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中國航空科技工業股份有限公司

AviChina Industry & Technology Company Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2357)

2025 INTERIM RESULTS ANNOUNCEMENT

Financial Highlights

The Board announces that in the first half of 2025, the Company's businesses have developed steadily and the revenue has continued to increase.

- For the six months ended 30 June 2025, the Group recorded a revenue of RMB37,465 million, representing an increase of RMB3,844 million or 11.43% as compared with that of RMB33,621 million in the corresponding period of last year.
- For the six months ended 30 June 2025, the net profit attributable to the owners of the parent company amounted to RMB1,030 million, representing a decrease of RMB221 million or 17.67% as compared with that of RMB1,251 million in the corresponding period of last year.

The board of directors (the “**Board**”) of AviChina Industry & Technology Company Limited* (the “**Company**”) Board hereby announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**reporting period**”) prepared according to the China Accounting Standards for Business Enterprises as follows:

INTERIM CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Unit: RMB

Items	Note	January-June 2025 (Unaudited)	January - June 2024 (Unaudited) (Restated)
I. Total operating income		37,465,251,870	33,621,275,690
Including: Operating revenue	3	37,465,251,870	33,621,275,690
Interest income			
Earned premium			
Fee and commission income			
II. Total operating cost		34,711,799,167	30,226,289,082
Including: Operating cost	3	29,889,477,932	25,574,288,373
Interest expenses			
Fee and commission expenses			
Cash surrender amount			
Net expenses of claim settlement			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Reinsurance expenses			
Taxes and surcharges		304,314,255	208,468,059
Selling expenses	5	339,100,579	328,679,494
Administrative expenses	6	2,064,480,752	2,159,104,061
Research and development expenses	7	2,169,891,803	2,031,219,848
Finance cost	8	-55,466,154	-75,470,753
Including: Interest expense		182,201,581	160,994,925
Interest income		218,033,859	247,246,409
Add: Other income	9	531,824,475	344,608,191
Investment income (loss to be listed with “-”)	10	219,167,880	188,078,586
Including: Income from investment in associates and joint ventures		134,484,683	116,195,129
Derecognition income of financial assets at amortised cost		-395,833	-2,851,330
Exchange gain (loss to be listed with “-”)			
Net exposure hedging income (loss to be listed with “-”)			
Income from changes in fair value (loss to be listed with “-”)	11	2,896,081	-4,798,832
Credit impairment loss (loss to be listed with “-”)	12	-297,045,637	-117,292,249
Asset impairment loss (loss to be listed with “-”)	13	-102,856,346	-94,862,293
Income from assets disposal (loss to be listed with “-”)		962,971	3,373,908
III. Operating profit (loss to be listed with “-”)		3,108,402,127	3,714,093,919
Add: Non-operating income		49,096,668	31,503,428
Less: Non-operating expenses		58,465,472	16,441,412
IV. Profit before tax (total loss to be listed with “-”)		3,099,033,323	3,729,155,935
Less: Income tax expenses	14	292,374,224	339,236,869

V. Net profit (net loss to be listed with“-”)		2,806,659,099	3,389,919,066
(I) Classified according to operating continuity			
1. Net profit from continuing operations (net loss to be listed with “-”)		2,806,659,099	3,389,919,066
2. Net profit from discontinuing operations(net loss to be listed with “-”)			
(II) Classified according to attribution of the ownership			
1. Net profit attributable to the owners of the parent company (net loss to be listed with“-”)		1,030,426,079	1,251,336,293
2. Minority profit and loss (net loss to be listed with “-”)		1,776,233,020	2,138,582,773
VI. Net of tax of other comprehensive income		243,805,880	-105,568,824
Net of tax of other comprehensive income attributable to the owner of the parent company		81,276,810	-46,033,541
(I) Other comprehensive income that cannot be reclassified into profit or loss		81,219,439	-45,351,551
1. Changes arising from re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		-24,557	-375,000
3. Changes in fair value of other equity instrument investments		81,243,996	-44,976,551
4. Changes in fair value of the enterprise’s credit risk			
5. Others			
(II) Other comprehensive income that can be reclassified into the profit or loss		57,371	-681,990
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		-8,307	-7,079
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Reserves for cash flow hedge (effective parts of cash flow hedge profit or loss)			
6. Translation difference of foreign currency financial statements		65,678	-674,911
7. Others			
Net of tax of other comprehensive income attributable to minority shareholders		162,529,070	-59,535,283
VII. Total comprehensive income		3,050,464,979	3,284,350,242
Total comprehensive income attributable to shareholders of the parent company		1,111,702,889	1,205,302,752
Total comprehensive income attributable to minority shareholders		1,938,762,090	2,079,047,490
VIII. Earnings per share:			
(I) Basic earnings per share(RMB/share)	16	0.129	0.157
(II) Diluted earnings per share(RMB/share)	16	0.129	0.157

INTERIM CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2025

Unit: RMB

Items	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current assets:			
Monetary funds		32,144,032,350	41,322,143,789
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading		2,527,371,647	3,310,715,928
Derivative financial assets			
Notes receivables	17	5,047,189,906	10,583,863,253
Accounts receivables	18	55,992,857,993	48,629,459,534
Receivables financing		433,771,154	687,378,756
Prepayments		6,249,365,944	6,662,957,422
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables		477,580,822	429,196,895
Including: Interest receivable			
Dividends receivable		19,819,575	10,756,337
Financial assets purchased under agreements to resell			
Inventories		40,905,715,406	37,807,694,703
Contract assets		9,989,265,674	8,157,185,629
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,805,180,922	1,170,768,033
Total current assets		155,572,331,818	158,761,363,942
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term receivables		94,391	144,391
Long-term equity investments		2,890,168,349	2,819,712,703
Other equity instrument investments		4,651,849,445	4,362,842,667
Other non-current financial assets		3,444,547	3,444,547
Investment properties		447,200,185	459,693,522
Fixed assets		25,433,655,426	25,039,976,932
Construction-in-progress		4,208,403,816	4,240,450,534
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		443,379,563	478,328,387
Intangible assets		3,931,835,838	4,019,662,385
Development expenditure			
Goodwill		93,193,010	93,193,010
Long-term deferred expenses		109,077,949	103,881,511
Deferred income tax assets		1,070,076,307	1,005,956,811
Other non-current assets		677,670,633	655,455,608
Total non-current assets		43,960,049,459	43,282,743,008
Total assets		199,532,381,277	202,044,106,950

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

AS AT 30 JUNE 2025

Unit: RMB

Items	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current Liabilities:			
Short-term borrowings		11,982,214,664	9,346,288,157
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payables	19	10,979,037,565	12,623,278,147
Accounts payables	20	50,389,483,617	45,902,193,249
Advances		59,007,665	52,280,917
Contract liabilities		11,556,149,976	15,777,767,019
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Securities brokering			
Securities underwriting			
Employee compensation payable		1,563,886,143	3,485,938,083
Tax payable		863,741,375	1,772,624,231
Other payables		2,711,817,678	2,629,792,314
Including: Interest payable			
Dividends payable		100,291,080	61,485,432
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		2,694,698,090	3,089,757,164
Other current liabilities		943,088,248	1,053,483,038
Total current liabilities		93,743,125,021	95,733,402,319
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings		4,181,504,182	5,164,267,863
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		381,011,118	400,607,954
Long-term payables		-1,485,565,435	-918,199,341
Long-term employee compensation payable		1,590,542,562	1,817,724,969
Estimated liabilities		337,378,060	377,723,958
Deferred income		1,226,232,770	1,191,325,208
Deferred income tax liabilities		816,372,792	762,789,551
Other non-current liabilities		998,642,610	866,252,591
Total non-current liabilities		8,046,118,659	9,662,492,753
Total liabilities		101,789,243,680	105,395,895,072

Shareholders' equity:			
Share capital		7,972,854,242	7,972,854,242
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		13,985,808,787	14,364,198,634
Less: treasury shares			
Other comprehensive income		528,104,831	449,480,586
Special reserves		601,758,596	498,545,247
Surplus reserves		534,461,130	534,461,130
General risk reserve			
Undistributed profits		10,717,668,244	10,328,427,841
Total shareholders' equity attributable to parent company		34,340,655,830	34,147,967,680
Minority equity		63,402,481,767	62,500,244,198
Total shareholders' equity		97,743,137,597	96,648,211,878
Total liabilities and shareholders' equity		199,532,381,277	202,044,106,950

Notes:

1. CORPORATE INFORMATION

AviChina Industry & Technology Company Limited (hereinafter referred to as the **Company**, together with its subsidiaries, the **Group**) was restructured by a subsidiary of the former China Aviation Industry Corporation II (hereinafter referred to as **AVIC II**), and was incorporated in Beijing in the People's Republic of China (hereinafter referred to as the **PRC**) on 30 April 2003 as a joint stock company with limited liability. The Company has obtained the business license with the unified social credit code of 91110000710931141J issued by Beijing Market Supervision and Administration Authority. The registered capital of the Company is RMB7,972,854,242; the legal representative is Mr. Yan Lingxi. The address of its registered office is 2nd Floor, Building 27, No. 26 Xihuan South Street, Economic Technological Development Area, Beijing. It was listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 30 October 2003.

The Group is principally involved in the research, development, manufacture and sale of aviation products and the delivery of aviation engineering services such as planning, design, consultation, construction and operation.

The controlling shareholder of the Company is Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司) ("**AVIC**"), and the ultimate controller is AVIC. The Company has a Board of Directors, which manages and controls the Company's major decisions and daily operation.

These financial statements were approved for issue by the Board on 29 August 2025.

The data of the following financial statements for the six months ended 30 June 2024 is restated and unaudited, and that for the six months ended 30 June 2025 is unaudited.

The notes to the financial statements are presented in RMB, except as otherwise noted.

2. Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis and based on the transactions and events actually occurred in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC and relevant requirements, as well as based on the accounting policies and accounting estimates of the Company.

During the preparation of the financial statements, the Company has fully evaluated its ability to continue operating in the next 12 months from the balance sheet date. The Group has a record of profitable operation recently and adequate financial resource to support its operation, and considers it is reasonable to prepare the financial statements on a going concern basis.

The accounting policies used in the preparation of the Group's interim consolidated financial statements for the period ended 30 June 2025 are consistent with the accounting policies followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, which complies with the requirements of Accounting

Standard for Business Enterprises and give a true and full view of the financial position, operating results and cash flows of the Company and the Group.

On October 2024, Tianjin Aviation Mechanical and Electrical Co., Ltd.* (天津航空機電有限公司), a subsidiary of the Company, signed an entrustment and custody agreement to control AVIC Surface Treatment Technology (Tianjin) Co., Ltd.* (中航表面處理技術(天津)有限公司), which was under the control of the Company's controlling shareholder, AVIC, and was included in the scope of consolidation. The Group has represented the relevant financial statements for the six months ended 30 June 2024.

On December 2024, the Ministry of Finance issued the Interpretation of CASBE 18 (Cai Kuai [2024] No. 22, hereinafter referred to as “**Interpretation No. 18**”). Interpretation No. 18 stipulates that the “warranty quality assurance that is not an individual performance obligation” came into force from 1 January 2024. The Group has restated the consolidated income statement for the six months ended 30 June 2024, with an upward adjustment of RMB98,116,381 to the costs of main businesses and a corresponding downward adjustment of RMB98,116,381 in selling expenses for the previous period.

The restatement of the consolidated financial statements for the previous period due to the business combination under common control and the implementation of the Interpretation No. 18 have had the following impacts on the Group's financial statements submitted of last period:

Items	Previously presented January to June 2024	Interpretation No. 18	Business combination under common control	Restated January to June 2024
Operating revenue	33,617,168,702		4,106,988	33,621,275,690
Total operating cost	30,221,379,574		4,909,508	30,226,289,082
Including: Operating cost	25,474,480,954	98,116,381	1,691,038	25,574,288,373
Selling expenses	426,116,463	-98,116,381	679,412	328,679,494
Administrative expenses	2,156,611,852		2,492,209	2,159,104,061
Research and development expenses	2,031,219,848			2,031,219,848
Finance costs	-75,472,090		1,337	-75,470,753
Operating profit	3,714,639,246		-545,327	3,714,093,919
Net profit	3,390,465,393		-546,327	3,389,919,066
Net profit attributable to the owners of the parent company	1,251,336,293			1,251,336,293

3. Operating revenue and operating cost

Item	January to June 2025		January to June 2024	
	Revenue	Cost	Revenue	Cost
Main businesses	36,826,838,364	29,376,744,360	33,035,071,261	25,144,142,211
Other businesses	638,413,506	512,733,572	586,204,429	430,146,162
Total	37,465,251,870	29,889,477,932	33,621,275,690	25,574,288,373

Note: The revenue recognized by the Group from January to June 2025 included an amount of RMB7,547,201,804 that had been included in contract liabilities at the beginning of the year.

4. Segment information

The chief operating decision-maker has been identified as the executive Directors who review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive Directors classify the business into three reportable segments:

1. Aviation entire aircraft - manufacturing, assembly, sales and servicing of helicopters, trainers and other aircraft;
2. Aviation ancillary system and related business - manufacturing and sale of aviation ancillary system and related business; and
3. Aviation engineering services - delivery of aviation engineering services such as planning, design, consultation, construction and operation.

The Group is domiciled in the PRC from where most of its revenue from external customers is derived and in where main assets are located.

January to June 2025/ 30 June 2025	Aviation entire aircraft	Aviation ancillary system and related business	Aviation engineering services	Offset	Total
Revenue from external transactions	10,339,465,510	22,582,925,462	4,542,860,898		37,465,251,870
Revenue from inter-segment transactions		2,313,679,841	237,325,533	-2,551,005,374	
Investment income from associates and joint ventures	-4,791,362	123,207,474	16,068,571		134,484,683
Asset impairment losses and credit impairment losses	-31,396,797	-359,460,462	-8,458,164	-586,560	-399,901,983
Depreciation and amortization costs	380,161,118	1,164,160,725	28,329,559		1,572,651,402
Profit before tax	438,629,437	2,609,040,597	187,974,971	-136,611,682	3,099,033,323
Income tax expense	31,602,320	245,115,247	9,909,022	5,747,635	292,374,224
Net profit	407,027,117	2,363,925,350	178,065,949	-142,359,317	2,806,659,099
Total assets	60,018,331,726	148,707,453,546	11,329,062,395	-20,522,466,390	199,532,381,277
Total liabilities	38,275,130,229	61,135,713,764	8,161,885,036	-5,783,485,349	101,789,243,680
Other non-cash expenses other than depreciation and amortization costs and asset impairment losses	34,031,544	104,558,626			138,590,170
Long-term equity investment in associates and joint ventures	435,569,834	1,593,052,580	506,806,050		2,535,428,464
Increase in other non-current assets other than long-term equity investments	-214,317,465	703,421,179	-4,010,584	121,757,675	606,850,805

January to June 2024/ 30 June 2024	Aviation entire aircraft	Aviation ancillary system and related business	Aviation engineering services	Offset	Total
Revenue from external transactions	7,654,514,985	21,385,766,282	4,580,994,423		33,621,275,690
Revenue from inter-segment transactions		2,616,504,501	484,948,104	-3,101,452,605	
Investment income from associates and joint ventures	1,790,463	98,259,292	16,145,374		116,195,129
Asset impairment losses and credit impairment losses	-44,954,118	-170,553,130	3,317,189	35,517	-212,154,542
Depreciation and amortization costs	357,642,259	1,087,213,837	26,107,221		1,470,963,317
Profit before tax	265,049,885	3,416,523,261	205,061,211	-157,478,421	3,729,155,935
Income tax expense	34,181,942	284,434,604	17,227,216	3,393,107	339,236,869
Net profit	230,867,943	3,132,088,657	187,833,995	-160,871,528	3,389,919,066
Total assets	59,183,433,262	136,906,271,032	10,441,656,134	-20,848,895,043	185,682,465,385
Total liabilities	41,067,050,451	52,881,321,883	7,497,630,083	-5,585,547,432	95,860,454,985
Other non-cash expenses other than depreciation and amortization costs and asset impairment losses	2,774,065	200,697,716			203,471,781
Long-term equity investment in associates and joint ventures	447,849,887	1,511,739,513	478,253,377		2,437,842,777
Increase in other non-current assets other than long-term equity investments	-279,073,665	1,255,541,345	25,307,922	68,731,882	1,070,507,484

5. Selling expenses

Item	January to June 2025	January to June 2024
Employee compensation	172,814,985	157,573,108
Business travel costs	58,466,608	56,028,172
Advertising and publicity expenses and exhibition fees	33,792,498	29,667,021
Sales service charges	28,641,015	26,616,667
Office fees	5,507,066	3,977,835
Depreciation and amortization costs	5,435,537	2,309,434
Transportation costs	3,731,158	3,499,322
Packing charges	2,056,710	1,343,133
Others	28,655,002	47,664,802
Total	339,100,579	328,679,494

6. Administrative expenses

Item	January to June 2025	January to June 2024
Employee compensation	1,252,186,093	1,185,191,826
Depreciation and amortization costs	296,382,483	284,950,026
Labor protection costs	73,772,750	49,696,848
Amortization of equity incentives in the current period	70,577,690	132,205,699
Maintenance and repair costs	54,220,266	53,451,642

Item	January to June 2025	January to June 2024
Property fees and afforestation fees	46,830,122	45,967,057
Office fees	45,067,307	32,039,507
Business travel costs	39,870,052	44,168,474
Power and fuel expenses	34,069,492	38,784,522
Business entertainment expenses	32,966,997	40,008,101
Professional service fees	27,129,063	35,771,949
Rental	15,556,772	23,089,692
Insurance premium	6,824,649	10,060,532
Publicity expenses	6,484,392	11,340,978
Conference expenses	6,250,911	10,063,537
Transportation costs	5,424,954	5,443,842
Material amortization and consumption of low-value consumables	4,726,232	5,605,246
Audit fees	2,468,419	5,965,543
Others	43,672,108	145,299,040
Total	2,064,480,752	2,159,104,061

7. Research and development expenses

Item	January to June 2025	January to June 2024
Employee compensation	859,178,231	828,486,723
Materials expenses	594,603,039	542,454,369
Experimental and special fees	302,118,533	214,719,103
Outsourcing fee	108,480,786	126,394,091
Depreciation and amortization costs	69,794,062	81,913,693
Transportation and business travel costs	60,671,892	52,545,535
Administrative expense	50,030,391	45,679,550
Amortization of equity incentives in the current period	33,980,936	68,492,017
Power and fuel expenses	18,792,596	23,207,806
Design fees	17,039,486	10,935,237
Others	55,201,851	36,391,724
Total	2,169,891,803	2,031,219,848

8. Finance costs

Item	January to June 2025	January to June 2024
Interest expenses	182,863,091	161,372,884
Less: Interest incomes	218,033,859	247,246,409
Less: Interest capitalized	661,510	377,959
Add: Exchange gains or losses	-28,246,495	-8,433,169

Item	January to June 2025	January to June 2024
Add: Other expenditures	8,612,619	19,213,900
Total	-55,466,154	-75,470,753

9. Other income

Sources of other income	January to June 2025	January to June 2024
Value-added tax credit	367,489,440	181,426,097
Science and technology innovation awards	26,983,600	
Financial subsidies	21,460,000	19,650,663
Instant value-added tax refund	15,647,273	2,847,921
Maintenance costs	11,710,000	56,280,000
An industrial and information technology bureau project	10,000,000	
Special funds for the development	9,940,554	15,254,853
Refund of individual tax handling fee	8,270,239	9,035,596
Government relocation compensation	7,890,864	8,776,142
Project subsidies	5,108,605	18,254,815
Production line subsidy	4,575,107	4,563,713
Business assist and employment stabilization subsidies	4,038,021	8,779,375
Special funds for specialized,refined, differentiated, and innovative enterprises	3,400,000	1,100,000
High-tech allowance	316,000	1,820,000
Thematic support fund for advanced technology applications		3,000,000
Connector research and industrialization project subsidies		1,147,500
Subsidies for other projects	34,994,772	12,671,516
Total	531,824,475	344,608,191

10. Investment income

Item	January to June 2025	January to June 2024
Long-term equity investment incomes calculated at equity method	134,484,683	116,195,129
Investment income from disposal of long-term equity investments		344,047
Investment income from holding financial assets held for trading		702,296
Investment income from disposal of financial assets held for trading and other financial assets	26,327,306	14,666,810
Dividend income from holding other equity instrument investments	19,306,501	16,493,901
Gain on debt restructuring	25,775,814	18,751,280
Gain on derecognition of financial assets measured at amortized cost	-395,833	-2,851,330
Others	13,669,409	23,776,453
Total	219,167,880	188,078,586

Note: Gain on debt restructuring mainly represents the cash discounts obtained by the Company's certain subsidiaries on settlement of the supply payment.

11. Income from changes in fair value

Source of income from changes in fair value	January to June 2025	January to June 2024
Financial assets held for trading	2,896,081	-2,047,187
Including: Gain from changes in fair value of derivative financial instruments		
Financial liabilities held for trading		-2,751,645
Total	2,896,081	-4,798,832

12. Credit impairment loss

Item	January to June 2025	January to June 2024
Loss on bad debts of accounts receivable	-360,401,223	-185,440,096
Loss on bad debts of notes receivable	75,506,904	74,787,091
Loss on bad debts of other receivables	-10,243,492	-6,825,741
Other loss on bad debts	-1,907,826	186,497
Total	-297,045,637	-117,292,249

13. Assets impairment loss

Item	January to June 2025	January to June 2024
Inventory depreciation loss and contract performance cost impairment losses	-92,443,780	-42,328,751
Contract asset impairment losses	-10,412,566	-38,365,563
Fixed assets impairment losses		-14,167,979
Total	-102,856,346	-94,862,293

14. Income tax expenses

Item	January to June 2025	January to June 2024
Current income tax expenses	369,193,249	396,435,804
Deferred income tax expenses	-76,819,025	-57,198,935
Total	292,374,224	339,236,869

15. Dividends

Item	January to June 2025	January to June 2024
Dividends recognized for distribution of 2024 final dividend: RMB0.081 per share (2023 final dividend: RMB0.088 per share)	645,801,194	701,611,173

The Board of Directors of the Company did not recommend interim dividend distribution for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

16. Earnings per share

In accordance with the Rules Governing the Preparation and Disclosure of Information by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per

Share (Revised 2010) of China Securities Regulatory Commission, the basic earnings per share and diluted earnings per share of the Group from January to June 2025 are as follows:

Profit for the reporting period	Earnings per share (RMB per share)	
	Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the parent company	0.129	0.129
Net profit attributable to shareholders of the parent company after non-recurring profit or loss	0.120	0.120

17. Notes receivable

(1) Classified presentation of notes receivable

Item	30 June 2025	31 December 2024
Banker's acceptance bill	2,119,586,968	3,322,807,413
Commercial acceptance bill	2,927,602,938	7,261,055,840
Total	5,047,189,906	10,583,863,253

(2) Notes receivable pledged

Item	Amount pledged at 30 June 2025
Banker's acceptance bill	737,059,477
Commercial acceptance bill	228,325,994
Total	965,385,471

(3) Classified presentation by bad debt accrual method

Category	30 June 2025				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision Proportion (%)	
Bad debt provision made individually					
Bad debt provision made as per portfolio	5,111,745,193	100.00	64,555,287	1.26	5,047,189,906
Total	5,111,745,193	—	64,555,287	—	5,047,189,906

Category	31 December 2024				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision Proportion (%)	
Bad debt provision made individually					
Bad debt provision made as per portfolio	10,723,925,444	100.00	140,062,191	1.31	10,583,863,253
Total	10,723,925,444	—	140,062,191	—	10,583,863,253

1) Bad debt provision of notes receivable made as per portfolio

Name	30 June 2025		
	Book balance	Bad debt provision	Provision proportion (%)
Banker's acceptance bill	2,119,748,048	161,080	0.01
Commercial acceptance bill	2,991,997,145	64,394,207	2.15
Total	5,111,745,193	64,555,287	—

Name	31 December 2024		
	Book balance	Bad debt provision	Provision proportion (%)
Banker's acceptance bill	3,323,517,256	709,843	0.02
Commercial acceptance bill	7,400,408,188	139,352,348	1.88
Total	10,723,925,444	140,062,191	—

(4) Provisions for bad debt accrued, recovered and reversed for notes receivable in the current period

Category	31 December 2024	Changes in the current period				30 June 2025
		Accrued	Recovered or reversed	Written back or written off	Decrease due to other reasons	
Bad debt provision of notes receivable made as per portfolio	140,062,191	-75,506,904				64,555,287
Total	140,062,191	-75,506,904				64,555,287

(5) The Group had no notes receivable that were actually written-off in the current period.

18. Accounts receivable

Item	30 June 2025	31 December 2024
Accounts receivable	58,442,055,658	50,720,744,268
Less: Impairment provision	2,449,197,665	2,091,284,734
Net accounts receivable	55,992,857,993	48,629,459,534

(1) Classified presentation of accounts receivable by bad debt accrual method

Category of portfolio	30 June 2025			
	Original value	Proportion of bad debt provision (%)	Bad debt provision	Book value
Accounts receivable with bad debt provision made individually	253,310,411	99.64	252,400,892	909,519
Accounts receivable with bad debt provision made as per portfolio	58,188,745,247	3.78	2,196,796,773	55,991,948,474
Including: accounts receivable with bad debt provision made on the group	58,188,745,247	3.78	2,196,796,773	55,991,948,474

Category of portfolio	30 June 2025			
	Original value	Proportion of bad debt provision (%)	Bad debt provision	Book value
of credit risk characteristics				
Total	58,442,055,658	—	2,449,197,665	55,992,857,993

Category of portfolio	31 December 2024			
	Original value	Proportion of bad debt provision (%)	Bad debt provision	Book value
Accounts receivable with bad debt provision made individually	253,152,654	99.64	252,243,135	909,519
Accounts receivable with bad debt provision made as per portfolio	50,467,591,614	3.64	1,839,041,599	48,628,550,015
Including: accounts receivable with bad debt provision made on the group of credit risk characteristics	50,467,591,614	3.64	1,839,041,599	48,628,550,015
Total	50,720,744,268	—	2,091,284,734	48,629,459,534

1) Top five accounts receivable with bad debt provision made individually

Name	30 June 2025			
	Book balance	Bad debt provision	Provision proportion (%)	Reasons for provision
Company 1	82,527,118	82,527,118	100.00	All of it is expected to be unable to recover
Company 2	23,561,105	23,561,105	100.00	All of it is expected to be unable to recover
Company 3	16,636,397	16,636,397	100.00	All of it is expected to be unable to recover
Company 4	14,842,000	14,842,000	100.00	All of it is expected to be unable to recover
Company 5	11,763,924	11,763,924	100.00	All of it is expected to be unable to recover
Total	149,330,544	149,330,544	-	--

2) Bad debt provision of accounts receivable made by portfolio

Aging	30 June 2025		
	Book balance	Bad debt provision	Provision proportion (%)
Within 1 year (including 1 year)	47,210,152,619	423,943,431	0.90
1-2 years	8,512,376,131	686,684,728	8.07
2-3 years	1,366,818,161	433,966,307	31.75
Over 3 years	1,099,398,336	652,202,307	59.32
Total	58,188,745,247	2,196,796,773	—

Aging	31 December 2024		
	Book balance	Bad debt provision	Provision proportion (%)
Within 1 year (including 1 year)	42,225,594,428	377,503,171	0.89
1-2 years	6,322,765,775	571,806,030	9.04
2-3 years	959,678,250	297,694,532	31.02
Over 3 years	959,553,161	592,037,866	61.70
Total	50,467,591,614	1,839,041,599	—

(2) Based on the date of transactions, ageing of accounts receivable is as follows

Aging	30 June 2025		
	Accounts receivable	Bad debt provision	Proportion of bad debt provision (%)
Within 1 year (including 1 year)	47,289,186,442	521,463,429	1.10
1-2 years	8,522,348,802	693,687,387	8.14
2-3 years	1,383,099,378	444,052,538	32.11
3-4 years	415,282,978	201,280,825	48.47
4-5 years	207,072,897	139,051,608	67.15
Over 5 years	616,065,161	449,661,878	72.99
Total	58,442,055,658	2,449,197,665	—

Aging	31 December 2024		
	Accounts receivable	Bad debt provision	Proportion of bad debt provision (%)
Within 1 year (including 1 year)	42,312,732,848	461,389,186	1.09
1-2 years	6,329,925,273	580,027,053	9.16
2-3 years	982,047,492	320,833,093	32.67
3-4 years	326,833,202	158,686,797	48.55
4-5 years	216,001,923	134,625,821	62.33
Over 5 years	553,203,530	435,722,784	78.76
Total	50,720,744,268	2,091,284,734	—

(3) Provisions for bad debt accrued, recovered and reversed for accounts receivable in the current period

Category	31 December 2024	Changes in the current period				30 June 2025
		Accrued	Recovered or reversed	Written back or written off	Decrease due to other reasons	
Bad debt provision for	2,091,284,734	360,535,328	134,105	2,424,669	63,623	2,449,197,665

Category	31 December 2024	Changes in the current period				30 June 2025
		Accrued	Recovered or reversed	Written back or written off	Decrease due to other reasons	
accounts receivable						
Total	2,091,284,734	360,535,328	134,105	2,424,669	63,623	2,449,197,665

(4) Accounts receivable actually written-off in the current period

Item	Write-off amount
Accounts receivable actually written-off	2,424,669

19. Notes payable

Category	30 June 2025	31 December 2024
Banker's acceptance bill	6,763,460,671	7,622,243,602
Commercial acceptance bill	4,215,576,894	5,001,034,545
Total	10,979,037,565	12,623,278,147

20. Accounts payable

(1) Presentation of accounts payable

Item	30 June 2025	31 December 2024
Materials costs payable	42,399,500,901	38,932,470,839
Construction costs payable	5,417,182,653	3,976,416,871
Equipment costs payable	788,282,864	1,187,299,654
Others	1,784,517,199	1,806,005,885
Total	50,389,483,617	45,902,193,249

(2) The ageing of accounts payable based on their transaction dates is analyzed as below

Aging	30 June 2025	31 December 2024
Within 1 year (including 1 year)	40,112,956,430	39,087,143,580
1-2 years	7,384,310,403	4,717,965,470
2-3 years	1,489,843,586	772,097,146
Over 3 years	1,402,373,198	1,324,987,053
Total	50,389,483,617	45,902,193,249

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2025, China's economy maintained a generally stable and uprisng performance, but there were numerous instabilities and uncertainties in the external environment. Facing an exceptionally challenging situation, Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司) (“AVIC”) accurately grasped the overarching requirements for high-quality development and responded to the uncertainties of the rapidly changing external environment with the certainty of high-quality development.

During the first half of 2025, the Group focused on its development strategy, seized the strategic opportunity of the low-altitude economy, and dedicated itself to leading technological innovation, cutting-edge manufacturing, and open collaboration in the helicopter industry and the low-altitude economy sector. The Group continuously optimized its industrial structure, and steadily propelled forward all aspects of its businesses, with high-quality development advancing steadily.

The Group seized development opportunities and continuously fortified its core competitiveness of helicopter business. The AC332 helicopter completed multiple trial flights, and the process of obtaining airworthiness certification advanced steadily. The AC series of helicopters continued to evolve for application scenarios such as aerial sightseeing and urban governance, promoting the systematic construction of an aviation-based emergency rescue system, and further activating the ecosystem for the development of low-altitude economy. The AC312E helicopter completed the casualty evacuation drill for the Asian Winter Games. The Z-8 and AC311A helicopters collaboratively executed three-dimensional forest fire-fighting operations. The AC311 helicopter accomplished rescue missions for mountain torrents in Xinjiang and other places.

The Group streamlined processes while seeking meticulous precision in its trainer business. Jiangxi Hongdu Aviation Industry Co., Ltd.* (江西洪都航空工業股份有限公司) accelerated the construction of conditional support capacity and digital aviation capacity, thereby driving an effective enhancement of its basic manufacturing and delivery capabilities.

The Group continuously impelled the transformation of scientific and technological achievements in its aviation ancillary system and related business. Jonhon Optron Technology Co., Ltd* (中航光電科技股份有限公司) (“JONHON”) officially completed and put into operation its Civil Aircraft & Industrial Interconnection Industrial Park, driving industrial innovation and upgrading. Chengdu CAIC Electronics Co., Ltd.* (成都凱天電子股份有限公司) successfully completed safety tests for the air data computers and landing gear control units supporting the MA700 aircraft. Lanzhou Flight Control Co., Ltd.* (蘭州飛行控制有限責任公司) delivered the high-lift system assembly parts for the large cargo unmanned aircraft. Qing'an Group Co., Ltd.* (慶安集團有限公司) and AVIC Taiyuan Aviation Instrument Co., Ltd.* (太原航空儀錶有限公司) supported the successful maiden flight of the AS700D electric-powered airship. The AG600 Type IV airborne software of Tianjin Aviation Mechanical and Electrical Co., Ltd.* (天津航空機電有限公司) passed the examination of the Civil Aviation Administration of China.

The Group's aviation engineering services business grew steadily. China Aviation Planning and Design Institute Co., Ltd.* (中國航空規劃設計研究總院有限公司) focused on the digital, intelligent and green transformation and upgrading of its survey and design business, optimized its industrial layout, and accelerated the expansion into new quality and frontier markets. The application of the patented technology of “prefabricated concrete-filled steel tube composite long columns” promoted the high-quality and green development of the construction industry. The winning of the bid for the civil aviation engine maintenance base project solidified the development in the consulting and design fields of civil aviation engine maintenance engineering. The implementation of the preventive conservation project for earthquake protection of cultural relics in Xi'an Beilin Museum contributed to the protection of heavy cultural relics against earthquakes.

The Group continuously promoted the modernization of its corporate governance system, with its brand value constantly rising. Guided by the “carbon peaking and carbon neutrality goals” strategy, the Group promoted the green and low-carbon transformation of the entire industrial chain, accelerated the upgrading of the scientific research and production model towards high-end, intelligent and green development. The Group was committed to rewarding shareholders and earnestly safeguarding the rights and interests of investors. We resolutely fulfilled our social responsibilities, gave full play to the advantages of aviation technology, industry and culture, explored and carried out aviation industry integration projects such as emergency rescue and low-altitude economy, and promoted regional economic development.

BUSINESS OUTLOOK

In the second half of 2025, the international environment remains complex and volatile. China's development environment is undergoing profound and intricate changes, with both strategic opportunities and risks and challenges coexisting, alongside an increasing number of uncertain and unpredictable factors. New quality productive forces are becoming important driving force for China's high-quality economic development. Low-altitude economy is emerging as a pivotal field for cultivating and developing new quality productive forces and has become a key track for reshaping the regional competition landscape and fostering fresh momentum for economic growth. With the continuous consummation of the policy system, the unceasing breakthroughs in technological innovation, and the in-depth participation of the capital market in the field of low-altitude economy, China's low-altitude economy industry will further unleash its vitality and potential. As a “main force” in the development of low-altitude economy, the Company will seize the new development opportunities brought by the low-altitude economy to the aviation industry, cultivate new competitive advantages, forge new growth engines, usher in new industrial tracks, and sparing no effort to propel the construction of a modern aviation industrial system.

In the second half of 2025, the Group will maintain strategic resolve, unswervingly develop new quality productive forces, drive industrial development with scientific and technological innovation, and give better play to the role of scientific and technological innovation, industrial control and security support, thereby building itself as a world-class aviation high-tech industry group.

1.The Group will actively contrive its development planning for the “15th Five-Year”. It will continue to optimize its industrial structure, and expand emerging industries, and pioneer the construction of future industries while catalyzing the cultivation of new quality productive forces by harnessing technological innovation;

2.The Group will continue to enhance the core competitiveness of its helicopter products. The Group will intensify efforts to achieve breakthroughs in technologies, continuously strengthening its technological R&D capabilities. It will reinforce its ability to capture market demand, developing industry-leading star products to boost brand influence and dissemination power;

3.The Group will accelerate its industrial layout of low-altitude economy. The Group will proactively cooperate with local governments to establish a low-altitude economy application demonstration center; promote the in-depth integration of industry, academia and research, efficiently integrate resources, strengthen collaborative innovation, and accelerate the layout of innovative products in the low-altitude economy; and continuously expand application scenarios to empower the rapid development of the low-altitude economy;

4.The Group will intensify technological innovation. It will optimize the innovation ecosystem, promote the construction of innovation consortia, accelerate the transformation and application of scientific and technological achievements, and advance the in-depth integration of technological innovation and industrial innovation;

5.The Group will continuously enhance its sustainable competitiveness. It will reinforce resource synergy, consolidate its pioneering advantages in the airborne systems business, promote innovative upgrades in intelligent manufacturing, and actively advance digital and intelligent transformation;

6.The Group will advance the modernization of its corporate governance system. It will systematically drive its modern transformation by continuously enhancing corporate governance capability and efficacy; promote green aviation development, and build an open and integrated green aviation industry ecosystem; and

7.The Group will enhance its brand value. It will strengthen market capitalization management, safeguard the legitimate rights and interests of investors; promote aviation culture and effectively communicate its aviation narrative, thus continuously improving its brand image.

FINANCIAL REVIEW

The business segments of the Group are divided into aviation entire aircraft segment, aviation ancillary system and related business segment, and aviation engineering services segment.

Due to the adjustment of the consolidation scope on October 2024, the financial data of the Group in the corresponding period of the preceding year was restated pursuant to the relevant regulations and requirements. Unless otherwise stated, the financial data in the corresponding period of the preceding year referred in this announcement has been restated.

Revenue

For the six months ended 30 June 2025, the Group recorded a revenue of RMB37,465 million, representing an increase of RMB3,844 million or 11.43% as compared with that of RMB33,621 million in the corresponding period of last year, which was mainly attributable to the year-on-year increase in revenue of helicopter products and aviation ancillary system products.

Segment Information

For the six months ended 30 June 2025, the revenue of the aviation entire aircraft segment of the Group amounted to RMB10,339 million, representing an increase of 35.06% as compared with that in the corresponding period of last year, which was mainly attributable to the increase in sales volume of helicopter products during the reporting period. The revenue of the aviation entire aircraft segment accounted for 27.60% of the total revenue of the Group. The revenue of the aviation ancillary system

and related business segment of the Group amounted to RMB22,583 million, representing an increase of 5.60% as compared with that in the corresponding period of last year, which was mainly attributable to the year-on-year increase in revenue of JONHON during the reporting period, a subsidiary of the Company. The revenue of the aviation ancillary system and related business segment accounted for 60.28% of the total revenue of the Group. The revenue of the aviation engineering services segment of the Group amounted to RMB4,543 million, which was basically the same as compared with that in the corresponding period of last year. The revenue of the aviation engineering services segment accounted for 12.12% of the total revenue of the Group.

For the six months ended 30 June 2025, the segment profit of the aviation entire aircraft segment of the Group amounted to RMB439 million, representing an increase of RMB174 million or 65.66% as compared with that of RMB265 million in the corresponding period of last year, which was mainly attributable to the increase in benefits from the additional value-added tax credit policy during the reporting period. The segment profit of the aviation ancillary system and related business segment of the Group amounted to RMB2,609 million, representing a decrease of RMB808 million or 23.65% as compared with that of RMB3,417 million in the corresponding period of last year, which was mainly attributable to the change of revenue structure in aviation ancillary system products during the reporting period, which drove the year-on-year decrease of gross profit margin and gross profit. The segment profit of the aviation engineering services segment of the Group amounted to RMB188 million, representing a decrease of RMB17 million or 8.29% as compared with that of RMB205 million in the corresponding period of last year.

Gross Profit

For the six months ended 30 June 2025, the Group recorded a gross profit of RMB7,576 million, representing a decrease of RMB471 million or 5.85% as compared with that of RMB8,047 million in the corresponding period of last year, which was mainly attributable to the change of revenue structure during the reporting period, which drove the year-on-year decrease of gross profit margin and gross profit. The comprehensive gross profit margin was 20.22% during the reporting period, representing a decrease of 3.71 percentage points as compared with that of 23.93% in the corresponding period of last year.

Selling Expenses

For the six months ended 30 June 2025, the selling expenses of the Group amounted to RMB339 million, representing an increase of RMB10 million or 3.04% as compared with that of RMB329 million in the corresponding period of last year, which was mainly attributable to the year-on-year increase in the employee compensation for sales personnel of certain subsidiaries. The selling expenses accounted for 0.90% of the revenue during the reporting period, representing a decrease of 0.08 percentage point as compared with that of 0.98% in the corresponding period of last year.

Administrative Expenses

For the six months ended 30 June 2025, the administrative expenses of the Group amounted to RMB2,064 million, representing a decrease of RMB95 million or 4.40% as compared with that of RMB2,159 million in the corresponding period of last year, which was mainly attributable to the year-on-year decrease in the equity incentive amortization expenses of JONHON during the reporting period, a subsidiary of the Company. The administrative expenses accounted for 5.51% of the revenue during the reporting period, representing a decrease of 0.91 percentage point as compared with that of 6.42%

in the corresponding period of last year.

Research and Development Expenses

For the six months ended 30 June 2025, the R&D expenses of the Group amounted to RMB2,170 million, representing an increase of RMB139 million or 6.84% as compared with that of RMB2,031 million in the corresponding period of last year, which was mainly attributable to the increase in the R&D investment by certain subsidiaries during the reporting period. The R&D expenses accounted for 5.79% of the revenue during the reporting period, representing a decrease of 0.25 percentage point as compared with that of 6.04% in the corresponding period of last year.

Finance Costs

For the six months ended 30 June 2025, the finance costs of the Group amounted to RMB-55 million, representing an increase of RMB20 million or 26.67% as compared with that of RMB-75 million in the corresponding period of last year, which was mainly attributable to the year-on-year decrease in interest income driven by the decrease of average existing funds and the decrease of deposit interest rate, and the year-on-year increase in interest expenses driven by the increase in debt financing of certain subsidiaries during the reporting period. Details are set out in Note 8 to the financial statements.

Net Profit Attributable to the Owners of the Parent Company

For the six months ended 30 June 2025, the net profit attributable to the owners of the parent company amounted to RMB1,030 million, representing a decrease of RMB221 million or 17.67% as compared with that of RMB1,251 million in the corresponding period of last year, which was mainly attributable to the change of revenue structure during the reporting period, which drove the year-on-year decrease of gross profit margin and gross profit.

Liquidity and Financial Resources

As at 30 June 2025, the cash and cash equivalents of the Group amounted to RMB30,390 million, which were mainly derived from cash and bank deposits at the beginning of 2025 and funds generated from business operations during the reporting period.

As at 30 June 2025, the total borrowings of the Group amounted to RMB19,196 million, of which short-term borrowings amounted to RMB12,351 million, current portion of long-term borrowings amounted to RMB2,596 million, and non-current portion of long-term borrowings amounted to RMB4,249 million.

As at 30 June 2025, the bank borrowings of the Group amounted to RMB7,192 million with an average interest rate of 2.2% per annum, representing an increase of RMB2,461 million as compared with that at the beginning of the reporting period; and other borrowings amounted to RMB12,004 million with an average interest rate of 2.2% per annum, representing a decrease of RMB1,023 million as compared with that at the beginning of the reporting period.

MORTGAGED AND PLEDGED ASSETS

As at 30 June 2025, the Group's total mortgaged and pledged borrowings amounted to RMB199 million, among which RMB92 million was mortgaged by house buildings with a net book value of RMB7 million and RMB107 million was pledged by notes receivable with a net book value of RMB107 million.

GEARING RATIO

As at 30 June 2025, the Group's gearing ratio was 9.62% (8.79% as at 31 December 2024), which was derived from dividing the total borrowings by the total assets as at 30 June 2025.

EXCHANGE RATE RISKS

The Group mainly operates in the PRC with most of its transactions settled in RMB. The exposure to foreign currencies exchange risks arising from transactions involving assets, liabilities and operating activities of the Group are primarily associated with United States Dollar, Euro and Hong Kong Dollar. The Directors consider that the exchange rate risks to the Group will not have any material adverse impact on the Group's financial results.

During the reporting period, the Group does not have any foreign currency hedging tool.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities.

EMPLOYEES

As at 30 June 2025, the Group had 75,142 employees. The Group's staff costs amounted to RMB6,669 million for the six months ended 30 June 2025, representing an increase of RMB34 million or 0.51% as compared with that of RMB6,635 million in the corresponding period of last year.

The remuneration policies and employee training programs of the Company remained the same as those set out in the 2024 annual report of the Company published on 24 April 2025.

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

With effect from 28 March 2025, Ms. Hu Shiwei ceased to be a member of the Audit and Risk Management Committee and was appointed as a member of the Nomination Committee, and Mr. Zhou Xunwen was appointed as a member of the Audit and Risk Management Committee.

Due to the work arrangement, Mr. Xu Gang applied to the Board on 20 May 2025 for resignation from his position as a non-executive Director with effect from 20 May 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"), and the Shares Trading Management Rules for Directors, Supervisors, senior management and employees of the Company as its own guidelines for securities transactions by the Directors, Supervisors, senior management and employees of the Company. All Directors and Supervisors of the Company have confirmed their compliance with the Model Code for the six months ended 30 June 2025 upon specific enquiries with them.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established the Audit and Risk Management Committee in carrying out the duty of assisting the Board and independently monitoring the financial operation, audit procedures and the risk management operation of the Company. The Terms of Reference of the Audit and Risk Management Committee were formulated and amended in accordance with the actual situation of the Company and the Guide for the Effective Audit Committee issued by the Hong Kong Institute of Certified Public Accountants and the provisions of Part 2 of Appendix C1 (the “**Corporate Governance Code**”) to the Listing Rules (as amended from time to time).

The Audit and Risk Management Committee had reviewed the Group’s unaudited interim consolidated financial statements for the six months ended 30 June 2025.

CORPORATE GOVERNANCE CODE

The Company strictly complied with various applicable laws, rules and regulations as well as the Articles of Association, maintaining standardized operations. The Board reviewed the corporate governance practices adopted by the Company for the six months ended 30 June 2025 and was of the view that the Company complied with the principles and code provisions set out in Part 2 of the Corporate Governance Code.

OTHER EVENTS

On 25 December 2024, the Company entered into an equity transfer agreement with Harbin Aircraft Industry Group Co., Ltd.* (哈爾濱飛機工業集團有限責任公司) (“**Harbin Aircraft**”), pursuant to which, Harbin Aircraft shall transfer to the Company all of 19,186,952 A shares it held in AVICOPTER PLC* (中航直升機股份有限公司) (“**AVICOPTER**”) (representing 2.34% of the total issued shares of AVICOPTER) at a transfer price of RMB39.76 per A share of AVICOPTER (the “**Equity Transfer**”). Upon completion of the Equity Transfer in March 2025, the direct shareholding of the Company in AVICOPTER increased to 417,354,803 A shares, representing 50.90% of the total issued shares of AVICOPTER. For details, please refer to the announcement of the Company dated 25 December 2024. Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in such announcement.

On 28 March 2025, the Board of the Company has resolved to propose, on the premise of maintaining the Company’s controlling stake in AVICOPTER, the non-public issuance of exchangeable corporate bonds (the “**Proposed Issuance of Exchangeable Corporate Bonds**”) with a portion of A shares of AVICOPTER held by the Company as the underlying assets. Upon completion of the Proposed Issuance of Exchangeable Corporate Bonds, the Company will submit an application to the Shanghai Stock Exchange for the listing and transfer of these exchangeable corporate bonds (the “**Exchangeable Corporate Bonds**”). The proposed issuance term of the Proposed Issuance of Exchangeable Corporate Bonds is no more than 3 years (inclusive), with a fundraising scale of no more than RMB1 billion (inclusive). The funds raised are intended to be used for supplementing working capital. Upon fulfillment of the share exchange conditions, the holders of the Exchangeable Corporate Bonds are entitled to convert their bonds into AVICOPTER’s A shares within the designated conversion period.

As at 28 March 2025, the Company directly held 50.90% of the equity interest in AVICOPTER. It is expected that after the completion of conversion of the Exchangeable Corporate Bonds, AVICOPTER will still be a non-wholly owned subsidiary of the Company. For details, please refer to the announcement of the Company dated 28 March 2025. Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in such announcement.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 30 June 2025, the Company did not hold any treasury shares.

INFORMATION DISCLOSURE ON THE HKEXNEWS WEBSITE OF THE HONG KONG STOCK EXCHANGE

The electronic version of this announcement is published on both the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.avichina.com). The interim report of the Company for the six months ended 30 June 2025, which contains all information as required by Appendix D2 to the Listing Rules, will be published on the HKEXnews website of Hong Kong Stock Exchange and the website of the Company in due course.

By order of the Board
AviChina Industry & Technology Company Limited*
Chairman
Yan Lingxi

Beijing, 29 August 2025

As at the date of this announcement, the Board comprises executive Directors Mr. Yan Lingxi and Mr. Sun Jizhong, non-executive Directors Mr. Xu Dongsheng, Mr. Zhou Xunwen and Ms. Hu Shiwei as well as independent non-executive Directors Mr. Liu Weiwu, Mr. Mao Fugen and Mr. Lin Guiping.

* For identification purpose only