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 2026

CONTENTS

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 2026 (the "**reporting period**") prepared according to the China Accounting Standards for Business Enterprises.

Revenue	RMB37,812 million
Net profit attributable to the owners of the parent company	RMB823 million
Earnings per share – Basic and diluted	RMB0.103
Shareholders' equity attributable to parent company	RMB35,152 million

INTERIM DIVIDEND

The Board proposed that no interim dividend would be declared and paid for the six months ended 30 June 2026.

BUSINESS REVIEW

In the first half of 2026, the international environment remained turbulent. Facing this challenging landscape, China's economy maintained overall stability while progressing toward new and high-quality development. Facing various risks and challenges, Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司)("**AVIC**") responded proactively, ensuring stable and orderly economic operations, steady and rapid progress in scientific research and production, continuous optimization of its industrial structure, and steadily enhanced development momentum.

In the first half of 2026, the Group continued to promote the deep integration of technological innovation with industrial innovation, remained firmly committed to facilitating the commercialization of scientific and technological achievements, advanced the development of the low-altitude economy, and ensured the steady progress of business operations.

The Group continued to expand its application scenarios and strengthened its core competitiveness in helicopter business. The AC332 helicopter completed certification review by the Civil Aviation Administration of China, with the airworthiness certification process entering its final sprint phase. The AC312E helicopter achieved significant improvements in its takeoff and landing capabilities on high plateau airport. The Z-8 and AC311A helicopters collaboratively executed integrated aerial fire fighting operations and event support missions, continuing to advance the systematic development of the aviation emergency rescue. The AC311 helicopter participated in numerous air security patrol missions as well as low-altitude sightseeing tourism projects, promoting the development of urban management systems and the normalization of low-altitude cultural and tourism flights. The search-and-rescue configuration of the AC352 civil helicopter entered the adjustment test flight phase as planned. The Z-8 helicopter took part in flood control and flood fighting disaster relief drills for catastrophic floods, fully demonstrating its rapid response and integrated delivery capabilities in dealing with major and catastrophic disasters. Multiple heavy-lift electric vertical takeoff and landing (eVTOL) aircraft AR-E800 have completed final assembly and delivery, entering the test and flight trial phase with airworthiness certification process advancing steadily, with application being explored in areas including emergency rescue, general aviation operations, and smart logistics.

The trainer business continued to undergo optimization and upgrades. Jiangxi Hongdu Aviation Industry Co., Ltd.* (江西洪都航空工業股份有限公司) systematically advanced the optimization and upgrading of various scientific research models, effectively ensuring the safety assessments approval; accelerated the establishment of a comprehensive and effective scientific and technological innovation system, expediting the commercialization of scientific and technological achievements, comprehensively enhancing the level of scientific research and design; focused on cultivating new-quality productive forces, accelerated technological transformation, equipment renewal, process improvement, and digital empowerment in the basic manufacturing sector, driving effective improvements in basic manufacturing and production delivery capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

The aviation ancillary system and related business remained committed to the commercialization of scientific and technological achievements. Jonhon Optronic Technology Co., Ltd* (中航光電科技股份有限公司) ("**JONHON**") consistently consolidated its position as the preferred supplier in the defense sector, fully participated in emerging fields such as unmanned systems, deep-water operations, and satellite-launch vehicles, achieving breakthroughs in key technologies such as deep-sea high-reliability connector assemblies, steadily reinforcing its leading advantages in the high-end interconnect field; continuously strengthened its technological leadership in the new energy vehicle sector, consolidated its core technological capabilities in intelligent connectivity, accelerated its transformation from high-voltage interconnects to full-vehicle interconnects, and empowered the rapid development of the new energy vehicle industry through technological innovation; continuously optimized its business structure in the data center sector, seized incremental market opportunities, and achieved rapid year-on-year growth in such business scale. 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 AS700D manned airship, which has entered the mass production stage; the large-scale warm isostatic press developed by Sichuan Aviation Industry Chuanxi Machinery Co., Ltd.* (四川航空工業川西機器有限責任公司) successfully passed acceptance and was put into operation, empowering the R&D and manufacturing of large-sized, high-performance aerospace materials and new energy solid-state batteries; the atmospheric attitude and heading reference system developed by AVIC Taiyuan Aviation Instrument Co., Ltd. officially entered the civil aircraft airworthiness certification process; the propeller independently developed by Huiyang Aviation Propeller Limited* (惠陽航空螺旋槳有限責任公司) was successfully installed on the Changying-8 large transport and delivery unmanned aerial vehicle (UAV) for its maiden flight, effectively enhancing its industry influence in the UAV sector.

Steady progress was made in the aviation engineering services business. 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 civil aviation market, successfully passed the dynamic verification of the Class A comprehensive engineering design qualification by the Civil Aviation Administration of China, actively built smart airports and green airports, continuously focusing on frontier fields such as low-altitude economy infrastructure construction, and participating in low-altitude economy planning for multiple local governments; won the bid for the Wenchang Rocket Base project of the China Academy of Launch Vehicle Technology, effectively enhancing the overall performance of the project in resisting extreme weather conditions through high-precision design standards; designed, fully integrated and delivered the Ameco Beijing wheel intelligent maintenance production line, which completed construction and entered pre-production, supporting maintenance of a range of mainstream civil aviation models including the Airbus A320/A321, Boeing B737NG/MAX, and domestically developed C909/C919, steadily advancing the construction of digital and intelligent civil aviation maintenance projects; won bids for two new civil aviation innovation center construction projects, deepening its involvement in the development of high-end industrial parks for intelligent manufacturing of civil aviation electronics; participated in the establishment of the Anhui Workstation of the Key Scientific Research Base for Seismic Protection of Cultural Relics under the National Cultural Heritage Administration which was officially inaugurated, continuing to leverage its scientific expertise and leadership in setting international standards in the field of cultural relic seismic protection.

The modernization of the governance system and governance capacity progressed steadily. The Group continued to advance sustainable development, deeply cultivated green intelligent manufacturing, and systematically promoted the green and low-carbon transformation and development. A project participated in by China Aviation Planning and Design Institute Co., Ltd. passed the zero-carbon building technology review, contributing to the green transformation of aviation R&D and manufacturing; firmly upheld the bottom line of risk prevention and compliance; actively assumed social responsibilities, proactively expanded diverse application scenarios such as emergency rescue, tourism, and logistics transportation, promoting regional economic development, participated in multiple expansion projects, and contributed to building a community with a shared future for mankind.

BUSINESS OUTLOOK

The year 2026 marks a pivotal year as the 15th Five-Year Plan for National Economic and Social Development (the "**15th Five-Year Plan**") gets underway. The aerospace sector and the low-altitude economy have been explicitly designated as national emerging pillar industries and are expected to support China's future economic development. The industrial orientation of national policies will drive the low-altitude economy in its transition from technical validation to large-scale operations and systematic development, while the aerospace industry, leveraging its long-term technological accumulation, will steadily achieve leapfrog development. China's domestically developed large passenger aircraft have officially commenced operations on international commercial routes and are steadily advancing toward scaled delivery and commercial operation. The trend toward integrated development between the aerospace and the low-altitude economy sectors is becoming increasingly evident. As a leader in both the aviation industry and the low-altitude economy, the Company will continue to benefit from this trend and further unlock its growth potential.

In the second half of 2026, the Group will precisely focus on its development strategy, adhere to the general principle of pursuing progress while ensuring stability, and drive the Company's high-quality development:

1. The Group will remain steadfast in the goal of building a world-class helicopter enterprise, continuously enhancing core functions, fully leverage the role of industrial cultivation and innovation-driven development to support the optimization and upgrading of existing products and the development of new-domain and new-quality products, and continue to strengthen model R&D and technological innovation capabilities to ensure the orderly progress of airworthiness certification and test flight verification;

2. The Group will continuously expand the application scenarios for trainers and intensify market development efforts. The trainer business will be expanded from the sale of individual aircraft systems to integrated comprehensive training systems, achieving full value-chain and full-life cycle management;

3. The Group will accelerate the digital and intelligent transformation of aviation ancillary system and related businesses. The Group will move faster in adjusting structures and promoting transformation, increase R&D investment in connector products and airborne system technologies, and empower the innovative development of the aviation industry through digital and intelligent transformation via deep integration of industry, academia, research and application;

4. The Group will continuously expand into new market areas. By seizing the development opportunities presented by domestically developed commercial aircraft, the Group will continuously optimize and expand the international business layout, coordinate the allocation of resources in overseas markets, and actively participate in competition in the global aviation market;

5. The Group will continue to implement the strategic deployment of the low-altitude economy and coordinate high-quality resources across the industrial chain. By actively promoting the industrialization of aviation scientific and technological achievements and intensifying efforts to tackle key core technologies in flight control for intelligent electric aircraft, the Group will continuously expand diversified application scenarios for products, promote the establishment of the "Future Aircraft Joint Innovation Center", and actively explore consultation on demonstration applications of low-altitude aircraft;

6. The Group will systematically advance the development of the corporate governance system. The Group will fortify the bottom line of risk prevention and control, continuously strengthen compliance and risk management, and coordinate high-quality development with a high standard of safety; systematically promote the green and low-carbon transformation and development, injecting new green momentum into the high-quality development of the industry; and

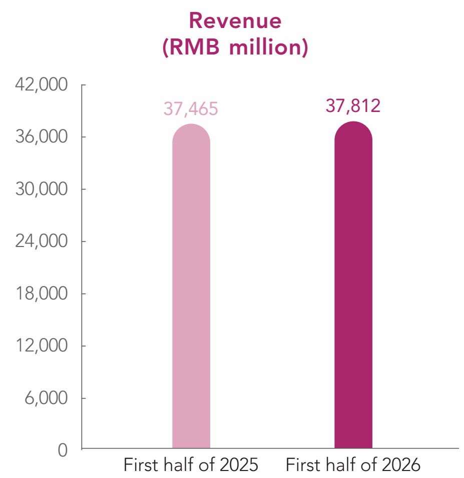
7. The Group will strengthen brand building. The Group will focus on market value management; reinforce corporate brand synergy, continuing to build itself as a world-class aviation high-tech industry group with excellent products, prestigious brands, leading innovation and modern governance.

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.

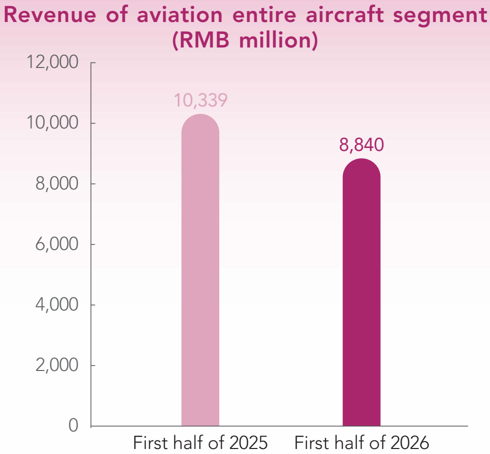
Due to the change of the consolidation scope in June 2026, the financial data of the Group in the corresponding period of the preceding year was restated pursuant to the relevant regulations and requirements. Unless otherwise stated, the financial data in the corresponding period of the preceding year referred to in this report has been restated.

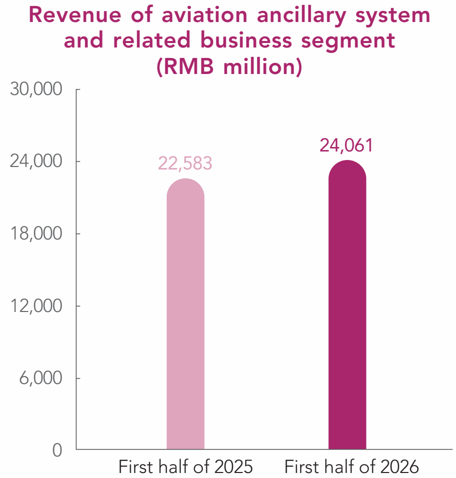
Revenue

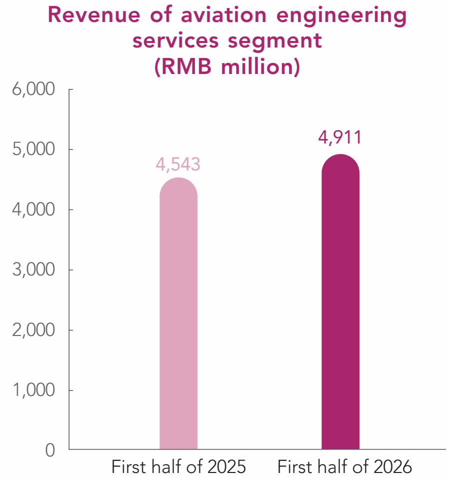


For the six months ended 30 June 2026, the Group recorded a revenue of RMB37,812 million, representing an increase of RMB347 million or 0.93% as compared with that of RMB37,465 million in the corresponding period of last year.

Segment Information







For the six months ended 30 June 2026, the revenue of the aviation entire aircraft segment of the Group amounted to RMB8,840 million, representing a decrease of 14.50% as compared with that in the corresponding period of last year, which was mainly attributable to the decrease in sales volume of helicopter products during the reporting period. The revenue of the aviation entire aircraft segment accounted for 23.38% of the total revenue of the Group. The revenue of the aviation ancillary system and related business segment of the Group amounted to RMB24,061 million, representing an increase of 6.54% as compared with that in the corresponding period of last year. The revenue of the aviation ancillary system and related business segment accounted for 63.63% of the total revenue of the Group. The revenue of the aviation engineering services segment of the Group amounted to RMB4,911 million, representing an increase of 8.10% as compared with that in the corresponding period of last year, which was mainly attributable to the year-on-year increase of construction revenue during the reporting period. The revenue of the aviation engineering services segment accounted for 12.99% of the total revenue of the Group.

For the six months ended 30 June 2026, the segment profit of the aviation entire aircraft segment of the Group amounted to RMB226 million, representing a decrease of RMB213 million or 48.52% as compared with that of RMB439 million in the corresponding period of last year, which was mainly attributable to the decrease 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 RMB2,447 million, representing a decrease of RMB159 million or 6.10% as compared with that of RMB2,606 million in the corresponding period of last year, which was mainly attributable to the year-on-year decrease of operating result of JONHON, a subsidiary of the Company, during the reporting period. The segment profit of the aviation engineering services segment of the Group amounted to RMB173 million, representing a decrease of RMB15 million or 7.98% as compared with that of RMB188 million in the corresponding period of last year, which was mainly attributable to the low gross profit margin of certain business.

Gross Profit

For the six months ended 30 June 2026, the Group recorded a gross profit of RMB7,529 million, representing a decrease of RMB47 million or 0.62% as compared with that of RMB7,576 million in the corresponding period of last year. The comprehensive gross profit margin was 19.91% during the reporting period, representing a decrease of 0.31 percentage points as compared with that of 20.22% in the corresponding period of last year.

Selling Expenses

For the six months ended 30 June 2026, the selling expenses of the Group amounted to RMB414 million, representing an increase of RMB75 million or 22.12% as compared with that of RMB339 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 to expand the high-end civilian product market. The selling expenses accounted for 1.09% of the revenue during the reporting period, representing an increase of 0.19 percentage point as compared with that of 0.90% in the corresponding period of last year.

Administrative Expenses

For the six months ended 30 June 2026, the administrative expenses of the Group amounted to RMB2,125 million, representing an increase of RMB57 million or 2.76% as compared with that of RMB2,068 million in the corresponding period of last year. The administrative expenses accounted for 5.62% of the revenue during the reporting period, representing an increase of 0.10 percentage point as compared with that of 5.52% in the corresponding period of last year.

Research and Development Expenses

For the six months ended 30 June 2026, the R&D expenses of the Group amounted to RMB2,322 million, representing an increase of RMB152 million or 7.00% as compared with that of RMB2,170 million in the corresponding period of last year, which was mainly attributable to the increase in the R&D investment to tackle the tough problems in high-end civilian product during the reporting period. The R&D expenses accounted for 6.14% of the revenue during the reporting period, representing an increase of 0.35 percentage point as compared with that of 5.79% in the corresponding period of last year.

Finance Costs

For the six months ended 30 June 2026, the finance costs of the Group amounted to RMB200 million, representing an increase of RMB256 million as compared with that of RMB-56 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 cash balances and the decrease of deposit interest rate, the increase of exchange losses 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.

Net Profit Attributable to the Owners of the Parent Company

For the six months ended 30 June 2026, the net profit attributable to the owners of the parent company amounted to RMB823 million, representing a decrease of RMB207 million or 20.10% as compared with that of RMB1,030 million in the corresponding period of last year, which was mainly attributable to the decrease in benefits from the additional value-added tax credit policy during the reporting period and the year-on-year increase in finance costs and other period expenses of the Group during the reporting period.

Liquidity and Financial Resources

As at 30 June 2026, the cash and cash equivalents of the Group amounted to RMB31,451 million, which consisted mainly of cash and bank deposits at the beginning of 2026 and funds generated from business operations during the reporting period.

As at 30 June 2026, the total borrowings of the Group amounted to RMB24,067 million, of which short-term borrowings amounted to RMB17,231 million, current portion of long-term borrowings amounted to RMB2,393 million, and non-current portion of long-term borrowings amounted to RMB4,443 million.

As at 30 June 2026, the bank borrowings of the Group amounted to RMB13,481 million with an average interest rate of 2.0% per annum, representing an increase of RMB6,184 million as compared with that at the beginning of the reporting period; and other borrowings amounted to RMB10,586 million with an average interest rate of 2.1% per annum, representing a decrease of RMB2,804 million as compared with that at the beginning of the reporting period.

MORTGAGED AND PLEDGED ASSETS

As at 30 June 2026, the Group's total mortgaged and pledged borrowings amounted to RMB275 million, among which RMB92 million was mortgaged by house buildings with a net book value of RMB7 million and RMB183 million was pledged by notes receivable and accounts receivable with a net book value of RMB178 million.

GEARING RATIO

As at 30 June 2026, the Group's gearing ratio was 11.70% (10.00% as at 31 December 2025), which was calculated as the total borrowings divided by the total assets as at 30 June 2026.

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 did not have any foreign currency hedging instrument.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities.

CHANGE OF DIRECTORS AND SENIOR MANAGEMENT

Having reached the statutory retirement age, Mr. Zhou Xunwen applied to the Board on 27 March 2026 for resignation from his position as a non-executive Director and a member of each of the Development and Strategy Committee, the Audit and Risk Management Committee and the Sustainable Development Committee of the Board with effect from 19 May 2026.

At the 2025 Annual General Meeting held on 19 May 2026, Mr. Wang Rong was appointed as a non-executive Director, a member of each of the Development and Strategy Committee, the Audit and Risk Management Committee and the Sustainable Development Committee of the Board, with a term of office commencing on the date of 2025 Annual General Meeting until the next session of the Board is approved by the Shareholder at the next general meeting of the Company to be held in 2027.

EMPLOYEES

As at 30 June 2026, the Group had 71,552 employees. The Group's staff costs amounted to RMB7,080 million for the six months ended 30 June 2026, representing an increase of RMB411 million or 6.16% as compared with that of RMB6,669 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 2025 annual report of the Company published on 22 April 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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, senior management and employees of the Company as its own guidelines for securities transactions by the Directors, senior management and employees of the Company. All Directors of the Company have confirmed their compliance with the Model Code for the six months ended 30 June 2026 following specific enquiry with them.

CORPORATE GOVERNANCE CODE

The Company strictly complied with various applicable laws, rules and regulations as well as the articles of association of the Company, maintaining standardized operations. Having reviewed the corporate governance practices adopted by the Company for the six months ended 30 June 2026, the Board is of the view that the Company has complied with the principles and code provisions set out in Part 2 of the Corporate Governance Code of the Appendix C1 (the "**Corporate Governance Code**") to the Listing Rules (as amended from time to time).

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

As at 30 June 2026, as far as the Directors are aware and saved as disclosed below, none of the Directors 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

SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, 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* (天津保税區投資有限公司) ("**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 2026, 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.

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 activities 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 the Corporate Governance Code to the Listing Rules (as amended from time to time).

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 2026.

OTHER EVENTS

On 12 December 2025, AVIC Airborne Systems Co., Ltd.* (中航機載系統股份有限公司) ("**AVIC Airborne**") and AVIC Aviation Industry Investment Co., Ltd.* (中航航空產業投資有限公司) ("**AVIC Industry Investment**") entered into the Partnership Interest Transfer Agreement, pursuant to which AVIC Airborne agreed to acquire and AVIC Industry Investment agreed to sell 59.1816% of the partnership interest in AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) ("**AIC Yuhua**"). On 8 May 2026, AVIC Airborne and AVIC Industry Investment entered into a supplemental agreement to the Partnership Interest Transfer Agreement, extending the Deferred Effective Period of the transaction and clarifying the relevant rights and responsibilities. On 25 June 2026, the relevant transfer agreement officially became effective, for a consideration of RMB202.1057 million. For details, please refer to the announcements of the Company dated 12 December 2025 and 8 May 2026, and the announcement of AVIC Airborne dated 25 June 2026. Unless the context otherwise defined, terms used in this paragraph shall have the same meanings as those defined in the relevant announcements.

On 6 February 2026, (i) Beijing Keeven Aviation Instrument Co., Ltd.* (北京青雲航空儀錶有限公司) ("**Keeven Aviation Instrument**"), 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)) ("**Aviation Industrial Fund**"), and AVIC Jierui (Xi'an) Optoelectronic Technology Co., Ltd.* (中航捷銳(西安)光電技術有限公司) ("**AVIC Jierui**") entered into the Equity Transfer Agreement I; and (ii) Keeven Aviation Instrument, Ruitexin (Beijing) Technology Center (Limited Partnership)* (瑞特新(北京)科技中心(有限合夥))("**Ruitexin**"), and AVIC Jierui entered into the Equity Transfer Agreement II. Pursuant to the Equity Transfer Agreements, Keeven Aviation Instrument agreed to acquire, and Aviation Industrial Fund agreed to sell 3.7805% of the equity interests in AVIC Jierui at the consideration of RMB21.9269 million; and Keeven Aviation Instrument agreed to acquire, and Ruitexin agreed to sell 6.2195% of the equity interests in AVIC Jierui at the consideration of RMB36.0731 million. Upon the Completion, Keeven Aviation Instrument holds 10% of the equity interests of AVIC Jierui, and AVIC Jierui will remain as a non-wholly owned subsidiary of AVIC. For details, please refer to the announcement of the Company dated 6 February 2026. Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in the relevant announcement.

On 27 March 2026, the Company entered into the Technology Development Agreement with AVICOPTER PLC* (中航直升機股份有限公司)("**AVICOPTER**") and AVIC Xi'an Flight Automatic Control Research Institute* (中國航空工業集團公司西安飛行自動控制研究所)("**AVIC Automatic Control Institute**"), pursuant to which the Company and AVICOPTER (as entrusting parties) will entrust AVIC Automatic Control Institute (as entrusted party) to conduct research and development on intelligent electric aircraft flight control technology in accordance with the Technology Development Agreement. For details, please refer to the announcement of the Company dated 27 March 2026. Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in the relevant announcement.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2026, 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 2026, the Company did not hold any treasury shares.

Consolidated Balance Sheet

30 June 2026

Prepared by: AviChina Industry & Technology Company Limited — Unit: RMB

Items	Note IV	30 June 2026 (Unaudited)	31 December 2025 (Restated)
Current assets:			
Monetary funds	1	31,375,165,230	30,443,496,700
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading	2	1,938,691,825	2,342,175,411
Derivative financial assets			
Notes receivable	3	3,999,161,183	10,564,461,161
Accounts receivable	4	58,667,913,620	55,366,743,457
Receivables financing		556,757,309	1,200,967,879
Prepayments	5	2,830,897,875	3,021,374,825
Premium receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables	6	535,959,930	451,487,988
Including: Interest receivable			
Dividends receivable		14,354,814	
Financial assets purchased under agreements to resell			
Inventories	7	45,009,092,239	42,114,515,185
Contract assets	8	14,753,750,294	14,707,279,213
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,668,731,542	1,484,547,921
Total current assets		161,336,121,047	161,697,049,740

Consolidated Balance Sheet (Continued)

30 June 2026

Prepared by: AviChina Industry & Technology Company Limited　　Unit: RMB

Items	Note IV	30 June 2026 (Unaudited)	31 December 2025 (Restated)
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	9	3,028,188,547	2,863,864,803
Other equity instrument investments	10	3,585,478,443	4,365,994,240
Other non-current financial assets		3,564,907	245,105,769
Investment properties	11	451,733,626	458,709,031
Fixed assets	12	27,352,168,895	27,118,235,307
Construction-in-progress	13	3,535,227,270	3,588,269,809
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	14	442,317,573	417,189,078
Intangible assets	15	3,907,885,816	3,920,260,376
Development expenditure			
Goodwill		93,193,010	93,193,010
Long-term deferred expenses		86,640,789	97,241,225
Deferred income tax assets		1,211,194,209	1,265,836,914
Other non-current assets		656,019,780	717,212,813
Total non-current assets		44,353,612,865	45,151,112,375
Total assets		205,689,733,912	206,848,162,115

Note: Due to a business combination under common control within the Group, AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) has been included in the scope of consolidation. Accordingly, the comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement have been restated for illustrative purposes.

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 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	Note IV	30 June 2026 (Unaudited)	31 December 2025 (Restated)
Current liabilities:			
Short-term borrowings	16	16,780,581,703	11,845,088,409
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	17	4,329,013,991	12,375,345,621
Accounts payable	18	57,653,717,572	51,095,327,265
Advances		56,714,386	50,923,819
Contract liabilities	19	9,854,376,019	10,878,839,027
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Securities brokering			
Securities underwriting			
Employee compensation payable		1,746,081,044	3,244,435,164
Tax payable		640,130,801	967,099,220
Other payables		1,985,387,568	2,269,436,540
Including: Interest payable			
Dividends payable		133,900,476	70,856,910
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		2,543,638,103	3,972,936,277
Other current liabilities		1,391,737,457	1,246,906,482
Total current liabilities		96,981,378,644	97,946,337,824

Consolidated Balance Sheet (Continued)

30 June 2026

Prepared by: AviChina Industry & Technology Company Limited — Unit: RMB

Items	Note IV	30 June 2026 (Unaudited)	31 December 2025 (Restated)
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings	20	4,376,143,315	4,472,446,797
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	21	353,214,979	352,400,575
Long-term payables		-628,845,553	-471,096,692
Long-term employee compensation payable		1,441,297,648	1,484,251,834
Estimated liabilities		304,851,248	319,240,694
Deferred income		1,180,719,452	1,187,812,127
Deferred income tax liabilities		785,472,466	974,773,748
Other non-current liabilities		1,095,504,919	956,688,208
Total non-current liabilities		8,908,358,474	9,276,517,291
Total liabilities		105,889,737,118	107,222,855,115
Shareholders' equity:			
Share capital	22	7,972,854,242	7,972,854,242
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		13,980,033,321	14,027,406,251
Less: treasury shares			
Other comprehensive income		130,917,464	476,147,477
Special reserves		595,620,529	553,909,504
Surplus reserves		628,222,730	628,222,730
General risk reserve			
Undistributed profits		11,843,924,073	11,384,814,739
Total shareholders' equity attributable to parent company		35,151,572,359	35,043,354,943
Minority equity		64,648,424,435	64,581,952,057
Total shareholders' equity		99,799,996,794	99,625,307,000
Total liabilities and shareholders' equity		205,689,733,912	206,848,162,115

Note: Due to a business combination under common control within the Group, AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) has been included in the scope of consolidation. Accordingly, the comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement have been restated for illustrative purposes.

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 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets:		
Monetary funds	2,027,615,795	1,483,165,984
Financial assets held for trading	25,115,762	27,786,024
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Prepayments		
Other receivables	239,406,052	248,164,332
Including: Interest receivable		
Dividends receivable		
Inventories		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	605,570	2,124,824
Total current assets	2,292,743,179	1,761,241,164
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	14,927,181,886	14,931,622,734
Other equity instrument investments	1,512,939,988	2,059,709,679
Other non-current financial assets		
Investment properties	21,437,985	22,017,641
Fixed assets	697,894	883,662
Construction-in-progress		
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	33,199,261	35,802,055
Intangible assets	215,569	247,904
Development expenditure		
Goodwill		
Long-term deferred expenses	3,499,460	2,665,540
Deferred income tax assets	56,591,105	60,977,817
Other non-current assets		
Total non-current assets	16,555,763,148	17,113,927,032
Total assets	18,848,506,327	18,875,168,196

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 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances		
Contract liabilities		
Employee compensation payable	11,020,207	16,887,773
Tax payable	49,039,914	6,053,647
Other payables	4,230,749	5,017,926
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	8,019,696	7,927,111
Other current liabilities		
Total current liabilities	72,310,566	35,886,457
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	26,799,337	29,164,282
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	139,267,242	232,325,104
Other non-current liabilities		
Total non-current liabilities	166,066,579	261,489,386
Total liabilities	238,377,145	297,375,843

Balance Sheet of the Company (Continued)

30 June 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Shareholders' equity:		
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	255,116,065	545,303,736
Special reserves		
Surplus reserves	628,222,730	628,222,730
Undistributed profits	1,753,559,594	1,431,035,094
Total shareholders' equity	18,610,129,182	18,577,792,353
Total liabilities and shareholders' equity	18,848,506,327	18,875,168,196

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 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	Note IV	January to June 2026 (Unaudited)	January to June 2025 (Unaudited) (Restated)
I. Total operating income		37,811,562,214	37,465,251,870
Including: Operating revenue	23	37,811,562,214	37,465,251,870
Interest income			
Earned premium			
Fee and commission income			
II. Total operating cost		35,603,879,397	34,714,785,997
Including: Operating cost	23	30,283,115,771	29,889,477,932
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		259,492,337	304,314,255
Selling expenses	24	413,951,850	339,100,579
Administrative expenses	25	2,125,344,488	2,067,510,254
Research and development expenses	26	2,322,471,592	2,169,891,803
Finance costs	27	199,503,359	-55,508,826
Including: Interest expense		225,707,059	182,201,581
Interest income		110,573,366	218,076,531
Add: Other income	28	257,889,368	531,824,475
Investment income (loss to be listed with "-")	29	218,203,766	219,167,880
Including: Income from investment in associates and joint ventures		124,857,728	134,484,683
Derecognition income of financial assets at amortised cost		-2,325,993	-395,833
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	1,957,231	2,896,081
Credit impairment loss (loss to be listed with "-")	31	-40,250,789	-297,045,637
Asset impairment loss (loss to be listed with "-")	32	-70,781,667	-102,856,346
Income from assets disposal (loss to be listed with "-")		5,591,337	962,971

Consolidated Income Statement (Continued)

January to June 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	Note IV	January to June 2026 (Unaudited)	January to June 2025 (Unaudited) (Restated)
III. Operating profit (loss to be listed with "-")		2,580,292,063	3,105,415,297
Add: Non-operating income		72,047,230	49,096,668
Less: Non-operating expenses		40,236,330	58,465,472
IV. Profit before tax (loss before tax to be listed with "-")		2,612,102,963	3,096,046,493
Less: Income tax expenses	33	321,429,600	292,374,224
V. Net profit (net loss to be listed with "-")		2,290,673,363	2,803,672,269
(I) Classified according to operating continuity			
1. Net profit from continuing operations (net loss to be listed with"-")		2,290,673,363	2,803,672,269
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 "-")		822,933,877	1,030,217,176
2. Minority profit and loss (net loss to be listed with "-")		1,467,739,486	1,773,455,093
VI. Net of tax of other comprehensive income		-439,775,456	243,805,880
Net of tax of other comprehensive income attributable to the owner of the parent company		-180,187,302	81,276,810
(I) Other comprehensive income that cannot be reclassified into profit or loss		-179,011,256	81,219,439
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		-855,271	-24,557
3. Changes in fair value of other equity instrument investments		-178,155,985	81,243,996
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		-1,176,046	57,371
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		-2,419	-8,307
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		-1,173,627	65,678
7. Others			
Net of tax of other comprehensive income attributable to minority shareholders		-259,588,154	162,529,070

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	Note IV	January to June 2026 (Unaudited)	January to June 2025 (Unaudited) (Restated)
VII. Total comprehensive income		1,850,897,907	3,047,478,149
Total comprehensive income attributable to shareholders of the parent company		642,746,575	1,111,493,986
Total comprehensive income attributable to minority shareholders		1,208,151,332	1,935,984,163
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.103	0.129
(II) Diluted earnings per share (RMB/share)		0.103	0.129

Note: Due to a business combination under common control within the Group, AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) has been included in the scope of consolidation. Accordingly, the comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement have been restated for illustrative purposes. The net profit realized by the combined party prior to the combination was RMB-6,860,870, and the net profit realized by the combined party in the previous period was RMB-2,224,027.

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 2026

Prepared by: AviChina Industry & Technology Company Limited Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited)
I. Operating income	309,791	309,791
Less: Operating cost	684,135	684,135
Taxes and surcharges	151,196	136,768
Selling expenses		
Administrative expenses	17,467,549	16,511,575
Research and development expenses		
Finance costs	-6,578,379	-16,645,207
Including: Interest expenses		
Interest income	15,940,814	33,265,489
Add: Other income	296,226	201,824
Investment income (loss to be listed with "-")	741,151,706	919,653,853
Including: Income from investment in associates and joint ventures	-235,677	8,829,175
Derecognition 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 "-")	-2,716,587	2,536,372
Credit impairment loss (loss to be listed with "-")	239,139	-42,197
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")		
II. Operating profit (loss to be listed with "-")	727,555,774	921,972,372
Add: Non-operating income		
Less: Non-operating expenses	3,701	
III. Profit before tax (loss before tax to be listed with "-")	727,552,073	921,972,372
Less: Income tax expenses	35,566,107	-1,027,200
IV. Net profit (net loss to be listed with "-")	691,985,966	922,999,572
(I) Net profit from continuing operations (net loss to be listed with"-")	691,985,966	922,999,572
(II) Net profit from discontinuing operations (net loss to be listed with "-")		

Income Statement of the Company (Continued)

January to June 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited)
V. Net of tax of other comprehensive income	-129,454,329	51,088,938
(I) Other comprehensive income that cannot be reclassified into profit or loss	-129,454,329	51,088,938
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	-855,271	-24,557
3. Changes in fair value of other equity instrument investments	-128,599,058	51,113,495
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		
VI. Total comprehensive income	562,531,637	974,088,510

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 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited) (Restated)
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	43,197,875,755	30,983,616,493
Net increase in deposits and placements from customers and 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	111,142,882	454,764,960
Other cash received relating to operating activities	1,929,462,828	1,713,931,263
Subtotal of cash inflows from operating activities	45,238,481,465	33,152,312,716
Cash paid for purchase of goods and receipt of services	30,720,557,204	26,265,839,565
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	9,120,128,573	9,164,450,782
Taxes and surcharges cash payments	1,740,155,221	3,057,811,816
Other cash paid relating to operating activities	1,855,335,254	1,886,815,730
Subtotal of cash outflow from operating activities	43,436,176,252	40,374,917,893
Net cash flow from operating activities	1,802,305,213	-7,222,605,177

Consolidated Cash Flow Statement (Continued)

January to June 2026

Prepared by: AviChina Industry & Technology Company Limited | Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited) (Restated)
II. Cash flows from investing activities:		
Cash received from return of investment	352,045,485	679,795,677
Cash received from investment income	130,388,187	105,270,475
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,317,939	5,640,387
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	2,987,369,516	3,134,837,277
Subtotal of cash inflows from investing activities	3,472,121,127	3,925,543,816
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	2,134,462,390	1,985,101,330
Cash paid to acquire investments	67,396,796	18,234,576
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	2,500,002,763	2,802,245,002
Subtotal of cash outflows from investing activities	4,701,861,949	4,805,580,908
Net cash flows from investing activities	-1,229,740,822	-880,037,092
III. Cash flows from financing activities:		
Cash received from absorbing investment		80,567,200
Including: Cash received from minority shareholders' investment in subsidiaries		80,567,200
Cash received from borrowings	10,649,859,399	9,151,059,293
Cash received from bond issue		
Other cash received relating to financing activities	1,397,402,812	236,175,128
Subtotal of cash inflow from financing activities	12,047,262,211	9,467,801,621
Cash paid for repayments of debts	8,872,729,226	7,551,292,504
Cash paid for distribution of dividends, profits or interest repayment	1,864,939,720	2,377,846,921
Including: Dividends and profits paid to minority shareholders by subsidiaries	1,121,673,847	1,570,664,412
Other cash paid relating to financing activities	816,197,687	413,911,989
Subtotal of cash outflow from financing activities	11,553,866,633	10,343,051,414
Net cash flow from financing activities	493,395,578	-875,249,793

Consolidated Cash Flow Statement (Continued)

January to June 2026

Prepared by: AviChina Industry & Technology Company Limited — Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited) (Restated)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-29,599,332	9,477,376
V. Net increase in cash and cash equivalents	1,036,360,637	-8,968,414,686
Add: Opening balance of cash and cash equivalents	30,414,176,593	39,382,591,279
VI. Closing balance of cash and cash equivalents	31,450,537,230	30,414,176,593

Note: Due to a business combination under common control within the Group, AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) has been included in the scope of consolidation. Accordingly, the comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement have been restated for illustrative purposes.

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 2026

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services		
Refund of taxes and surcharges		
Other cash received relating to operating activities	6,666,684	11,279,391
Subtotal of cash inflows from operating activities	6,666,684	11,279,391
Cash paid for purchase of goods and receipt of services		
Cash paid to and for employees	15,755,327	16,690,669
Taxes and surcharges cash payments	1,053,446	5,376,147
Other cash paid relating to operating activities	6,919,966	127,377,016
Subtotal of cash outflows from operating activities	23,728,739	149,443,832
Net cash flows from operating activities	-17,062,055	-138,164,441
II. Cash flows from investing activities:		
Cash received from return of investment	349,563,985	319,795,677
Cash received from investment income	733,436,246	913,956,069
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		
Subtotal of cash inflows from investing activities	1,083,000,231	1,233,751,746
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		93,788
Cash paid to acquire investments	9,396,796	781,107,787
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	9,396,796	781,201,575
Net cash flows from investing activities	1,073,603,435	452,550,171

Cash Flow Statement of the Company (Continued)

January to June 2026

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2026 (Unaudited)	January to June 2025 (Unaudited)
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received from bond issue		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayments of debts		
Cash paid for distribution of dividends, profits or interest repayment	517,894,989	631,344,368
Other cash paid relating to financing activities	4,602,615	2,599,661
Subtotal of cash outflows from financing activities	522,497,604	633,944,029
Net cash flows from financing activities	-522,497,604	-633,944,029
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-267,246	-37,714
V. Net increase in cash and cash equivalents	533,776,530	-319,596,013
Add: Opening balance of cash and cash equivalents	720,656,378	1,085,551,547
VI. Closing balance of cash and cash equivalents	1,254,432,908	765,955,534

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 2026

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2026 (Unaudited)														
	Equity attributable to shareholders of the parent company														
	Share capital	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
		Preferred shares	Perpetual bonds	Others											
I. Closing balance of the previous year	7,972,854,242				14,027,406,251		476,147,477	553,909,504	628,222,730		11,384,814,739		35,043,354,943	64,581,952,057	99,625,307,000
Add: Changes in accounting policies															
Error correction of previous period															
Business combination under common control															
Others															
II. Opening balance of the current period	7,972,854,242				14,027,406,251		476,147,477	553,909,504	628,222,730		11,384,814,739		35,043,354,943	64,581,952,057	99,625,307,000
III. Change in increase or decrease of the current period (decrease to be listed with "-")					-47,372,930		-345,230,013	41,711,025			459,109,333		108,217,415	66,472,378	174,689,793
(I) Total comprehensive income							-180,187,302				822,933,877		642,746,575	1,208,151,332	1,850,897,907
(II) Capital invested and decreased by shareholders					-47,576,305								-47,576,305	26,945,250	-20,631,055
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					-47,576,305								-47,576,305	26,945,250	-20,631,055
(III) Profit distribution											-530,194,807		-530,194,807	-1,202,483,925	-1,732,678,732
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserve															
3. Distribution to shareholders											-530,194,807		-530,194,807	-1,202,483,925	-1,732,678,732
4. Others															
(IV) Internal carry-over in shareholders' equity							-165,042,711				165,042,711				
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							-165,042,711				165,042,711				
6. Others															
(V) Special reserves								41,711,025					41,711,025	33,859,721	75,570,746
1. Appropriation in the current period								111,691,065					111,691,065	84,180,130	195,871,195
2. Use in the current period								69,980,040					69,980,040	50,320,409	120,300,449
(VI) Others					203,375						1,327,552		1,530,927		1,530,927
IV. Closing balance of the current period	7,972,854,242				13,980,033,321		130,917,464	595,620,529	628,222,730		11,843,924,072		35,151,572,358	64,648,424,435	99,799,996,793

Note: Due to a business combination under common control within the Group, AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) has been included in the scope of consolidation. Accordingly, the comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement have been restated for illustrative purposes.

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 2026

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Share capital	Other equity instrument: Preferred shares	Other equity instrument: Perpetual bonds	Other equity instrument: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal	Minority equity	Total shareholders' equity
	January to June 2025 (Unaudited & Restated)														
	Equity attributable to shareholders of the parent company														
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 of previous period															
Business combination under common control					24,165,398		-158,304	137,505			7,066,242		31,210,841	205,785,186	236,996,027
Others															
II. Opening balance of the current period	7,972,854,242				14,388,364,032		449,322,282	498,682,752	534,461,130		10,335,494,083		34,179,178,521	62,706,029,384	96,885,207,905
III. Change in increase or decrease of the current period (decrease to be listed with "-")					-378,389,847		78,624,245	103,212,242			389,031,500		192,478,140	899,459,642	1,091,937,782
(I) Total comprehensive income							81,276,810				1,030,217,176		1,111,493,986	1,935,984,163	3,047,478,149
(II) Capital invested and decreased by shareholders					-378,763,657								-378,763,657	545,220,666	166,457,009
1. Ordinary shares invested by shareholders					108,022								108,022	80,459,178	80,567,200
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized as shareholders' equity					22,348,823								22,348,823	38,448,396	60,797,219
4. Others					-401,220,502								-401,220,502	426,313,092	25,092,590
(III) Profit distribution											-645,801,194		-645,801,194	-1,638,760,449	-2,284,561,643
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserve															
3. Distribution to shareholders											-645,801,194		-645,801,194	-1,638,760,449	-2,284,561,643
4. 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								103,212,242					103,212,242	57,015,262	160,227,504
1. Appropriation in the current period								202,310,796					202,310,796	89,925,100	292,235,896
2. Use in the current period								99,098,554					99,098,554	32,909,838	132,008,392
(VI) Others					373,810						1,962,953		2,336,763		2,336,763
IV. Closing balance of the current period	7,972,854,242				14,009,974,185		527,946,527	601,894,994	534,461,130		10,724,525,583		34,371,656,661	63,605,489,026	97,977,145,687

Note: Due to a business combination under common control within the Group, AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) has been included in the scope of consolidation. Accordingly, the comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement have been restated for illustrative purposes.

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 2026

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	Share capital	Other equity instrument: Preferred shares	Other equity instrument: Perpetual bonds	Other equity instrument: Others	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total shareholders' equity
	January to June 2026 (Unaudited)											
I. Closing balance of the previous year	7,972,854,242				8,000,376,551		545,303,736		628,222,730	1,431,035,094		18,577,792,353
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		545,303,736		628,222,730	1,431,035,094		18,577,792,353
III. Change in increase or decrease of the current period (decrease to be listed with "-")							-290,187,671			322,524,500		32,336,829
(I) Total comprehensive income							-129,454,329			691,985,966		562,531,637
(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										-530,194,808		-530,194,808
1. Appropriation to surplus reserves												
2. Distribution to shareholders										-530,194,808		-530,194,808
3. Others												
(IV) Internal carry-over in shareholders' equity							-160,733,342			160,733,342		
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							-160,733,342			160,733,342		
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		255,116,065		628,222,730	1,753,559,594		18,610,129,182

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 2026

Prepared by: AviChina Industry & Technology Company Limited

Unit: RMB

Items	January to June 2025 (Unaudited)											
	Share capital	Other equity instrument			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total 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		18,293,663,565
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 "-")							48,436,373			281,608,511		330,044,884
(I) Total comprehensive income							51,088,938			922,999,572		974,088,510
(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										-645,801,194		-645,801,194
1. Appropriation to surplus reserves												
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										1,757,568		1,757,568
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

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

I. BASIC INFORMATION OF THE COMPANY

(I) Basic Information

AviChina Industry & Technology Company Limited (hereinafter referred to as the Company, together with its subsidiaries, the Group) was restructured by a subsidiary of the former China Aviation Industry Corporation II (hereinafter referred to as AVIC II), and was incorporated in Beijing in the People's Republic of China (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 (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 Market Supervision and Administration Authority. The registered capital of the Company is RMB7,972,854,242. The legal representative is Mr. Yan Lingxi. The address of its registered office is 2nd Floor, Building 27, No. 26 Xihuan South Street, Beijing 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). On 30 October 2003, the Company was listed on the Main Board of the Hong Kong Stock Exchange, and 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 AVIC 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 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.

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 issuance, 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* (天津保税區投資有限公司), 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. After the additional issuance of Domestic Shares, the share capital of the Company was changed to RMB7,972,854,242.

(II) Nature of business and main business of the enterprise

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 26 August 2026.

II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements has been prepared on a 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 Note "III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES".

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.

(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 2026 are consistent with the accounting policies followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025, 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

(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 2026 and for the six–month period are unaudited, and the data for the six–month period ended 30 June 2025 are unaudited and restated.

In June 2026, AVIC Airborne Systems Co., Ltd.* (中航機載系統股份有限公司), a subsidiary of the Company, acquired equity interests through cash contribution to control AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限 合夥)), 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 comparative amounts of the Consolidated Balance Sheet as at 31 December 2025, and the comparative amounts for January to June 2025 in the Consolidated Income Statement, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement.

In April 2026, Jonhon Optronic Technology Co., Ltd* (中航光電科技股份有限公司), a subsidiary of the Company, acquired equity interests through cash contribution to control a non–related entity, Chengdu Chuanmei New Technology Co., Ltd.* (成都川美新技術股份有限公司) and its subsidiary, Chengdu Yunsu New Starting Point Technology Co., Ltd.* (成都雲溯新起點科技有限公司), and included them in the scope of consolidation.

The restatement of the consolidated financial statements for the previous period due to the business combination under common control has had the following impacts on the Group's financial statements submitted of previous period:

Items	Previously presented January to June 2025	Business combinations involving entities under common control	Restated January to June 2025
Operating revenue	37,465,251,870		37,465,251,870
Total operating cost	34,711,799,167	2,986,830	34,714,785,997
Including: Operating cost	29,889,477,932		29,889,477,932
Selling expenses	339,100,579		339,100,579
Administrative expenses	2,064,480,752	3,029,502	2,067,510,254
Research and development expenses	2,169,891,803		2,169,891,803
Finance costs	-55,466,154	-42,672	-55,508,826
Operating profit	3,108,402,127	-2,986,830	3,105,415,297
Net profit	2,806,659,099	-2,986,830	2,803,672,269
Net profit attributable to the owners of the parent company	1,030,426,079	-208,903	1,030,217,176

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

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

Items	Previously presented 31 December 2025	Business combinations involving entities under common control	Restated 31 December 2025
Total current assets	161,692,928,980	4,120,760	161,697,049,740
Total non–current assets	44,909,571,513	241,540,862	45,151,112,375
Total assets	206,602,500,493	245,661,622	206,848,162,115
Total current liabilities	97,946,330,854	6,970	97,946,337,824
Total non–current liabilities	9,276,517,291		9,276,517,291
Total liabilities	107,222,848,145	6,970	107,222,855,115
Total shareholders' equity attributable to parent company	35,014,101,749	29,253,194	35,043,354,943
Minority equity	64,365,550,599	216,401,458	64,581,952,057
Total shareholders' equity	99,379,652,348	245,654,652	99,625,307,000
Total liabilities and shareholders' equity	206,602,500,493	245,661,622	206,848,162,115

(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 2026	31 December 2025
Cash on hand	292,792	235,280
Bank deposits	30,985,940,080	30,246,293,046
Other monetary funds	388,932,358	196,968,374
Total	31,375,165,230	30,443,496,700
Including: Total amount deposited abroad	235,419,612	282,177,531
Including: Total amount deposited with AVIC Finance	22,824,566,694	22,282,732,749

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

2. Financial assets held for trading

Item	30 June 2026	31 December 2025
Financial assets at fair value through profit or loss	1,938,691,825	2,342,175,411
Including: Debt instrument investments		
Equity instrument investments	27,640,181	30,985,822
Wealth management products	1,911,051,644	2,311,189,589
Total	1,938,691,825	2,342,175,411

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.

3. Notes receivable

(1) Classified presentation of notes receivable

Item	30 June 2026	31 December 2025
Banker's acceptance bill	1,564,230,904	3,188,696,287
Commercial acceptance bill	2,434,930,279	7,375,764,874
Total	3,999,161,183	10,564,461,161

(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 2026
Banker's acceptance bill	188,069,119
Commercial acceptance bill	108,702,408
Total	296,771,527

(3) Classified presentation by bad debt accrual method

	30 June 2026				
	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	4,083,242,548	100.00	84,081,365	2.06	3,999,161,183
Total	4,083,242,548	–	84,081,365	–	3,999,161,183

	31 December 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	10,739,847,834	100.00	175,386,673	1.63	10,564,461,161
Total	10,739,847,834	–	175,386,673	–	10,564,461,161

(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	Bad debt provision	Provision proportion (%)
	30 June 2026		
Banker's acceptance bill	1,564,374,833	143,929	0.01
Commercial acceptance bill	2,518,867,715	83,937,436	3.33
Total	4,083,242,548	84,081,365	–

Name	Book balance	Bad debt provision	Provision proportion (%)
	31 December 2025		
Banker's acceptance bill	3,189,150,622	454,335	0.01
Commercial acceptance bill	7,550,697,212	174,932,338	2.32
Total	10,739,847,834	175,386,673	–

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

Category	31 December 2025	Changes in the current period: Accrued	Recovered or reversed	Written back or written off	Increase due to other reasons	30 June 2026
Bad debt provision of notes receivable made as per portfolio	175,386,673	-91,641,620			336,312	84,081,365
Total	175,386,673	-91,641,620			336,312	84,081,365

Note: Other changes represent an increase of RMB336,312 arising from the acquisition of Chengdu Chuanmei New Technology Co., Ltd.(成都川美新技術股份有限公司) by the Company's subsidiary, Jonhon Optronic Technology Co., Ltd (中航光電科技股份有限公司), during the current period.

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

(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 2026	31 December 2025
Accounts receivable	61,372,127,804	57,904,514,580
Less: Impairment provision	2,704,214,184	2,537,771,123
Net accounts receivable	58,667,913,620	55,366,743,457

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

	30 June 2026			
Category of portfolio	Original value	Proportion of bad debt provision (%)	Bad debt provision	Book value
Accounts receivable with bad debt provision made individually	2,339,816,366	12.07	282,496,304	2,057,320,062
Accounts receivable with bad debt provision made as per portfolio	59,032,311,438	4.10	2,421,717,880	56,610,593,558
Including: bad debt provision made on the group of credit risk characteristics	59,032,311,438	4.10	2,421,717,880	56,610,593,558
Total	61,372,127,804	–	2,704,214,184	58,667,913,620

	31 December 2025			
Category of portfolio	Original value	Proportion of bad debt provision (%)	Bad debt provision	Book value
Accounts receivable with bad debt provision made individually	2,299,305,085	11.55	265,610,916	2,033,694,169
Accounts receivable with bad debt provision made as per portfolio	55,605,209,495	4.09	2,272,160,207	53,333,049,288
Including: ba d debt provision made on the group of credit risk characteristics	55,605,209,495	4.09	2,272,160,207	53,333,049,288
Total	57,904,514,580	–	2,537,771,123	55,366,743,457

(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

	30 June 2026			
Name	Book balance	Bad debt provision	Provision proportion (%)	Reasons for provision
Company 1	2,073,083,558	16,372,999	0.79	Provided based on expected loss rate
Company 2	95,871,744	95,871,744	100.00	All of it is expected to be unable to recover
Company 3	22,553,427	22,553,427	100.00	All of it is expected to be unable to recover
Company 4	16,812,810	16,812,810	100.00	All of it is expected to be unable to recover
Company 5	16,636,397	16,636,397	100.00	All of it is expected to be unable to recover
Total	2,224,957,936	168,247,377	–	–

2) Bad debt provision of accounts receivable made by portfolio

	30 June 2026		
Ageing	Book balance	Bad debt provision	Provision proportion (%)
Within 1 year (including 1 year)	44,955,280,737	390,083,816	0.87
1–2 years	10,840,218,680	708,414,964	6.54
2–3 years	2,052,879,325	554,652,327	27.02
Over 3 years	1,183,932,696	768,566,773	64.92
Total	59,032,311,438	2,421,717,880	–

	31 December 2025		
Ageing	Book balance	Bad debt provision	Provision proportion (%)
Within 1 year (including 1 year)	41,804,869,460	342,688,414	0.82
1–2 years	10,552,012,829	644,389,146	6.11
2–3 years	2,200,414,931	614,080,247	27.91
Over 3 years	1,047,912,275	671,002,400	64.03
Total	55,605,209,495	2,272,160,207	–

(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

	30 June 2026		
Ageing	Accounts receivable	Bad debt provision	Proportion of bad debt provision (%)
Within 1 year (including 1 year)	47,127,480,407	504,963,424	1.07
1–2 years	10,876,745,856	744,942,140	6.85
2–3 years	2,071,820,320	573,593,322	27.69
3–4 years	453,288,508	254,921,940	56.24
4–5 years	244,421,162	178,816,438	73.16
Over 5 years	598,371,551	446,976,920	74.70
Total	61,372,127,804	2,704,214,184	–

	31 December 2025		
Ageing	Accounts receivable	Bad debt provision	Proportion of bad debt provision (%)
Within 1 year (including 1 year)	43,960,833,468	465,567,477	1.06
1–2 years	10,564,956,341	656,989,049	6.22
2–3 years	2,215,461,638	628,861,338	28.39
3–4 years	382,801,508	208,707,883	54.52
4–5 years	229,288,044	164,389,878	71.70
Over 5 years	551,173,581	413,255,498	74.98
Total	57,904,514,580	2,537,771,123	–

(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

		Changes in the current period				
Category	31 December 2025	Accrued	Recovered or reversed	Written back or written off	Increase due to other reasons	30 June 2026
Bad debt provision for accounts receivable	2,537,771,123	132,775,565	4,174		33,671,670	2,704,214,184
Total	2,537,771,123	132,775,565	4,174		33,671,670	2,704,214,184

Note: Other changes mainly represent an increase of RMB33,519,555 arising from the acquisition of Chengdu Chuanmei New Technology Co., Ltd.(成都川美新技術股份有限公司) by the Company's subsidiary, Jonhon Optronic Technology Co., Ltd (中航光電科技股份有限公司), during the current period.

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

The Group had no accounts receivable that were actually written–off in the current period.

5. Prepayments

(1) Ageing of prepayments

	30 June 2026		31 December 2025	
Ageing	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,846,502,407	65.23	1,536,208,706	50.84
1–2 years	308,276,259	10.89	330,253,050	10.93
2–3 years	171,835,325	6.07	209,858,654	6.95
Over 3 years	504,283,884	17.81	945,054,415	31.28
Total	2,830,897,875	100.00	3,021,374,825	100.00

(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	Ageing	Reason for being unsettled	Percentage of the total closing balance of prepayments (%)
Company 1	262,449,511	Over 3 years	Conditions for settlement have not been met	9.27
Company 2	129,653,242	Within 1 year, 1–2 years, 2–3 years, over 3 years	Conditions for settlement have not been met	4.58
Company 3	101,676,759	Over 3 years	Conditions for settlement have not been met	3.59
Company 4	68,857,097	Within 1 year, 1–2 years, 2–3 years, over 3 years	Conditions for settlement have not been met	2.43
Company 5	52,147,000	2–3 years, over 3 years	Conditions for settlement have not been met	1.84
Company 6	45,775,774	Within 1 year, 1–2 years, 2–3 years, over 3 years	Conditions for settlement have not been met	1.62
Company 7	38,854,653	Within 1 year, 1–2 years, 2–3 years	Conditions for settlement have not been met	1.37
Company 8	37,502,940	Within 1 year, 1–2 years	Conditions for settlement have not been met	1.32
Company 9	26,202,100	1–2 years	Conditions for settlement have not been met	0.93
Company 10	23,620,000	2–3 years	Conditions for settlement have not been met	0.83
Total	786,739,076	–	–	27.78

6. Other receivables

Item	30 June 2026	31 December 2025
Interests receivable		
Dividends receivable	14,354,814	
Other receivables	521,605,116	451,487,988
Total	535,959,930	451,487,988

(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 2026	31 December 2025
Company 1	7,500,000	
Company 2	6,495,404	
Company 3	359,410	
Total	14,354,814	

6.2 Other receivables

(1) Classification of other receivables by nature

Nature of amount	30 June 2026	31 December 2025
Intercourse funds	416,119,942	361,528,249
Deposit and security	130,523,678	120,418,622
Petty cash and personal loan	22,373,816	11,816,944
Receivables and payables on behalf of other parties (Funds disbursed for others)	19,933,558	20,309,273
Equipment engineering cost	2,000,000	2,000,000
Others	28,554,827	31,150,107
Total	619,505,821	547,223,195

(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*

Bad debt provision	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
Balance as at 1 January 2026	23,446,231	11,678,948	60,610,028	95,735,207
Book balance of other receivables on 1 January 2026 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	1,704,876	217,515	210,000	2,132,391
Amount transferred back in the current period			112,205	112,205
Amount written back in the current period				
Amount written off in the current period				
Other changes		190,831	-45,519	145,312
Balance as at 30 June 2026	25,151,107	12,087,294	60,662,304	97,900,705

(3) *Other receivables presented as per ageing*

Ageing	30 June 2026	31 December 2025
Within 1 year (including 1 year)	345,334,713	303,451,783
1–2 years	117,340,844	135,349,990
2–3 years	56,240,305	19,620,257
3–4 years	15,095,972	6,674,434
4–5 years	4,272,505	7,733,353
Over 5 years	81,221,482	74,393,378
Subtotal	619,505,821	547,223,195
Less: Bad debt provision	97,900,705	95,735,207
Total	521,605,116	451,487,988

(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

	30 June 2026			
Category of portfolio	Original book value	Proportion of bad debt provision (%)	Bad debt provision	Book value
Other receivables with bad debt provision made individually	67,929,742	100.00	67,929,742	
Other receivables with bad debt provision made on the group of credit risk characteristics	551,576,079	5.43	29,970,963	521,605,116
Total	619,505,821	15.80	97,900,705	521,605,116

	31 December 2025			
Category of portfolio	Original book value	Proportion of bad debt provision (%)	Bad debt provision	Book value
Other receivables with bad debt provision made individually	67,772,466	100.00	67,772,466	
Other receivables with bad debt provision made on the group of credit risk characteristics	479,450,729	5.83	27,962,741	451,487,988
Total	547,223,195	17.49	95,735,207	451,487,988

(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

	30 June 2026			
Name	Book balance	Bad debt provision	Provision proportion (%)	Reasons for provision
Company 1	50,000,000	50,000,000	100.00	Expected to be unable to recover
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	Expected to be unable to recover
Other companies	6,934,962	6,934,962	100.00	Expected to be unable to recover
Total	67,929,742	67,929,742	100.00	–

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*

		Changes in the current period				
Category	31 December 2025	Accrued	Recovered or reversed	Written back or written off	Increase due to other reasons	30 June 2026
Bad debts provision for other receivables	95,735,207	2,132,391	112,205		145,312	97,900,705
Total	95,735,207	2,132,391	112,205		145,312	97,900,705

Note: Other changes represent an increase of RMB145,312 arising from the acquisition of Chengdu Chuanmei New Technology Co., Ltd.(成都川美新技術股份有限公司) by the Company's subsidiary, Jonhon Optronic Technology Co., Ltd (中航光電科技股份有限公司), during the current period.

(6) *Other receivables actually written–off in the current period*

The Group had no other receivables that were actually written–off in the current period.

(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

	30 June 2026		
Item	Book balance	Impairment provision for inventory/ impairment provision for contract performance costs	Book value
Raw materials	13,748,171,249	686,023,328	13,062,147,921
Self–made semi–finished goods and products in progress	22,044,551,430	197,882,444	21,846,668,986
Finished goods	8,383,599,729	469,664,532	7,913,935,197
Turnover materials	636,313,454	4,537,143	631,776,311
Contract performance costs	60,087,904		60,087,904
Others	1,538,338,563	43,862,643	1,494,475,920
Total	46,411,062,329	1,401,970,090	45,009,092,239

	31 December 2025		
Item	Book balance	Impairment provision for inventory/ impairment provision for contract performance costs	Book value
Raw materials	12,594,319,538	670,838,370	11,923,481,168
Self–made semi–finished goods and products in progress	19,388,201,315	182,573,933	19,205,627,382
Finished goods	8,859,277,438	499,276,991	8,360,000,447
Turnover materials	604,000,052	4,537,143	599,462,909
Contract performance costs	81,758,862		81,758,862
Others	1,989,378,504	45,194,087	1,944,184,417
Total	43,516,935,709	1,402,420,524	42,114,515,185

(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

	30 June 2026		
Item	Book balance	Impairment provision	Book value
Aviation entire aircraft	8,145,063,666	37,601,546	8,107,462,120
Aviation engineering services	5,007,893,831	85,008,807	4,922,885,024
Aviation ancillary system and related business	1,731,203,774	7,800,624	1,723,403,150
Total	14,884,161,271	130,410,977	14,753,750,294

	31 December 2025		
Item	Book balance	Impairment provision	Book value
Aviation entire aircraft	9,349,981,800	53,634,590	9,296,347,210
Aviation engineering services	3,747,406,046	85,404,221	3,662,001,825
Aviation ancillary system and related business	1,754,759,318	5,829,140	1,748,930,178
Total	14,852,147,164	144,867,951	14,707,279,213

(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 2025	Changes in the current period: Accrued	Recovered or reversed	Written back or written off	Decrease due to other reasons	30 June 2026
Aviation entire aircraft	53,634,590	-16,033,044				37,601,546
Aviation engineering services	85,404,221	-153,520	241,894			85,008,807
Aviation ancillary system and related business	5,829,140	2,059,864	88,380			7,800,624
Total	144,867,951	-14,126,700	330,274			130,410,977

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

Item	Amount changed	Reasons for change
Aviation entire aircraft	-1,188,885,090	contract performance gradually meets the conditions for collection
Aviation engineering services	1,260,883,199	gradual performance of contracts
Aviation ancillary system and related business	-25,527,028	contract performance gradually meets the conditions for collection
Total	46,471,081	–

(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 2025	Movement for the period: Added investment	Decreased investment	Investment profit or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Distribution of cash dividend or profit declared	Impairment provision	Others	30 June 2026	Impairment provision at the end of the period
I. Joint ventures											
Xi'an AVIC Hamilton Sundstrand Aviation Electric Co., Ltd.* (西安中航漢勝航空電力有限公司)	63,433,657			12,653,809						76,087,466	
Qingdao Xinghang Optoelectronics Technology Co., Ltd.* (青島興航光電技術有限公司)	349,227,368			65,611,521			65,000,000			349,838,889	
Others	37,200,157						780,000			36,420,157	
II. Associates											
China Carbon Aviation Investment New Energy Group Co., Ltd.* (中碳航投新能源集團有限公司)	454,422,593			2,708,274						457,130,867	
Jiangxi Hongdu Commercial Aircraft Corporation Limited* (江西洪都商用飛機股份有限公司)	306,121,212			-84,485		-69,876				305,966,851	
Schneider Shanghai Low Voltage Terminal Apparatus Co., Ltd.* (上海施耐德低壓終端電器有限公司)	126,616,270			39,992,187						166,608,457	
AVIC Rongfu Fund Management Company Limited* (中航融富基金管理有限公司)	93,538,569			1,866,614	-855,271		3,349,900			91,200,012	
Schneider Merlin Gerin Low Voltage (Tianjin) Co., Ltd.* (施耐德梅蘭日蘭低壓(天津)有限公司)	75,012,643			3,684,395						78,697,038	
Guangzhou Huazhi Auto Parts Co., Ltd.* (廣州華智汽車部件有限公司)	144,627,971			-8,611,621		1,032,702				137,049,052	
Hongguang Airborne Equipment Co., Ltd.* (宏光空降裝備有限公司)	268,802,621			11,768,132		310,675	11,520,179			269,361,249	
Beijing Hanghua Refrigeration Equipment Co., Ltd.* (北京航華製冷設備有限公司)	375,409,968			-3,908,375	-14,662	410,174				371,897,105	
Aviation Gyro (Xi'an) Photoelectricity Technology Co., Ltd.* (中航捷鋭(西安)光電技術有限公司)		126,107,660		944,405		233,910	6,495,404			120,790,571	
Others	214,711,889			-1,767,128		-33,813	510,000			212,400,948	
III. Circulation right for non–tradable shares											
Circulation right for non–tradable shares	354,739,885									354,739,885	
Total	2,863,864,803	126,107,660		124,857,728	-869,933	1,883,772	87,655,483			3,028,188,547	

(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 2026	31 December 2025
AVIC Shenyang Aircraft Company Limited* (中航沈飛股份有限公司)	962,862,112	1,315,443,007
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))	444,761,439	542,421,347
Harbin DongAn Automotive Engine Manufacturing Co., Ltd.* (哈爾濱東安汽車發動機製造有限公司)	426,600,000	426,600,000
AVIC Chengdu Aircraft Co., Ltd.* (中航成飛股份有限公司)	410,781,819	556,443,136
AVIC Heavy Machinery Co., Ltd.* (中航重機股份有限公司)	212,051,580	314,466,585
AVIC Industry–Finance Holdings Co., Ltd.* (中航工業產融控股股份有限公司)	185,963,427	228,775,151
Xi'an Xiangteng Micro-Electronic Technology Co.,Ltd. * (西安翔騰微電子科技有限公司)	143,969,157	
AVIC Huabei Aircraft Industry Co., Ltd.* (中航通飛華北飛機工業有限公司)	125,280,000	125,280,000
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)	110,653,872	110,653,872
Xi'an Qing'an Refrigeration Equipment Co., Ltd.* (西安慶安製冷設備股份有限公司)	107,856,307	107,856,307
Tianjin Zhongtian Aviation Industry Investment Co., Ltd.* (天津中天航空工業投資有限責任公司)	104,169,140	104,169,140
Sichuan Chengfei Integration Technology Corporation Limited* (四川成飛集成科技股份有限公司)	81,639,322	124,473,110
Nanjing Guobo Electronics Co., Ltd.* (南京國博電子股份有限公司)	73,010,000	164,413,638
AVIC Guizhou Anji Aviation Investment Casting Co., Ltd.* (貴州安吉航空精密鑄造有限責任公司)	71,760,000	71,760,000
Shanghai Advanced Avionics Company Ltd.* (上海埃威航空電子有限公司)	35,747,552	
AVIC Nanjing Servo Control Systems Co., Ltd.* (中航工業南京伺服控制系統有限公司)	32,282,380	
CALB Group Co., Ltd.* (中創新航科技集團股份有限公司)	28,109,157	31,323,764
Wuxi Leihua Technology Co.,Ltd.* (無錫市雷華科技有限公司)	23,839,326	
AVIC Jincheng Unmanned System Co., Ltd.* (中航金城無人系統有限公司)	2,156,117	2,156,117
Chengdu RMI Technology Co., Ltd.* (成都雷電微力科技股份有限公司)		90,765,360
Aviation Gyro (Xi'an) Photoelectricity Technology Co., Ltd.* (中航捷銳(西安)光電技術有限公司)		47,007,970
Others	1,985,736	1,985,736
Total	3,585,478,443	4,365,994,240

(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)	9,488,057	629,262,116			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))	9,249,128	122,067,054		45,102,785	Non-trading equity investments	Disposal of certain equity interests
Harbin DongAn Automotive Engine Manufacturing Co., Ltd.* (哈爾濱東安汽車發動機製造有限公司)	7,500,000	351,600,000			Non-trading equity investments	
AVIC Chengdu Aircraft Co., Ltd.* (中航成飛股份有限公司)	2,718,823	383,226,393			Non-trading equity investments	
AVIC Heavy Machinery Co., Ltd.* (中航重機股份有限公司)		12,051,587			Non-trading equity investments	
AVIC Industry-Finance Holdings Co., Ltd.* (中航工業產融控股股份有限公司)			357,512,901		Non-trading equity investments	
Xi'an Xiangteng Micro-Electronic Technology Co.,Ltd.* (西安翔騰微電子科技有限公司)					Non-trading equity investments	
AVIC Huabei Aircraft Industry Co., Ltd.* (中航通飛華北飛機工業有限公司)			54,720,000		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)			17,364,684		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)			1,256,509		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)		44,169,140			Non-trading equity investments	
Sichuan Chengfei Integration Technology Corporation Limited* (四川成飛集成科技股份有限公司)		77,248,022			Non-trading equity investments	
Nanjing Guobo Electronics Co., Ltd.* (南京國博電子股份有限公司)	434,520	66,743,358		39,629,361	Non-trading equity investments	Disposal of certain equity interests
AVIC Guizhou Anji Aviation Investment Casting Co., Ltd.* (貴州安吉航空精密鑄造有限責任公司)	259,404	21,760,000			Non-trading equity investments	
Shanghai Advanced Avionics Company Ltd.* (上海埃威航空電子有限公司)					Non-trading equity investments	
AVIC Nanjing Servo Control Systems Co., Ltd.* (中航工業南京伺服控制系統有限公司)					Non-trading equity investments	
CALB Group Co., Ltd.* (中創新航科技集團股份有限公司)			29,416,216		Non-trading equity investments	
Wuxi Leihua Technology Co.,Ltd.* (無錫市雷華科技有限公司)					Non-trading equity investments	
AVIC Jincheng Unmanned System Co., Ltd.* (中航金城無人系統有限公司)			3,470,564		Non-trading equity investments	
Chengdu RMI Technology Co., Ltd.* (成都雷電微力科技股份有限公司)		76,001,195		76,001,195	Non-trading equity investments	Disposal of equity interests
Aviation Gyro (Xi'an) Photoelectricity Technology Co., Ltd.* (中航捷鋭(西安)光電技術有限公司)		25,200,944		25,200,944	Non-trading equity investments	Reclassification to long-term investment upon additional investment
Others	64,086		49,151,364		Non-trading equity investments	Disposal of certain equity interests
Total	29,714,018	1,809,329,809	512,892,238	185,934,285		

(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 2025	595,743,643	107,850,291	703,593,934
2.Increase in the current period	4,410,883	2,600,535	7,011,418
3.Decrease in the current period	5,878,933	984,492	6,863,425
4.30 June 2026	594,275,593	109,466,334	703,741,927
II. Accumulated depreciation and accumulated amortization			
1.31 December 2025	207,809,768	37,075,135	244,884,903
2.Increase in the current period	6,534,071	2,010,746	8,544,817
3.Decrease in the current period	927,928	531,763	1,459,691
4.30 June 2026	213,415,911	38,554,118	251,970,029
III. Impairment provision			
1.31 December 2025			
2.Increase in the current period	38,272		38,272
3.Decrease in the current period			
4.30 June 2026	38,272		38,272
IV. Book value			
1.30 June 2026	380,821,410	70,912,216	451,733,626
2.31 December 2025	387,933,875	70,775,156	458,709,031

12. Fixed assets

Item	Book value on 30 June 2026	Book value on 31 December 2025
Fixed assets	27,346,322,995	27,113,703,346
Fixed assets in liquidation	5,845,900	4,531,961
Total	27,352,168,895	27,118,235,307

(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 2025	22,740,857,085	22,004,265,141	238,069,158	5,039,248,875	474,344,300	2,608,309,849	53,105,094,408
2. Increase in the current period	364,259,317	1,079,318,733	1,666,375	103,244,293	19,729,208	177,815,470	1,746,033,396
3. Decrease in the current period	15,513,754	181,505,338	4,615,647	16,274,909	3,246,397	16,379,399	237,535,444
4. 30 June 2026	23,089,602,648	22,902,078,536	235,119,886	5,126,218,259	490,827,111	2,769,745,920	54,613,592,360
II. Accumulated depreciation							
1. 31 December 2025	7,202,247,035	12,740,034,923	184,149,386	3,854,378,313	393,050,201	1,519,856,058	25,893,715,916
2. Increase in the current period	432,248,312	717,905,961	8,602,552	158,516,786	19,752,475	122,607,814	1,459,633,900
3. Decrease in the current period	7,756,341	135,453,063	4,117,886	15,635,358	3,062,697	14,405,623	180,430,968
4. 30 June 2026	7,626,739,006	13,322,487,821	188,634,052	3,997,259,741	409,739,979	1,628,058,249	27,172,918,848
III. Impairment provision							
1. 31 December 2025	4,439,597	89,614,376	48,221	813,285	365	2,759,302	97,675,146
2. Increase in the current period							
3. Decrease in the current period		3,324,629					3,324,629
4. 30 June 2026	4,439,597	86,289,747	48,221	813,285	365	2,759,302	94,350,517
IV. Book value							
1. 30 June 2026	15,458,424,045	9,493,300,968	46,437,613	1,128,145,233	81,086,767	1,138,928,369	27,346,322,995
2. 31 December 2025	15,534,170,453	9,174,615,842	53,871,551	1,184,057,277	81,293,734	1,085,694,489	27,113,703,346

(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 2026	31 December 2025
Plant & buildings		
Machinery equipment	4,696,006	3,419,403
Electronic equipment	632,505	482,553
Office equipment	250,478	198,533
Transportation vehicles	85,472	74,085
Others	181,439	357,387
Total	5,845,900	4,531,961

13. Construction in progress

Item	30 June 2026	31 December 2025
Construction in progress	3,535,227,270	3,588,269,809
Construction materials		
Total	3,535,227,270	3,588,269,809

(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

	30 June 2026			31 December 2025		
Item	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Self–made equipment	378,410,560		378,410,560	272,570,209		272,570,209
Aviation air bleed subsystem production capacity enhancement project	294,503,977		294,503,977	203,912,587		203,912,587
Project of Shunyi New District	238,464,571		238,464,571	220,115,947		220,115,947
Acquisition of Xi'an park project	219,322,056		219,322,056	198,721,461		198,721,461
X–009	95,978,907		95,978,907	68,600,969		68,600,969
Intelligent production project for the final assembly of a certain aircraft	85,464,256		85,464,256	74,244,048		74,244,048
Infrastructure technical transformation projects	79,678,689		79,678,689	133,414,867		133,414,867
Convertible bond fundraising project	48,673,855		48,673,855	80,919,565		80,919,565
Huanan Industry Base Project	44,051,441		44,051,441	32,490,585		32,490,585
Civil Aircraft and Industrial Interconnection Industrial Park	37,676,110		37,676,110	55,088,557		55,088,557
Self–financing projects for technological reform	31,069,716		31,069,716	22,127,745		22,127,745
SAPC project	29,511,394		29,511,394	29,084,228		29,084,228
Aviation airborne products and isostatic pressing equipment capability improvement project	27,571,969		27,571,969	27,111,752		27,111,752
A special project	24,689,820		24,689,820	21,682,566		21,682,566
Research construction project 3	22,822,059		22,822,059	23,629,333		23,629,333
Surface Treatment Plant Project	19,419,049		19,419,049	12,196,702		12,196,702
Quality and infrastructure capability improvement (Phase II of fundraising investment)	9,228,409		9,228,409	56,044,796		56,044,796
Basic Devices Industrial Park (Phase I)	8,957,085		8,957,085	37,705,281		37,705,281
High–end interconnect technology industrial community project	6,730,172		6,730,172	82,281,991		82,281,991
Infrastructure renovation project of building 2	718,801		718,801	13,967,022		13,967,022
Process layout adjustment				421,900		421,900
Others	1,832,284,374		1,832,284,374	1,921,937,698		1,921,937,698
Total	3,535,227,270		3,535,227,270	3,588,269,809		3,588,269,809

NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2026 to 30 June 2026

(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 2025	Increase in the current period	Decrease in the current period: Transferred to fixed assets	Decrease in the current period: Other decreases	30 June 2026	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
Self–made equipment	272,570,209	178,982,211	66,340,893	6,800,967	378,410,560	N/A	N/A	N/A				Self-financing
Aviation air bleed subsystem production capacity enhancement project	203,912,587	102,630,702	12,039,312		294,503,977	739,800,000	41.44	41.44				Self-financing
Project of Shunyi New District	220,115,947	18,348,624			238,464,571	280,259,000	85.08	85.08	8,382,396			Self-financing, loan
Acquisition of Xi'an park project	198,721,461	20,600,595			219,322,056	281,950,000	77.79	90.00	1,382,724	1,253,049	2.73	Self-financing, loan
X–009	68,600,969	29,186,938	610,000	1,199,000	95,978,907	320,000,000	32.00	35.00				State funding, self-financing
Intelligent production project for the final assembly of a certain aircraft	74,244,048	11,220,208			85,464,256	298,776,600	30.00	30.00				State funding, self-financing
Infrastructure technical transformation projects	133,414,867	102,031,676	155,767,854		79,678,689	546,450,000	N/A	N/A	1,102,939			State funding, self-financing
Convertible bond fundraising project	80,919,565	17,307,052	49,552,762		48,673,855	544,490,000	50.00	50.00				Self-financing, others
Huanan Industry Base Project	32,490,585	36,681,508	25,120,652		44,051,441	2,255,448,700	99.29	99.29				Raised funds,self-financing
Civil Aircraft and Industrial Interconnection Industrial Park	55,088,557	60,069,732	77,482,179		37,676,110	1,698,000,000	82.86	89.32	3,514,660			Self-financing, loan
Self–financing projects for technological reform	22,127,745	21,041,609	9,276,019	2,823,619	31,069,716	28,000,000	93.00	93.00				Self-financing
SAPC project	29,084,228	9,450,767	9,023,601		29,511,394	722,600,000	93.18	93.18				State funding, self-financing
Aviation airborne products and isostatic pressing equipment capability improvement project	27,111,752	460,217			27,571,969	132,000,000	21.04	21.00				Self-financing
A special project	21,682,566	3,007,254			24,689,820	53,290,000	46.33	46.33				State funding, self-financing
Research construction project 3	23,629,333	21,337,207	22,144,481		22,822,059	279,100,000	94.00	94.00				State funding
Surface Treatment Plant Project	12,196,702	7,222,347			19,419,049	27,000,000	71.92	71.92				Self-financing
Quality and infrastructure capability improvement (Phase II of fundraising investment)	56,044,796	18,059,576	64,875,963		9,228,409	192,000,000	39.00	39.00				Self-financing
Basic Devices Industrial Park (Phase I)	37,705,281	127,893,811	154,921,019	1,720,988	8,957,085	1,672,500,000	98.90	99.98				Raised funds,self-financing
High–end interconnect technology industrial community project	82,281,991	68,918,102	143,894,700	575,221	6,730,172	2,719,300,000	60.95	73.34	7,851,442			Self-financing, loan
Infrastructure renovation project of building 2	13,967,022		6,329,865	6,918,356	718,801	16,550,000	84.00	98.00	405,757			Self-financing
Process layout adjustment	421,900			421,900								
Total	1,666,332,111	854,450,136	797,379,300	20,460,051	1,702,942,896	–	–	–	22,639,918	1,253,049	–	–

(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 2025	610,679,651	50,687,953	661,367,604
2. Increase in the current period	60,827,482	20,634,302	81,461,784
3. Decrease in the current period	5,733,643	1,092,508	6,826,151
4. 30 June 2026	665,773,490	70,229,747	736,003,237
II. Accumulated depreciation			
1. 31 December 2025	219,055,831	25,122,695	244,178,526
2. Increase in the current period	45,920,457	7,589,788	53,510,245
3. Decrease in the current period	2,910,599	1,092,508	4,003,107
4. 30 June 2026	262,065,689	31,619,975	293,685,664
III. Impairment provision			
1. 31 December 2025			
2. Increase in the current period			
3. Decrease in the current period			
4. 30 June 2026			
IV. Book value			
1. 30 June 2026	403,707,801	38,609,772	442,317,573
2. 31 December 2025	391,623,820	25,565,258	417,189,078

(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 2025	2,783,580,269	4,071,886,657	175,332,484	209,330,765	8,417,935	800,000	44,788,738	7,294,136,848
2. Increase in the current period	102,003,985	40,880,323	11,558,431					154,442,739
3. Decrease in the current period	516,890	2,600,535						3,117,425
4. 30 June 2026	2,885,067,364	4,110,166,445	186,890,915	209,330,765	8,417,935	800,000	44,788,738	7,445,462,162
II. Accumulated amortization								
1. 31 December 2025	1,929,696,285	1,117,375,560	169,285,148	102,683,430	8,417,935	800,000	32,514,297	3,360,772,655
2. Increase in the current period	107,059,986	46,145,084	2,162,902	9,637,190				165,005,162
3. Decrease in the current period	477,806	827,482						1,305,288
4. 30 June 2026	2,036,278,465	1,162,693,162	171,448,050	112,320,620	8,417,935	800,000	32,514,297	3,524,472,529
III. Impairment provision								
1. 31 December 2025	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 2026	590,576			275,000			12,238,241	13,103,817
IV. Book value								
1. 30 June 2026	848,198,323	2,947,473,283	15,442,865	96,735,145			36,200	3,907,885,816
2. 31 December 2025	853,293,408	2,954,511,097	6,047,336	106,372,335			36,200	3,920,260,376

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 2026	31 December 2025
Credit borrowings	16,568,634,187	11,693,807,728
Secured borrowings	183,372,394	151,280,681
Guaranteed borrowings	28,575,122	
Total	16,780,581,703	11,845,088,409

(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 2026	31 December 2025
Banker's acceptance bill	2,740,792,131	7,633,854,595
Commercial acceptance bill	1,588,221,860	4,741,491,026
Total	4,329,013,991	12,375,345,621

18. Accounts payable

(1) Presentation of accounts payable

Item	30 June 2026	31 December 2025
Materials costs payable	48,229,132,113	43,211,252,791
Construction costs payable	5,115,370,393	4,207,696,988
Equipment costs payable	1,901,933,746	1,387,529,498
Others	2,407,281,320	2,288,847,988
Total	57,653,717,572	51,095,327,265

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

Ageing	30 June 2026	31 December 2025
Within 1 year (including 1 year)	43,315,950,302	40,215,657,115
1–2 years	10,550,520,189	7,562,051,396
2–3 years	2,334,923,804	1,966,832,982
Over 3 years	1,452,323,277	1,350,785,772
Total	57,653,717,572	51,095,327,265

(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 2026	31 December 2025
Aviation entire aircraft	4,843,600,636	5,049,622,892
Aviation ancillary system and related business	3,076,710,699	3,764,010,963
Aviation engineering services	1,934,064,684	2,065,205,172
Total	9,854,376,019	10,878,839,027

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

Item	Amount changed	Reasons for change
Aviation entire aircraft	-206,022,256	gradual performance of contracts
Aviation ancillary system and related business	-687,300,264	gradual performance of contracts
Aviation engineering services	-131,140,488	gradual performance of contracts
Total	-1,024,463,008	–

20. Long–term borrowings

Category	30 June 2026	31 December 2025
Credit borrowings	4,310,643,315	4,402,446,797
Guaranteed borrowings	41,500,000	46,000,000
Secured borrowings	24,000,000	24,000,000
Total	4,376,143,315	4,472,446,797

Note: The interest rate range of the Group's long–term borrowings at the end of the period was 1.08% to 2.73% (1.08% to 2.73% at the beginning of the year).

(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 2026	31 December 2025
Lease payment	561,432,936	551,917,087
Less: Unrecognized financing costs	100,433,358	103,347,979
Reclassification to non–current liabilities due within one year	107,784,599	96,168,533
Total	353,214,979	352,400,575

22. Share capital

Item	31 December 2025	Increase and decrease in the current period (+/–) Issuance of new shares	Bonus issue	Conversion from reserves	Others	Subtotal	30 June 2026
Total shares	7,972,854,242						7,972,854,242

23. Operating revenue and operating cost

Item	January to June 2026 Revenue	January to June 2026 Cost	January to June 2025 Revenue	January to June 2025 Cost
Main businesses	37,258,845,900	29,857,326,827	36,826,838,364	29,376,744,360
Other businesses	552,716,314	425,788,944	638,413,506	512,733,572
Total	37,811,562,214	30,283,115,771	37,465,251,870	29,889,477,932

Note: The revenue recognized by the Group from January to June 2026 included an amount of RMB4,481,087,778 that had been included in contract liabilities at the beginning of the year.

(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 2026	January to June 2025
Employee compensation	239,967,574	172,814,985
Business travel costs	62,268,580	58,466,608
Sales service charges	30,622,969	28,641,015
Advertising, publicity and exhibition expenses	28,808,164	33,792,498
Depreciation and amortization costs	6,899,858	5,435,537
Office fees	5,118,887	5,507,066
Transportation costs	1,329,883	3,731,158
Packaging fees	1,302,204	2,056,710
Others	37,633,731	28,655,002
Total	413,951,850	339,100,579

25. Administrative expenses

Item	January to June 2026	January to June 2025
Employee compensation	1,335,784,125	1,252,186,093
Depreciation and amortization costs	319,693,798	296,382,483
Labor protection costs	58,398,334	73,772,750
Office fees	49,850,839	45,067,307
Maintenance and repair costs	48,257,702	54,220,266
Business travel costs	47,147,549	39,870,052
Property and afforestation fees	46,147,979	46,830,122
Power and fuel expenses	33,377,951	34,069,492
Professional service fees	22,070,419	27,129,063
Business entertainment expenses	18,167,146	32,966,997
Rental	15,813,543	15,556,772
Material amortization and consumption of low–value consumables	9,704,958	4,726,232
Insurance premium	9,014,799	6,824,649
Publicity expenses	6,813,155	6,484,392
Conference expenses	4,034,882	6,250,911
Transportation costs	3,202,000	5,424,954
Audit fees	3,012,725	2,468,419
Amortization of equity incentives in the current period		70,577,690
Others	94,852,584	46,701,610
Total	2,125,344,488	2,067,510,254

(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 2026	January to June 2025
Employee compensation	1,091,850,099	859,178,231
Materials expenses	477,868,763	594,603,039
Experimental and special fees	291,450,744	302,118,533
Outsourcing fee	201,713,929	108,480,786
Depreciation and amortization costs	78,243,191	69,794,062
Transportation and business travel costs	54,639,609	60,671,892
Administrative expense	46,120,918	50,030,391
Power and fuel expenses	18,154,235	18,792,596
Design fees	14,111,145	17,039,486
Amortization of equity incentives in the current period		33,980,936
Others	48,318,959	55,201,851
Total	2,322,471,592	2,169,891,803

27. Finance costs

Item	January to June 2026	January to June 2025
Interest expenses	225,707,059	182,201,581
Less: Interest incomes	110,573,366	218,076,531
Add: Exchange gains or losses	72,055,822	-28,246,495
Add: Other expenditures	12,313,844	8,612,619
Total	199,503,359	-55,508,826

(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 2026	January to June 2025
Value–added tax credit	114,988,136	367,489,440
Fiscal subsidies	28,600,000	21,460,000
Special funds for the development	12,607,165	9,940,554
Production line subsidy	9,024,684	4,575,107
Value–added tax instant refund	7,861,684	15,647,273
Refund of individual tax handling fee	7,561,299	8,270,239
Government relocation compensation	7,536,383	7,890,864
Business assist and employment stabilization subsidies	5,396,146	4,038,021
Subsidies for a post–disaster reconstruction project	5,213,681	
Project subsidies	4,045,369	5,108,605
Maintenance costs	3,975,000	11,710,000
Government grants from Industry and Information Technology Bureau	3,579,167	10,000,000
National major science and technology project	3,144,828	
Science and technology innovation awards	1,453,000	26,983,600
Special funds for specialized, refined, differentiated, and innovative enterprises	1,356,700	3,400,000
High–tech allowance	1,128,206	316,000
Subsidies for other projects	40,417,920	34,994,772
Total	257,889,368	531,824,475

(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 2026	January to June 2025
Long–term equity investment incomes calculated at equity method	124,857,728	134,484,683
Investment income from disposal of long–term equity investments	643,613	
Investment income from holding financial assets held for trading		
Investment income from disposal of financial assets held for trading and other financial assets	27,551,219	26,327,306
Dividend income from holding other equity instrument investments	29,714,018	19,306,501
Gain on debt restructuring	23,624,314	25,775,814
Gain on derecognition of financial assets measured at amortized cost	-2,325,993	-395,833
Others	14,138,867	13,669,409
Total	218,203,766	219,167,880

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 2026	January to June 2025
Financial assets held for trading	1,957,231	2,896,081
Including: Gain from changes in fair value of derivative financial instruments		
Financial liabilities held for trading		
Total	1,957,231	2,896,081

(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 2026	January to June 2025
Loss on bad debts of accounts receivable	-132,771,391	-360,401,223
Loss on bad debts of notes receivable	91,641,620	75,506,904
Loss on bad debts of other receivables	-2,132,391	-10,243,492
Other loss on bad debts	3,011,373	-1,907,826
Total	-40,250,789	-297,045,637

32. Assets impairment loss

Item	January to June 2026	January to June 2025
Inventory write-down losses and contract performance cost impairment losses	-85,193,630	-92,443,780
Contract asset impairment losses	14,411,963	-10,412,566
Fixed assets impairment losses		
Total	-70,781,667	-102,856,346

33. Income tax expenses

Item	January to June 2026	January to June 2025
Current income tax expenses	259,502,789	369,193,249
Deferred income tax expenses	61,926,811	-76,819,025
Total	321,429,600	292,374,224

(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 2026	January to June 2025
Dividends recognized for distribution of 2025 final dividend:		
RMB0.0665 per share (2024 final dividend: RMB0.081 per share)	530,194,807	645,801,194

The Board of Directors of the Company did not recommend interim dividend distribution for the six months ended 30 June 2026 (six months ended 30 June 2025: 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 2026 are as follows:

	Earnings per share (RMB/share)	
Profit for the reporting period	Basic earnings per share	Diluted earnings per share
Net profit attributable to the owners of the parent company	0.103	0.103
Net profit attributable to the owners of the parent company after non-recurring profit or loss	0.094	0.094

(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

(1) *Business combinations involving entities not under common control occurred in the current period*

Name of the acquired party	Point of time for equity acquisition	Cost of equity acquisition	Percentage of equity obtained	Way of equity acquisition	Date of acquisition	Basis for determining the date of acquisition	Revenue of the acquired party from the date of acquisition to the end of the period	Net profit of the acquired party from the date of acquisition to the end of the period	Cash flow of the acquired party from the date of acquisition to the end of the period
Chengdu Chuanmei New Technology Co., Ltd.* (成都川美新技術股份有限公司)	28 April 2026	75,136,237	50.95%	Purchase of equity	28 April 2026	Obtaining control	14,515,096	3,048,583	23,332,621

(2) *Cost of combination and goodwill*

Cost of combination	Chengdu Chuanmei New Technology Co., Ltd.* (成都川美新技術股份有限公司)
– Cash	75,136,237
– Fair value of non-cash assets	
– Fair value of debt issued or assumed	
– Fair value of equity securities issued	
– Fair value of contingent consideration	
– Fair value of equity held before the date of acquisition at the date of acquisition	
– Others	
Total cost of combination	75,136,237
Less: share of fair value of identifiable net assets acquired	102,383,389
Amount by which goodwill/combination cost is less than the share of fair value of identifiable net assets acquired	-27,247,152

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

V. CHANGES IN CONSOLIDATION SCOPE (Continued)

1. Business combinations involving entities not under common control (Continued)

(3) Identifiable assets and liabilities of the acquired party at the date of acquisition

	Chengdu Chuanmei New Technology Co., Ltd.* (成都川美新技術股份有限公司) Fair value at the date of acquisition	Book value at the date of acquisition
Assets:	192,682,263	168,659,068
Monetary funds	16,361,827	16,361,827
Accounts receivable	114,609,243	114,609,243
Inventories	35,681,751	30,410,309
Fixed assets	7,302,428	6,944,162
Intangible assets	18,727,014	333,527
Liabilities:	58,573,725	58,573,725
Borrowings	39,570,583	39,570,583
Accounts payable	18,890,742	18,890,742
Deferred income tax liabilities	112,400	112,400
Net assets	200,960,979	180,541,261
Less: Minority equity	98,577,590	88,561,085
Net assets acquired	102,383,389	91,980,176

On 28 April 2026, JONHON, a subsidiary of the Company, completed the acquisitions of Chengdu Chuanmei New Technology Co., Ltd* (成都川美新技術股份有限公司) and its subsidiary Chengdu Yunsu New Starting Point Technology Co., Ltd* (成都雲溯新起點科技有限公司) through cash contribution.

2. Business combinations involving entities under common control

(1) Business combinations involving entities under common control occurred in the current period

Name of merged party	Proportion of equity acquired in business combination	Basis for constituting a business combination under common control	Date of combination	Basis for determining the combination date	Revenue of the merged party from the beginning of the period to the date of combination	Net profit of the merged party from the beginning of the period to the date of combination	Revenue of the merged party for the comparative period	Net profit of the merged party for the comparative period
AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥))	59.18%	The company is under the control of the AVIC before and after the combination, and such control is not temporary	26 June 2026	Payment of full consideration and completion of industrial and commercial registration of changes		-6,860,870		-2,224,026

V. CHANGES IN CONSOLIDATION SCOPE (Continued)

2. Business combinations involving entities under common control (Continued)

(2) Cost of combination

Cost of combination	AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥))
– Cash	202,105,703
– Book value of non-cash assets	
– Book value of debt issued or assumed	
– Nominal value of equity securities issued	
– Contingent consideration	

The transfer consideration for the 59.1816% partnership interest in AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)), as agreed in the Partnership Interest Transfer Agreement signed between AVIC Airborne, a subsidiary of the Company, and AVIC Aviation Industry Investment Co., Ltd.* (中航航空產業投資有限公司)， was RMB202,105,703. Prior to the entering of the agreement, the original partners jointly convened a partners' meeting and passed a resolution, agreeing to partially distribute the book cash of AIC Yuhua after the valuation base date of transfer. The amount allocated to AVIC Aviation Industry Investment Co., Ltd.* (中航航空產業投資有限公司) was RMB16,216,327. AVIC Airborne and AVIC Aviation Industry Investment Co., Ltd.* (中航航空產業投資有限公司) mutually agree that such book cash distribution shall be recognized as the first installment of the initial payment on the date of entering of the agreement, and the actual consideration paid by AVIC Airborne was RMB185,889,376. On 26 June 2026, the matters related to the consolidation were completed and AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)*(航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)) was included in the scope of consolidation.

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

V. CHANGES IN CONSOLIDATION SCOPE (Continued)

2. Business combinations involving entities under common control (Continued)

(3) Book value of the assets and liabilities of the merged party on the combination date

	AIC Yuhua (Shenzhen) Airborne Systems Industry Investment Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥))	
	Combination date	At the end of the previous period
Assets:	313,925,048	320,792,888
Monetary funds	3,342,447	4,120,760
Other receivables	813,073	
Including: Dividends receivable	813,073	
Other non-current financial assets	309,769,528	316,672,128
Liabilities:	1	6,970
Other payables	1	6,970
Net assets	313,925,047	320,785,918
Less: Minority equity	128,136,450	130,936,888
Net assets acquired	185,788,597	189,849,030

3. Disposal of a subsidiary

AVIC Airborne, a subsidiary of the Company, completed the deregistration of its subsidiary, Hapm Magna Seating System (Thailand) Co., Ltd., which has not been included in the scope of consolidation with effect from 22 May 2026.

4. Changes in consolidation scope for other reasons

None.

NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2026 to 30 June 2026

(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 2026 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 valuated 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.

	Fair value at the end of the period			
Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	27,640,181	1,911,051,644		1,938,691,825
1. Financial assets at fair value through profit or loss	27,640,181	1,911,051,644		1,938,691,825
(1) Equity instrument investments	27,640,181			27,640,181
(2) Others		1,911,051,644		1,911,051,644
(II) Receivables financing			556,757,309	556,757,309
(III) Other equity instrument investments	1,957,522,169	1,232,176,982	395,779,292	3,585,478,443
(IV) Other non–current financial assets			3,564,907	3,564,907
Total assets continuously measured at fair value	1,985,162,350	3,143,228,626	956,101,508	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				

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. (瀋陽興華航空電器有限責任公司), a subsidiary of Jonhon Optronic 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

(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*

Controlling shareholder	31 December 2025	Increase in the current period	Decrease in the current period	30 June 2026
AVIC	64,000,000,000			64,000,000,000

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

	Amount of shareholding		Shareholding proportion (%)	
Controlling shareholder	30 June 2026	31 December 2025	Closing proportion	Opening proportion
AVIC (direct holding)	4,548,680,808	4,548,680,808	57.05	57.05
AVIC (indirect holding)	205,289,667	205,289,667	2.58	2.58
Total	4,753,970,475	4,753,970,475	59.63	59.63

(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 (%) Direct	Indirect	Acquisition method	Remark
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 Optronic Technology Co., Ltd* (中航光電科技股份有限公司) ("JONHON")	Luoyang	Luoyang	Manufacturing	37.07		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	51.07		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.

(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 2026	January to June 2025
Subsidiaries of AVIC	Purchasing goods	4,249,482,073	8,008,927,727
Associates of the Group	Purchasing goods	4,138,376	93,830,813
Joint ventures of the Group	Purchasing goods	215,912,550	234,673,191
Associates of AVIC	Purchasing goods	76,992,295	201,530,959
Joint ventures of AVIC	Purchasing goods	630,794	2,312,297
AVIC	Receiving services		9,503
Subsidiaries of AVIC	Receiving services	395,385,596	563,417,491
Associates of the Group	Receiving services		7,090,380
Associates of AVIC	Receiving services	467,851,784	268,662,411
Total		5,410,393,468	9,380,454,772

(2) *Selling goods/rendering services*

Related party	Content of related transactions	January to June 2026	January to June 2025
Subsidiaries of AVIC	Sales of goods	9,787,481,443	9,486,351,083
Associates of the Group	Sales of goods	82,392,347	118,783,033
Joint ventures of the Group	Sales of goods	1,824,191	11,199,553
Associates of AVIC	Sales of goods	2,174,678	11,691,005
AVIC	Rendering services	765,343	94,819,271
Subsidiaries of AVIC	Rendering services	2,336,344,199	2,285,698,448
Associates of the Group	Rendering services	66,300,984	205,763
Joint ventures of the Group	Rendering services	1,332,000	
Associates of AVIC	Rendering services	4,367,817	455
Joint ventures of AVIC	Rendering services		68,184
Total		12,282,983,002	12,008,816,795

(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 Co., Ltd.* (中航機載系統股份有限公司)	Other asset custody	2026/1/1	2026/12/31	Note 1	12,193,330
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	2026/1/1	2026/6/30	Note 2	6,155,660
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 3	250,000

Note 1: 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 2: 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 3: 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.

(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

	January to June 2026		January to June 2025	
Type of related parties	Rental income	Proportion (%)	Rental income	Proportion (%)
Subsidiaries of AVIC	20,609,869	96.31	21,329,436	96.63
Associates of AVIC	790,429	3.69	744,190	3.37
Total	21,400,298	100.00	22,073,626	100.00

(2) The Group as a lessee

	January to June 2026		January to June 2025	
Type of related parties	Rental cost	Proportion (%)	Rental cost	Proportion (%)
Subsidiaries of AVIC	17,936,886	100.00	33,806,848	100.00
Total	17,936,886	100.00	33,806,848	100.00

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.

(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)	4,386,000	2025-3-25	2026-3-25	Yes
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	Yes
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	Yes
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	Yes
AVIC Airborne Systems Co., Ltd. (中航機載系統股份有限公司)	Beijing Keeven Aviation Instrument Co., Ltd.* (北京青雲航空儀錶有限公司)	50,500,000	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. As of the announcement date, the relevant guarantee has been fully performed.

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).

(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 2026	January to June 2025
AVIC Finance Co., Ltd.* (中航工業集團財務有限責任公司)	76,469,340	174,290,616

(2) *Interest expense*

Type of related party	January to June 2026	January to June 2025
AVIC	3,084,265	
Subsidiaries of AVIC	121,359,104	124,100,140

(3) *Discount of notes receivable*

The Group did not engage in any discount of notes receivable transactions with related parties during the current period.

(4) *Acceptance of notes*

Related party	January to June 2026	January to June 2025
AVIC Finance Co., Ltd.* (中航工業集團財務有限責任公司)	6,635,843	

(5) *Factored accounts receivable*

The Group did not engage in any factored accounts receivable transactions with related parties during the current period.

6. *Other related party transactions*

None.

(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 2026	Book balance at 31 December 2025
Accounts receivable	AVIC	19,055	210
Accounts receivable	Subsidiaries of AVIC	29,349,504,085	25,875,808,136
Accounts receivable	Associates of the Group	203,117,012	4,369,282
Accounts receivable	Joint ventures of the Group	14,129,332	2,386,989
Accounts receivable	Associates of AVIC	22,281,520	28,682,760
Notes receivable	Subsidiaries of AVIC	890,976,810	3,951,653,152
Notes receivable	Associates of AVIC	63,805	556,769
Notes receivable	Joint ventures of AVIC		4,424,654
Receivables financing	Subsidiaries of AVIC	460,544	135,143,561
Receivables financing	Associates of the Group		672,181
Receivables financing	Joint ventures of the Group		32,830
Other receivables	AVIC	511,652	1,711,519
Other receivables	Subsidiaries of AVIC	75,081,165	65,907,794
Other receivables	Associates of the Group	6,348,400	11,019,961
Other receivables	Associates of AVIC	550,745	673,520
Prepayments	AVIC	283,500	283,500
Prepayments	Subsidiaries of AVIC	847,408,458	827,083,374
Prepayments	Associates of the Group	46,697	46,697
Prepayments	Associates of AVIC	1,207,655	138,699
Contract assets	AVIC	23,903,006	26,033,551
Contract assets	Subsidiaries of AVIC	3,640,606,667	2,961,328,364
Contract assets	Associates of the Group	13,058,066	
Contract assets	Associates of AVIC	334,230	
Other current assets	Subsidiaries of AVIC	79,446,015	298,327,426
Total		35,169,338,419	34,196,284,929

(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 2026	Book balance at 31 December 2025
Accounts payable	AVIC	6,000,000	6,000,000
Accounts payable	Subsidiaries of AVIC	12,090,346,008	10,168,953,651
Accounts payable	Associates of the Group	77,293,158	77,497,256
Accounts payable	Joint ventures of the Group	244,462,063	248,169,816
Accounts payable	Associates of AVIC	154,404,012	265,580,611
Accounts payable	Joint ventures of AVIC	3,086,826	
Notes payable	Subsidiaries of AVIC	480,448,855	2,018,514,337
Notes payable	Associates of the Group		648,579
Notes payable	Associates of AVIC	15,301,871	37,515,393
Notes payable	Joint ventures of AVIC		30,000
Other payables	AVIC	711,192	473,000
Other payables	Subsidiaries of AVIC	27,204,676	221,700,902
Other payables	Associates of the Group		32,109
Other payables	Associates of AVIC	1,983,724	57,800
Advance receipts	Subsidiaries of AVIC	3,130,706	734,148
Advance receipts	Associates of AVIC		4,404
Contract liabilities	AVIC	2,813,617	3,097,381
Contract liabilities	Subsidiaries of AVIC	5,098,069,897	4,678,664,612
Contract liabilities	Associates of the Group	1,049,852	55,125,897
Contract liabilities	Associates of AVIC	3,288,929	3,001,332
Contract liabilities	Joint ventures of AVIC		829,254
Other current liabilities	Subsidiaries of AVIC	161,735,953	452,589,774
Non–current liabilities due within one year	AVIC	9,000,000	9,018,015
Non–current liabilities due within one year	Subsidiaries of AVIC	24,726,628	129,072,585
Total		18,405,057,967	18,377,310,856

(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 and management compensation

Item	January to June 2026	January to June 2025
Fees	449,988	344,988
Salaries, allowances and other expenses	1,398,791	1,696,100
Contribution to pension schemes	290,682	354,270
Bonus		
Total	2,139,461	2,395,358

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 2026	31 December 2025
AVIC	280,000,000	280,180,522
Subsidiaries of AVIC	10,165,157,941	13,013,950,231
Total	10,445,157,941	13,294,130,753

(VII) Others

Monetary funds deposited with related parties

Related Party	30 June 2026	31 December 2025
AVIC Finance Co., Ltd. (中航工業集團財務有限責任公司)	22,824,566,694	22,282,732,749
AVIC Securities Co., Ltd. (中航證券有限公司)	6,995,016	4,747,404
Total	22,831,561,710	22,287,480,153

VIII. CONTINGENCIES

As of 30 June 2026, the Group had no material contingencies.

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

IX. COMMITMENTS

1. Capital commitments

Item	30 June 2026	31 December 2025
Capital commitments	384,520,987	408,990,224
Total	384,520,987	408,990,224

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 2026/30 June 2026	Aviation entire aircraft	Aviation ancillary system and related business	Aviation engineering services	Offset	Total
Revenue from external transactions	8,840,296,582	24,060,658,373	4,910,607,259		37,811,562,214
Revenue from inter-segment transactions		1,902,602,023	177,647,620	-2,080,249,643	
Investment income from associates and joint ventures	-2,482,929	123,539,768	3,800,889		124,857,728
Asset impairment losses and credit impairment losses	68,133,850	-179,671,068	744,489	-239,727	-111,032,456
Depreciation and amortization costs	370,748,068	1,283,983,930	30,104,796		1,684,836,794
Profit before tax	225,922,558	2,447,037,224	173,428,971	-234,285,790	2,612,102,963
Income tax expense	1,482,082	320,262,754	6,856,247	-7,171,483	321,429,600
Net profit	224,440,476	2,126,774,470	166,572,724	-227,114,307	2,290,673,363
Total assets	62,580,988,877	151,263,165,179	11,874,865,349	-20,029,285,493	205,689,733,912
Total liabilities	40,371,863,274	62,197,548,638	8,571,242,397	-5,250,917,191	105,889,737,118
Other non-cash expenses other than depreciation and amortization costs and asset impairment losses	16,576,139	12,504,582			29,080,721
Long-term equity investment in associates and joint ventures	436,809,728	1,725,173,914	511,465,020		2,673,448,662
Increase in other non-current assets other than long-term equity investments	-267,255,408	-760,598,139	-19,231,873	85,262,166	-961,823,254

(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 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	2,606,053,767	187,974,971	-136,611,682	3,096,046,493
Income tax expense	31,602,320	245,115,247	9,909,022	5,747,635	292,374,224
Net profit	407,027,117	2,360,938,520	178,065,949	-142,359,317	2,803,672,269
Total assets	60,018,331,726	149,065,174,990	11,329,062,395	-20,522,466,390	199,890,102,721
Total liabilities	38,275,130,229	61,135,780,584	8,161,885,036	-5,783,485,349	101,789,310,500
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

XII. SUPPLEMENTARY INFORMATION ON FINANCIAL STATEMENTS

None.

AviChina Industry & Technology Company Limited
26 August 2026

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director (Chairman)	Yan Lingxi
Executive Director	Sun Jizhong
Non-executive Director	Xu Dongsheng
Non-executive Director	Wang Rong
Non-executive Director	Hu Shiwei
Non-executive Director	Gao Jiming
Independent Non-executive Director	Liu Weiwu
Independent Non-executive Director	Mao Fugen
Independent Non-executive Director	Lin Guiping

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 & 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

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AUTHORISED REPRESENTATIVES

Yan Lingxi   Wu Yun

PRINCIPAL BANKERS

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

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