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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 INSIDE INFORMATION

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

Reference is made to the announcement of AVIC International Holdings Limited (the “**Company**”) dated 9 October 2014 in relation to the proposal of general mandate to issue debentures denominated in Renminbi (the “**Debentures**”) in the People's Republic of China (excluding the Hong Kong Special Administrative Region (“**Hong Kong**”) of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) (the “**PRC**”) and the announcement of the Company dated 30 December 2014 in relation to the poll results of the extraordinary general meeting of the Company approving the grant of the aforementioned general mandate. The issuance of the Debentures took place by three tranches on 13 July 2015, 27 July 2015 and 9 March 2016, respectively. As at the date of this announcement, the first two tranches of Debentures issued in July 2015 in the principal amounts of RMB500 million and RMB500 million were fully repaid by the Company while the last tranche of Debentures issued in March 2016 in the principal amount of RMB700 million are still outstanding.

In accordance with the relevant rules and regulations in the PRC, the followings are the unaudited results of the Company and the unaudited combined results of the Company and its subsidiaries (collectively, the “**Financial Information**”) prepared in accordance with the generally accepted accounting principles of the PRC for the nine months ended 30 September 2019. The Financial Information has not been approved by the board of directors of the Company. The Financial Information contained in this announcement will be published on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and ChinaBond (<http://www.chinabond.com.cn>) in connection with the issue of the Debentures.

The Financial Information is originally prepared in Chinese. In case of any inconsistencies between the Chinese version and the English version, the Chinese version shall prevail.

COMBINED BALANCE SHEET

30 September 2019

Unit: RMB (Yuan)

Item	Line	Closing balance of the period	Opening balance of the year
Current assets:	1		
Monetary capital	2	10,491,012,701.00	8,664,344,315.00
☆ Financial assets held for trading	3	7,460,451.00	5,391,095.00
Financial assets at fair value through current profit or loss	4	–	–
Derivative financial assets	5	–	–
Bills receivable and accounts receivable	6	14,499,541,259.00	12,825,331,453.00
Prepayments	7	1,403,456,649.00	1,527,828,307.00
Interests receivable	8	10,940,363.00	28,201,375.00
Dividends receivable	9	–	–
Other receivables	10	1,595,815,222.00	2,767,757,494.00
Inventories	11	9,445,734,865.00	9,132,177,046.00
☆ Contract assets	12	638,924,486.00	1,206,757,397.00
Held-for-sale assets	13	2,660,478,469.00	–
Non-current assets due within one year	14	134,627,714.00	84,833,264.00
Other current assets	15	1,896,561,465.00	2,014,335,041.00
Total current assets	16	42,784,553,644.00	38,256,956,787.00
Non-current assets:	17		
☆ Debt investment	18	–	–
Available-for-sale financial assets	19	–	–
☆ Other debt investment	20	–	–
Held-to-maturity investments	21	–	–
Long-term receivables	22	47,628,095.00	221,936,453.00
Long-term equity investments	23	903,850,372.00	2,383,560,347.00
☆ Other equity instrument investments	24	–	–
☆ Other non-current financial assets	25	324,950,178.00	322,412,385.00
Investment properties	26	4,484,469,285.00	4,483,326,301.00
Fixed assets	27	34,964,658,425.00	36,078,006,604.00
Construction-in-progress	28	16,718,055,147.00	13,312,025,203.00
Biological assets for production	29	–	–
Oil and gas assets	30	–	–
Intangible assets	31	3,318,957,443.00	3,874,664,169.00
Right-of-use asset	32	328,926,538.00	–
Development expenses	33	–	–
Goodwill	34	509,951,441.00	624,224,936.00
Long-term deferred expenses	35	853,823,522.00	597,907,794.00
Deferred income tax assets	36	724,027,423.00	743,796,294.00
Other non-current assets	37	579,359,228.00	496,534,395.00
Total non-current assets	38	63,758,657,097.00	63,138,394,881.00
	39		
	40		
	41		
Total assets	42	106,543,210,741.00	101,395,351,668.00

Item	Line	Closing balance of the period	Opening balance of the year
Current liabilities:	43		
Short-term borrowings	44	8,645,630,603.00	8,919,227,310.00
☆ Financial liabilities held for trading	45	–	–
Financial liabilities at fair value through current profit or loss	46	–	–
Derivative financial liabilities	47	–	–
Bills payable and accounts payable	48	15,672,983,758.00	15,323,163,018.00
Receipt in advance	49	250,164,225.00	26,328,864.00
☆ Contract liabilities	50	3,626,372,273.00	2,325,792,249.00
Salaries payable to employees	51	1,014,596,678.00	1,238,888,656.00
Taxes payable	52	564,698,313.00	727,963,143.00
Interest payable	53	163,084,567.00	153,353,422.00
Dividend payable	54	23,469,215.00	142,604,311.00
Other payables	55	4,961,529,216.00	5,850,020,416.00
Held-for-sale liabilities	56	2,398,989,874.00	–
Non-current liabilities due within one year	57	4,136,802,920.00	5,172,904,347.00
Other current liabilities	58	1,185,331,495.00	250,447,084.00
Total current liabilities	59	42,643,653,137.00	40,130,692,820.00
Non-current liabilities:	60		
Long-term borrowings	61	15,088,775,474.00	15,823,738,887.00
Bonds payable	62	2,694,757,423.00	1,697,027,629.00
Lease liabilities	63	189,561,847.00	–
Long-term payables	64	472,418,539.00	188,268,590.00
Special payables	65	31,600,000.00	191,600,000.00
Long-term salaries payable to employees	66	430,457,515.00	416,578,120.00
Projected liabilities	67	236,341,923.00	269,661,525.00
Deferred income	68	1,034,266,515.00	1,208,212,699.00
Deferred income tax liabilities	69	642,314,332.00	889,469,747.00
Other non-current liabilities	70	2,716,000,000.00	1,888,000,000.00
Total non-current liabilities	71	23,536,493,568.00	22,572,557,197.00
Total liabilities	72	66,180,146,705.00	62,703,250,017.00
Owners' equity (or shareholders' equity):	73		
Paid-up capital (share capital)	74	1,166,161,996.00	1,166,161,996.00
Other equity instruments	75	–	–
Capital reserves	76	6,675,107,721.00	6,869,242,396.00
Other comprehensive income	77	184,349,580.00	181,868,350.00
Special reserves	78	10,737,182.00	9,783,525.00
Surplus reserves	79	285,395,852.00	285,395,852.00
Undistributed profit	80	5,532,463,647.00	4,979,842,005.00
Total equity attributable to owners of the parent company	81	13,854,215,978.00	13,492,294,124.00
* Minority interests	82	26,508,848,058.00	25,199,807,527.00
Total owners' equity	83	40,363,064,036.00	38,692,101,651.00
Total liabilities and owners' equity	84	106,543,210,741.00	101,395,351,668.00

Note: items marked with “*” in the table are specifically used in the combined accounting statements; items marked with “△” are specifically used by financial enterprises; items marked with “#” are specifically used by foreign invested enterprises; items marked with “☆” are applicable to the enterprises implementing the new income/new financial instrument standards.

COMBINED INCOME STATEMENT

January to September 2019

Unit: RMB (Yuan)

Item	Line	For current year	For the corresponding period of last year
1. Total operating income	1	43,704,647,283.00	39,390,320,855.00
Including: Operating income	2	43,704,647,283.00	39,390,320,855.00
2. Total operating costs	3	42,150,073,768.00	38,821,855,262.00
Including: Operating costs	4	35,751,900,034.00	32,657,936,378.00
Tax and surcharges	5	272,142,325.00	218,739,712.00
Selling expenses	6	1,638,206,433.00	1,551,136,318.00
Administration expenses	7	1,764,763,531.00	1,355,248,877.00
Research and development expenses	8	1,798,545,995.00	1,584,870,952.00
Financial costs	9	924,515,450.00	950,746,729.00
Including: Interest expenses	10	927,885,113.00	910,399,097.00
Interest income	11	169,880,604.00	120,005,139.00
Net gains from foreign exchange	12		
Net losses from foreign exchange	13	93,722,868.00	54,197,365.00
Asset impairment loss	14	376,911,542.00	503,176,296.00
☆ Credit impairment loss	15	479,982,911.00	–
Others	16	–	–
Add: Other gains	17	609,949,237.00	743,587,338.00
Investment gains (losses are indicated with “–”)	18	1,060,621,575.00	313,080,519.00
Including: Investment gains in associates and joint ventures	19	–31,279,646.00	179,799,563.00
☆ Net gains from hedging exposure (losses are indicated with “–”)	20	–	–
Gains from change in fair value (losses are indicated with “–”)	21	1,142,984.00	–
Gains on disposal of assets (losses are indicated with “–”)	22	–3,329,405.00	–1,373,486.00
3. Operating profit (losses are indicated with “–”)	23	2,366,063,453.00	1,623,759,964.00
Add: Non-operating income	24	46,032,106.00	53,399,490.00
Including: Government subsidies	25	913,534.00	13,848,011.00
Gains on debt restructuring	26	–	–
Less: Non-operating expenses	27	419,427,237.00	12,998,988.00
Including: Losses from debt restructuring	28	–	–
4. Total profits (total losses are indicated with “–”)	29	1,992,668,322.00	1,664,160,466.00
Less: Income tax expenses	30	486,548,651.00	283,696,786.00
	31		
	32		
5. Net profits (net losses are indicated with “–”)	33	1,506,119,671.00	1,380,463,680.00
(I) Classified by ownership:	34		
Net profit attributable to owners of the parent company	35	385,563,380.00	64,164,696.00
* Profit or loss of minority shareholders	36	1,120,556,291.00	1,316,298,984.00
(II) Classified by continuity of operations:	37		
Net profit from continuing operations	38	1,506,119,671.00	1,380,463,680.00
Net profit from discontinued operations	39	–	–

Item	Line	For current year	For the corresponding period of last year
6. Net other comprehensive income after tax	40	30,349,651.00	-12,790,475.00
Net other comprehensive income after tax			
attributable to owners of the parent company	41	2,481,230.00	-41,140,498.00
(I) Other comprehensive income that			
cannot be reclassified to profit or loss	42	-	-
1. Changes arising from re-measurement of			
defined benefit plans	43	-	-
2. Other comprehensive income that cannot			
be transferred to profit or loss under t			
he equity method	44	-	-
☆ 3. Changes in fair value of other equity			
instrument			
investments	45	-	-
☆ 4. Changes in fair value of the enterprise's			
own credit risk	46	-	-
5. Others	47	-	-
(II) Other comprehensive income that will be			
reclassified to profit or loss	48	2,481,230.00	-41,140,498.00
1. Other comprehensive income that can be			
transferred to profit or loss under the			
equity method	49	-845,744.00	-
☆ 2. Changes in fair value of other debt investments	50	-	-
3. Gains or losses from changes in fair value of			
available-for-sale financial assets	51	-	-
☆ 4. Financial assets reclassified to other			
comprehensive income	52	-	-
5. Gains or losses from held-to-maturity			
investment reclassified as			
available-for-sale financial assets	53	-	-
☆ 6. Credit impairment provision for other			
debt investments	54	-	-
7. Cash flow hedging reserve (Effective portion			
of cash flow adjusted for hedging gains or			
losses)	55	-	-
8. Exchange differences from translation of			
foreign-currency			
financial statements	56	3,326,974.00	-41,140,498.00
9. Others	57	-	-
* Net other comprehensive income after tax			
attributable to minority shareholders	58	27,868,421.00	28,350,023.00
7. Total comprehensive income	59	1,536,469,322.00	1,367,673,205.00
Total comprehensive income attributable			
to owners of the parent company	60	388,044,610.00	23,024,198.00
* Total comprehensive income attributable to minority			
shareholders	61	1,148,424,712.00	1,344,649,007.00
8. Earnings per share:	62		
(1) Basic earnings per share	63	0.3187	0.0431
(2) Diluted earnings per share	64	0.1959	0.0326

COMBINED CASH FLOW STATEMENT
January to September 2019

Unit: RMB (Yuan)

Item	Line	Amount for current year	Amount for last year
1. Cash flow generated from operating activities:	1		
Cash received from the sale of goods and provision of labor services	2	51,509,709,576.00	40,098,109,774.00
Tax rebate received	3	1,008,038,559.00	1,360,722,919.00
Cash received from other operating activities	4	6,352,017,808.00	6,160,533,654.00
Cash inflow from operating activities – subtotal	5	58,869,765,943.00	47,619,366,347.00
Cash paid for goods purchased and service rendered	6	39,612,648,980.00	31,765,562,765.00
Cash paid to and for employees	7	5,421,803,558.00	4,921,875,180.00
Taxes paid	8	1,330,424,580.00	1,535,445,187.00
Cash paid for other operating activities	9	7,550,865,807.00	7,180,309,751.00
Cash outflow from operating activities – subtotal	10	53,915,742,925.00	45,403,192,883.00
Net cash flow generated from operating activities	11	4,954,023,018.00	2,216,173,464.00
2. Cash flow generated from investing activities:	12		
Cash received from redemption of investments	13	852,551,664.00	40,551,443.00
Cash received from investment gains	14	20,848,317.00	35,145,037.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15	17,577,093.00	19,703,882.00
Net cash received from disposal of subsidiaries and other business units	16	1,266,730,889.00	829,881,784.00
Cash received from other investing activities	17	1,375,401,557.00	2,336,709,168.00
Cash inflow from investing activities – subtotal	18	3,533,109,520.00	3,261,991,314.00
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	19	6,835,359,075.00	5,220,688,797.00
Cash paid for investments	20	602,992,800.00	2,500,000.00
Net cash paid for acquisition of subsidiaries and other business units	21	–	40,000.00
Cash paid for other investing activities	22	1,350,051,728.00	2,834,108,010.00
Cash outflow from investing activities – subtotal	23	8,788,403,603.00	8,057,336,807.00
Net cash flow generated from investing activities	24	–5,255,294,083.00	–4,795,345,493.00
3. Cash flow generated from financing activities:	25		
Cash received from investments	26	148,421,600.00	–
Including: Cash received by subsidiaries from minority shareholders' investment	27	148,421,600.00	–
Cash received from borrowings	28	16,697,341,918.00	15,525,752,074.00
Cash received from other financing activities	29	905,957,405.00	1,959,920,225.00
Cash inflow from financing activities – subtotal	30	17,751,720,923.00	17,485,672,299.00
Cash paid for debt repayment	31	13,240,261,925.00	17,811,697,626.00
Cash paid for dividend, profit distribution or interest payments	32	1,447,040,994.00	1,601,487,360.00
Including: Dividend and profit paid by subsidiaries to minority shareholders	33	–	–
Cash paid for other financing activities	34	716,296,958.00	288,305,716.00
Cash outflow from financing activities – subtotal	35	15,403,599,877.00	19,701,490,702.00
Net cash flow generated from financing activities	36	2,348,121,046.00	–2,215,818,403.00
4. Effects of changes in exchange rates on cash and cash equivalents	37	36,857,077.00	54,614,833.00
5. Net increase in cash and cash equivalents	38	2,083,707,058.00	–4,740,375,599.00
Add: Balance of cash and cash equivalents at the beginning of the period	39	8,526,106,266.00	13,404,975,985.00
6. Balance of cash and cash equivalents at the end of the period	40	10,609,813,324.00	8,664,600,386.00

COMPANY BALANCE SHEET

30 September 2019

Unit: RMB (Yuan)

Item	Line	Closing balance of the period	Opening balance of the year
Current assets:	1		
Monetary capital	2	2,142,031,814.00	1,228,213,217.00
Financial assets held for trading	3	–	–
Derivative financial assets	4	–	–
Bills receivable	5	–	–
Accounts receivable	6	85,481,870.00	85,481,870.00
Accounts receivable financing	7	–	–
Prepayments	8	–	578,440.00
Other receivables	9	1,670,850,458.00	2,903,607,793.00
Inventories	10	–	–
Contract assets	11	–	–
Held-for-sale assets	12	–	–
Non-current assets due within one year	13	–	–
Other current assets	14	–	2,130,787.00
Total current assets	15	3,898,364,142.00	4,220,012,107.00
Non-current assets:	16		
Debt investment	17	–	–
Other debt investment	18	–	–
Long-term receivables	19	–	–
Long-term equity investments	20	5,133,066,147.00	6,908,749,137.00
Other equity instrument investments	21	–	–
Other non-current financial assets	22	152,294,764.00	152,294,764.00
Investment properties	23	35,709,700.00	35,709,700.00
Fixed assets	24	3,495,914.00	5,255,491.00
Construction-in-progress	25	–	–
Biological assets for production	26	–	–
Oil and gas assets	27	–	–
Right-of-use asset	28	8,872,364.00	–
Intangible assets	29	260,804.00	292,957.00
Development expenses	30	–	–
Goodwill	31	–	–
Long-term deferred expenses	32	–	–
Deferred income tax assets	33	–	–
Other non-current assets	34	–	–
Total non-current assets	35	5,333,699,693.00	7,102,302,049.00
	36		
	37		
	38		
Total assets	39	9,232,063,835.00	11,322,314,156.00

Item	Line	Closing balance of the period	Opening balance of the year
Current liabilities:	40		
Short-term borrowings	41	200,000,000.00	1,100,000,000.00
Financial liabilities held for trading	42	–	–
Derivative financial liabilities	43	–	–
Bills payable	44	–	–
Accounts payable	45	2,982,000.00	2,982,000.00
Receipt in advance	46	–	–
Contract liabilities	47	–	–
Salaries payable to employees	48	5,733,036.00	8,402,033.00
Taxes payable	49	59,871,342.00	73,926.00
Other payables	50	1,172,591,841.00	1,311,933,132.00
Held-for-sale liabilities	51	–	–
Non-current liabilities due within one year	52	6,711,837.00	295,000,000.00
Other current liabilities	53	–	–
Total current liabilities	54	1,447,890,056.00	2,718,391,091.00
Non-current liabilities:	55		
Long-term borrowings	56	250,000,000.00	399,500,000.00
Bonds payable	57	700,000,000.00	700,000,000.00
Lease liabilities	58	1,723,064.00	–
Long-term payables	59	–	–
Long-term salaries payable to employees	60	–	–
Projected liabilities	61	–	–
Deferred income	62	–	–
Deferred income tax liabilities	63	8,452,425.00	–
Other non-current liabilities	64	–	–
Total non-current liabilities	65	960,175,489.00	1,099,500,000.00
Total liabilities	66	2,408,065,545.00	3,817,891,091.00
Owners' equity (or shareholders' equity):	67		
Paid-up capital (share capital)	68	1,166,161,996.00	1,166,161,996.00
Other equity instruments	69	–	–
Capital reserves	70	4,667,308,769.00	4,637,613,422.00
Other comprehensive income	71	25,357,275.00	33,246,027.00
Special reserves	72	–	–
Surplus reserves	73	285,395,852.00	285,395,852.00
Undistributed profit	74	679,774,398.00	1,382,005,768.00
Total equity attributable to owners of the parent company	75	6,823,998,290.00	7,504,423,065.00
* Minority interests	76	–	–
Total owners' equity	77	6,823,998,290.00	7,504,423,065.00
Total liabilities and owners' equity	78	9,232,063,835.00	11,322,314,156.00

Note: items marked with “*” in the table are specifically used in the combined accounting statements; items marked with “△” are specifically used by financial enterprises; items marked with “#” are specifically used by foreign invested enterprises; items marked with “☆” are applicable to the enterprises implementing the new income/new financial instrument standards.

COMPANY INCOME STATEMENT

January to September 2019

Unit: RMB (Yuan)

Item	Line	For current year	For the corresponding period of last year
1. Total operating income	1	3,730,631.00	4,210,859.00
Including: principal operating income	2	—	—
other operating income	3	3,730,631.00	4,210,859.00
Less : operating costs	4	—	—
Tax and surcharges	5	7,578,034.00	1,169,904.00
Selling expenses	6	—	—
Administration expenses	7	21,969,538.00	20,850,367.00
Research and development expenses	8	—	—
Financial costs	9	8,518,791.00	32,961,059.00
Including: Interest expenses	10	72,260,469.00	86,254,444.00
Interest income	11	65,373,398.00	55,471,725.00
Add: Other gains	12	—	—
Investment gains (losses are indicated with “-”)	13	-242,237,977.00	370,122,999.00
Including: Investment gains in associates and joint ventures	14	19,104,306.00	188,464,544.00
Derecognition of financial assets measured at amortised cost (losses are indicated with “-”)	15	—	—
Net gains from hedging exposure (losses are indicated with “-”)	16	—	—
Credit impairment loss (losses are indicated with “-”)	17	—	—
Asset impairment loss (losses are indicated with “-”)	18	—	—
Asset impairment loss (losses are indicated with “-”)	19	—	—
Gains on disposal of assets (losses are indicated with “-”)	20	-845.00	20,676.00
2. Operating profit(losses are indicated with “-”)	21	-276,574,554.00	319,373,204.00
Add: Non-operating income	22	15,326.00	—
Less: Non-operating expenses	23	401,092,326.00	—
3. Total profits (total losses are indicated with “-”)	24	-677,651,554.00	319,373,204.00
Less: Income tax expenses	25	—	—
4. Net profits (net losses are indicated with “-”)	26	-677,651,554.00	319,373,204.00
(1) Classified by ownership:	27		
Net profit attributable to owners of the parent company	28	-677,651,554.00	319,373,204.00
*Profit or loss of minority shareholders	29	—	—
(2) Classified by continuity of operations:	30		
Net profit from continuing operations	31	-677,651,554.00	319,373,204.00
Net profit from discontinued operations	32	—	—

Item	Line	For current year	For the corresponding period of last year
5. Net other comprehensive income after tax	33	563,673.00	–
Net other comprehensive income after tax			
attributable to owners of the parent company	34	563,673.00	–
(I) Other comprehensive income that cannot			
be reclassified to profit or loss	35	–	–
1. Changes arising from re-measurement			
of defined benefit plans	36	–	–
2. Other comprehensive income that cannot			
be transferred to profit or loss under			
the equity method	37	–	–
3. Changes in fair value of other equity			
instrument investments	38	–	–
4. Changes in fair value of the enterprise's			
own credit risk	39	–	–
5. Others	40	–	–
(II) Other comprehensive income that will be			
reclassified to profit or loss	41	563,673.00	–
1. Other comprehensive income that			
can be transferred to profit or loss			
under the equity method	42	563,673.00	–
2. Changes in fair value of other debt			
investments	43	–	–
3. Financial assets reclassified to other			
comprehensive income	44	–	–
4. Credit impairment provision for other			
debt investments	45	–	–
5. Cash flow hedging reserve (Effective			
portion of cash flow adjusted for			
hedging gains or losses)	46	–	–
6. Exchange differences from translation of			
foreign-currency financial statements	47	–	–
7. Others	48	–	–
* Net other comprehensive income after tax			
attributable to minority shareholders	49	–	–
6. Total comprehensive income	50	-677,087,881.00	319,373,204.00
Total comprehensive income attributable to			
owners of the parent company	51	-677,087,881.00	319,373,204.00
* Total comprehensive income attributable to			
minority shareholders	52	–	–
7. Earnings per share:	53		
(1) Basic earnings per share	54	-0.5806	0.2739
(2) Diluted earnings per share	55	0.1440	0.1211
	56		

COMPANY CASH FLOW STATEMENT

January to September 2019

Unit: RMB (Yuan)

Item	Line	Amount for current year	Amount for last year
1. Cash flow generated from operating activities:	1		
Cash received from the sale of goods and provision of labor services	2	–	–
Tax rebate received	3	–	–
Cash received from other operating activities	4	14,573,912.00	14,391,573.00
Cash inflow from operating activities – subtotal	5	14,573,912.00	14,391,573.00
Cash paid for goods purchased and service rendered	6	–	–
Cash paid to and for employees	7	13,114,259.00	15,065,095.00
Taxes paid	8	1,342,915.00	1,347,945.00
Cash paid for other operating activities	9	16,996,178.00	35,209,616.00
Cash outflow from operating activities – subtotal	10	31,453,352.00	51,622,656.00
Net cash flow generated from operating activities	11	-16,879,440.00	-37,231,083.00
2. Cash flow generated from investing activities:	12		
Cash received from redemption of investments	13	599,992,800.00	–
Cash received from investment gains	14	451,980,805.00	198,791,437.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15	177.00	589.00
Net cash received from disposal of subsidiaries and other business units	16	1,289,609,644.00	829,881,785.00
Cash received from other investing activities	17	976,094,146.00	700,261,322.00
Cash inflow from investing activities – subtotal	18	3,317,677,572.00	1,728,935,133.00
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	19	75,441.00	64,250.00
Cash paid for investments	20	599,992,800.00	–
Net cash paid for acquisition of subsidiaries and other business units	21	–	244,044,736.00
Cash paid for other investing activities	22	236,090,000.00	699,918,796.00
Cash outflow from investing activities – subtotal	23	836,158,241.00	944,027,782.00
Net cash flow generated from investing activities	24	2,481,519,331.00	784,907,351.00
3. Cash flow generated from financing activities:	25		
Cash received from investments	26	–	–
Including: Cash received by subsidiaries from minority shareholders' investment	27	–	–
Cash received from borrowings	28	300,000,000.00	1,950,000,000.00
Cash received from other financing activities	29	256,145,879.00	9,761,158,112.00
Cash inflow from financing activities – subtotal	30	556,145,879.00	11,711,158,112.00
Cash paid for debt repayment	31	1,645,000,000.00	2,954,500,000.00
Cash paid for dividend, profit distribution or interest payments	32	81,232,081.00	327,475,774.00
Including: Dividend and profit paid by subsidiaries to minority shareholders	33	–	–
Cash paid for other financing activities	34	380,735,092.00	10,447,242,438.00
Cash outflow from financing activities – subtotal	35	2,106,967,173.00	13,729,218,212.00
Net cash flow generated from financing activities	36	-1,550,821,294.00	-2,018,060,100.00

Item	Line	Amount for current year	Amount for last year
4. Effects of changes in exchange rates on cash and cash equivalents	37	–	–
5. Net increase in cash and cash equivalents	38	913,818,597.00	-1,270,383,832.00
Add: Balance of cash and cash equivalents at the beginning of the period	39	1,228,213,217.00	1,852,611,970.00
6. Balance of cash and cash equivalents at the end of the period	40	2,142,031,814.00	582,228,138.00

TAKEOVERS CODE IMPLICATIONS

Reference is made to the joint announcement of the Company and AVIC International Holding Corporation (“**AVIC International**”) dated 2 October 2019 in relation to, among others, the voluntary conditional offer to be made by China International Capital Corporation Hong Kong Securities Limited for and on behalf of AVIC International to acquire all of the issued H Shares in the Company (the “**Joint Announcement**”). As this announcement is issued after commencement of the offer period of the H Share Offer (as defined in the Joint Announcement), the unaudited net profit figures set out in the Combined Income Statement and the Company Income Statement (the “**Unaudited Profit Figures**”) in this announcement are regarded as profit forecast under Rule 10 of the Codes on Takeovers and Mergers published by the Securities and Futures Commission (the “**Takeovers Code**”) and would need to be reported on by the Company’s financial advisors and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code, and such reports must be included in this announcement, and must be lodged with the Executive in accordance with Rule 10.4 of the Takeovers Code.

As mentioned above, the Company issued debentures denominated in Renminbi in the PRC (the “**Debentures**”) pursuant to a general mandate granted by the Shareholders (For details, please refer to the Company’s announcements dated 9 October and 30 December 2014, and the Company’s circular dated 25 November 2014). However, the Company is required to publish its 2019 third quarterly results in the PRC by the end of October 2019 in accordance with the relevant rules and regulations in the PRC, which require the financial information to be prepared in accordance with the generally accepted accounting principles in the PRC (the “**PRC GAAP**”), and this announcement was also required to be published simultaneously in Hong Kong in accordance with Rule 13.09 of the Listing Rules and the Inside Information Provisions.

The Board understands that, pursuant to Note 1 to Rules 10.1 and 10.2 of the Takeovers Code, the Company’s financial advisors and auditors or accountants are required to report on the Unaudited Profit Figures, among other things, the auditors or consultant accountants must report whether the Unaudited Profit Figures are presented on a basis consistent in all material respects with the accounting policies adopted by the Group (the “**Profit Forecast Reports**”). The Group prepares its annual and interim financial statements in accordance with the International Financial Reporting Standards (“**IFRS**”), whilst the Unaudited Profit Figures were prepared in accordance with the PRC GAAP. Hence, in order to comply with the requirements of the Takeovers Code on the Profit Forecast Reports, a reconciliation of the Unaudited Profit Figures will be prepared in line with the IFRS (the “**Reconciled Unaudited Profit Figures**”) and the Profit Forecast Reports will be made on the Reconciled Unaudited Profit Figures.

In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code. Accordingly, the Reconciled Unaudited Profit Figures have not been reported on in this announcement, and this announcement does not meet the standard as required by Rule 10 of the Takeovers Code. According to Practice Note 2 of the Takeovers Code, the Executive is prepared to permit publication of the Unaudited Profit Figures in this announcement without full compliance with Rule 10 of the Takeovers Code. The Profit Forecast Reports on the Reconciled Unaudited Profit Figures will be included in the Composite Document to be despatched to the Shareholders.

The Company would like to draw the attention of the Shareholders and potential investors that the Unaudited Profit Figures do not meet the standard required by Rule 10 of the Takeovers Code. The Shareholders and potential investors should exercise caution in placing reliance on such forecast and Unaudited Profit Figures when assessing the merits and demerits of the proposal contemplated under the Joint Announcement and when dealing in the securities of Company.

WARNING:

SHAREHOLDERS AND/OR POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE UNAUDITED PROFIT FIGURES DO NOT MEET THE STANDARD REQUIRED BY RULE 10 OF THE TAKEOVERS CODE AND HAS NOT BEEN REPORTED ON IN ACCORDANCE WITH THE TAKEOVERS CODE, AND THUS ARE ADVISED TO EXERCISE CAUTION IN PLACING RELIANCE ON THE UNAUDITED PROFIT FIGURES WHEN ASSESSING THE MERITS AND DEMERITS OF THE H SHARE OFFER AND THE PROPOSED MERGER CONTEMPLATED UNDER THE JOINT ANNOUNCEMENT AND WHEN DEALING IN SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR LICENSED SECURITIES DEALERS OR REGISTERED INSTITUTIONS IN SECURITIES, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

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

Shenzhen, PRC, 31 October 2019

As at the date of this announcement, the board of directors of the Company 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.