRC laws and regulations and requirements of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.

Shareholders and investors of the Company should note that the Unaudited Profit Figures do not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and investors of the Company are advised to exercise caution in placing reliance on the Unaudited Profit Figures and when dealing in the shares of the Company and in assessing the merits and demerits of the H Share Offer and the proposed merger. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

By Order of the Board
AVIC International Holdings Limited
Liu Hong De
Chairman

Shenzhen, People's Republic of China, 30 October 2019

As at the date of this announcement, the Board comprises a total of 9 Directors, Mr. Liu Hong De, Mr. Lai Wei Xuan, Mr. You Lei, Mr. Liu Jun, Mr. Fu Fang Xing and Mr. Chen Hong Liang as executive Directors; and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei as independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any of the statements in this announcement misleading.