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中國航空科技工業股份有限公司

AviChina Industry & Technology Company Limited*

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

**ANNOUNCEMENT ON THE ANNUAL RESULTS FOR THE YEAR
ENDED 31 DECEMBER 2024; AND
CHANGES IN COMPOSITION OF THE MEMBERS OF THE
SPECIAL COMMITTEES OF THE BOARD**

Financial Highlights

The Board announces that the Group has steadily developed businesses and the revenue has achieved stable growth in 2024.

- For the year ended 31 December 2024, the Group recorded a revenue of RMB86,971 million, representing an increase of RMB2,219 million or 2.62% as compared with that of RMB84,752 million (as restated) in the corresponding period of the preceding year.
- For the year ended 31 December 2024, the net profit attributable to the owners of the parent company amounted to RMB2,187 million, representing a decrease of RMB260 million or 10.63% as compared with that of RMB2,447 million (as restated) in the corresponding period of the preceding year.
- The Board recommended the payment of a final dividend for the year 2024 in an aggregate amount of RMB645,801,194, representing a dividend of RMB0.081 per Share (2023: RMB0.088 per Share), calculated based on the number of the existing total issued Shares of the Company of 7,972,854,242 Shares as at the date of this announcement.

Annual Results

The Board announces the audited consolidated annual results of the Group prepared in accordance with the China Accounting Standards for Business Enterprises for the year ended 31 December 2024, together with the comparative figures for the year 2023, as follows:

Consolidated Income Statement

For the year ended 31 December 2024

Unit: RMB

Items	Note	2024 (Audited)	2023 (Audited) (Restated)
I. Total operating income		86,970,764,166	84,751,597,514
Including: Operating revenue	3	86,970,764,166	84,751,597,514
Interest income			
Earned premium			
Fee and commission income			
II. Total operating cost		81,421,104,235	78,069,011,062
Including: Operating cost	3	68,122,457,690	63,590,227,629
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		562,594,915	478,178,668
Selling expenses	5	858,222,984	920,207,244
Administrative expenses	6	5,231,423,063	5,654,025,124
Research and development expenses	7	6,660,912,151	7,573,007,040
Finance costs	8	-14,506,568	-146,634,643
Including: Interest expense		424,127,673	411,435,699
Interest income		464,977,856	580,450,174
Add: Other income	9	840,804,590	431,117,621
Investment income (loss to be listed with "-")	10	461,475,487	694,026,930
Including: Income from investment in associates and joint ventures		306,830,358	429,787,242
Derecognition income of financial assets at amortised cost		-6,599,098	-24,565,459
Exchange gain (loss to be listed with "-")			
Net exposure hedging income (loss to be listed with "-")			
Income from changes in fair value (loss to be listed with "-")	11	5,156,412	-18,849,783
Credit impairment loss (loss to be listed with "-")	12	-370,565,273	-318,444,489
Asset impairment loss (loss to be listed with "-")	13	-444,063,376	-508,288,292
Income from assets disposal (loss to be listed with "-")	14	-90,955	30,890,980
III. Operating profit (loss to be listed with "-")		6,042,376,816	6,993,039,419
Add: Non-operating income	15	103,896,393	111,725,686
Less: Non-operating expenses	16	54,139,217	32,100,380
IV. Profit before tax (loss to be listed with "-")		6,092,133,992	7,072,664,725

Less: income tax expenses	17	337,683,391	381,597,236
V. Net profit (net loss to be listed with "-")		5,754,450,601	6,691,067,489
(I) Classified according to operating continuity			
1. Net profit from continuing operations (net loss to be listed with "-")		5,754,450,601	6,691,067,489
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 "-")		2,187,431,551	2,446,952,909
2. Minority profit and loss (net loss to be listed with "-")		3,567,019,050	4,244,114,580
VI. Net of tax of other comprehensive income		348,173,774	162,767,452
Net of tax of other comprehensive income attributable to the owner of the parent company		222,111,339	17,776,423
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Changes arising from re-measurement of the defined benefit plan		-31,058,512	34,766,713
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		-187,580	2,300,746
3. Changes in fair value of other equity instrument investments		253,409,872	-19,324,121
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		5,856	-2,450
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		-58,297	35,535
7. Others			
Net of tax of other comprehensive income attributable to minority shareholders		126,062,435	144,991,029
VII. Total comprehensive income		6,102,624,375	6,853,834,941

Total comprehensive income attributable to shareholders of the parent company		2,409,542,890	2,464,729,332
Total comprehensive income attributable to minority shareholders		3,693,081,485	4,389,105,609
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	19	0.274	0.311
(II) Diluted earnings per share (RMB/share)	19	0.274	0.311

Consolidated Balance Sheet

As at 31 December 2024

Unit: RMB

Items	Note	31 December 2024 (Audited)	31 December 2023 (Audited) (Restated)
Current assets:			
Monetary funds		41,322,143,789	39,520,699,494
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading		3,310,715,928	957,001,296
Derivative financial assets			
Notes receivable	20	10,583,863,253	13,457,829,245
Accounts receivable	21	48,629,459,534	38,161,358,148
Receivables financing		687,378,756	383,654,710
Prepayments		6,662,957,422	6,808,053,250
Premium receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables		429,196,895	248,871,651
Including: Interest receivable			
Dividends receivable		10,756,337	1,679,462
Financial assets purchased under agreements to resell			
Inventories		37,807,694,703	40,121,524,414
Contract assets		8,157,185,629	3,930,570,520
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,170,768,033	1,180,405,617
Total current assets		158,761,363,942	144,769,968,345

Consolidated Balance Sheet (Continued)

As at 31 December 2024

Unit: RMB

Items	Note	31 December 2024 (Audited)	31 December 2023 (Audited) (Restated)
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term receivables		144,391	1,312,790
Long-term equity investments		2,819,712,703	2,807,504,444
Other equity instrument investments		4,362,842,667	3,795,695,305
Other non-current financial assets		3,444,547	
Investment properties		459,693,522	561,848,339
Fixed assets		25,039,976,932	22,386,870,832
Construction-in-progress		4,240,450,534	4,437,643,212
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		478,328,387	415,088,884
Intangible assets		4,019,662,385	4,022,700,466
Development expenditure			
Goodwill		93,193,010	93,193,010
Long-term deferred expenses		103,881,511	100,655,186
Deferred income tax assets		1,005,956,811	869,701,021
Other non-current assets		655,455,608	811,539,275
Total non-current assets		43,282,743,008	40,303,752,764
Total assets		202,044,106,950	185,073,721,109

Consolidated Balance Sheet (Continued)

As at 31 December 2024

Unit: RMB

Items	Note	31 December 2024 (Audited)	31 December 2023 (Audited) (Restated)
Current Liabilities:			
Short-term borrowings		9,346,288,157	4,999,783,753
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			72,143,493
Derivative financial liabilities			
Notes payable	22	12,623,278,147	11,668,280,045
Accounts payable	23	45,902,193,249	39,145,393,253
Advances		52,280,917	40,961,094
Contract liabilities		15,777,767,019	19,100,691,469
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Securities brokering			
Securities underwriting			
Employee benefits payable		3,485,938,083	3,323,788,282
Tax payable		1,772,624,231	1,411,532,347
Other payables		2,629,792,314	3,226,196,009
Including: Interest payable			
Dividends payable		61,485,432	62,556,162
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		3,089,757,164	1,253,942,782
Other current liabilities		1,053,483,038	1,305,835,760
Total current liabilities		95,733,402,319	85,548,548,287

Consolidated Balance Sheet (Continued)

As at 31 December 2024

Unit: RMB

Items	Note	2024 (Audited)	2023 (Audited) (Restated)
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings		5,164,267,863	6,067,549,104
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		400,607,954	342,661,974
Long-term payables		-918,199,341	-740,318,530
Long-term employee benefits payable		1,817,724,969	1,841,337,939
Estimated liabilities		377,723,958	518,798,851
Deferred income		1,191,325,208	1,239,107,675
Deferred income tax liabilities		762,789,551	596,571,580
Other non-current liabilities		866,252,591	1,560,361,049
Total non-current liabilities		9,662,492,753	11,426,069,642
Total liabilities		105,395,895,072	96,974,617,929
Shareholders' equity:			
Share capital		7,972,854,242	7,972,854,242
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		14,364,198,634	13,514,296,718
Less: treasury shares			
Other comprehensive income		449,480,586	228,940,969
Special reserves		498,545,247	480,615,715
Surplus reserves		534,461,130	451,623,842
General risk reserve			
Undistributed profits		10,328,427,841	8,923,873,029
Total shareholders' equity attributable to parent company		34,147,967,680	31,572,204,515
Minority equity		62,500,244,198	56,526,898,665
Total shareholders' equity		96,648,211,878	88,099,103,180
Total liabilities and shareholders' equity		202,044,106,950	185,073,721,109

NOTES:

1. Information of the Company

AviChina Industry & Technology Company Limited* (hereinafter referred to as the Company, together with its subsidiaries, the Group) was restructured by subsidiaries of the former China Aviation Industry Corporation II (hereinafter referred to as AVIC II), and was incorporated in Beijing in the PRC on 30 April 2003 as a joint stock company with limited liability. It was listed on 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, Economic Technological Development Area, Beijing.

As of 31 December 2024, the Group is principally involved in the research, development, manufacture and sale of aviation products and the delivery of aviation engineering services such as planning, design, consultation, construction and operation.

The controlling Shareholder of the Company is AVIC, and the ultimate controller is AVIC. The Company has a Board of Directors, which manages and controls the Company's major decisions and daily operation.

These financial statements were approved for issue by the Board on 28 March 2025.

The data of the following financial statements for the twelve months ended 31 December 2023 is audited and has been restated, and that for the twelve months ended 31 December 2024 is audited.

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

2. Basis for Preparation of Financial Statements

The financial statements have been prepared on the going concern basis and based on the transactions and events actually occurred in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC and relevant requirements, as well as based on the accounting policies and estimates of the Group. In addition, the Company discloses relevant financial information in accordance with the Hong Kong Companies Ordinance and the Hong Kong Listing Rules.

During the preparation of the financial statements, the Company has fully evaluated its ability to continue operating in the next 12 months from the balance sheet date. The Company 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.

(1) Restated consolidated financial statements of the previous period due to business combination under common control

On October 2024, Tianjin Aviation, a subsidiary of the Company, signed an entrustment and custody agreement to control AVIC Surface Treatment Technology (Tianjin) Co., Ltd.* (中航表面處理技術(天津)有限公司) (hereinafter referred to as “**AVIC Surface**”) and was included in the scope of consolidation. Given that the Group and AVIC Surface are under common control of AVIC before and after the business combination, and that control is not temporary, such acquisition is considered as business combination under common control. The Group has restated the financial effects of AVIC Surface in accordance with the standards for business combination under common control in the preparation of the consolidated financial statements.

As a result of the business combination under common control, the Group’s consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the period from January to December 2023 have been restated, and the transactions and balances with AVIC Surface during the relevant period have been eliminated on consolidation.

(2) The implementation of the CASBE 18

On December 2024, the Ministry of Finance issued the Interpretation of CASBE 18 (Cai Kuai [2024] No. 22, hereinafter referred to as “**Interpretation No. 18**”). Interpretation No. 18 stipulates that the “warranty quality assurance that is not an individual performance obligation” came into force from 1 January 2024. Due to the implementation, the Group increased the main business operating costs of the 2023 consolidated income statement by RMB190,802,820 and reduced the selling expenses by RMB190,802,820. The implementation of Interpretation No. 18 did not have a material impact on the financial statements during the reporting period.

(3) Listing of impacts

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

Items	Previously presented 31 December 2023	Interpretation No. 18	Business combinations involving entities under common control	Restated 31 December 2023
Current assets	144,718,723,256		51,245,089	144,769,968,345
Non-current assets	40,299,472,376		4,280,388	40,303,752,764

Total assets	185,018,195,632		55,525,477	185,073,721,109
Current Liabilities	85,536,323,784		12,224,503	85,548,548,287
Non-current liabilities	11,426,069,642			11,426,069,642
Total liabilities	96,962,393,426		12,224,503	96,974,617,929
Shareholders' equity attributable to parent company	31,572,204,515			31,572,204,515
Total shareholders' equity	88,055,802,206		43,300,974	88,099,103,180

Items	Previously presented January to December 2023	Interpretation No. 18	Business combinations involving entities under common control	Restated January to December 2023
Operating revenue	84,724,890,637		26,706,877	84,751,597,514
Total operating cost	78,047,544,018		21,467,044	78,069,011,062
Including: Operating cost	63,387,207,814	190,802,820	12,216,995	63,590,227,629
Selling expenses	1,109,002,041	-190,802,820	2,008,023	920,207,244
Operating profit	6,989,279,850		3,759,569	6,993,039,419
Net profit	6,688,581,303		2,486,186	6,691,067,489
Net profit attributable to the owners of the parent company	2,446,952,909			2,446,952,909
Net cash flows from operating activities	-4,083,494,695		3,133,455	-4,080,361,240
Net cash flows from investing activities	-3,613,682,047		-193,551	-3,613,875,598
Net cash flow from financing activities	3,547,832,060		1,943,472	3,549,775,532
Closing balance of cash and cash equivalents	37,159,301,638		20,585,737	37,179,887,375

3. Operating Revenue and Operating Costs

(1) Details of operating revenue and operating costs

Item	January to December 2024		January to December 2023	
	Revenue	Cost	Revenue	Cost
Main businesses	85,690,334,349	67,170,987,740	83,581,113,836	62,690,090,375
Other businesses	1,280,429,817	951,469,950	1,170,483,678	900,137,254
Total	86,970,764,166	68,122,457,690	84,751,597,514	63,590,227,629

(2) Revenue from contracts

Contract classification	Aviation entire aircraft	Aviation ancillary system and related business	Aviation engineering services	Total
By operation region				
Including: Mainland China	27,147,344,791	46,249,129,714	9,994,992,705	83,391,467,210
Other region	1,324,172,170	2,255,124,786		3,579,296,956
By contract type				
Including: Sales contract	28,471,516,961	46,671,567,070	1,202,699,432	76,345,783,463
Service contract		1,832,687,430	8,792,293,273	10,624,980,703
By time of goods transfer				
Including: Performance in a period of time	28,182,796,706	369,574,020	8,499,970,345	37,052,341,071
Performance at a point in time	288,720,255	48,134,680,480	1,495,022,360	49,918,423,095
Total	28,471,516,961	48,504,254,500	9,994,992,705	86,970,764,166

4. Segment Information

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

The executive Directors classify the business into three reportable segments:

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

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

January to December 2024 / 31 December 2024	Aviation entire aircraft	Aviation ancillary system and related business	Aviation engineering services	Offset	Total
Revenue from external transactions	28,471,516,961	48,504,254,500	9,994,992,705		86,970,764,166
Revenue from inter-segment transactions		7,478,461,115	486,506,655	-7,964,967,770	
Investment income from associates and joint ventures	4,312,239	263,989,961	38,528,158		306,830,358
Asset impairment losses and credit impairment losses	-88,608,502	-699,914,938	-23,776,886	-2,328,323	-814,628,649
Depreciation and amortization costs	578,039,902	2,407,972,199	54,837,777		3,040,849,878
Profit before tax	430,463,645	5,636,424,568	237,894,008	-212,648,229	6,092,133,992
Income tax expense	25,109,890	305,496,876	9,828,875	-2,752,250	337,683,391
Net profit	405,353,755	5,330,927,692	228,065,133	-209,895,979	5,754,450,601
Total assets	64,707,985,175	146,778,876,802	11,126,836,200	-20,569,591,227	202,044,106,950
Total liabilities	43,357,953,769	59,949,608,660	8,103,380,506	-6,015,047,863	105,395,895,072
Other non-cash expenses other than depreciation and amortization costs and asset impairment losses	46,360,569	452,084,980			498,445,549
Long-term equity investment in associates and joint ventures	435,200,599	1,543,157,579	486,614,640		2,464,972,818
Increase in other non-current assets other than long-term equity investments	-402,204,026	3,249,007,352	27,135,182	120,480,540	2,994,419,048

(Continued)

January to December 2023 / 31 December 2023	Aviation entire aircraft	Aviation ancillary system and related business	Aviation engineering services	Offset	Total
Revenue transactions from external transactions	22,252,441,042	54,819,095,585	7,680,060,887		84,751,597,514
Revenue from inter-segment transactions		6,578,064,248	779,890,763	-7,357,955,011	
Investment income from associates and joint ventures	12,017,324	380,163,678	38,899,171	-1,292,931	429,787,242
Asset impairment losses and credit impairment losses	-168,184,693	-620,947,738	-33,462,102	-4,138,248	-826,732,781
Depreciation and amortization costs	702,101,909	2,049,102,980	41,851,755		2,793,056,644
Profit before tax	442,851,427	6,716,338,889	236,250,689	-322,776,281	7,072,664,724
Income tax expense	1,907,131	374,104,632	9,256,764	-3,671,291	381,597,236
Net profit	440,944,296	6,342,234,257	226,993,925	-319,104,990	6,691,067,488
Total assets	59,602,131,669	136,511,554,027	10,255,726,934	-21,295,691,521	185,073,721,109
Total liabilities	41,357,227,153	53,936,599,326	7,386,522,850	-5,705,731,401	96,974,617,928
Other non-cash expenses other than depreciation and amortization costs and asset impairment losses	129,101,021	435,354,873			564,455,894
Long-term equity investment in associates and joint ventures	465,267,629	1,546,388,930	441,108,000		2,452,764,559
Increase in other non-current assets other than long-term equity investments	-357,828,264	3,188,356,773	-649,508,698	205,673,046	2,386,692,857

5. Selling Expenses

Item	Amount for the current year	Amount for the previous year
Employee compensation	458,672,890	506,267,615
Business travel costs	124,544,229	120,809,457
Sales service charges	107,067,913	85,026,128
After-sales service charges	46,948,675	53,681,686
Office fees	22,165,476	22,456,127
Exhibition fees	17,844,515	16,032,819
Advertising and publicity expenses	8,825,039	17,417,222
Transportation costs	7,238,441	8,245,739
Depreciation and amortization costs	6,972,107	5,220,396
Packaging fees	3,837,811	4,068,954
Sample and product losses	3,071,152	606,891
Others	51,034,736	80,374,210
Total	858,222,984	920,207,244

6. Administrative Expenses

Item	Amount for the current year	Amount for the previous year
Employee compensation	3,275,624,656	3,489,711,047
Depreciation and amortization costs	553,671,766	499,570,975
Amortization of equity incentives in the current period	233,781,270	301,176,768
Business travel costs	119,155,991	104,926,608
Maintenance and repair costs	109,320,408	158,469,467
Property fees and afforestation fees	102,071,795	109,161,769
Business entertainment expenses	95,015,658	118,728,610
Professional service fees	87,843,709	112,375,852
Power and fuel expenses	87,460,792	65,384,244
Office fees	79,299,804	98,367,773
Labor protection costs	52,183,028	41,173,768
Rental	43,192,214	33,488,144
Publicity expenses	28,863,714	31,807,353
Conference expenses	24,352,462	31,700,830
Insurance premium	21,276,975	18,513,147
Audit fees	8,321,046	11,384,399

Item	Amount for the current year	Amount for the previous year
Including: Auditor's fees for the annual report	2,270,000	2,420,000
Others	309,987,775	428,084,370
Total	5,231,423,063	5,654,025,124

7. Research and Development Expenses

Item	Amount for the current year	Amount for the previous year
Employee compensation	2,653,955,468	2,681,179,757
Materials expenses	2,092,617,540	2,770,574,671
Outsourcing fee	570,047,001	509,521,066
Experimental and special fees	426,331,408	510,025,632
Depreciation and amortization costs	206,556,589	226,086,960
Transportation and business travel costs	146,157,958	118,878,305
Administrative expense	144,106,700	169,618,414
Amortization of equity-based incentives	132,340,704	134,178,105
Power and fuel expenses	70,288,556	73,450,461
Design fee	13,354,343	51,332,263
Others	205,155,884	328,161,406
Total	6,660,912,151	7,573,007,040

8. Finance Costs

Item	Amount for the current year	Amount for the previous year
Interest expense	429,442,223	417,725,872
Less: Interest income	464,977,856	580,450,174
Less: Interest capitalized	5,314,550	6,290,173
Add: Exchange gains or losses	-20,281,360	-15,041,536
Add: Other expenditures	46,624,975	37,421,368
Total	-14,506,568	-146,634,643

9. Other Income

Sources of other income	Amount for the current year	Amount for the previous year
Value-added tax credit	473,605,127	86,197,693
National major science and technology project	92,889,313	49,661,139
Business assist and employment stabilization subsidies	39,562,146	13,580,803
Value-added tax instant refund	24,412,578	13,969,112
Financial allocations	22,624,288	8,481,486
Production line maintenance subsidies	18,950,000	45,108,000
Government relocation compensation	17,821,040	23,255,195
High-tech allowance	13,815,260	20,867,620
Subsidies for the reconstruction project	10,497,799	10,505,334
Refund of individual tax handling fee	7,276,241	7,136,725
Science and technology innovation awards for enterprise	7,144,453	1,382,000
Connector research and industrialization project subsidies	5,977,648	14,265,391
Production capacity improvement project	5,496,356	5,520,235
Subsidies for research and development expenses	5,282,554	24,548,576
Special subsidies for scientific research funds	3,251,562	8,692,748
Technical transformation	1,295,731	4,587,783
Military product tax rebate		10,755,902
MIIT project		4,338,929
Others	90,902,494	78,262,950
Total	840,804,590	431,117,621

10. Investment Income

Item	Amount for the current year	Amount for the previous year
Long-term equity investment incomes calculated at equity method	306,830,358	429,787,242
Investment income from disposal of long-term equity investments	362,797	90,692,361
Investment income from disposal of financial assets held for trading	57,440,921	38,220,861
Dividend income from holding other equity instrument investments	53,803,062	55,078,268
Gain on debt restructuring	17,681,679	52,655,474
Investment income from holding other non-current financial assets		23,027,317
Gain on derecognition of financial assets measured at amortized cost	-6,599,098	-24,565,459
Others	31,955,768	29,130,866
Total	461,475,487	694,026,930

Note: Debt restructuring gains are the cash discounts obtained by the Company on settlement of payment for supplier.

11. Income from Changes in Fair Value

Source of income from changes in fair value	Amount for the current year	Amount for the previous year
Financial assets held for trading	7,901,755	-4,735,647
Including: Gain from changes in fair value of derivative financial instruments		
Other non-current financial assets	6,302	
Financial liabilities held for trading	-2,751,645	-14,114,136
Total	5,156,412	-18,849,783

12. Credit Impairment Loss

Item	Amount for the current year	Amount for the previous year
Loss on bad debts of accounts receivable	-356,415,749	-270,273,782
Loss on bad debts of notes receivable	-8,080,964	-40,637,327
Loss on bad debts of other receivables	-7,000,206	-4,566,613
Others	931,646	-2,966,767
Total	-370,565,273	-318,444,489

13. Assets Impairment Loss

Item	Amount for the current year	Amount for the previous year
Inventory depreciation loss and contract performance cost impairment losses	-367,333,622	-354,931,082
Contract asset impairment losses	-37,033,417	-61,300,621
Goodwill impairment losses		-74,347,471
Others	-39,696,337	-17,709,118
Total	-444,063,376	-508,288,292

14. Income from Assets Disposal

Item	Amount for the current year	Amount for the previous year	Amount included in non-recurring profit or loss for the current year
Income from disposal of non-current assets	-90,955	30,890,980	-90,955
Including: Income from disposal of non-current assets classified as held-for-sale	-27,085	17,290,959	-27,085
Including: Income from disposal of fixed assets	-27,085	17,290,959	-27,085
Income from disposal of non-current assets not classified as held-for-sale	-63,870	13,600,021	-63,870
Including: Income from disposal of fixed assets	-462,675	598,834	-462,675
Income from disposal of intangible assets	398,805	13,001,187	398,805
Total	-90,955	30,890,980	-90,955

15. Non-operating Income

Item	Amount for the current year	Amount for the previous year	Amount included in non-recurring profit or loss for the current year
Gains on damaged and retired non-current asset	2,816,503	1,684,024	2,816,503
Government grants irrelevant to the daily business operations	34,230	4,200	34,230
Unpayable payments	15,783,758	27,635,931	15,783,758
Income from compensation, liquidated damages and fines	73,568,422	68,093,580	73,568,422
Others	11,693,480	14,307,951	11,693,480
Total	103,896,393	111,725,686	103,896,393

16. Non-operating Expenses

Item	Amount for the current year	Amount for the previous year	Amount included in non-recurring profit or loss for the current year
Losses on damaged and retired non-current assets	17,116,765	17,123,409	17,116,765
External donation expenditure	3,615,749	4,777,308	3,615,749
Obsolescence losses of inventories	26,846		26,846
Expenses on compensation, liquidated damages and fines	27,466,846	5,365,545	27,466,846
Others	5,913,011	4,834,118	5,913,011
Total	54,139,217	32,100,380	54,139,217

17. Income Tax Expenses

(1) Income tax expenses

Item	Amount for the current year	Amount for the previous year
Current income tax calculated in accordance with tax laws and related regulations	437,279,267	511,025,295
Deferred income tax expenses	-99,595,876	-129,428,059
Total	337,683,391	381,597,236

(2) Adjustment process of accounting profits and income tax expenses

Item	Amount for the current year
Total consolidated profit before tax for the year	6,092,133,992
Income tax expenses at statutory/applicable rates	1,523,033,498
The impact of different tax rates applied to subsidiaries	-592,538,809
The impact of adjustments to income taxes in previous periods	-42,546,498
The impact of non-taxable revenue	-72,014,138
The impact of non-deductible costs, expenses and losses	123,387,478
The impact of deductible losses on the use of deferred income tax assets not recognized in previous periods	-81,726,247
The impact of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current year	210,038,588
Tax effect of surplus deduction	-744,854,490
Others	14,904,009
Income tax expenses	337,683,391

18. Dividends

Item	Amount for the current year	Amount for the previous year
Proposal:		
Proposed final dividend per share: RMB0.081 (2023: RMB0.088)	645,801,194	701,611,173

The proposed final dividend is recommended by the Board at the meeting held on the date of approval of these financial statements and is subject to approval by the Shareholders of the Company at the annual general meeting.

19. Earnings per Share

In accordance with the Rules Governing the Preparation and Disclosure of Information by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) of China Securities Regulatory Commission, the weighted average return on net assets, basic earnings per share and diluted earnings per share of Group for the current period are as follows:

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent Company	6.66	0.274	0.274
Net profit attributable to ordinary shareholders of the parent company after non-recurring profit or loss	5.53	0.228	0.228

20. Notes Receivable

(1) Classified presentation of notes receivable

Item	Closing balance	Opening balance
Banker's acceptance bill	3,322,807,413	3,023,393,412
Commercial acceptance bill	7,261,055,840	10,434,435,833
Total	10,583,863,253	13,457,829,245

(2) Notes receivable pledged

Item	Amount pledged at the end of the year
Banker's acceptance bill	716,359,812

Item	Amount pledged at the end of the year
Commercial acceptance bill	1,360,120,481
Total	2,076,480,293

(Continued)

Item	Amount pledged at the beginning of the year
Banker's acceptance bill	230,076,530
Commercial acceptance bill	1,342,957,119
Total	1,573,033,649

(3) Classified presentation by bad debt accrual method

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	-	-	-	-	-
Bad debt provision made as per portfolio	10,723,925,444	100.00	140,062,191	1.31	10,583,863,253
Including: Banker's acceptance bill	3,323,517,256	30.99	709,843	0.02	3,322,807,413
Commercial acceptance bill	7,400,408,188	69.01	139,352,348	1.88	7,261,055,840
Total	10,723,925,444	—	140,062,191	—	10,583,863,253

(Continued)

Category	Opening balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	-	-	-	-	-
Bad debt provision made as per portfolio	13,589,810,472	100.00	131,981,227	0.97	13,457,829,245
Including: Banker's acceptance bill	3,024,108,651	22.25	715,239	0.02	3,023,393,412
Commercial acceptance bill	10,565,701,821	77.75	131,265,988	1.24	10,434,435,833
Total	13,589,810,472	—	131,981,227	—	13,457,829,245

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

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

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

Category	Opening balance	Changes in the current year				Closing balance
		Accrued	Recovered or reversed	Written back or written off	Other decrease	
Notes receivable subjected to provision for expected credit losses on portfolio basis	131,981,227	8,080,964				140,062,191
Total	131,981,227	8,080,964				140,062,191

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

(6) The aging of the notes receivable at the end of the year

The aging of the Group's notes receivable at the end of the year mentioned above is within 365 days.

21. Accounts Receivable

Item	Closing balance	Opening balance
Accounts receivable	50,720,744,268	39,900,047,537
Less: Impairment provision	2,091,284,734	1,738,689,389
Net accounts receivable	48,629,459,534	38,161,358,148

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

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

(Continued)

Category of portfolio	Opening balance			
	Original book value	Proportion of bad debt provision(%)	Bad debt provision	Book value
Bad debt provision made individually	258,545,177	100.00	258,545,177	
Bad debt provision made as per portfolio	39,641,502,360	3.73	1,480,144,212	38,161,358,148
Including: Bad debts provision made on the group of credit risk characteristics	39,641,502,360	3.73	1,480,144,212	38,161,358,148
Total	39,900,047,537	—	1,738,689,389	38,161,358,148

1) Bad debt provision of accounts receivable made individually

Name	Closing balance			
	Book balance	Bad debt provision	Provision proportion (%)	Reasons for provision
Company 1	82,527,118	82,527,118	100.00	All of it is expected to be unable to recover
Company 2	23,561,105	23,561,105	100.00	All of it is expected to be unable to recover
Company 3	16,636,397	16,636,397	100.00	All of it is expected to be unable to recover
Company 4	14,842,000	14,842,000	100.00	All of it is expected to be unable to recover
Company 5	11,763,924	11,763,924	100.00	All of it is expected to be unable to recover
Other customers	103,822,110	102,912,591	99.12	Part of it is expected to be unable to recover
Total	253,152,654	252,243,135	—	—

2) Bad debt provision of accounts receivable made by portfolio

Aging	Closing balance		
	Book balance	Bad debt provision	Provision proportion(%)
Within 1 year	42,225,594,428	377,503,171	0.89
1-2 years	6,322,765,775	571,806,030	9.04
2-3 years	959,678,250	297,694,532	31.02
3-4 years	315,589,343	147,302,086	46.68

Aging	Closing balance		
	Book balance	Bad debt provision	Provision proportion(%)
4-5 years	200,854,931	119,334,895	59.41
Over 5 years	443,108,887	325,400,885	73.44
Total	50,467,591,614	1,839,041,599	—

(2) Based on the date of transaction, aging of accounts receivable is as follows

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

(Continued)

Aging	Opening balance		
	Accounts receivable	Bad debt provision	Proportion of bad debt provision (%)
Within 1 year	33,194,126,260	363,635,397	1.10
1-2 years	4,743,495,026	446,267,025	9.41
2-3 years	833,515,192	242,459,811	29.09
3-4 years	423,790,534	170,469,511	40.22
4-5 years	215,282,052	143,612,550	66.71
Over 5 years	489,838,473	372,245,095	75.99
Total	39,900,047,537	1,738,689,389	—

Certain of the Group's domestic sales are made on advances, while the remaining sales are paid by letters of credit or banker's acceptances or customers are granted a credit period of 180-360 days.

(3) Bad debt provision of accounts receivable in the current year

Category	Opening balance	Amount changed in the current year				Closing balance
		Provision	Accounts recovered or transferred back	Amounts written back or written off	Other change	
Bad debt provision made individually	258,545,177	19,284,910	25,586,952			252,243,135
Bad debts provision made on the group of credit risk characteristics	1,480,144,212	364,460,195	1,742,404	3,804,596	-15,808	1,839,041,599
Total	1,738,689,389	383,745,105	27,329,356	3,804,596	-15,808	2,091,284,734

Note: Other decreases are mainly due to the foreign currency translation differences in the foreign currency financial statement of JONHON, a subsidiary of the Company.

22. Notes Payable

(1) Classification of notes payable

Category	Closing balance	Opening balance
Banker's acceptance bill	7,622,243,602	5,855,535,669
Commercial acceptance bill	5,001,034,545	5,812,744,376
Total	12,623,278,147	11,668,280,045

(2) Aging of notes payable

The aging of the Group's notes payable at the end of the year mentioned above was within 365 days.

23. Accounts Payable

(1) Presentation of accounts payable

Item	Closing balance	Opening balance
Materials costs payable	38,932,470,839	33,228,893,135
Construction costs payable	3,976,416,871	3,049,317,925
Equipment costs payable	1,187,299,654	1,013,870,812
Others	1,806,005,885	1,853,311,381
Total	45,902,193,249	39,145,393,253

(2) The aging of accounts payable based on their transactions date is analyzed as below

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	39,087,143,580	33,430,215,202
1-2 years (including 2 years)	4,717,965,470	3,301,952,322
2-3 years (including 3 years)	772,097,146	905,681,184
Over 3 years	1,324,987,053	1,507,544,545
Total	45,902,193,249	39,145,393,253

Management Discussion and Analysis

In 2024, the businesses of the Group were divided into aviation entire aircraft segment, aviation ancillary system and related business segment and aviation engineering services segment. The revenue, gross profit margin and other key financial performance indicators of these segments are analyzed in this announcement to demonstrate their operation and development.

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

For the year ended 31 December 2024, the Group recorded a revenue of RMB86,971 million, representing an increase of RMB2,219 million or 2.62% as compared with that of RMB84,752 million in the corresponding period of the preceding year. The net profit attributable to the owners of the parent company amounted to RMB2,187 million, representing a decrease of RMB260 million or 10.63% as compared with that of RMB2,447 million in the corresponding period of the preceding year.

Consolidated Operating Results

1. Composition of revenue

The revenue of the Group for the year 2024 was RMB86,971 million, representing an increase of RMB2,219 million or 2.62% as compared with that of RMB84,752 million in the corresponding period of the preceding year, which was mainly attributable to the year-on-year increase in revenue of helicopter products during the reporting period.

The revenue of the Group's aviation entire aircraft business for the year 2024 amounted to RMB28,472 million, representing an increase of RMB6,220 million or 27.95% as compared with that of RMB22,252 million in the corresponding period of the preceding year, which was mainly attributable to the increase in sales volume of helicopter products during the reporting period. The revenue of the aviation entire aircraft business for the year 2024 accounted for 32.74% of the total revenue of the Group, representing an increase of 6.48 percentage points as compared with that in the corresponding period of the preceding year.

The revenue of the Group's aviation ancillary system and related business for the year 2024

amounted to RMB48,504 million, representing a decrease of RMB6,315 million or 11.52% as compared with that of RMB54,819 million in the corresponding period of the preceding year, which was mainly attributable to the decrease of the revenue of avionics products during the reporting period. The revenue of the aviation ancillary system and related business for the year 2024 accounted for 55.77% of the total revenue of the Group, representing a decrease of 8.91 percentage points as compared with that in the corresponding period of the preceding year.

The revenue of the Group's aviation engineering services business for the year 2024 amounted to RMB9,995 million, representing an increase of RMB2,314 million or 30.13% as compared with that of RMB7,681 million in the corresponding period of the preceding year, which was mainly due to the year-on-year increase of construction revenue. The revenue of the aviation engineering services business for the year 2024 accounted for 11.49% of the total revenue of the Group, representing an increase of 2.43 percentage points as compared with that in the corresponding period of the preceding year.

The Group mainly conducts its business in Mainland China and its revenue is mainly generated from Mainland China as well.

2. Selling expenses

The Group's selling expenses for the year 2024 amounted to RMB858 million, representing a decrease of RMB62 million or 6.74% as compared with that of RMB920 million in the corresponding period of the preceding year, which was mainly attributable to the year-on-year decrease in labor costs of sales persons of certain subsidiaries during the reporting period. In 2024, the selling expenses accounted for 0.99% of the revenue of the Group, representing a decrease of 0.32 percentage point as compared with that in the corresponding period of the preceding year.

3. Administrative expenses

The Group's administrative expenses for the year 2024 amounted to RMB5,231 million, representing a decrease of RMB423 million or 7.48% as compared with that of RMB5,654 million in the corresponding period of the preceding year, which was mainly attributable to the year-on-year decrease in administrative staff salary of certain subsidiaries during the reporting period. In 2024, the administrative expenses accounted for 6.01% of the revenue of the Group, representing a decrease of 0.66 percentage point as compared with that in the corresponding period of the preceding year.

4. Research and development expenses

The research and development expenses of the Group for the year 2024 amounted to RMB6,661 million, representing a decrease of RMB912 million or 12.04% as compared with that of RMB7,573 million in the corresponding period of the preceding year. In 2024, the research and development expenses accounted for 7.66% of the revenue of the Group, representing a decrease of 1.28 percentage points as compared with that in the corresponding period of the preceding year. During the reporting period, the Group's research and development projects have conducted orderly.

5. Finance costs

The Group's finance costs in 2024 amounted to RMB-15 million, representing an increase of RMB132 million or 89.80% as compared with that of RMB-147 million in the corresponding period of the preceding year, which was mainly attributable to the year-on-year decrease in interest income driven by the decrease of deposit interest rates and average existing funds during the reporting period. Please refer to Note 8 to the financial statements for details.

6. Operating profit

The Group's operating profit in 2024 was RMB6,042 million, representing a decrease of RMB951 million or 13.60% as compared with that of RMB6,993 million in the corresponding period of the preceding year, which was mainly attributable to the decrease in the operating results of the Company's subsidiary AVIC Airborne during the reporting period.

7. Income tax expenses

The Group's income tax expenses in 2024 was RMB338 million, representing a decrease of RMB44 million or 11.52% as compared with that of RMB382 million in the corresponding period of the preceding year.

8. Net profit attributable to the owners of the parent company

The net profit attributable to the owners of the parent company for the year 2024 amounted to RMB2,187 million, representing a decrease of RMB260 million or 10.63% as compared with that of RMB2,447 million in the corresponding period of the preceding year, which was mainly attributable to the decrease in the operating results of the Company's subsidiary AVIC Airborne during the reporting period.

Segment Information

The Group's business is divided into three segments, namely the aviation entire aircraft business, the aviation ancillary system and related business and the aviation engineering services business.

The Aviation Entire Aircraft Business

Revenue

The Group's revenue derived from the aviation entire aircraft business for 2024 was RMB28,472 million, representing an increase of 27.95% as compared with that in the corresponding period of the preceding year. Among the above revenue, the revenue derived from the helicopter business, which amounted to RMB25,938 million, representing an increase of RMB4,667 million or 21.94% as compared with that in the corresponding period of the preceding year, and accounted for 91.10% of the total revenue of the aviation entire aircraft business.

The revenue of the aviation entire aircraft business of the Group for the year 2024 accounted for 32.74% of the Group's total revenue, representing an increase of 6.48 percentage points as compared with that in the corresponding period of the preceding year.

Gross Profit Margin

The gross profit margin of the Group's aviation entire aircraft business for the year 2024 was 8.52%, representing a decrease of 4.50 percentage points as compared with that in the corresponding period of the preceding year, which was mainly attributable to the positive price adjustment impact of certain helicopter products to the gross profit margin in the corresponding period of the preceding year.

The Aviation Ancillary System and Related Business

Revenue

The Group's revenue derived from the aviation ancillary system and related business for the year 2024 was RMB48,504 million, representing a decrease of 11.52% as compared with that in the corresponding period of the preceding year. Among the above revenue, the revenue derived from avionics business amounted to RMB40,362 million, representing a decrease of RMB5,163 million or 11.34% as compared with that in the corresponding period of the preceding year, and accounted for

83.21% of the total revenue of the aviation ancillary system and related business.

The revenue derived from the aviation ancillary system and related business for the year 2024 accounted for 55.77% of the Group's total revenue, representing a decrease of 8.91 percentage points as compared with that in the corresponding period of the preceding year.

Gross Profit Margin

The gross profit margin of the Group's aviation ancillary system and related business for the year 2024 was 31.29%, which was basically the same as compared with that in the corresponding period of the preceding year.

The Aviation Engineering Services Business

Revenue

The Group's revenue derived from the aviation engineering services business for the year 2024 was RMB9,995 million, representing an increase of 30.13% as compared with that in the corresponding period of the preceding year.

The revenue derived from the aviation engineering services business for the year 2024 accounted for 11.49% of the Group's total revenue, representing an increase of 2.43 percentage points as compared with that in the corresponding period of the preceding year.

Gross Profit Margin

The gross profit margin of the Group's aviation engineering services business for the year 2024 was 12.43%, representing a decrease of 1.93 percentage points as compared with that in the corresponding period of the preceding year, which was mainly due to the change in the revenue structure of aviation engineering services business during the reporting period.

Business Review and Outlook

In 2024, in the face of a more complex international and domestic environment, China's economy maintained overall stability and achieved steady progress. With the steady development of new quality productive forces, the reform and opening up continued to deepen. AVIC, the controlling Shareholder of the Company, rallied efforts to overcome challenges, while steadfastly advancing

innovation-driven development, achieving steady enhancements in both operation and management, and accelerating into the era of new quality productive forces.

In 2024, confronted with the complex and severe situation where increasing external pressure and growing internal difficulties coexisted, the Company remained committed to its strategic goals, seized the strategic opportunity of the low-altitude economy, focused on technological innovation, accelerated the transformation of scientific and technological achievements, expanded its layout in strategic emerging industries and future industries, and continuously forged new competitive advantages for sustainable development. High-quality development has been steadily advancing.

In 2024, the Group completed the integration of helicopter businesses and successfully raised approximately RMB3 billion in supporting funds, which vigorously advanced the construction of a world-class helicopter enterprise. Simultaneously, the Group actively led the technological innovation, advanced manufacturing and open cooperation of the helicopter industry and low-altitude economy-related industries, and continued to explore the application scenarios of the low-altitude economy. The jointly developed high-speed electric vertical take-off and landing aircraft (H-eVTOL) prototype completed its maiden flight and was statically displayed at the Zhuhai Air Show. The Group accelerated the development of prototypes of products such as the hybrid tiltrotor quadcopter drones and the tiltrotor hexacopter eVTOL aircraft, expedited the cultivation and expansion of strategic emerging industries, fulfilled the mission and responsibility of the low-altitude economy, and stimulated new momentum for high-quality development.

Helicopter business strengthened the leading role of low-altitude economy industry. Throughout the year, the Group signed multiple helicopter sales contracts and leasing contracts with Shanxi Aviation Industry Group Co., Ltd.* (山西航空產業集團), Jiangxi Kaiwei General Aviation Co., Ltd.* (江西凱威通用航空有限公司), etc., and signed 30 procurement intent agreements during the Zhuhai Air Show. Various types of helicopters participated in emergency combat and drill missions, AC311A helicopter was selected as a typical case for the application and promotion of safety emergency equipment in 2024, and AC332 helicopter in the medical rescue configuration successfully completed its maiden flight, leading to the comprehensive enhancement of the aviation emergency rescue system. AC352 helicopter completed the trial flights for slope takeoff and landing, as well as rotor spin-up and spin-down, and AC312E helicopter completed trial flights for performance improvement, further expanding the application scenarios. AC332 helicopter completed trial flights under high-temperature, sub-plateau, and plateau conditions in succession, and the airworthiness certification work was moving forward steadily. The Company created a new model of “central-local cooperation” to collaboratively build a sales, delivery and after-sales service center for AC311A helicopter.

The Group deepened lean management in the trainer business, coordinated resources from all sides, and achieved high-quality delivery. The L15 advanced trainer successfully completed its annual trial flight and delivery tasks, with new achievements made in improving the efficiency of model production, delivery, acceptance, and ferry operations. The Group vigorously developed civil aviation by expanding the flight training business and signing new intentional orders for the civil CJ-6 primary trainer. The volume of civil aviation business has significantly increased year-on-year.

The Group explored the development paths to promote new quality productive forces in general-purpose aircraft products. The Y-12 series aircraft completed operating lease sales for the first time, empowering the high-quality development of domestic civil aircraft with the overall solution of “manufacturing + finance + service” and accelerating the construction of a modern civil aviation industry system.

The Group continued to improve industrial technological innovation capabilities in the aviation ancillary systems and related businesses. The completion and commissioning of JONHON’s basic devices industrial park and Huanan Industrial Base, as well as the full topping out of the high-end interconnection technology industrial community and the civil aircraft & industrial interconnection industrial park, promoted the construction of modern industrial capabilities. AVIC Kaitian supplied high-performance accumulator diaphragm capsules for the Shenzhou-19 manned spacecraft, contributing to the successful completion of the mission. Qing’an Company and Taiyuan Instrument provided relevant systems for Air White Whale’s W5000 cargo drone, facilitating its final assembly and rollout. The Tianjin Key Laboratory of Aviation Fire Protection System established by Tianjin Aviation passed the acceptance inspection, continuously leading the technological development in the field of aviation fire protection.

The Group made steady progression in the aviation engineering services business. AVIC CAPDI won the bid for the engineering design project of Taiyuan Wusu Zero-Carbon Airport, marking a breakthrough in zero-carbon and energy-conserving technologies in the civil aviation sector. It also won the bid for the Genertec Universal Medical Group Company’s procurement project for engineering design services, expanding its presence in the medical and health field. It won the 16th “Gold Award of China’s Construction Engineering Steel Structure”, enhancing its technical advantages in the field of steel structures.

The refinement of corporate governance continuously enhanced brand value. The Company has always adhered to operation compliance in accordance with laws and regulations, continuously improving its governance structure, enhancing its governance capabilities, and improving its governance system. Focusing on value creation and shareholder returns, it has constantly enhanced

its brand image, being honored with the “Outstanding Enterprise Contribution Award for the 75th Anniversary of the Founding of the PRC” and the “Most Innovative Listed Company Award” at the China Securities Golden Bauhinia Awards. Meanwhile, the Company adheres to the integration of economic responsibility, social responsibility and environmental responsibility, implements green and low-carbon philosophy to shape new driving forces for green development, promotes the development of green and low-carbon aircraft, drives the construction of a green and low-carbon aviation ecosystem with extensive participation, co-construction, sharing and win-win results from multiple entities, and has won awards such as the “Best ESG Information Disclosure Award” at the Hong Kong International ESG List and the “ESG Excellence Award” at the “Capital Market Crystal Ball Awards” from Securities Market Weekly.

In 2025, the world is experiencing an accelerated evolution of the transformations unseen in a century, with external environmental uncertainties posing increasing challenges. The Company will adhere to the principle of “seeking progress while maintaining stability, promoting stability through progress”, consolidate foundations and uphold integrity while embracing innovation. The Company will stay focused on its development strategy, maintain strategic resolve, and fully leverage the role of technological innovation, industrial control, and security support, while remaining resolute to thrive on challenges, thereby accelerating to build itself as a world-class aviation high-tech industry group.

1.The Group will actively contrive its development planning for the “15th Five-Year”, coordinating resources, talents, production layout, and the operational expansion of new quality productive forces with innovative mindset. It will focus on green aviation and the industrialization of technological achievements, and lead the high-quality development of the industry through technological innovation;

2.The Group will increase investment in helicopter research and development. It will enhance its cooperation with universities and research institutions, establish an innovation mechanism integrating industry, academia, research and application; focus on the emergency rescue and general aviation markets, explore new models for market development, forge star products of helicopter, and increase the market share and brand perception of its helicopter products;

3.The Group will expand the scale of the low-altitude economy industry. It will strengthen pioneering innovation in core technologies and accelerate the establishment of a low-altitude economy industrial ecosystem. It will strategically coordinate the layout of emerging industries and deeply integrate them into regional economic growth. By leveraging scenario-driven applications, it aims to precipitate the cultivation of future-oriented industries;

4.The Group will accelerate technological innovation. It will accelerate the construction of an innovation consortium, continuously enhance the capacity for technological innovation, and promote the transformation of technological achievements; strengthen investment and cooperation in the field of technological innovation, pool the strength for technological innovation, and further advance the development of intelligent manufacturing in the aviation industry;

5.The Group will give play to the overall synergy effect. It will build up its core competence advantages, enhance the competitiveness of the airborne systems industry, and strive to position itself as a world-class supplier of airborne systems and a specialized supplier. It will continue to consolidate its leading superiority in the airborne systems business, actively carry out planning for new industries, empower transformation with digital intelligence, and fortify new support for industrial development;

6.The Group will consummate its corporate governance system. It will continue to promote the construction of digital aviation capabilities, build a sustainable digital ecosystem; explore new paths for energy conservation and carbon reduction in the aviation sector, drive the transformation of the entire industrial chain towards green and low-carbon development, and create an efficient, green and sustainable development pattern; and

7.The Group will enhance the effectiveness of its market value management. It will remain committed to delivering returns to shareholders and protecting investor rights and interests. It will also persistently optimize the equity structure, strengthen capital governance, and steadily embark on a new journey of high-quality development.

Cash Flow and Financial Resources

1 Liquidity and Capital Resources

As at 31 December 2024, the Group's cash and cash equivalents amounted to RMB39,335 million, which was mainly derived from the following sources:

- cash and bank deposits at the beginning of the 2024;
- funds generated from non-public issuance of A shares by a subsidiary during the reporting period; and
- funds generated from its operations.

The Group's cash flow for each of the years 2024 and 2023 was as follows:

Unit: RMB million (except for percentage)

Main items of cash flow	2024	2023	Changes	Change rate
			<i>(amount)</i>	<i>(percentage)</i>
Net cash flows from (used in) operating activities	2,170	(4,080)	6,251	153.19%
Net cash flows (used in) investing activities	(5,367)	(3,614)	(1,753)	-48.50%
Net cash flows from financing activities	5,336	3,550	1,786	50.32%

2 Operating, Investing and Financing Activities

Net cash inflows from operating activities of the Group for 2024 amounted to RMB2,170 million, representing an increase of net inflows by RMB6,251 million as compared with the net cash outflows of RMB4,080 million in the corresponding period of the preceding year, which was mainly due to the year-on-year increase in the collection of product payments from customers at the end of the year by certain subsidiaries during the reporting period.

Net cash outflows from investing activities of the Group for 2024 amounted to RMB5,367 million, representing an increase of net outflows by RMB1,753 million as compared with the net cash outflows of RMB3,614 million in the corresponding period of the preceding year, which was mainly attributable to the purchase of structured deposits with idle raised funds by the Company's subsidiary AVICOPTER during the reporting period.

Net cash inflows from financing activities of the Group for the year 2024 amounted to RMB5,336 million, representing an increase of net inflows by RMB1,786 million as compared with the net cash inflows of RMB3,550 million in the corresponding period of the preceding year, which was mainly attributable to the year-on-year increase in borrowings by certain subsidiaries during the reporting period.

As at 31 December 2024, the Group's total borrowings amounted to RMB17,758 million, of which the short-term borrowings, the current portion of long-term borrowings and the non-current portion of long-term borrowings amounted to RMB9,715 million, RMB2,811 million and RMB5,232 million, respectively.

The Group's long-term borrowings are repayable as follows:

Maturity	RMB million
Within one year	2,811
In the second year	4,269
In the third to fifth year	884
After the fifth year	79
Total	8,043

As at 31 December 2024, the Group's bank borrowings amounted to RMB4,731 million with a weighted average interest rate of 2.4% per annum, accounting for 26.64% of the total borrowings. Other borrowings amounted to RMB13,027 million with a weighted average interest rate of 2.4% per annum, accounting for 73.36% of the total borrowings.

As at 31 December 2024, there was no significant balance of borrowings denominated in foreign currencies.

Gearing Ratio

As at 31 December 2024, the Group's gearing ratio was 8.79% (as at 31 December 2023: 7.11%), which was arrived at by dividing the total borrowings by the total assets as at 31 December 2024.

Contingent Liabilities

As at 31 December 2024, the Group had no significant contingent liabilities.

Guaranteed and Secured Loans

As at 31 December 2024, the Group's mortgaged and pledged borrowings amounted to RMB407 million, of which RMB92 million was secured by house buildings with a net book value of RMB7 million; RMB315 million was secured by notes receivable and accounts receivable with a net book value of RMB314 million.

Borrowings placed under guarantees amounted to RMB64 million, of which RMB64 million represented guarantees provided by subsidiaries, and no guarantees provided by non-related parties.

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.

Use of Proceeds

As at 31 December 2024, a total of RMB6,758 million out of the proceeds raised by the Company had been utilized in the manufacturing and research and development of advanced trainers, helicopters and aviation composite materials, the acquisition of assets in aviation business and equity investments as well as for general corporate purposes. In the end of 2018, the net proceeds raised by the Company through H share placing were approximately HK\$1,346 million (the "**H Share Placing**"). At the date of the announcement, the Company has utilized the proceeds from the H Share Placing according to the plan for use of proceeds as disclosed in the announcement of the Company dated 14 December 2018. Due to factors disclosed in the Company's 2023 annual report, the Company was unable to implement the potential acquisition of aviation equity interest or aviation assets. Set out below is the information regarding the use of proceeds from the H Share Placing:

Use of proceeds	Net proceeds utilized in 2024	Utilized net proceeds up to 31 December 2024	Unutilized net proceeds as of 31 December 2024	Expected timeline for completion of utilization of the net proceeds
H Share Placing				
Investment in aviation product businesses, the industrialization projects of aviation research institutes and industry investment fund for aviation business, the funding of acquisitions of aviation equity interest or aviation assets and for general corporate purposes	Approximately RMB100 million, used for general corporate purposes	Approximately RMB1,200 million, of which approximately RMB812 million was used in investment in aviation product businesses, approximately RMB 151 million was used in industrialization projects of aviation research institutes and investment fund for aviation business, and approximately RMB 237 million was used for general corporate purpose	Nil	All had been used up

Employees

As at 31 December 2024, the Group had 71,847 employees. The Group has provided appropriate emoluments, benefits and trainings to its employees.

Employees breakdown (by business segments)	Number of employees	Percentage to total number of employees (%)
Aviation entire aircraft business	15,742	21.91
Aviation ancillary system and related business	53,681	74.72
Aviation engineering services business and others	2,424	3.37
Total	71,847	100.00

For the year ended 31 December 2024, the total staff costs of the Group amounted to RMB17,809 million, representing an increase of RMB210 million or 1.19% as compared with that of RMB17,599 million in the corresponding period of the preceding year.

Purchase, Sale and Redemption of Listed Securities

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) for the year ended 31 December 2024.

As at 31 December 2024, the Company did not hold any treasury Shares.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies During the Reporting Period

On 22 March 2024, a total of 142,129,270 A shares of AVICOPTER have been issued by AVICOPTER in connection with the Proposed Restructuring, and the total number of issued shares of AVICOPTER has increased from 589,476,716 shares to 731,605,986 shares. By then, the Proposed Restructuring has completed. On 25 July 2024, a total of 88,287,227 A shares of AVICOPTER have been issued by AVICOPTER in connection with the Raising of Supporting Funds, and the total number of issued shares of AVICOPTER has increased from 731,605,986 shares to 819,893,213 shares, including the 5,885,815 A shares of AVICOPTER subscribed by the Company with a cash amount of approximately RMB200 million. By then, the Raising of Supporting Funds has been completed. For details, please refer to the announcements of the Company dated 23

December 2022, 9 January 2023, 15 March 2023, 18 July 2023, 15 September 2023, 22 March 2024 and 26 July 2024. Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in such announcements.

Save as disclosed above, no other material acquisitions and disposals of subsidiaries and associated companies of the Company occurred during the reporting period.

Other Significant Events During the Reporting Period

On 25 December 2024, the Company entered into an equity transfer agreement with Harbin Aircraft, pursuant to which, Harbin Aircraft shall transfer to the Company all of 19,186,952 A shares it held in AVICOPTER (representing 2.34% of the total issued shares of AVICOPTER) at a transfer price of RMB39.76 per A share of AVICOPTER (the “**Equity Transfer**”). Upon completion of the Equity Transfer, the direct shareholding of the Company in AVICOPTER shall be increased to 417,354,803 A shares, representing 50.90% of the total issued shares of AVICOPTER. For details, please refer to the announcement of the Company dated 25 December 2024. Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in such announcement.

Save as disclosed above, no other significant events occurred during the reporting period.

Change of Directors, Supervisors and Senior Management

At the extraordinary Shareholders' meeting held on 12 July 2024 (the “**2024 First EGM**”), certain members of the seventh session of the Board, namely Mr. Yan Lingxi (executive Director), Mr. Sun Jizhong (executive Director), Mr. Xu Gang (non-executive Director), Mr. Liu Weiwu (independent non-executive Director), Mr. Mao Fugen (independent non-executive Director) and Mr. Lin Guiping (independent non-executive Director) participated in the re-election of Directors of the eighth session of the Board and were re-elected as Directors. The remaining members of the seventh session of the Board, namely Mr. Lian Dawei (non-executive Director), Mr. Liu Bingjun (non-executive Director) and Mr. Wang Jun (non-executive Director) have confirmed that they would not participate in the re-election as Directors of the eighth session of the Board after expiry of their respective terms. Meanwhile, Mr. Xu Dongsheng, Mr. Zhou Xunwen and Ms. Hu Shiwei were appointed as the non-executive Directors of the eighth session of the Board, respectively.

After the conclusion of the 2024 First EGM, the eighth session of the Board consists of the following members: Mr. Yan Lingxi (executive Director), Mr. Sun Jizhong (executive Director), Mr. Xu Dongsheng (non-executive Director), Mr. Zhou Xunwen (non-executive Director), Ms. Hu Shiwei

(non-executive Director), Mr. Xu Gang (non-executive Director), Mr. Liu Weiwu (independent non-executive Director), Mr. Mao Fugen (independent non-executive Director) and Mr. Lin Guiping (independent non-executive Director).

At the Board meeting convened following the 2024 First EGM on the same date, Mr. Yan Lingxi was elected as the Chairman of the eighth session of the Board.

At the 2024 First EGM, Mr. Guo Guangxin, a member of the seventh session of the Supervisory Committee of the Company, participated in the re-election as Shareholder representative Supervisor of the eighth session of the Supervisory Committee and was re-elected as Shareholder representative Supervisor. The remaining Supervisors of the seventh session of the Supervisory Committee, namely Mr. Zheng Qiang and Mr. Zhao Zhuo have confirmed that they would not participate in the re-election as Supervisors of the eighth session of the Supervisory Committee after expiry of their terms. Meanwhile, Mr. Nie Xiaoming was appointed as Shareholder representative Supervisor of the eighth session of the Supervisory Committee at the 2024 First EGM, and Ms. Kang Yinglei was elected by the general meeting of employees of the Company as an employee representative Supervisor of the eighth session of the Supervisory Committee.

After the conclusion of the 2024 First EGM, the eighth session of the Supervisory Committee consists of the following members: Mr. Nie Xiaoming (Shareholder representative Supervisor), Mr. Guo Guangxin (Shareholder representative Supervisor) and Ms. Kang Yinglei (employee representative Supervisor).

At the Supervisory Committee meeting convened following the 2024 First EGM on the same date, Mr. Nie Xiaoming was elected as the chairman of the eighth session of the Supervisory Committee.

At the Board meeting held on 12 July 2024, the Board considered and approved the resolutions in relation to the re-appointment of Mr. Sun Jizhong as the general manager of the Company and the re-appointment of Mr. Wang Jingmin as the chief financial officer (chief accountant) of the Company, with their terms of office commencing from the date of the establishment of the eighth session of the Board to the date on which the term of office of the eighth session of the Board expires.

Due to change in work arrangement, Mr. Xu Bin applied to the Board for resignation from his position as the Board Secretary of the Company with effect from 26 July 2024. At the Board meeting held on 26 July 2024, the Board considered and approved the resolution in relation to the appointment of Mr. Zhao Zhuo as the Board Secretary of the Company, with the term of office commencing from the date of approval of such resolution at the Board meeting to the date on which

the term of office of the eighth session of the Board expires.

Results, Dividend and Dividend Policy

The Board recommended the payment of a final dividend for the year 2024 in an aggregate amount of RMB645,801,194, representing a dividend of RMB0.081 per share (2023: RMB0.088 per share), calculated based on the existing number of total issued shares of 7,972,854,242 shares of the Company as at the date of this announcement, subject to adjustment (if any) based on the number of total issued shares as at the Record Date (as defined below).

The final dividend will be paid to those Shareholders whose names appear on the Company's register of members at the close of business on Friday, 30 May 2025 (the “**Record Date**”). To determine the identity of the Shareholders entitled to receive the final dividend, the Company's register of members will be closed from Sunday, 25 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of H shares of the Company will be registered. In order to be entitled to receive the final dividend, all transfer instruments accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's H shares registrar, by not later than 4:30 p.m. on Friday, 23 May 2025.

In accordance with Article 142 of the Articles of Association, the dividend will be declared in RMB to the Shareholders. The dividend payable to Domestic Shares Shareholders will be paid in RMB within three months after the dividend declaration date, the dividend payable to H Shares Shareholders will be denominated and declared in RMB and paid in Hong Kong Dollars within three months after the dividend declaration date. The dividend to be paid in Hong Kong Dollars will be converted based on the central parity rate between RMB and Hong Kong Dollars issued by the People's Bank of China for the five business days prior to the declaration of dividends at the annual general meeting of the Company to be held on Tuesday, 20 May 2025 (the “**2024 AGM**”). Subject to the approval of the Company's Shareholders at the 2024 AGM, the aforementioned dividend is expected to be paid by the Company on or before 25 June 2025.

The 2024 AGM will be held on Tuesday, 20 May 2025. The H shares register of members of the Company will be closed from Wednesday, 30 April 2025 to Tuesday, 20 May 2025 (both days inclusive), during which period no transfer of H shares will be registered. Holders of the Company's H Shares and Domestic Shares whose names appear on the Company's register of members at the opening of business on Tuesday, 20 May 2025 are entitled to attend and vote at the 2024 AGM. In order to be eligible to attend and vote at the 2024 AGM, holders of the Company's H shares shall lodge all transfer instruments together with the relevant share certificates with Computershare Hong

Kong Investor Services Limited, the Company's H shares register, not later than 4:30 pm on Tuesday, 29 April 2025.

According to the Company Law of the PRC, relevant laws and regulations, and the Articles of Association, the profits after payment of the relevant taxation shall be distributed in the following order:

(1) make up of losses; (2) transfer to statutory common reserve fund; (3) transfer to discretionary common reserve fund; (4) payment of dividends to ordinary shares.

The determination to pay such dividends shall be made at the discretion of the Board and will be based upon the operating results, cash flows, financial positions, capital requirements and other relevant circumstances that the Board deems relevant and proposed at the Shareholders' meeting for Shareholders' approval.

Audit and Risk Management Committee

As at the date of the announcement, the Audit and Risk Management Committee of the Company comprises the Directors, namely Mr. Mao Fugen, Ms. Hu Shiwei, Mr. Liu Weiwu and Mr. Lin Guiping. Mr. Mao Fugen is the chairman of the Audit and Risk Management Committee.

The Board has established the Audit and Risk Management Committee in carrying out the duty of assisting the Board and independently monitoring the financial operation, audit procedures and the risk management operation of the Company. The Terms of Reference of the Audit and Risk Management Committee were formulated and amended in accordance with the actual situation of the Company and the Guide for the Effective Audit Committee issued by the Hong Kong Institute of Certified Public Accountants and the provisions of Part 2 of Appendix C1 (the "**Corporate Governance Code**") to the Hong Kong 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 annual results and consolidated financial statements for the year ended 31 December 2024.

Corporate Governance Code

The Company strictly complied with various applicable laws, rules and regulations as well as the Articles of Association to standardize its operation. Code provision B.2.2 stipulates that, among others, every director should be subject to retirement by rotation at least once every three years. On 12 July 2024, the Company completed the re-election of the members of the Board and the Supervisory Committee and fulfilled its information disclosure obligations. Before the establishment of the eighth session of the Board and the Supervisory Committee, all the Directors of the seventh session of the Board and all the Supervisors of the seventh session of the Supervisory Committee have continued to perform the responsibilities of Directors and Supervisors in accordance with relevant requirements. The Board reviewed the corporate governance practices adopted by the Company for the year ended 31 December 2024 and was of the view that save as disclosed in this announcement, the Company complied with the principles and code provisions set out in Part 2 of the Corporate Governance Code.

Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Hong Kong Listing Rules and the Shares Trading Management Rules for Directors, Supervisors, Senior Management and Employees of the Company as its own guidelines for securities transactions by Directors, Supervisors and relevant employees of the Company. All Directors and Supervisors of the Company have confirmed their compliance with the Model Code in 2024 upon specific enquiries with them.

The Annual Report

The annual report of 2024 will be published on the websites of the Hong Kong Stock Exchange and of the Company (<https://www.avichina.com>) in due course.

Changes in Composition of the Members of the Special Committees of the Board

The Board hereby announces that with effect from 28 March 2025, Ms. Hu Shiwei ceases to be a member of the Audit and Risk Management Committee and is appointed as a member of the Nomination Committee, and Mr. Zhou Xunwen is appointed as a member of the Audit and Risk Management Committee.

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

Beijing, 28 March 2025

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

** For identification purpose only*

APPENDIX - DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Articles of Association”	Articles of Association of the Company (as amended from time to time)
“AVIC”	Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司), a controlling Shareholder of the Company holding directly and indirectly 59.63% equity interest of the Company at the date of the announcement
“AVIC Airborne”	AVIC Airborne Systems Co., Ltd. (中航機載系統股份有限公司), a joint stock limited liability company whose shares are listed on the Shanghai Stock Exchange, a subsidiary of the Company
“AVIC CAPDI”	China Aviation Planning and Design Institute Co., Ltd. (中國航空規劃設計研究總院有限公司), a wholly-owned subsidiary of the Company
“AVIC Kaitian”	Chengdu CAIC Electronics Co., Ltd. (成都凱天電子股份有限公司), a subsidiary of AVIC Airborne
“AviChina”, “the Company”	AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司), a joint stock limited company established in the PRC with limited liability on 30 April 2003
“AVICOPTER”	AVICOPTER PLC (中航直升機股份有限公司), a joint stock limited company whose shares are listed on the Shanghai Stock Exchange, a subsidiary of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi by PRC nationals and/or PRC corporate entities
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange

“Harbin Aircraft”	Harbin Aircraft Industry Group Co., Ltd. (哈爾濱飛機工業集團有限責任公司), a wholly-owned subsidiary of AVICOPTER
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
“Hongdu Aviation”	Jiangxi Hongdu Aviation Industry Co., Ltd. (江西洪都航空工業股份有限公司), a joint stock limited company whose shares are listed on the Shanghai Stock Exchange, a subsidiary of the Company
“JONHON”	Jonhon Optron Technology Co.,Ltd (中航光電科技股份有限公司), a joint stock limited liability company whose shares are listed on the Shenzhen Stock Exchange, a subsidiary of the Company
“PRC”, “China”	the People’s Republic of China
“Qing’an Company”	Qing’an Group Co., Ltd. (慶安集團有限公司), a subsidiary of AVIC Airborne
“reporting period”	the period from 1 January 2024 to 31 December 2024
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as amended from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	the ordinary share(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Taiyuan Instrument”	AVIC Taiyuan Aviation Instrument Co., Ltd. (太原航空儀錶有限公司), a subsidiary of AVIC Airborne
“Tianjin Aviation”	Tianjin Aviation Mechanical and Electrical Co., Ltd. (天津航空機電有限公司), a wholly- owned subsidiary of the Company