



# AviChina

AviChina Industry & Technology Company Limited  
中国航空科技工业股份有限公司

(A joint stock limited company incorporated in the People's Republic of  
China with limited liability)  
(Stock Code : 2357)

INTERIM REPORT

# 2025

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## HIGHLIGHTS OF INTERIM RESULTS

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

Revenue	RMB37,465 million
Net profit attributable to the owners of the parent company	RMB1,030 million
Earnings per share	
– Basic and diluted	RMB0.129
Shareholders’ equity attributable to parent company	RMB34,341 million

### INTERIM DIVIDEND

The Board proposed that no interim dividend would be declared and paid for the six months ended 30 June 2025.

# 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

**The Group's aviation engineering services business developed 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.

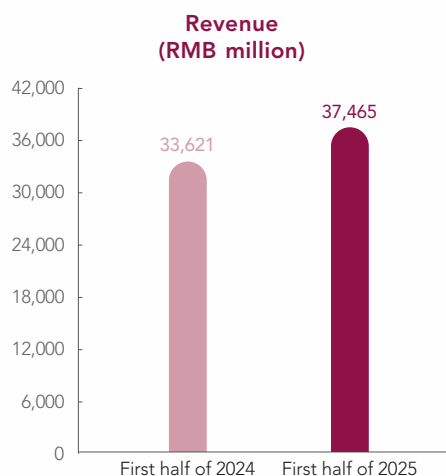
# MANAGEMENT DISCUSSION AND ANALYSIS

## 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.

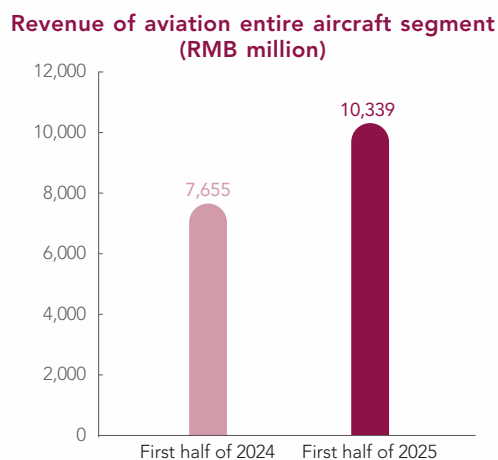
Due to the adjustment of the consolidation scope on October 2024, the financial data of the Group in the corresponding period of the preceding year was restated pursuant to the relevant regulations and requirements. Unless otherwise stated, the financial data in the corresponding period of the preceding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

### Revenue



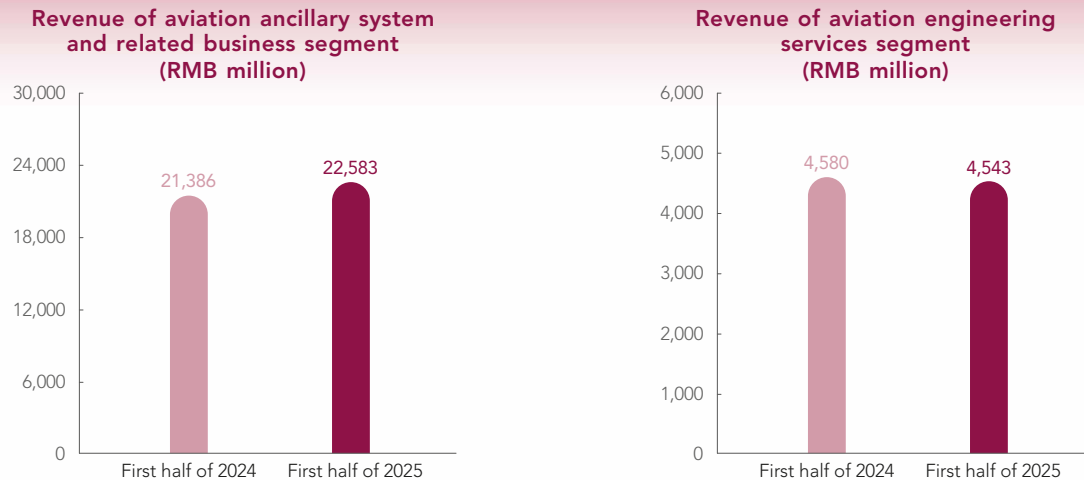
For the six months ended 30 June 2025, the Group recorded a revenue of RMB37,465 million, representing an increase of RMB3,844 million or 11.43% as compared with that of RMB33,621 million in the corresponding period of last year, which was mainly attributable to the year-on-year increase in revenue of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

### Segment Information





## MANAGEMENT DISCUSSION AND ANALYSIS



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.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 IV.27 to the financial statements.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINGENT LIABILITIES

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

## 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.

## 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.

## 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.

## 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 Appendix C1 (the "**Corporate Governance Code**") to the Listing Rules.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

### THE INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, as far as the Directors are aware and saved as disclosed below, none of the Directors, supervisors or chief executive of the Company had interests or held short positions in the Shares, underlying Shares and/or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the “Model Code for Securities Transactions by Directors of Listed Issuers”.

Name	Type of Shares	Capacity	Number of Shares	Approximate percentage of shareholdings to share capital in issue	Nature of Shares held
Yan Lingxi (a Director)	H Share	Beneficial owner	267,740	0.003%	Long position
Zhou Xunwen (a Director)	H Share	Beneficial owner	66,966	0.0008%	Long position

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

### SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, pursuant to the register kept under Section 336 of the SFO, Shareholders holding 5% or more equity interests in the Shares and underlying Shares of the Company were as follows:

Name of Shareholder	Type of Shares	Capacity	Number of Shares	Approximate percentage of shareholdings to the same type of Shares in issue	Nature of Shares held
AVIC (Note 1)	H Shares	Beneficial owner; Interest in controlled corporation	3,503,070,569	56.40%	Long position
	Domestic Shares (Note 2)	Beneficial owner	1,250,899,906	70.99%	Long position
National Military-civilian Integration Industrial Investment Fund Co., Ltd.* (國家軍民融合產業投資基金有限責任公司) ("National Industrial Investment Fund")	Domestic Shares (Note 3)	Beneficial owner	261,522,000	14.84%	Long position
Tianjin Free Trade Zone Investment Company Limited* (天津保稅區投資有限公司) ("Tianjin Free Trade Zone Investment")	Domestic Shares (Note 2)	Beneficial owner	249,769,500	14.17%	Long position

Notes:

1. Out of the 3,503,070,569 H Shares held by AVIC, 3,297,780,902 H Shares are held directly as beneficial owner, 183,404,667 H Shares are held through AVIC Airborne Systems Company Limited\* (中航機載系統有限公司), its wholly-owned subsidiary, 18,346,000 H Shares are held by AVIC through China Aviation Industry (Hong Kong) Company Limited\* (中國航空工業集團(香港)有限公司), its wholly-owned subsidiary, and 3,539,000 H Shares are held by AVIC through AVIC Industry-Finance Holdings Co., Ltd.\* (中航工業產融控股股份有限公司), its non-wholly-owned subsidiary.
2. Pursuant to the equity acquisition and share issuance agreement dated 28 November 2019, the Company issued 1,500,669,406 Domestic Shares as the consideration for the acquisition, among which, 1,250,899,906 Domestic Shares and 249,769,500 Domestic Shares were issued to AVIC and Tianjin Free Trade Zone Investment, respectively. The issuance of Domestic Shares was completed on 24 December 2020.
3. Pursuant to the share subscription agreement dated 9 May 2023, the Company issued 261,522,000 Domestic Shares to National Industrial Investment Fund. The issuance of Domestic Shares was completed on 3 July 2023.

Save as disclosed above, as at 30 June 2025, according to the register kept pursuant to section 336 of the SFO, no person had interests and short positions in 5% or more of the Shares and underlying Shares of the Company.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

### 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 Corporate Governance Code.

The Audit and Risk Management Committee is responsible for monitoring the financial operation and audit procedures of the Company, assessing effectiveness of the internal control and risk management systems of the Company, performing its internal audit function, reviewing and supervising the performance of the corporate governance responsibilities of the Company as well as performing other duties and responsibilities assigned by the Board, and maintaining effective communication with the management, internal audit institution and external auditors of the Company.

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

### 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.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

### 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.



# Consolidated Balance Sheet

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Current assets:</b>			
Monetary funds	1	32,144,032,350	41,322,143,789
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading	2	2,527,371,647	3,310,715,928
Derivative financial assets			
Notes receivable	3	5,047,189,906	10,583,863,253
Accounts receivable	4	55,992,857,993	48,629,459,534
Receivables financing		433,771,154	687,378,756
Prepayments	5	6,249,365,944	6,662,957,422
Premium receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables	6	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	7	40,905,715,406	37,807,694,703
Contract assets	8	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
<b>Total current assets</b>		<b>155,572,331,818</b>	<b>158,761,363,942</b>

# Consolidated Balance Sheet (Continued)

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Non-current assets:</b>			
Loans and advances			
Debt investment			
Other debt investment			
Long-term receivables		94,391	144,391
Long-term equity investments	9	2,890,168,349	2,819,712,703
Other equity instrument investments	10	4,651,849,445	4,362,842,667
Other non-current financial assets		3,444,547	3,444,547
Investment properties	11	447,200,185	459,693,522
Fixed assets	12	25,433,655,426	25,039,976,932
Construction-in-progress	13	4,208,403,816	4,240,450,534
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	14	443,379,563	478,328,387
Intangible assets	15	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
<b>Total non-current assets</b>		<b>43,960,049,459</b>	<b>43,282,743,008</b>
<b>Total assets</b>		<b>199,532,381,277</b>	<b>202,044,106,950</b>

Legal representative: Yan Lingxi   Person in charge of accounting: Wang Jingmin   Person in charge of the accounting department: Deng Hui

## Consolidated Balance Sheet (Continued)

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Current liabilities:</b>			
Short-term borrowings	16	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 payable	17	10,979,037,565	12,623,278,147
Accounts payable	18	50,389,483,617	45,902,193,249
Advances		59,007,665	52,280,917
Contract liabilities	19	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
<b>Total current liabilities</b>		<b>93,743,125,021</b>	<b>95,733,402,319</b>

# Consolidated Balance Sheet (Continued)

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term borrowings	20	4,181,504,182	5,164,267,863
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	21	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
<b>Total non-current liabilities</b>		<b>8,046,118,659</b>	<b>9,662,492,753</b>
<b>Total liabilities</b>		<b>101,789,243,680</b>	<b>105,395,895,072</b>
<b>Shareholders' equity:</b>			
Share capital	22	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
<b>Total shareholders' equity attributable to parent company</b>		<b>34,340,655,830</b>	<b>34,147,967,680</b>
Minority equity		63,402,481,767	62,500,244,198
<b>Total shareholders' equity</b>		<b>97,743,137,597</b>	<b>96,648,211,878</b>
<b>Total liabilities and shareholders' equity</b>		<b>199,532,381,277</b>	<b>202,044,106,950</b>

Legal representative: Yan Lingxi   Person in charge of accounting: Wang Jingmin   Person in charge of the accounting department: Deng Hui

# Balance Sheet of the Company

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Current assets:</b>		
Monetary funds	1,512,713,449	1,821,978,543
Financial assets held for trading	24,495,654	291,946,466
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Prepayments		64,151
Other receivables	271,033,170	265,821,975
Including: Interest receivable		
Dividends receivable	14,724,200	6,170,962
Inventories		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	2,080,445	1,775,028
<b>Total current assets</b>	<b>1,810,322,718</b>	<b>2,381,586,163</b>
<b>Non-current assets:</b>		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	14,872,914,960	14,118,534,028
Other equity instrument investments	2,148,501,829	2,106,259,560
Other non-current financial assets		
Investment properties	22,597,297	23,176,953
Fixed assets	930,762	1,081,190
Construction-in-progress		
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	4,226,283	4,804,079
Intangible assets	280,239	312,575
Development expenditure		
Goodwill		
Long-term deferred expenses		77,044
Deferred income tax assets	19,847,410	18,329,785
Other non-current assets		
<b>Total non-current assets</b>	<b>17,069,298,780</b>	<b>16,272,575,214</b>
<b>Total assets</b>	<b>18,879,621,498</b>	<b>18,654,161,377</b>

Legal representative: Yan Lingxi    Person in charge of accounting: Wang Jingmin    Person in charge of the accounting department: Deng Hui

# Balance Sheet of the Company (Continued)

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances		
Contract liabilities		
Employee compensation payable	11,726,827	17,623,000
Tax payable	5,952,078	11,211,267
Other payables	15,939,680	125,668,218
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	2,269,658	3,523,339
Other current liabilities		
<b>Total current liabilities</b>	<b>35,888,243</b>	<b>158,025,824</b>
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	704,147	
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	219,115,274	202,471,987
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>219,819,421</b>	<b>202,471,987</b>
<b>Total liabilities</b>	<b>255,707,664</b>	<b>360,497,811</b>

## Balance Sheet of the Company (Continued)

30 June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Shareholders' equity:</b>		
Share capital	7,972,854,242	7,972,854,242
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	8,000,376,551	8,000,376,551
Less: treasury shares		
Other comprehensive income	605,836,254	557,399,881
Special reserves		
Surplus reserves	534,461,130	534,461,130
Undistributed profits	1,510,385,657	1,228,571,762
<b>Total shareholders' equity</b>	<b>18,623,913,834</b>	<b>18,293,663,566</b>
<b>Total liabilities and shareholders' equity</b>	<b>18,879,621,498</b>	<b>18,654,161,377</b>

Legal representative: Yan Lingxi   Person in charge of accounting: Wang Jingmin   Person in charge of the accounting department: Deng Hui



# Consolidated Income Statement

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	January to June 2025 (Unaudited)	January to June 2024 (Unaudited) (Restated)
<b>I. Total operating income</b>		<b>37,465,251,870</b>	<b>33,621,275,690</b>
Including: Operating revenue	23	37,465,251,870	33,621,275,690
Interest income			
Earned premium			
Fee and commission income			
<b>II. Total operating cost</b>		<b>34,711,799,167</b>	<b>30,226,289,082</b>
Including: Operating cost	23	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	24	339,100,579	328,679,494
Administrative expenses	25	2,064,480,752	2,159,104,061
Research and development expenses	26	2,169,891,803	2,031,219,848
Finance costs	27	-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	28	531,824,475	344,608,191
Investment income (loss to be listed with "-")	29	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 "-")	30	2,896,081	-4,798,832
Credit impairment loss (loss to be listed with "-")	31	-297,045,637	-117,292,249
Asset impairment loss (loss to be listed with "-")	32	-102,856,346	-94,862,293
Income from assets disposal (loss to be listed with "-")		962,971	3,373,908

# Consolidated Income Statement (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	January to June 2025 (Unaudited)	January to June 2024 (Unaudited) (Restated)
<b>III. Operating profit (loss to be listed with "-")</b>		<b>3,108,402,127</b>	<b>3,714,093,919</b>
Add: Non-operating income		49,096,668	31,503,428
Less: Non-operating expenses		58,465,472	16,441,412
<b>IV. Profit before tax (loss before tax to be listed with "-")</b>		<b>3,099,033,323</b>	<b>3,729,155,935</b>
Less: income tax expenses	33	292,374,224	339,236,869
<b>V. Net profit (net loss to be listed with "-")</b>		<b>2,806,659,099</b>	<b>3,389,919,066</b>
(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
<b>VI. Net of tax of other comprehensive income</b>		<b>243,805,880</b>	<b>-105,568,824</b>
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 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 charged into other comprehensive income arising from reclassification of financial assets			
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

# Consolidated Income Statement (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Note IV	January to June 2025 (Unaudited)	January to June 2024 (Unaudited) (Restated)
<b>VII. Total comprehensive income</b>		<b>3,050,464,979</b>	<b>3,284,350,242</b>
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
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)		0.129	0.157
(II) Diluted earnings per share (RMB/share)		0.129	0.157

Legal representative: Yan Lingxi   Person in charge of accounting: Wang Jingmin   Person in charge of the accounting department: Deng Hui

# Income Statement of the Company

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)	January to June 2024 (Unaudited)
<b>I. Operating income</b>	<b>309,791</b>	<b>154,895</b>
Less: Operating cost	<b>684,135</b>	<b>684,135</b>
Taxes and surcharges	<b>136,768</b>	<b>2,551,632</b>
Selling expenses		
Administrative expenses	<b>16,511,575</b>	<b>15,656,470</b>
Research and development expenses		
Finance costs	<b>-16,645,207</b>	<b>-17,867,919</b>
Including: Interest expenses		
Interest income	<b>33,265,489</b>	<b>19,982,269</b>
Add: Other income	<b>201,824</b>	<b>182,897</b>
Investment income (loss to be listed with "-")	<b>919,653,853</b>	<b>807,984,181</b>
Including: Income from investment in associates and joint ventures	<b>8,829,175</b>	<b>-359,518</b>
De recognition income of financial assets at amortised cost		
Net exposure hedging income (loss to be listed with "-")		
Income from changes in fair value (loss to be listed with "-")	<b>2,536,372</b>	<b>-2,010,143</b>
Credit impairment loss (loss to be listed with "-")	<b>-42,197</b>	<b>-36,058</b>
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")		
<b>II. Operating profit (loss to be listed with "-")</b>	<b>921,972,372</b>	<b>805,251,454</b>
Add: Non-operating income		
Less: Non-operating expenses		<b>9,024</b>
<b>III. Profit before tax (loss before tax to be listed with "-")</b>	<b>921,972,372</b>	<b>805,242,430</b>
Less: Income tax expenses	<b>-1,027,200</b>	<b>-10,877,105</b>
<b>IV. Net profit (net loss to be listed with "-")</b>	<b>922,999,572</b>	<b>816,119,535</b>
(I) Net profit from continuing operations (net loss to be listed with "-")	<b>922,999,572</b>	<b>816,119,535</b>
(II) Net profit from discontinuing operations (net loss to be listed with "-")		

# Income Statement of the Company (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)	January to June 2024 (Unaudited)
<b>V. Net of tax of other comprehensive income</b>	<b>51,088,938</b>	<b>-33,231,625</b>
(I) Other comprehensive income that cannot be reclassified into profit or loss	51,088,938	-33,231,625
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	51,113,495	-32,856,625
4. Changes in fair value of the enterprise's credit risk		
5. Others		
(II) Other comprehensive income that can be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount charged into other comprehensive income arising from reclassification of financial assets		
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		
7. Others		
<b>VI. Total comprehensive income</b>	<b>974,088,510</b>	<b>782,887,910</b>

Legal representative: Yan Lingxi    Person in charge of accounting: Wang Jingmin    Person in charge of the accounting department: Deng Hui

# Consolidated Cash Flow Statement

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

	January to June 2025 (Unaudited)	January to June 2024 (Unaudited) (Restated)
Items		
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods or rendering of services	30,983,616,493	26,585,102,559
Net increase in deposits and placements from financial institutions		
Net increase of borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contract		
Net amount of reinsurance business		
Net increase in deposits from policyholders and investment		
Cash received from interests, fees and commissions		
Net increase in placement from banks and other financial institutions		
Net increase in repurchasing		
Net cash received from securities brokering		
Refund of taxes and surcharges	454,764,960	335,947,934
Other cash received relating to operating activities	1,713,888,591	1,913,640,452
<b>Subtotal of cash inflows from operating activities</b>	<b>33,152,270,044</b>	<b>28,834,690,945</b>
Cash paid for purchase of goods and receipt of services	26,265,839,565	25,985,380,839
Net increase in loans and advances		
Net increase in deposits with the central bank and other banks		
Cash paid for claim settlements on original insurance contract		
Net increase in financial assets held for trading		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	9,164,450,782	8,498,989,565
Taxes and surcharges cash payments	3,057,811,816	2,303,745,267
Other cash paid relating to operating activities	1,880,781,822	2,255,699,658
<b>Subtotal of cash outflow from operating activities</b>	<b>40,368,883,985</b>	<b>39,043,815,329</b>
<b>Net cash flow from operating activities</b>	<b>-7,216,613,941</b>	<b>-10,209,124,384</b>

## Consolidated Cash Flow Statement (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)	January to June 2024 (Unaudited) (Restated)
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	679,795,677	2,452,674,128
Cash received from investment income	105,270,475	166,988,787
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,640,387	6,022,006
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	3,134,837,277	1,020,423,834
<b>Subtotal of cash inflows from investing activities</b>	<b>3,925,543,816</b>	<b>3,646,108,755</b>
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,985,101,330	1,826,210,900
Cash paid to acquire investments	18,234,576	3,155,000,000
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	2,802,245,002	969,547,746
<b>Subtotal of cash outflows from investing activities</b>	<b>4,805,580,908</b>	<b>5,950,758,646</b>
<b>Net cash flows from investing activities</b>	<b>-880,037,092</b>	<b>-2,304,649,891</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from absorbing investment	80,567,200	
Including: Cash received from minority shareholders' investment in subsidiaries	80,567,200	
Cash received from borrowings	9,151,059,293	7,815,076,642
Cash received from bond issue		
Other cash received relating to financing activities	236,175,128	269,810,258
<b>Subtotal of cash inflow from financing activities</b>	<b>9,467,801,621</b>	<b>8,084,886,900</b>
Cash paid for repayments of debts	7,551,292,504	3,177,592,891
Cash paid for distribution of dividends, profits or interest repayment	2,377,846,921	2,240,190,477
Including: Dividends and profits paid to minority shareholders by subsidiaries	1,570,664,412	1,431,704,870
Other cash paid relating to financing activities	413,911,989	326,628,402
<b>Subtotal of cash outflow from financing activities</b>	<b>10,343,051,414</b>	<b>5,744,411,770</b>
<b>Net cash flow from financing activities</b>	<b>-875,249,793</b>	<b>2,340,475,130</b>



## Consolidated Cash Flow Statement (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)	January to June 2024 (Unaudited) (Restated)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	9,477,376	3,915,414
V. Net increase in cash and cash equivalents	-8,962,423,450	-10,169,383,731
Add: Opening balance of cash and cash equivalents	39,352,575,298	37,179,887,375
VI. Closing balance of cash and cash equivalents	30,390,151,848	27,010,503,644

Legal representative: Yan Lingxi   Person in charge of accounting: Wang Jingmin   Person in charge of the accounting department: Deng Hui

# Cash Flow Statement of the Company

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)	January to June 2024 (Unaudited)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services		4,351
Refund of taxes and surcharges		
Other cash received relating to operating activities	11,279,391	13,413,565
<b>Subtotal of cash inflows from operating activities</b>	<b>11,279,391</b>	<b>13,417,916</b>
Cash paid for purchase of goods and receipt of services		
Cash paid to and for employees	16,690,669	13,602,902
Taxes and surcharges cash payments	5,376,147	50,618,936
Other cash paid relating to operating activities	127,377,016	6,089,799
<b>Subtotal of cash outflows from operating activities</b>	<b>149,443,832</b>	<b>70,311,637</b>
<b>Net cash flows from operating activities</b>	<b>-138,164,441</b>	<b>-56,893,721</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	319,795,677	1,744,034,128
Cash received from investment income	913,956,069	796,399,648
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities		
<b>Subtotal of cash inflows from investing activities</b>	<b>1,233,751,746</b>	<b>2,540,433,776</b>
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	93,788	43,744
Cash paid to acquire investments	781,107,787	2,160,000,000
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities		
<b>Subtotal of cash outflows from investing activities</b>	<b>781,201,575</b>	<b>2,160,043,744</b>
<b>Net cash flows from investing activities</b>	<b>452,550,171</b>	<b>380,390,032</b>

## Cash Flow Statement of the Company (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)	January to June 2024 (Unaudited)
<b>III. Cash flows from financing activities:</b>		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received from bond issue		
Other cash received relating to financing activities		
<b>Subtotal of cash inflows from financing activities</b>		
Cash paid for repayments of debts		
Cash paid for distribution of dividends, profits or interest repayment	631,344,368	679,025,211
Other cash paid relating to financing activities	2,599,661	3,100,007
<b>Subtotal of cash outflows from financing activities</b>	633,944,029	682,125,218
<b>Net cash flows from financing activities</b>	-633,944,029	-682,125,218
<b>IV. Effect of foreign exchange rate changes on cash and cash     equivalents</b>	-37,714	101,093
<b>V. Net increase in cash and cash equivalents</b>	-319,596,013	-358,527,814
Add: Opening balance of cash and cash equivalents	1,085,551,547	1,081,273,565
<b>VI. Closing balance of cash and cash equivalents</b>	765,955,534	722,745,751

Legal representative: Yan Lingxi    Person in charge of accounting: Wang Jingmin    Person in charge of the accounting department: Deng Hui

# Consolidated Statement of Changes in Shareholders' Equity

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)												
	Equity attributable to shareholders of the parent company											Total shareholders' equity	
	Share capital	Other equity instrument Preferred shares	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal		
I. Closing balance of the previous year	7,972,854,242		14,364,198,634		449,480,586	498,545,247	534,461,130		10,328,427,841		34,147,967,680	62,500,244,198	96,648,211,878
Add: Changes in accounting policies													
Error correction for previous period													
Business combination under common control													
Others													
II. Opening balance of the current period	7,972,854,242		14,364,198,634		449,480,586	498,545,247	534,461,130		10,328,427,841		34,147,967,680	62,500,244,198	96,648,211,878
III. Change in increase or decrease of the current period (decrease to be listed with "-")													
(I) Total comprehensive income					78,624,245	103,213,349			389,240,403		192,688,150	902,237,569	1,094,925,719
(II) Capital invested and decreased by shareholders			-378,389,847		81,276,810				1,030,426,079		1,111,702,889	1,338,762,090	3,050,464,979
1. Ordinary shares invested by shareholders			-378,763,657						-378,763,657		545,220,666	166,457,009	166,457,009
2. Capital invested by other equity instrument holders			108,022						108,022		80,459,178	80,459,178	80,457,200
3. Amount of share-based payment recognized as shareholders' equity													
4. Others			22,348,823								22,348,823	38,448,396	60,797,219
(III) Profit distribution			-401,220,502						-645,801,194		-401,220,502	426,313,092	25,092,590
1. Appropriation to surplus reserves													
2. Appropriation to general risk reserve													
3. Distribution to shareholders											-645,801,194	-1,638,760,449	-2,284,561,643
4. Others													
(IV) Internal carry-over in shareholders' equity					-2,652,565				-645,801,194		-645,801,194	-1,638,760,449	-2,284,561,643
1. Transfer from capital reserves to share capital													
2. Transfer from surplus reserves to share capital													
3. Recovery of losses by surplus reserves													
4. Retained earnings carried over from changes in defined benefit plans													
5. Retained earnings carried over from other comprehensive income					-2,652,565				2,652,565				
6. Others													
(V) Special reserves						103,213,349					103,213,349	57,015,262	160,228,611
1. Appropriation in the current period						202,310,796					202,310,796	89,925,100	292,235,896
2. Use in the current period						99,097,447					99,097,447	32,909,838	132,007,285
(VI) Others			373,810						1,962,953		2,336,763	233,676	233,676
IV. Closing balance of the current period	7,972,854,242		13,985,808,787		528,104,831	601,758,596	534,461,130		10,717,668,244		34,340,655,830	63,402,481,767	97,743,137,597

Legal representative: Yan Lingxi

Person in charge of accounting: Wang Jingmin

Person in charge of the accounting department: Deng Hui

# Consolidated Statement of Changes in Shareholders' Equity (Continued)

January to June 2025

Prepared by: AvChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2024 (Unaudited and Restated)													
	Equity attributable to shareholders of the parent company													
	Share capital	Preferred shares	Other equity instrument	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal	Minority equity	Total shareholders' equity
I. Closing balance of the previous year	7,972,854,242			13,514,296,718		228,940,969	480,615,715	451,623,842		8,923,873,029		31,572,204,515	56,483,597,691	88,055,802,206
Add: Changes in accounting policies														
Error correction of previous period														
Business combination under common control														
Others													43,300,974	43,300,974
II. Opening balance of the current period	7,972,854,242			13,514,296,718		228,940,969	480,615,715	451,623,842		8,923,873,029		31,572,204,515	56,526,898,665	88,099,103,180
III. Change in increase or decrease of the current period														
(I) Total comprehensive income														
(II) Capital invested and decreased by shareholders														
1. Ordinary shares invested by shareholders														
2. Capital invested by other equity instrument holders														
3. Amount of share-based payment recognized as shareholders' equity														
4. Others														
(III) Profit distribution														
1. Appropriation to surplus reserves														
2. Appropriation to general risk reserve														
3. Distribution to shareholders														
4. Others														
(IV) Internal carry-over in shareholders' equity														
1. Transfer from capital reserves to share capital														
2. Transfer from surplus reserves to share capital														
3. Recovery of losses by surplus reserves														
4. Retained earnings carried over from changes in defined benefit plans														
5. Retained earnings carried over from other comprehensive income														
4. Others														
(V) Special reserves														
1. Appropriation in the current period														
2. Use in the current period														
(VI) Others														
IV. Closing balance of the current period	7,972,854,242			13,590,025,699		182,907,428	522,631,499	451,623,842		9,473,598,149		32,193,640,659	57,628,369,543	89,822,010,402

Legal representative: Yan Lingxi

Person in charge of accounting: Wang Jingmin

Person in charge of the accounting department: Deng Hui

# Statement of Changes in Shareholders' Equity of the Company

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

January to June 2025 (Unaudited)										Total		
Items	Share capital	Other equity instrument			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	shareholders' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of the previous year	7,972,854,242				8,000,376,551		557,399,881		534,461,130	1,228,571,761		18,999,676,790
Add: Changes in accounting policies												
Error correction of previous period												
Others												
II. Opening balance of the current period	7,972,854,242				8,000,376,551		557,399,881		534,461,130	1,228,571,761		18,293,663,565
III. Change in increase or decrease of the current period (decrease to be listed with "- ")												
(I) Total comprehensive income												
(II) Capital invested and decreased by shareholders												
1. Ordinary shares invested by shareholders							48,436,373			281,608,511		330,044,884
2. Capital invested by other equity instrument holders							51,088,938			922,999,572		974,088,510
3. Amount of share-based payment recognized as shareholders' equity												
4. Others												
(III) Profit distribution												
1. Appropriation to surplus reserves										-645,801,194		-645,801,194
2. Distribution to shareholders										-645,801,194		-645,801,194
3. Others												
(IV) Internal carry-over in shareholders' equity							-2,652,565			2,652,565		
1. Transfer from capital reserves to share capital												
2. Transfer from surplus reserves to share capital												
3. Recovery of losses by surplus reserves												
4. Retained earnings carried over from changes in defined benefit plans												
5. Retained earnings carried over from other comprehensive income							-2,652,565			2,652,565		
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Closing balance of the current period	7,972,854,242				8,000,376,551		605,836,254		534,461,130	1,510,180,272		18,623,708,449
												1,757,568
												18,623,708,449

Legal representative: Yan Lingxi

Person in charge of accounting: Wang Jingmin

Person in charge of the accounting department: Deng Hui

# Statement of Changes in Shareholders' Equity of the Company (Continued)

January to June 2025

Prepared by: AviChina Industry & Technology Company Limited

Prepared by: AviChina Industry & Technology Company Limited												Unit: RMB
Items	January to June 2024 (Unaudited)											
	Share capital	Preferred shares	Other equity instrument	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total shareholders' equity	
I. Closing balance of the previous year	7,972,854,242			8,991,439,677		319,848,100		451,623,842	1,182,634,191		18,918,400,052	
Add: Changes in accounting policies												
Error correction of previous period												
Others												
II. Opening balance of the current period	7,972,854,242			8,991,439,677		319,848,100		451,623,842	1,182,634,191		18,918,400,052	
III. Change in increase or decrease of the current period (decrease to be listed with "-")												
(I) Total comprehensive income												
(II) Capital invested and decreased by shareholders												
1. Ordinary shares invested by shareholders												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment recognized as shareholders' equity												
4. Others												
(III) Profit distribution												
1. Appropriation to surplus reserves												
2. Distribution to shareholders												
3. Others												
(IV) Internal carry-over in shareholders' equity												
1. Transfer from capital reserves to share capital												
2. Transfer from surplus reserves to share capital												
3. Recovery of losses by surplus reserves												
4. Retained earnings carried over from changes in defined benefit plans												
5. Retained earnings carried over from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Closing balance of the current period	7,972,854,242			8,991,439,677		286,616,475		451,623,842	1,297,142,554		18,999,676,790	

Legal representative: Yan Lingxi

Person in charge of accounting: Wang Jingmin

Person in charge of the accounting department: Deng Hui



# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## I. BASIC INFORMATION OF THE COMPANY

### (I) Basic Information

AviChina Industry & Technology Company Limited 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. It was listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the Hong Kong Stock Exchange) on 30 October 2003. The Company has obtained the business license with the unified social credit code of 91110000710931141J issued by Beijing Municipal Administration for Market Regulation. 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.

The registered capital of the Company at the time of establishment was RMB3,116,518,500, and the Company was initiated by AVIC II (as the lead promoter) together with China Huarong Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Company, hereinafter referred to as Huarong Asset Management), China Cinda Asset Management Co., Ltd. (formerly known as China Cinda Asset Management Corporation, hereinafter referred to as Cinda Asset Management) and China Orient Asset Management Co., Ltd. (formerly known as China Orient Asset Management Company, hereinafter referred to as Orient Asset Management). In October 2003, the Company was listed on the Main Board of the Hong Kong Stock Exchange, after the issuance of overseas listed foreign invested shares (H shares), the share capital of the Company was RMB4,643,608,500.

In 2008, Aviation Industry Corporation of China, Ltd. (formerly known as Aviation Industry Corporation of China, hereafter as AVIC) was newly established on the basis of the merger of enterprises and institutions owned by China Aviation Industry Corporation I and AVIC II. The shareholder of the Company was changed from AVIC II to AVIC.

In 2010, the Company issued 305,416,000 additional overseas listed foreign invested shares (H shares), increasing the share capital by RMB305,416,000. After the additional issuance of Shares, the share capital of the Company was changed to RMB4,949,024,500.

In 2012, the Company issued 342,000,000 additional overseas listed foreign invested shares (H shares) to foreign investors, increasing the share capital by RMB342,000,000. In the same year, the Company issued 183,404,667 domestic shares to AVIC Airborne Systems Company Limited. Due to additional issuance of overseas listed foreign invested shares (H shares) and additional issuance of domestic shares, the share capital of the Company was changed to RMB5,474,429,167.

In 2016, the Company issued 491,692,669 domestic shares to AVIC. After the additional issuance of domestic shares, the share capital of the Company was changed to RMB5,966,121,836.

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## I. BASIC INFORMATION OF THE COMPANY (Continued)

### (I) Basic Information (Continued)

In 2018, 3,609,687,934 existing shares of the Company held by AVIC, AVIC Airborne Systems, Huarong Asset Management, Cinda Asset Management and Orient Asset Management, the shareholders of the Company, were fully converted into overseas listed foreign invested shares (H shares) which were listed on the Hong Kong Stock Exchange. In the same year, the Company issued 279,000,000 overseas listed foreign invested shares (H shares). After the capital contribution, the share capital of the Company was changed to RMB6,245,121,836.

In 2020, the Company repurchased and cancelled 34,459,000 overseas listed foreign invested shares (H shares). After the repurchase, the share capital of the Company was changed to RMB6,210,662,836. In the same year, the Company issued 1,250,899,906 and 249,769,500 domestic shares to AVIC and Tianjin Free Trade Zone Investment Company Limited\* (天津保稅區投資有限公司), respectively. After the issuance of domestic shares, the share capital of the Company was changed to RMB7,711,332,242.

In 2023, the Company issued 261,522,000 domestic shares to the National Military and Civilian Integration Industry Investment Fund Co., Ltd.\* (國家軍民融合產業投資基金有限責任公司). After the issuance of domestic shares, the share capital of the Company was changed to RMB7,972,854,242.

### (II) Nature of business and main business

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.

### (III) Name of the controlling shareholder and ultimate controller

The controlling shareholder of the Company is 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.

### (IV) Approval of financial reports

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

## II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements has 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 as stated in "III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES" under the notes.

During the preparation of the financial statements, the Group 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.

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group prepared the financial statements in accordance with Accounting Standards for Business Enterprises – General Principles and the specific accounting standards, application guidance, interpretations and other related regulations issued and revised thereafter.

The Group's financial statements are stated at historical cost, with the exception of certain financial instruments which are measured at fair value. If an asset is impaired, corresponding provision for impairment shall be made in accordance with relevant regulations.

### 1. Declaration on compliance with the Accounting Standards for Business Enterprises

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 Standards 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.

### 2. Main taxes and tax rates

Tax category	Taxation basis	Tax rate (%)
Mainland China		
– Value-added tax	Taxable sales; revenue from processing and repair, fitting and labour services; revenue from modern service businesses; export revenue from sales	13, 9, 6, 5, 3, 0
– City maintenance and construction tax	Actual amount of payable turnover tax	7, 5
– Education surcharge	Actual amount of payable turnover tax	3
– Local education surcharge	Actual amount of payable turnover tax	2
– Corporate income tax	Taxable income	25, 20, 15
– Property tax	Taxable property value, rental income	12, 1.2
Hong Kong SAR profits tax		16.5
Macau SAR profits tax		0-12
Profits tax in other countries/regions		20-31.925

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

Among the financial statement data disclosed below, the data as of 30 June 2025 and for the six-month period are unaudited, and the data for the six-month period ended 30 June 2024 are unaudited and restated.

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 equity entrustment 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 restated 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. 24, 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 of CASBE 18 have had the following impacts on the Group's financial statements submitted of previous period:

Items	Previously presented January to June 2024	Interpretation No. 18	Business combinations involving entities 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

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 1. Monetary funds

Item	30 June 2025	31 December 2024
Cash on hand	314,612	320,567
Bank deposits	31,895,112,756	40,984,056,624
Other monetary funds	248,604,982	337,766,598
<b>Total</b>	<b>32,144,032,350</b>	<b>41,322,143,789</b>
Including: Total amount deposited abroad	273,840,915	258,429,590
Including: Total amount deposited with AVIC Finance	23,296,242,777	28,971,478,262

Note: There is no limit on the remittance of the Group's overseas deposits.

### 2. Financial assets held for trading

Item	30 June 2025	31 December 2024
Financial assets at fair value through profit or loss	2,527,371,647	3,310,715,928
Including: Debt instrument investments		
Equity instrument investments	27,371,647	24,462,750
Bank wealth management	2,500,000,000	3,286,253,178
<b>Total</b>	<b>2,527,371,647</b>	<b>3,310,715,928</b>

Note: At the end of this period, the Group's equity instruments included in financial assets held for trading mainly consist of fund products and equity investments in other companies, whereas the bank wealth management of the Group is all structured deposits.

### 3. 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
<b>Total</b>	<b>5,047,189,906</b>	<b>10,583,863,253</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. Notes receivable (Continued)

#### (2) Notes receivable pledged

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

#### (3) Classified presentation by bad debt accrual method

	30 June 2025				
	Book balance		Bad debt provision		
Category	Amount	Proportion (%)	Amount	Provision Proportion (%)	Book value
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

31 December 2024					
Category	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Provision		
			Amount	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

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. Notes receivable (Continued)

#### (3) Classified presentation by bad debt accrual method (Continued)

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

Name	Book balance	30 June 2025	
		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
<b>Total</b>	<b>5,111,745,193</b>	<b>64,555,287</b>	<b>—</b>

Name	Book balance	31 December 2024	
		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
<b>Total</b>	<b>10,723,925,444</b>	<b>140,062,191</b>	<b>—</b>

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

Category	Changes in the current period					30 June 2025
	31 December 2024	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
<b>Total</b>	<b>140,062,191</b>	<b>-75,506,904</b>				<b>64,555,287</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. 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
<b>Net accounts receivable</b>	<b>55,992,857,993</b>	<b>48,629,459,534</b>

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

Category of portfolio	30 June 2025			Book value
	Original value	Proportion of bad debt provision (%)	Bad debt provision	
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: bad debt provision made on the group of credit risk characteristics	58,188,745,247	3.78	2,196,796,773	55,991,948,474
<b>Total</b>	<b>58,442,055,658</b>	<b>–</b>	<b>2,449,197,665</b>	<b>55,992,857,993</b>

Category of portfolio	31 December 2024			Book value
	Original value	Proportion of bad debt provision (%)	Bad debt provision	
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: 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
<b>Total</b>	<b>50,720,744,268</b>	<b>–</b>	<b>2,091,284,734</b>	<b>48,629,459,534</b>



# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 4. Accounts receivable (Continued)

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

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

Name	Book balance	30 June 2025		
		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
<b>Total</b>	<b>149,330,544</b>	<b>149,330,544</b>	<b>-</b>	<b>-</b>

##### 2) Bad debt provision of accounts receivable made by portfolio

Aging	Book balance	30 June 2025	
		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
<b>Total</b>	<b>58,188,745,247</b>	<b>2,196,796,773</b>	<b>-</b>

Aging	Book balance	31 December 2024	
		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
<b>Total</b>	<b>50,467,591,614</b>	<b>1,839,041,599</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable (Continued)

(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)	47,298,186,442	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
<b>Total</b>	<b>58,442,055,658</b>	<b>2,449,197,665</b>	<b>—</b>

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
<b>Total</b>	<b>50,720,744,268</b>	<b>2,091,284,734</b>	<b>—</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 4. Accounts receivable (Continued)

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

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

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

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

### 5. Prepayments

#### (1) Aging of prepayments

Item	30 June 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	2,199,689,658	35.20	2,694,717,336	40.44
1-2 years	495,204,217	7.92	439,716,028	6.60
2-3 years	90,561,344	1.45	153,102,460	2.30
Over 3 years	3,463,910,725	55.43	3,375,421,598	50.66
<b>Total</b>	<b>6,249,365,944</b>	<b>100.00</b>	<b>6,662,957,422</b>	<b>100.00</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 5. Prepayments (Continued)

#### (2) Prepayments with significant balances aged over 1 year and reasons of failure of timely settlement

Debtor company	Closing balance	Aging	Reason for being unsettled	Percentage of the total closing balance of prepayments (%)
Company 1	1,010,222,850	Over 3 years	The contract has not been fully settled	16.17
Company 2	578,667,040	Over 3 years	The contract has not been fully settled	9.26
Company 3	573,913,220	Over 3 years	The contract has not been fully settled	9.18
Company 4	319,568,423	Over 3 years	The contract has not been fully settled	5.11
Company 5	206,549,450	Over 3 years	The contract has not been fully settled	3.31
Company 6	200,851,088	1-2 years, 2-3 years, over 3 years	The contract has not been fully settled	3.21
Company 7	190,782,125	Over 3 years	The contract has not been fully settled	3.05
Company 8	142,337,163	Over 3 years	The contract has not been fully settled	2.28
Company 9	68,184,900	Over 3 years	The contract has not been fully settled	1.09
Company 10	57,901,200	Over 3 years	The contract has not been fully settled	0.93
<b>Total</b>	<b>3,348,977,459</b>	—	—	<b>53.59</b>

### 6. Other receivables

Item	30 June 2025	31 December 2024
Interests receivable		
Dividends receivable	19,819,575	10,756,337
Other receivables	457,761,247	418,440,558
<b>Total</b>	<b>477,580,822</b>	<b>429,196,895</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. Other receivables (Continued)

#### 6.1 Dividends receivable

Investee	30 June 2025	31 December 2024
Company 1	8,553,238	
Company 2	6,170,962	6,170,962
Company 3	4,585,375	4,585,375
Company 4	510,000	
<b>Total</b>	<b>19,819,575</b>	<b>10,756,337</b>

#### 6.2 Other receivables

##### (1) Classification of other receivables by nature

Nature of amount	30 June 2025	31 December 2024
Intercourse funds	310,482,648	295,374,570
Deposit and security	123,455,791	108,289,031
Petty cash and personal loan	28,880,381	28,889,783
Receivables and payables on behalf of other parties (Funds disbursed for others)	43,352,910	17,379,091
Equipment engineering cost	2,000,000	2,000,000
Others	58,476,526	68,658,668
<b>Total</b>	<b>566,648,256</b>	<b>520,591,143</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 6. Other receivables (Continued)

##### 6.2 Other receivables (Continued)

##### (2) Bad debt provision for other receivables

	Stage 1 Expected credit loss in the future 12 months	Stage 2 Lifetime expected credit loss (no credit impaired)	Stage 3 Lifetime expected credit loss (credit impaired)	Total
Bad debt provision				
Balance as at 1 January 2025	32,747,593	9,224,293	60,178,699	102,150,585
Book balance of other receivables on 1 January 2025 in the current period				
– Be transferred to Stage 2				
– Be transferred to Stage 3				
– Be transferred back to Stage 2				
– Be transferred back to Stage 1				
Provision made in the current period	-1,792,475	15,315,582	-3,279,615	10,243,492
Amount transferred back in the current period				
Amount written back in the current period				
Amount written off in the current period	1,800	3,499,000		3,500,800
Other changes	-43		-6,225	-6,268
<b>Balance as at 30 June 2025</b>	<b>30,953,275</b>	<b>21,040,875</b>	<b>56,892,859</b>	<b>108,887,009</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 6. Other receivables (Continued)

##### 6.2 Other receivables (Continued)

##### (3) Other receivables presented as per aging

Aging	30 June 2025	31 December 2024
Within 1 year (including 1 year)	353,618,435	320,363,190
1-2 years	79,207,063	54,948,532
2-3 years	21,543,289	20,325,086
3-4 years	20,325,086	16,220,022
4-5 years	13,680,766	16,989,021
Over 5 years	78,273,617	91,745,292
Subtotal	566,648,256	520,591,143
Less: Bad debt provision	108,887,009	102,150,585
Total	457,761,247	418,440,558

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. Other receivables (Continued)

#### 6.2 Other receivables (Continued)

#### (4) Other receivables with bad debt provision made on the group of expected credit risk characteristics

Category of portfolio	Original book value	30 June 2025		Book value
		Proportion of bad debt provision (%)	Bad debt provision	
Other receivables with bad debt provision made individually	67,473,704	100.00	67,473,704	
Other receivables with bad debt provision made on the group of credit risk characteristics	499,174,552	8.30	41,413,305	457,761,247
<b>Total</b>	<b>566,648,256</b>	<b>19.22</b>	<b>108,887,009</b>	<b>457,761,247</b>

Category of portfolio	Original book value	31 December 2024		Book value
		Proportion of bad debt provision (%)	Bad debt provision	
Other receivables with bad debt provision made individually	67,418,974	100.00	67,418,974	
Other receivables with bad debt provision made on the group of credit risk characteristics	453,172,169	7.66	34,731,611	418,440,558
<b>Total</b>	<b>520,591,143</b>	<b>19.62</b>	<b>102,150,585</b>	<b>418,440,558</b>



# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. Other receivables (Continued)

#### 6.2 Other receivables (Continued)

#### (4) Other receivables with bad debt provision made on the group of expected credit risk characteristics (Continued)

##### 1) Other receivables with bad debt provision made individually

Name	Book balance	Bad debt provision	30 June 2025	
			Proportion (%)	Reasons for provision
Company 1	50,000,000	50,000,000	100.00	Overdue for a long time
Company 2	5,016,869	5,016,869	100.00	Expected to be unable to recover
Company 3	3,319,346	3,319,346	100.00	Expected to be unable to recover
Company 4	2,658,565	2,658,565	100.00	Counterparty ceased business operations
Other companies	6,478,924	6,478,924	100.00	Expected to be unable to recover
<b>Total</b>	<b>67,473,704</b>	<b>67,473,704</b>	<b>-</b>	<b>-</b>

Note: The other receivables for which the Group made bad debts provision individually this period were mainly due to the financial difficulties of the debtor or the long-aged accounts, which the management did not expect to recover.

#### (5) Provisions for bad debt accrued, recovered and reversed for other receivables in the current period

Category	31 December 2024	Accrued	Changes in the current period			30 June 2025
			Recovered or reversed	Written back or written off	Decrease due to other reasons	
Bad debts provision for other receivables	102,150,585	10,243,492		3,500,800	6,268	108,887,009
<b>Total</b>	<b>102,150,585</b>	<b>10,243,492</b>		<b>3,500,800</b>	<b>6,268</b>	<b>108,887,009</b>

#### (6) Other receivables actually written-off in the current period

Debtor name	Nature	Write-off		Whether arising from related party transaction
		amount	Reason for write-off	
Individual 1	Others	3,419,000	Debt settlement	No
Company 1	Others	80,000	Expected to be unable to recover	No
Individual 2	Deposits/Security	1,800	Expected to be unable to recover	No
<b>Total</b>	<b>-</b>	<b>3,500,800</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Inventories

Item	Book balance	30 June 2025	Book value
		Impairment provision for inventory/ impairment provision for contract performance costs	
Raw materials	13,360,935,448	612,837,043	12,748,098,405
Self-made semi-finished goods and products in progress	19,067,723,789	162,732,343	18,904,991,446
Finished goods	7,777,328,555	492,331,697	7,284,996,858
Turnover materials	639,373,234	4,537,143	634,836,091
Contract performance costs	123,465,689		123,465,689
Others	1,246,627,052	37,300,135	1,209,326,917
<b>Total</b>	<b>42,215,453,767</b>	<b>1,309,738,361</b>	<b>40,905,715,406</b>

Item	Book balance	31 December 2024	Book value
		Impairment provision for inventory/ impairment provision for contract performance costs	
Raw materials	13,757,552,182	550,045,463	13,207,506,719
Self-made semi-finished goods and products in progress	15,683,910,214	160,353,740	15,523,556,474
Finished goods	7,170,131,516	512,692,897	6,657,438,619
Turnover materials	639,524,277	4,537,143	634,987,134
Contract performance costs	73,727,125		73,727,125
Others	1,747,778,767	37,300,135	1,710,478,632
<b>Total</b>	<b>39,072,624,081</b>	<b>1,264,929,378</b>	<b>37,807,694,703</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 8. Contract assets

#### (1) Contract assets

Item	Book balance	30 June 2025	Book value
		Impairment provision	
Aviation entire aircraft	4,288,749,686	51,628,186	4,237,121,500
Aviation engineering services	4,308,766,649	67,992,954	4,240,773,695
Aviation ancillary system and related business	1,515,148,206	3,777,727	1,511,370,479
<b>Total</b>	<b>10,112,664,541</b>	<b>123,398,867</b>	<b>9,989,265,674</b>

Item	Book balance	31 December 2024	Book value
		Impairment provision	
Aviation entire aircraft	3,335,368,630	46,193,129	3,289,175,501
Aviation engineering services	3,698,163,145	63,279,868	3,634,883,277
Aviation ancillary system and related business	1,236,811,145	3,684,294	1,233,126,851
<b>Total</b>	<b>8,270,342,920</b>	<b>113,157,291</b>	<b>8,157,185,629</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 8. Contract assets (Continued)

##### (2) Impairment provision for contract assets in the current period

Category	31 December		Changes in the current period			30 June
	2024	Accrued	Recovered or reversed	Written back or written off	Decrease due to other reasons	
Aviation entire aircraft	46,193,129	5,435,057				51,628,186
Aviation engineering services	63,279,868	4,713,086				67,992,954
Aviation ancillary system and related business	3,684,294	93,433				3,777,727
<b>Total</b>	<b>113,157,291</b>	<b>10,241,576</b>				<b>123,398,867</b>

##### (3) Significant change in book value of contract assets in the current period

Item	Amount changed	Reasons for change
Aviation entire aircraft	947,945,999	contract performance
Aviation engineering services	605,890,418	contract performance
Aviation ancillary system and related business	278,243,628	contract performance
<b>Total</b>	<b>1,832,080,045</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Long-term equity investments

Investee	31 December 2024	Added investment	Decreased investment	Investment profit or loss recognized under equity method	Movement for the period				Impairment provision at the end of the period
					Adjustment to other comprehensive income	Other changes in equity	Distribution of cash dividend or profit declared	Impairment provision	
								Others	30 June 2025
<b>I. Joint ventures</b>									
Xi'an AVIC Hamilton Sundstrand Aviation Electric Co., Ltd.* (西安中航漢勝航空電力有限公司)	65,271,804			4,267,618					61,004,186
Qingdao Xinghang Optoelectronics Technology Co., Ltd.* (青島興航光電技術有限公司)	335,825,709			38,494,683					374,320,392
Others	35,206,908								35,206,908
<b>II. Associates</b>									
China Carbon Aviation Investment New Energy Group Co., Ltd.* (中碳航投新能源集團有限公司)	441,246,266			16,092,000					457,338,266
Jiangxi Hongdu Commercial Aircraft Corporation Limited* (江西洪都商用飛機股份有限公司)	304,725,308			666,328		89,767			305,481,403
Schneider Shanghai Low Voltage Terminal Apparatus Co., Ltd.* (上海施耐德低壓終端電器有限公司)	125,631,097			49,771,440					175,402,537
AVIC Rongfu Fund Management Company Limited* (中航融富基金管理有限公司)	94,107,548			-349,899	-24,557	205,385	8,553,238		85,385,239
Schneider Merlin Gerin Low Voltage (Tianjin) Co., Ltd.* (施耐德梅蘭日蘭低壓(天津)有限公司)	73,769,510								73,769,510
Guangzhou Huazhi Auto Parts Co., Ltd.* (廣州華智汽車部件有限公司)	146,333,023			26,758,065		796,684	37,117,830		136,769,942
Hongguang Airborne Equipment Co., Ltd.* (宏光空降裝備有限公司)	260,107,179			5,874,932		858,007	18,171,327		248,668,791
Beijing Hanghua Refrigeration Equipment Co., Ltd.* (北京航華製冷設備有限公司)	370,489,343			6,428,379	-50,346	225,906			377,093,282
Others	212,259,123			-4,983,627		-14,847	2,272,641		204,988,008
<b>III. Circulation right for non-tradable shares</b>									
Circulation right for non-tradable shares	354,739,885								354,739,885
<b>Total</b>	<b>2,819,712,703</b>			<b>134,484,683</b>	<b>-74,903</b>	<b>2,160,902</b>	<b>66,115,036</b>		<b>2,890,168,349</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 10. Other equity instrument investments

#### (1) Other equity instrument investments

Item	30 June 2025	31 December 2024
AVIC Shenyang Aircraft Company Limited*		
(中航沈飛股份有限公司)	1,373,308,443	1,188,232,757
AVIC Chengdu Aircraft Co., Ltd.* (中航成飛股份有限公司)	619,412,777	505,588,460
Beijing AviChina Phase I Aviation Industrial Investment Fund (Limited Partnership)*		
(北京中航一期航空工業產業投資基金(有限合夥))	559,610,760	584,635,630
AVIC Industry-Finance Holdings Co., Ltd.*		
(中航工業產融控股股份有限公司)	464,239,634	485,645,496
Harbin DongAn Automotive Engine Manufacturing Co., Ltd.*		
(哈爾濱東安汽車發動機製造有限公司)	425,400,000	425,400,000
AVIC Heavy Machinery Co., Ltd.* (中航重機股份有限公司)	277,045,718	335,967,171
Sichuan Chengfei Integration Technology Corporation Limited*		
(四川成飛集成科技股份有限公司)	131,119,733	64,922,059
AVIC Huabei Aircraft Industry Co., Ltd.*		
(中航通飛華北飛機工業有限公司)	126,000,000	126,000,000
Xi'an Qing'an Refrigeration Equipment Co., Ltd.*		
(西安慶安製冷設備股份有限公司)	109,112,816	109,112,816
Harbin Hafei Airbus Composite Manufacturing Centre Co., Ltd.*		
(哈爾濱哈飛空客複合材料製造中心有限公司)	108,948,151	108,948,151
Tianjin Zhongtian Aviation Industry Investment Co., Ltd.*		
(天津中天航空工業投資有限責任公司)	108,194,551	108,194,551
Nanjing Guobo Electronics Co., Ltd.*		
(南京國博電子股份有限公司)	105,965,658	87,159,888
Chengdu RMI Technology Co., Ltd.*		
(成都雷電微力科技股份有限公司)	92,678,040	89,687,304
AVIC Guizhou Anji Aviation Investment Casting Co., Ltd.*		
(貴州安吉航空精密鑄造有限責任公司)	70,360,000	70,360,000
Aviation Gyro (Xi'an) Photoelectricity Technology Co., Ltd.*		
(中航捷銳(西安)光電技術有限公司)	44,878,994	42,504,295
CALB Group Co., Ltd.* (中創新航科技集團股份有限公司)	21,530,858	16,440,777
AVIC Jincheng Unmanned System Co., Ltd.*		
(中航金城無人系統有限公司)	5,626,681	5,626,681
Others	8,416,631	8,416,631
<b>Total</b>	<b>4,651,849,445</b>	<b>4,362,842,667</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 10. Other equity instrument investments (Continued)

#### (2) Non-trading equity instrument investment in the period

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive income to retained earnings	Reasons for designating at fair value through other comprehensive income	Reasons for transferring from other comprehensive income to retained earnings
AVIC Shenyang Aircraft Company Limited* (中航沈飛股份有限公司)	9,370,921	1,039,708,447			Non-trading equity investments	
AVIC Chengdu Aircraft Co., Ltd.* (中航成飛股份有限公司)	4,486,763	591,857,352			Non-trading equity investments	
Beijing AviChina Phase I Aviation Industrial Investment Fund (Limited Partnership)* (北京中航一期航空工業產業投資基金(有限合夥))	907,417	102,215,763		2,652,565	Non-trading equity investments	Disposal
AVIC Industry-Finance Holdings Co., Ltd.* (中航工業產融控股股份有限公司)			79,236,694		Non-trading equity investments	
Harbin DongAn Automotive Engine Manufacturing Co., Ltd.* (哈爾濱東安汽車發動機製造有限公司)		350,400,000			Non-trading equity investments	
AVIC Heavy Machinery Co., Ltd.* (中航重機股份有限公司)	1,999,062	77,045,725			Non-trading equity investments	
Sichuan Chengfei Integration Technology Corporation Limited* (四川成飛集成科技股份有限公司)		126,728,433			Non-trading equity investments	
AVIC Huabei Aircraft Industry Co., Ltd.* (中航通飛華北飛機工業有限公司)			54,000,000		Non-trading equity investments	
Xi'an Qing'an Refrigeration Equipment Co., Ltd.* (西安慶安製冷設備股份有限公司)					Non-trading equity investments	
Harbin Hafei Airbus Composite Manufacturing Centre Co., Ltd.* (哈爾濱哈飛空客複合材料製造中心有限公司)			18,335,269		Non-trading equity investments	
Tianjin Zhongtian Aviation Industry Investment Co., Ltd.* (天津中天航空工業投資有限責任公司)		48,194,551			Non-trading equity investments	
Nanjing Guobo Electronics Co., Ltd.* (南京國博電子股份有限公司)	706,320	21,545,699			Non-trading equity investments	
Chengdu RMI Technology Co., Ltd.* (成都雷電微力科技股份有限公司)	356,454	50,836,440			Non-trading equity investments	
AVIC Guizhou Anji Aviation Investment Casting Co., Ltd.* (貴州安吉航空精密鑄造有限責任公司)	1,415,478	20,360,000			Non-trading equity investments	
Aviation GYRO (Xi'an) Photoelectricity Technology Co., Ltd.* (中航捷銳(西安)光電技術有限公司)		7,495,878			Non-trading equity investments	
CALB Group Co., Ltd.* (中創新航科技集團股份有限公司)			35,994,515		Non-trading equity investments	
AVIC Jincheng Unmanned System Co., Ltd.* (中航金城無人系統有限公司)					Non-trading equity investments	
Others	64,086		49,387,469		Non-trading equity investments	
<b>Total</b>	<b>19,306,501</b>	<b>2,436,388,288</b>	<b>236,953,947</b>	<b>2,652,565</b>		

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 11. Investment properties

##### (1) Investment properties measured at cost

Item	Plant & buildings	Land use right	Total
I. Original book value			
1. 31 December 2024	613,477,711	108,774,891	722,252,602
2. Increase in the current period		8,577,458	8,577,458
3. Decrease in the current period	11,408,080	309,590	11,717,670
4. 30 June 2025	602,069,631	117,042,759	719,112,390
II. Accumulated depreciation and accumulated amortization			
1. 31 December 2024	227,126,676	35,432,404	262,559,080
2. Increase in the current period	12,038,424	6,038,563	18,076,987
3. Decrease in the current period	7,308,946	1,414,916	8,723,862
4. 30 June 2025	231,856,154	40,056,051	271,912,205
III. Impairment provision			
1. 31 December 2024			
2. Increase in the current period			
3. Decrease in the current period			
4. 30 June 2025			
IV. Book value			
1. 30 June 2025	370,213,477	76,986,708	447,200,185
2. 31 December 2024	386,351,035	73,342,487	459,693,522

#### 12. Fixed assets

Item	Book value on 30 June 2025	Book value on 31 December 2024
Fixed assets	25,429,332,575	25,035,925,023
Fixed assets in liquidation	4,322,851	4,051,909
Total	25,433,655,426	25,039,976,932



# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 12. Fixed assets (Continued)

#### 12.1 Fixed assets

##### (1) Details of fixed assets

Item	Plant & buildings	Machinery equipment	Transportation vehicles	Electronic equipment	Office equipment	Others	Total
I. Original book value							
1. 31 December 2024	20,245,289,925	20,295,501,429	255,452,979	4,839,094,934	491,454,367	2,500,212,572	48,627,006,206
2. Increase in the current period	899,825,198	710,362,337	4,850,628	111,247,022	7,538,677	61,501,266	1,795,325,128
3. Decrease in the current period	36,227,610	119,558,200	8,699,805	32,291,913	6,330,571	4,418,866	207,526,965
4. 30 June 2025	21,108,887,513	20,886,305,566	251,603,802	4,918,050,043	492,662,473	2,557,294,972	50,214,804,369
II. Accumulated depreciation							
1. 31 December 2024	6,430,392,306	11,521,208,456	183,626,742	3,587,427,862	424,102,641	1,346,391,609	23,493,149,616
2. Increase in the current period	359,409,903	706,437,624	8,648,990	168,374,195	16,673,632	90,703,357	1,350,247,701
3. Decrease in the current period	15,559,748	90,828,770	8,534,129	30,404,728	6,029,911	4,268,927	155,626,213
4. 30 June 2025	6,774,242,461	12,136,817,310	183,741,603	3,725,397,329	434,746,362	1,432,826,039	24,687,771,104
III. Impairment provision							
1. 31 December 2024	4,439,597	89,870,797	48,221	813,285	365	2,759,302	97,931,567
2. Increase in the current period							
3. Decrease in the current period		230,877					230,877
4. 30 June 2025	4,439,597	89,639,920	48,221	813,285	365	2,759,302	97,700,690
IV. Book value							
1. 30 June 2025	14,330,205,455	8,659,848,336	67,813,978	1,191,839,429	57,915,746	1,121,709,631	25,429,332,575
2. 31 December 2024	13,810,458,022	8,684,422,176	71,778,016	1,250,853,787	67,351,361	1,151,061,661	25,035,925,023

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 12. Fixed assets (Continued)

##### 12.2 Fixed assets in liquidation

Item	30 June 2025	31 December 2024
Plant & buildings	99,818	
Machinery equipment	3,529,596	2,676,268
Electronic equipment	457,637	471,225
Office equipment	100,703	735,019
Transportation vehicles	48,358	83,331
Others	86,739	86,066
<b>Total</b>	<b>4,322,851</b>	<b>4,051,909</b>

#### 13. Construction in progress

Item	30 June 2025	31 December 2024
Construction in progress	4,208,403,816	4,240,450,534
Construction materials		
<b>Total</b>	<b>4,208,403,816</b>	<b>4,240,450,534</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 13. Construction in progress (Continued)

#### (1) Details of construction in progress

Item	30 June 2025			31 December 2024		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
High-end interconnect technology						
industrial community project	989,827,399		989,827,399	817,477,072		817,477,072
Infrastructure technical transformation projects	312,004,677		312,004,677	275,008,017		275,008,017
Self-made equipment	264,639,115		264,639,115	199,711,213		199,711,213
Project of Shunyi New District	219,443,693		219,443,693	219,176,841		219,176,841
Aviation air bleed subsystem production						
capacity enhancement project	200,679,049		200,679,049	106,200,678		106,200,678
Research construction project 3	89,014,514		89,014,514	88,898,638		88,898,638
SAPC project	62,878,320		62,878,320	63,230,259		63,230,259
Convertible bond fundraising project	55,577,443		55,577,443	47,189,288		47,189,288
Basic Devices Industrial Park (Phase I)	40,480,646		40,480,646	54,127,217		54,127,217
Civil Aircraft and Industrial						
Interconnection Industrial Park	34,331,117		34,331,117	557,531,314		557,531,314
Self-financing projects for technological reform	28,286,876		28,286,876	30,370,453		30,370,453
Huanan Industry Base Project	24,511,685		24,511,685	29,886,913		29,886,913
Huiyang technology park	24,034,531		24,034,531	21,151,869		21,151,869
Infrastructure renovation project of building 2	15,282,968		15,282,968	15,282,968		15,282,968
Surface sewage treatment system upgrading						
and transform project	11,345,923		11,345,923	10,948,419		10,948,419
Tianjin Helicopter industrial base						
construction project	6,641,103		6,641,103	11,516,589		11,516,589
SH project	4,258,633		4,258,633	4,262,256		4,262,256
X-001				101,172,034		101,172,034
Others	1,829,620,723	4,454,599	1,825,166,124	1,591,763,095	4,454,599	1,587,308,496
<b>Total</b>	<b>4,212,858,415</b>	<b>4,454,599</b>	<b>4,208,403,816</b>	<b>4,244,905,133</b>	<b>4,454,599</b>	<b>4,240,450,534</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 13. Construction in progress (Continued)

#### (2) Changes of major construction in progress in the current period

Project name	31 December 2024	Increase in the current period	Decrease in the current period Transferred to fixed assets	Other decreases	30 June 2025	Budget	Cumulative investment in the project as a percentage of the budget (%)	Project progress (%)	Accumulated amount of interest capitalized	Including: capitalized amount of interest for the current period	Interest capitalization rate for the current period (%)	Sources of funds
High-end interconnect technology industrial community project	817,477,072	174,478,717	2,128,390		989,827,399	2,719,300,000	56.93	61.73	5,081,824	3,057,720	2.30	Self-financing funds, loan
Infrastructure technical transformation projects	275,008,017	57,772,746	20,772,491	3,595	312,004,677	602,137,971	N/A	N/A	16,405,846			State funding, self-financing funds, loan
Self-made equipment	199,711,213	147,718,082	82,790,180		264,639,115	N/A	N/A	N/A				Self-financing funds
Project of Shunyi New District	219,176,841	266,852			219,443,693	280,259,000	78.00	78.00				State funding, self-financing funds, loan
Aviation air bleed subsystem production capacity enhancement project	106,200,678	124,878,531	30,400,160		200,679,049	739,800,000	18.96	18.96				Self-financing funds
Research construction project 3	88,898,638	115,876			89,014,514	279,100,000	87.35	87.35				State funding
SAPC project	63,230,259	32,258,678	30,763,117	1,847,500	62,878,320	722,600,000	83.88	83.88				State funding, self- financing funds
Convertible bond fundraising project	47,189,288	30,653,812	22,265,657		55,577,443	544,490,000	40.60	47.67				Others
Basic Devices Industrial Park (Phase I)	54,127,217	12,102,679	25,749,250		40,480,646	1,672,500,000	97.30	100.00				Raised funds, self- financing funds
Civil Aircraft and Industrial Interconnection Industrial Park	557,531,314	247,590,857	770,791,054		34,331,117	1,698,000,000	57.69	64.94	3,514,660	1,998,183	2.30	Self-financing funds, loan
Self-financing projects for technological reform	30,370,453	16,535,995	18,619,571		28,286,877	28,000,000	98.00	98.00				Self-financing funds
Huanan Industry Base Project	29,886,913	14,163,461	19,538,689		24,511,685	2,263,448,700	87.16	89.44				Raised funds, self- financing funds
Huiyang technology park	21,151,869	2,882,662			24,034,531	671,840,000	99.00	99.00				Self-financing funds
Infrastructure renovation project of building 2	15,282,968				15,282,968	16,550,000	92.34	92.34	405,757			Self-financing funds
Surface sewage treatment system upgrading and transform project	10,948,419	397,504			11,345,923	29,950,000	70.00	70.00				Self-financing funds
Tianjin Helicopter industrial base construction project	11,516,589		4,875,486		6,641,103	11,955,900	75.00	75.00				Self-financing funds
SH project	4,262,256			3,623	4,258,633	92,800,000	82.33	82.33				State funding, self- financing funds
X-001	101,172,034		101,172,034			226,520,000	100.00	100.00				State funding, self- financing funds
<b>Total</b>	<b>2,653,142,038</b>	<b>861,816,452</b>	<b>1,124,990,593</b>	<b>6,730,204</b>	<b>2,383,237,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,408,087</b>	<b>5,055,903</b>	<b>-</b>	

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 14. Right-of-use assets

Item	Plant & buildings	Machinery equipment	Total
I. Original book value			
1. 31 December 2024	710,286,738	64,326,934	774,613,672
2. Increase in the current period	13,293,808	12,961,051	26,254,859
3. Decrease in the current period	26,156,181	7,290,204	33,446,385
4. 30 June 2025	697,424,365	69,997,781	767,422,146
II. Accumulated depreciation			
1. 31 December 2024	260,790,069	35,495,216	296,285,285
2. Increase in the current period	51,690,123	5,247,408	56,937,531
3. Decrease in the current period	21,890,030	7,290,203	29,180,233
4. 30 June 2025	290,590,162	33,452,421	324,042,583
III. Impairment provision			
1. 31 December 2024			
2. Increase in the current period			
3. Decrease in the current period			
4. 30 June 2025			
IV. Book value			
1. 30 June 2025	406,834,203	36,545,360	443,379,563
2. 31 December 2024	449,496,669	28,831,718	478,328,387

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 15. Intangible assets

Item	Software	Land use right	Patent right	Non-patented technology	Trademark right	Concession	Customer resources and sales channel	Total
I. Original book value								
1. 31 December 2024	2,580,948,655	4,070,400,232	177,534,301	209,330,765	8,417,935	800,000	44,788,738	7,092,220,626
2. Increase in the current period	56,931,820	24,379,536						81,311,356
3. Decrease in the current period	312,075	8,577,459						8,889,534
4. 30 June 2025	2,637,568,400	4,086,202,309	177,534,301	209,330,765	8,417,935	800,000	44,788,738	7,164,642,448
II. Accumulated amortization								
1. 31 December 2024	1,724,528,014	1,036,787,956	170,471,504	85,934,718	8,417,935	800,000	32,514,297	3,059,454,424
2. Increase in the current period	104,747,285	45,409,845	4,269,835	9,671,965				164,098,930
3. Decrease in the current period	293,167	3,557,394						3,850,561
4. 30 June 2025	1,828,982,132	1,078,640,407	174,741,339	95,606,683	8,417,935	800,000	32,514,297	3,219,702,793
III. Impairment provision								
1. 31 December 2024	590,576			275,000			12,238,241	13,103,817
2. Increase in the current period								
3. Decrease in the current period								
4. 30 June 2025	590,576			275,000			12,238,241	13,103,817
IV. Book value								
1. 30 June 2025	807,995,692	3,007,561,902	2,792,962	113,449,082			36,200	3,931,835,838
2. 31 December 2024	855,830,065	3,033,612,276	7,062,797	123,121,047			36,200	4,019,662,385

There are no intangible assets formed through internal R&D in the Group at the end of the period.

#### 16. Short-term borrowings

Category	30 June 2025	31 December 2024
Credit borrowings	11,874,460,026	9,031,171,658
Secured borrowings	107,754,638	315,116,499
Guaranteed borrowings		
<b>Total</b>	<b>11,982,214,664</b>	<b>9,346,288,157</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 17. 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
<b>Total</b>	<b>10,979,037,565</b>	<b>12,623,278,147</b>

### 18. 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
<b>Total</b>	<b>50,389,483,617</b>	<b>45,902,193,249</b>

#### (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
<b>Total</b>	<b>50,389,483,617</b>	<b>45,902,193,249</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 19. Contract liabilities

#### (1) Details of contract liabilities

Item	30 June 2025	31 December 2024
Aviation entire aircraft	4,053,698,521	6,063,237,084
Aviation ancillary system and related business	5,651,413,992	7,679,145,649
Aviation engineering services	1,851,037,463	2,035,384,286
<b>Total</b>	<b>11,556,149,976</b>	<b>15,777,767,019</b>

#### (2) Significant change in book value of contract liabilities in the current period

Item	Amount changed	Reasons for change
Aviation entire aircraft	-2,009,538,563	Orders were delivered gradually
Aviation ancillary system and related business	-2,027,731,657	Orders were delivered gradually
Aviation engineering services	-184,346,823	Orders were delivered gradually
<b>Total</b>	<b>-4,221,617,043</b>	<b>-</b>

### 20. Long-term borrowings

Category	30 June 2025	31 December 2024
Credit borrowings	4,107,004,182	5,085,267,863
Guaranteed borrowings	50,500,000	55,000,000
Secured borrowings	24,000,000	24,000,000
<b>Total</b>	<b>4,181,504,182</b>	<b>5,164,267,863</b>

Note: The interest rate range of the Group's long-term borrowings at the end of the period was 1.08% to 3.50% (1.08% to 3.85% at the beginning of the year).



# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 21. Lease liabilities

Item	30 June 2025	31 December 2024
Lease payment	593,269,882	627,140,242
Less: Unrecognized financing costs	115,400,525	123,610,612
Reclassification to non-current liabilities due within one year	96,858,239	102,921,676
<b>Total</b>	<b>381,011,118</b>	<b>400,607,954</b>

### 22. Share capital

Item	31 December 2024	Increase and decrease in the current period (+/-)				Subtotal	30 June 2025
		Issuance of new shares	Bonus issue	Conversion from reserves	Others		
Total shares	7,972,854,242						7,972,854,242

### 23. 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
<b>Total</b>	<b>37,465,251,870</b>	<b>29,889,477,932</b>	<b>33,621,275,690</b>	<b>25,574,288,373</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 24. 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, publicity and exhibition expenses	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
Packaging fees	2,056,710	1,343,133
Others	28,655,002	47,664,802
<b>Total</b>	<b>339,100,579</b>	<b>328,679,494</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 25. 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
Property 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
<b>Total</b>	<b>2,064,480,752</b>	<b>2,159,104,061</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 26. 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
<b>Total</b>	<b>2,169,891,803</b>	<b>2,031,219,848</b>

#### 27. Finance costs

Item	January to June 2025	January to June 2024
Interest expenses	182,201,581	160,994,925
Less: Interest incomes	218,033,859	247,246,409
Add: Exchange gains or losses	-28,246,495	-8,433,169
Add: Other expenditures	8,612,619	19,213,900
<b>Total</b>	<b>-55,466,154</b>	<b>-75,470,753</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 28. 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	
Fiscal subsidies	21,460,000	19,650,663
Value-added tax instant refund	15,647,273	2,847,921
Maintenance costs	11,710,000	56,280,000
Government grants from Industry and Information Technology Bureau	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
Subsidies for research and development and industrialization project of a connector		1,147,500
Subsidies for other projects	34,994,772	12,671,516
<b>Total</b>	<b>531,824,475</b>	<b>344,608,191</b>

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 29. 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
<b>Total</b>	<b>219,167,880</b>	<b>188,078,586</b>

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

#### 30. 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
<b>Total</b>	<b>2,896,081</b>	<b>-4,798,832</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 31. 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
<b>Total</b>	<b>-297,045,637</b>	<b>-117,292,249</b>

### 32. Assets impairment loss

Item	January to June 2025	January to June 2024
Inventory write-down losses 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
<b>Total</b>	<b>-102,856,346</b>	<b>-94,862,293</b>

### 33. 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
<b>Total</b>	<b>292,374,224</b>	<b>339,236,869</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## IV. NOTES TO MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 34. 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).

### 35. 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 (2010 Revision) 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/share)	
	Basic earnings per share	Diluted earnings per share
Net profit attributable to the owners of the parent company	0.129	0.129
Net profit attributable to the owners of the parent company after non-recurring profit or loss	0.120	0.120



## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### V. CHANGES IN CONSOLIDATION SCOPE

**1. Business combinations involving entities not under common control**

The Group had no business combination involving entities not under common control during the current period.

**2. Business combinations involving entities under common control**

The Group had no business combination involving entities under common control during the current period.

**3. Disposal of subsidiary**

The Group had no disposal of subsidiaries during the current period.

**4. Changes in consolidation scope for other reasons**

None.

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VI. DISCLOSURE OF FAIR VALUE

### 1. Financial instruments measured at fair value

The Group presents the carrying value of financial asset instruments measured at fair value at 30 June 2025 by the three levels of fair value. The overall classification of fair value into the three levels is based on the lowest of the three levels to which each significant input used in measuring fair value belongs.

#### The three levels are defined as follows:

Level 1: is the unadjusted quoted price in an active market for identical assets or liabilities that is available at the measurement date.

Level 2: is an input other than a Level 1 input that is directly or indirectly observable for the relevant asset or liability; Level 2 inputs include: 1) quoted prices for identical assets or liabilities in active markets; 2) quoted prices for the same or identical assets or liabilities in inactive markets; 3) observable inputs other than quoted prices, including interest rates and yield curves, implied volatilities and credit spreads that are observable during normal quotation intervals; and 4) inputs for market validation, etc.

Level 3: is the unobservable input value of the related asset or liability.

The Group has valued the valuation techniques adopted in the fair value assessment of corresponding financial assets, relevant input parameters and other relevant information based on available information such as external market conditions and the operating conditions of its investees, so as to ensure the rationality of its fair value assessment results.

Item	Fair value at the end of the period			Total
	Level 1	Level 2	Level 3	
	fair value measurement	fair value measurement	fair value measurement	
I. Continuous fair value measurement				
(I) Financial assets held for trading	27,371,647	2,500,000,000		2,527,371,647
1. Financial assets at fair value through profit or loss	27,371,647	2,500,000,000		2,527,371,647
(1) Equity instrument investments	27,371,647			27,371,647
(2) Others		2,500,000,000		2,500,000,000
(II) Receivables financing			433,771,154	433,771,154
(III) Other equity instrument investments	3,091,640,072	1,352,120,288	208,089,085	4,651,849,445
(IV) Other non-current financial assets				
Total assets continuously measured at fair value	3,119,011,719	3,852,120,288	641,860,239	7,612,992,246
(V) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets not continuously measured at fair value				

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### VI. DISCLOSURE OF FAIR VALUE (Continued)

#### 2. Basis for determining the market price of items continuously and not continuously measured at fair value of level 1

For financial instruments that are traded in an active market, the Group determines their fair value based on their quoted prices in the active market.

#### 3. Qualitative and quantitative information on valuation technique and important parameters used for items continuously and not continuously measured at fair value of level 2

For financial instruments that are traded in similar active markets, the Group uses valuation techniques to determine their fair value. The valuation techniques used are the market approach and the cost approach. The inputs to the valuation techniques mainly include transaction dates, trading conditions, regional factors, individual factors, etc.

#### 4. Qualitative and quantitative information on valuation technique and important parameters used for items continuously and not continuously measured at fair value of level 3

Valuation techniques are used to determine their fair value. The valuation technique adopted is the cost method. The inputs to the valuation techniques mainly include transaction dates, trading conditions, regional factors, individual factors, etc.

The equity investment of AVIC Shenyang Xinghua Aero-Electric Appliance Co., Ltd. (沈陽興華航空電器有限責任公司), a subsidiary of Jonhon Optron Technology Co., Ltd (中航光電科技股份有限公司), in Jinan Qingqi Motorcycle Co., Ltd. (濟南輕騎摩托車股份有限公司) is classified as financial assets at fair value through other comprehensive income, and represented as investment in other equity instruments. As an impairment provision has been fully made for the equity investment in Jinan Qingqi Motorcycle Co., Ltd., the fair value of the equity investment is identified as 0.

The receivables financing held by the Group are banker's acceptance bill with high credit ratings. Since all of these bills have maturities of one year or less, the acceptors have high credit and have never been exposed to the risk of default and refusal to pay, and the expected future cash flow recovery is equal to their carrying values, the fair values are judged to be consistent with the carrying values.

#### 5. On-going fair value measurement items for which translation between levels did not occur during the period

#### 6. The Group has no assets and liabilities that are not measured at fair value but disclosed at fair value

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION

### (I) Relationship of related parties

#### 1. Controlling shareholder and ultimate controlling party

##### (1) Controlling shareholder and ultimate controlling party

Name of controlling shareholder and ultimate controlling party	Registration place	Nature of business	Registered capital	Shareholding proportion to the Company (%)	Proportion of voting right to the Company (%)
AVIC	Beijing	Development, production and sales of aircraft and related engines, airborne equipment and other aviation products	64,000,000,000	59.63	59.63

##### (2) Registered capital of controlling shareholder and the changes

	31 December 2024	Increase in the current period	Decrease in the current period	30 June 2025
Controlling shareholder				
AVIC	64,000,000,000			64,000,000,000

##### (3) Shareholding or equity of controlling shareholder and the changes

	Amount of shareholding		Shareholding proportion (%)	
	30 June 2025	31 December 2024	Closing proportion	Opening proportion
Controlling shareholder				
AVIC (direct holding)	4,548,680,808	4,548,680,808	57.05	57.05
AVIC (indirect holding)	205,289,667	255,288,667	2.58	3.20
Total	4,753,970,475	4,803,969,475	59.63	60.25

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (I) Relationship of related parties (Continued)

#### 2. Subsidiaries

Name of subsidiaries	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method	Remark
				Direct	Indirect		
Jiangxi Hongdu Aviation Industry Co., Ltd.* (江西洪都航空工業股份有限公司) ("Hongdu Aviation")	Nanchang	Nanchang	Manufacturing	43.77		Business combinations under common control	Note 1
AviChina Hong Kong Limited* (中航科工香港有限公司)	Hong Kong	Hong Kong	Investment	100.00		Invest to establish	
AVIC Airborne Systems Co., Ltd.* (中航機載系統股份有限公司) ("AVIC Airborne")	Shanghai, Chengdu, etc.	Beijing	Manufacturing	16.50		Business combinations under common control	Note 2
Jonhon Optron Technology Co., Ltd* (中航光電科技股份有限公司) ("JONHON")	Luoyang	Luoyang	Manufacturing	36.76		Business combinations under common control	Note 1
Tianjin Aviation Mechanical and Electrical Co., Ltd.* (天津航空機電有限公司)	Tianjin	Tianjin	Manufacturing	100.00		Business combinations under common control	
AVICOPTER PLC* (中航直升機股份有限公司) ("AVICOPTER")	Harbin, Jingdezhen, etc.	Harbin	Manufacturing	50.90		Business combinations under common control and others	
China Aviation Planning and Design Institute Co., Ltd.* (中國航空規劃設計研究總院有限公司)	Beijing	Beijing	Construction	100.00		Business combinations under common control	
AviChina Industrial Investment Co., Ltd.* (中航科工產業投資有限責任公司)	Shanghai	Shanghai	Investment	100.00		Invest to establish	

Note 1: Although the Company's shareholding and voting rights in the above companies is less than 50%, they are still considered to be controlled by the Company because the remaining other shareholdings are relatively dispersed and the other shareholders have not consolidated their equity in such a way as to enable them to exercise more voting rights than the Company.

Note 2: Although the Company's shareholding in the above company is less than 50%, directly or indirectly, the Company's statements consolidate the above-mentioned company because the Company is able to obtain voting rights that constitute control through agreements with other investors.

#### 3. Joint ventures and associates

Please refer to Note IV. 9. Long-term equity investments for details of joint ventures and associates.

#### 4. Other related parties

Other related parties of the Group are other members of AVIC.

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (II) Related party transactions

#### 1. Related party transactions of purchasing or selling goods, rendering and receiving services

##### (1) Purchasing goods/receiving services

Related party	Content of related transactions	January to June 2025	January to June 2024
Subsidiaries of AVIC	Purchasing goods	8,008,927,727	4,050,179,442
Associates of the Group	Purchasing goods	93,830,813	41,473,550
Joint ventures of the Group	Purchasing goods	234,673,191	178,438,234
Associates of AVIC	Purchasing goods	201,530,959	102,656,398
Joint ventures of AVIC	Purchasing goods	2,312,297	
AVIC	Receiving services	9,503	
Subsidiaries of AVIC	Receiving services	563,417,491	348,976,016
Associates of the Group	Receiving services	7,090,380	1,113,150
Associates of AVIC	Receiving services	268,662,411	266,090
<b>Total</b>		<b>9,380,454,772</b>	<b>4,723,102,880</b>

##### (2) Selling goods/rendering services

Related party	Content of related transactions	January to June 2025	January to June 2024
Subsidiaries of AVIC	Sales of goods	9,486,351,083	9,625,223,390
Associates of the Group	Sales of goods	118,783,033	132,282,885
Joint ventures of the Group	Sales of goods	11,199,553	5,132,784
Associates of AVIC	Sales of goods	11,691,005	35,532,516
AVIC	Rendering services	94,819,271	551,867
Subsidiaries of AVIC	Rendering services	2,285,698,448	2,073,263,778
Associates of the Group	Rendering services	205,763	58,256,705
Associates of AVIC	Rendering services	455	
Joint ventures of AVIC	Rendering services	68,184	
<b>Total</b>		<b>12,008,816,795</b>	<b>11,930,243,925</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (II) Related party transactions (Continued)

#### 2. Related party trustee management

Name of the trustor	Name of the trustee	Type of assets entrusted	Trustee start date	Trustee termination date	Custody income pricing basis	Custody income recognized in the current period
AVIC Airborne Systems Company Limited* (中航機載系統有限公司) ("AVIC Airborne Systems")	AVIC Airborne Systems Co., Ltd.* (中航機載系統股份有限公司)	Other asset custody	2025/1/1	2025/7/15	Notes 1, 2, 3	22,143,066
Beijing Qingyun Aviation Equipment Co., Ltd.* (北京青雲航空設備有限公司)	Beijing Keeven Aviation Instrument Co., Ltd.* (北京青雲航空儀錶有限公司)	Other asset custody	2025/1/1	2025/12/31	Note 4	5,660,377
Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司)	AVIC CAPDI (中航規劃)	Equity	2015/9/30		Note 5	250,000

Note 1: According to the Equity Trusteeship Agreement signed between AVIC Airborne Systems and AVIC Airborne, it is agreed that AVIC Airborne Systems shall entrust the management of 14 subordinate enterprises and institutions under its control to AVIC Airborne. For the enterprises in the unit under custody that made profits in the current year, the trustee fee for the current year is 2‰ of the audited operating income of the target enterprise for the current year calculated in accordance with the equity ratio entrusted (i.e.: the amount of operating income of a target company for the current year × the equity ratio for trusteeship management × 2‰); for the units in the target enterprise that recorded losses in the current year, the trustee fee for the current year is RMB200,000.

Note 2: According to the Supplementary Agreement to the Custody Agreement signed between AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司) and AVIC Airborne Systems, it is agreed that AVIC Airborne Systems shall entrust its 8 subordinate enterprises and institutions to AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司) for management. For the unit under custody that makes profits in the current year, the custodial fee for the current year is 3 ‰ of the audited operating income of the unit under custody calculated based on the proportion of equity managed by AVIC Electromechanical Systems Co., Ltd. (i.e.: the amount of operating income of the unit under custody for the current year × the equity ratio for trusteeship management × 3 ‰); for the unit under custody that incurred losses in the current year, the custodial fee for that year is RMB200,000.

Note 3: On 15 July 2025, upon consideration and approval by the extraordinary general meeting of AVIC Airborne, the validity period of the re-signed entrustment agreement shall end on 31 December 2026; the custodial fee is 0.03% of the audited operating income of the unit under custody for the current year calculated based on the proportion of equity managed by AVIC Airborne; for the unit under custody that incurs losses in the current year, no custodial fee shall be charged for that year.

Note 4: Beijing Keeven Aviation Instrument Co., Ltd. (北京青雲航空儀錶有限公司), a subsidiary of AVIC Airborne, is entrusted by Beijing Qingyun Aviation Equipment Co., Ltd. (北京青雲航空設備有限公司) to manage the relevant business of Beijing Qingyun Aviation Equipment Co., Ltd. and has reached an entrusted management service agreement on entrusted management matters. The management fees to be paid by Beijing Qingyun Aviation Equipment Co., Ltd. include but are not limited to labor wages, welfare fees and other service fees.

Note 5: Pursuant to the Equity Trusteeship Agreement signed between AVIC and AVIC CAPDI, it is agreed that the management of AVIC Construction and Development (Beijing) Technology Co., Ltd. (中航建發(北京)科技有限公司) shall be entrusted to AVIC CAPDI. The custodial fee is charged at the higher of RMB500,000 per annum or 3% of the audited net profit after tax per annum.

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (II) Related party transactions (Continued)

#### 3. Related lease

##### (1) The Group as a lessor

Type of related parties	January to June 2025		January to June 2024	
	Rental income	Proportion (%)	Rental income	Proportion (%)
Subsidiaries of AVIC	21,329,436	96.63	16,902,896	95.12
Associates of the Group			866,466	4.88
Associates of AVIC	744,190	3.37		
<b>Total</b>	<b>22,073,626</b>	<b>100.00</b>	<b>17,769,362</b>	<b>100.00</b>

##### (2) The Group as a lessee

Type of related parties	January to June 2025		January to June 2024	
	Rental cost	Proportion (%)	Rental cost	Proportion (%)
Subsidiaries of AVIC	33,806,848	100.00	12,889,365	80.86
Associates of the Group			3,050,240	19.14
<b>Total</b>	<b>33,806,848</b>	<b>100.00</b>	<b>15,939,605</b>	<b>100.00</b>

Note: The rental cost recognized by the Group relating to its related parties include the amount of lease payments made by the Group to reimburse lease liabilities and the short-term leases and low-value lease charges paid to the profit or loss for the current period.



# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (II) Related party transactions (Continued)

#### 4. Related party guarantees

##### (1) As the guarantor

Guarantor	Guaranteed party	Guaranteed amount	Starting date of guarantee	Due date of guarantee	Has the guarantee been fulfilled
Qing'an Group Co., Ltd. (慶安集團有限公司)	Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司)	2,924,000	2025-1-10	2026-1-10	No
Qing'an Group Co., Ltd. (慶安集團有限公司)	Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司)	4,386,000	2025-3-25	2026-3-25	No
Qing'an Group Co., Ltd. (慶安集團有限公司)	Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司)	4,386,000	2024-12-31	2025-12-31	No
Qing'an Group Co., Ltd. (慶安集團有限公司)	Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司)	4,386,000	2025-2-26	2026-2-26	No
Qing'an Group Co., Ltd. (慶安集團有限公司)	Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司)	2,924,000	2025-4-2	2026-4-2	No
Qing'an Group Co., Ltd. (慶安集團有限公司)	Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司)	4,239,800	2025-4-16	2026-4-16	No
AVIC Airborne Systems Co., Ltd. (中航機載系統股份有限公司)	Beijing Keeven Avionics Technology Co., Ltd. (北京青雲航電科技有限公司)	37,500,000	2016-3-14	2031-3-13	No
AVIC Airborne Systems Co., Ltd. (中航機載系統股份有限公司)	Beijing Keeven Avionics Technology Co., Ltd. (北京青雲航電科技有限公司)	22,000,000	2015-12-21	2030-12-20	No

Note 1: On 26 September 2022, Qing'an Group Co., Ltd., (慶安集團有限公司) a subsidiary of AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司) and AVIC Finance Co., Ltd. (中航工業集團財務有限責任公司) signed the Maximum Guarantee Agreement, which stipulates that during the period from 25 May 2022 to 28 July 2025, Qing'an Group Co., Ltd. shall provide guarantee for the loan from Xi'an Qing'an Refrigeration Equipment Co., Ltd. (西安慶安製冷設備股份有限公司) to AVIC Finance Co., Ltd. as agreed. Xi'an Qing'an Refrigeration Equipment Co., Ltd. shall provide counter-guarantee with the machinery and equipment and land rental income right owned by it.

Note 2: In April 2023, AVIC Airborne Systems Co., Ltd. (中航機載系統股份有限公司) (formerly China Avionics Systems Co., Ltd. (中航航空電子系統股份有限公司)), a subsidiary of the Company, completed the absorption and merger of AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司).

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (II) Related party transactions (Continued)

#### 5. Other financial services

##### (1) Interest income

Type of related party	January to June 2025	January to June 2024
AVIC Finance Co., Ltd.* (中航工業集團財務有限責任公司)	174,290,616	133,299,310

##### (2) Interest expense

Type of related party	January to June 2025	January to June 2024
Subsidiaries of AVIC	124,100,140	168,136,494

##### (3) Discount of notes receivable

Related party	January to June 2025		January to June 2024	
	Discounted amount	Discounted interest	Discounted amount	Discounted interest
AVIC Finance Co., Ltd.* (中航工業集團財務有限責任公司)			55,669,813	239,139

##### (4) Acceptance of notes receivable

Related party	January to June 2025	January to June 2024
AVIC Finance Co., Ltd.* (中航工業集團財務有限責任公司)		49,600,164

##### (5) Factored accounts receivable

Type of related party	January to June 2025	January to June 2024
Subsidiaries of AVIC		29,000,000

#### 6. Other related party transactions

None.

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (III) Balance of intercourse funds among related parties

#### 1. Receivables

Item name	Related party	Book balance at 30 June 2025	Book balance at 31 December 2024
Accounts receivable	AVIC	3,616,621	3,217,155
Accounts receivable	Subsidiaries of AVIC	26,335,955,249	23,794,687,376
Accounts receivable	Associates of the Group	172,066,208	106,188,579
Accounts receivable	Joint ventures of the Group	10,133,568	6,402,416
Accounts receivable	Associates of AVIC	65,457,999	80,268,354
Accounts receivable	Joint ventures of AVIC	2,025,000	2,025,100
Notes receivable	Subsidiaries of AVIC	1,440,033,797	5,019,258,030
Notes receivable	Associates of the Group		3,000,000
Notes receivable	Associates of AVIC	5,715,178	12,668,991
Receivables financing	Subsidiaries of AVIC	3,363,881	87,893,966
Receivables financing	Joint ventures of the Group	37,800	60,772
Receivables financing	Associates of AVIC	90,000	397,760
Other receivables	AVIC	511,519	551,519
Other receivables	Subsidiaries of AVIC	70,424,543	46,740,556
Other receivables	Associates of the Group	3,856,806	1,482,270
Other receivables	Associates of AVIC	2,301,766	52,800,000
Prepayments	AVIC	284,879	283,500
Prepayments	Subsidiaries of AVIC	1,686,680,787	1,945,219,615
Prepayments	Associates of the Group	16,556,820	25,088,588
Prepayments	Joint ventures of the Group	333,825	
Prepayments	Associates of AVIC	120,883,934	121,369,652
Contract assets	AVIC	56,250,370	16,760,509
Contract assets	Subsidiaries of AVIC	3,320,466,558	2,453,785,812
Contract assets	Associates of the Group	16,588,621	17,237
Contract assets	Associates of AVIC	258,388	
Other current assets	Subsidiaries of AVIC	8,304,292	
Other non-current assets	Subsidiaries of AVIC	109,330,174	56,368,830
<b>Total</b>		<b>33,451,528,583</b>	<b>33,836,536,587</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (III) Balance of intercourse funds among related parties (Continued)

#### 2. Payables

Item name	Related party	Book balance at 30 June 2025	Book balance at 31 December 2024
Accounts payable	AVIC	2,607	
Accounts payable	Subsidiaries of AVIC	10,176,849,350	9,606,204,077
Accounts payable	Associates of the Group	109,322,192	119,062,939
Accounts payable	Joint ventures of the Group	71,972,266	31,778,186
Accounts payable	Associates of AVIC	634,473,017	303,515,322
Accounts payable	Joint ventures of AVIC	1,139,302	1,027,390
Notes payable	Subsidiaries of AVIC	1,157,331,328	983,121,053
Notes payable	Associates of the Group	19,986,476	18,422,076
Notes payable	Joint ventures of the Group	196,680,737	131,191,181
Notes payable	Associates of AVIC	84,288,070	76,350,063
Notes payable	Joint ventures of AVIC		838,920
Other payables	AVIC	3,592,183	1,377,131
Other payables	Subsidiaries of AVIC	281,768,113	94,735,174
Other payables	Associates of the Group	1,407,897	2,552,448
Other payables	Associates of AVIC	4,041,435	684,900
Advance receipts	Subsidiaries of AVIC	35,560,765	33,597,906
Advance receipts	Associates of AVIC	48,705	25,105
Contract liabilities	AVIC	845,928	550,613
Contract liabilities	Subsidiaries of AVIC	6,571,888,362	7,307,290,246
Contract liabilities	Associates of the Group	1,954,502	1,769,619
Contract liabilities	Joint ventures of the Group	2,546	
Contract liabilities	Associates of AVIC	2,561,296	1,166,208
Contract liabilities	Joint ventures of AVIC	833,689	804,000
Other current liabilities	Subsidiaries of AVIC	260,000,000	369,396,888
Other non-current liabilities	Subsidiaries of AVIC		94,000,000
Non-current liabilities due within one year	Subsidiaries of AVIC	420,252,536	1,682,460,053
<b>Total</b>		<b>20,036,803,302</b>	<b>20,861,921,498</b>

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## VII. RELATED PARTIES AND RELATED PARTY TRANSACTION (Continued)

### (IV) Commitment of related parties

None.

### (V) Directors, supervisors and management compensation

Item	January to June 2025	January to June 2024
Fees	344,988	420,000
Salaries, allowances and other expenses	1,696,100	1,849,477
Contribution to pension schemes	354,270	343,553
Bonus		1,631,539
<b>Total</b>	<b>2,395,358</b>	<b>4,244,569</b>

Note: The Company's bonus for this year will be determined at the end of the year.

### (VI) Loan of related party

Related Party	30 June 2025	31 December 2024
Subsidiaries of AVIC	12,024,406,047	13,002,284,618
<b>Total</b>	<b>12,024,406,047</b>	<b>13,002,284,618</b>

### (VII) Others

#### *Monetary funds deposited with related parties*

Related Party	30 June 2025	31 December 2024
AVIC Finance Co., Ltd. (中航工業集團財務有限責任公司)	23,296,242,777	28,971,478,262
AVIC Securities Co., Ltd. (中航證券有限公司)	8,081,615	19,205
<b>Total</b>	<b>23,304,324,392</b>	<b>28,971,497,467</b>

## VIII. CONTINGENCIES

As of 30 June 2025, the Group had no material contingencies.

## NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

### IX. COMMITMENTS

#### 1. Capital commitments

Item	30 June 2025	31 December 2024
Capital commitments	5,150,496	66,449,890
<b>Total</b>	<b>5,150,496</b>	<b>66,449,890</b>

### X. EVENTS AFTER THE BALANCE SHEET DATE

As of the disclosure date of the financial statements, the Group had no significant events to be disclosed after the balance sheet date.

### XI. OTHER SIGNIFICANT MATTERS

#### 1. Segment information

*Financial information of the reportable segment during the period*

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

# NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 30 June 2025

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

## XI. OTHER SIGNIFICANT MATTERS (Continued)

### 1. Segment information (Continued)

#### *Financial information of the reportable segment during the period (Continued)*

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	3,416,523,260	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	3,132,088,656	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

## XII. SUPPLEMENTARY INFORMATION ON FINANCIAL STATEMENTS

None.

AviChina Industry & Technology Company Limited

29 August 2025

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

Executive Director (Chairman)	Yan Lingxi
Executive Director	Sun Jizhong
Non-executive Director	Xu Dongsheng
Non-executive Director	Zhou Xunwen
Non-executive Director	Hu Shiwei
Independent Non-executive Director	Liu Weiwu
Independent Non-executive Director	Mao Fugen
Independent Non-executive Director	Lin Guiping

## SUPERVISORY COMMITTEE

Chairman	Nie Xiaoming
Supervisor	Guo Guangxin
Supervisor	Kang Yinglei

## SENIOR MANAGEMENT

General Manager	Sun Jizhong
Chief Accountant	Wang Jingmin
Board Secretary	Zhao Zhuo

## COMPANY SECRETARY

Wu Yun

THE NAME OF THE COMPANY

中國航空科技工業股份有限公司

AviChina Industry &amp; Technology Company Limited

Abbreviation name in Chinese: 中航科工

Abbreviation name in English: AVICHINA

Legal representative: Yan Lingxi

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2202A, 22th Floor, Fairmont House, 8 Cotton Tree Drive,  
Central, Hong Kong

## AUTHORISED REPRESENTATIVES

Yan Lingxi    Wu Yun

## PRINCIPAL BANKERS

Shanghai Pudong Development Bank Limited  
No. 12, Zhongshan Dong Yi Road, Shanghai, the PRC

Bank of Communications Co., Ltd.  
No. 188, Yin Cheng Zhong Road, Pudong New District,  
Shanghai, the PRC

China Minsheng Banking Corp., Ltd.  
No. 2 Fuxingmennei Street, Xicheng District, Beijing, the PRC

Bank of China Limited  
No.1 Fuxingmennei Street, Xicheng District, Beijing, the PRC

## PLACE OF LISTING, STOCK NAME AND STOCK CODE

Main Board of The Stock Exchange of Hong Kong Limited  
(H Share)

Stock name: AVICHINA

Stock code: 2357

## REGISTERED ADDRESS

2nd floor, Building 27, No. 26 Xihuan South Street,  
Economic Technological Development Area,  
Beijing, the PRC  
Postal Code: 100176

## WEBSITE

<http://www.avichina.com>



## CORPORATE INFORMATION

### CORRESPONDENCE ADDRESS

6/F, Tower A, No. 14 Xiaoguandongli, Andingmenwai,  
Chaoyang District, Beijing, the PRC  
Postal Code: 100029  
Telephone: 86-10-58354750  
Facsimile: 86-10-58354300/10  
E-mail: avichina@avichina.com

### SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Room 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Hong Kong

### LEGAL ADVISERS

#### As to Hong Kong law

Jingtian & Gongcheng LLP  
Suites 3203-3207, 32/F, Edinburgh Tower, The Landmark,  
15 Queen's Road Central, Hong Kong

#### As to PRC law

Commerce & Finance Law Offices  
12-15th Floor, China World Office 2, No. 1 Jianguomenwai  
Avenue, Beijing, the PRC