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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

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES GOVERNING THE OPERATION OF SHAREHOLDERS' GENERAL MEETINGS

The announcement is published by AviChina Industry & Technology Company Limited* (the “**Company**”) in accordance with Rule 13.51 (1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

(I) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the repeal of the Special Provisions of the State Council on Overseas Share Offerings and Listing of Joint Stock Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Notice on the Implementation of the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》, the “**Mandatory Provisions**”) and the consequential amendments to the Hong Kong Listing Rules in respect of the PRC issuers which have come into effect (including, without limitation, the removal of the class meeting and related requirements for the issuance and repurchase of shares by PRC issuers and the removal of the requirements for PRC issuers' articles of association to include the Mandatory Provisions and other ancillary provisions), and taking into account the actual circumstances of the Company and the prevailing legal requirements, the Board proposed to amend the articles of associations of the Company (the “**Articles of Association**”) on 22 August 2023 as follows:

1. To amend Article 14 of the Articles of Association as the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) was implemented on 31 March 2023:

Article 14 The Company may issue shares to investors inside the PRC and to investors outside the PRC in accordance with the law~~following approval from the securities regulatory authorities of the State Council,~~ and file with the China Securities Regulatory Commission (“CSRC”) in accordance with regulations.

2. **To amend Article 16 and Article 17 of the Articles of Association as the Mandatory Provisions were repealed on 31 March 2023 and it is proposed to delete the chapter of “Special Procedures for Voting of Class Shareholders” from the Articles of Association:**

Article 16 Upon approval from the securities regulatory authorities of the State Council, domestic shareholders of the Company may transfer the shares held by them to overseas investors and such shares could be listed and traded on the overseas stock exchanges. Shares transferred and listed on an overseas stock exchange shall comply with the supervision procedures, regulations and requirements of the overseas stock exchange.

~~No general meeting or class shareholders’ meeting is required to be held for voting on the listing and trading of shares so transferred on such overseas stock exchange.~~

Article 17 Upon approval from the securities regulatory authorities of the State Council, the domestic invested shares can be converted to overseas listed foreign invested shares, and listed and traded on the overseas stock exchanges. The listing and trading of the transferred shares on the overseas stock exchanges shall comply with the supervision procedures, regulations and requirements of the overseas stock exchange.

~~No general meeting or class shareholders’ meeting is required to be held for voting on converting of domestic invested shares to overseas listed foreign invested shares and listing and trading on the overseas stock exchanges. Upon transfer to overseas listed foreign invested shares, the domestic invested shares shall be in the same class of original overseas listed foreign invested shares.~~

3. **To amend Article 19 of the Articles of Association as the Company completed the issuance of 261,522,000 domestic shares in July 2023:**

Article 19 Upon the approval of the securities regulatory authorities of the State Council, a total number of 1,679,800,500 shares of overseas listed foreign invested shares (including 1,527,090,000 shares issued by the Company, and 152,710,500 existing shares held by State-owned shareholder of the Company sold pursuant to the relevant requirements of the PRC regulations on reduction of State-owned shares), had been issued and sold after the establishment of the Company.

Upon the approval of the securities regulatory authorities of the State Council, the Company issued and sold 305,416,000 shares of overseas listed foreign invested shares on 10 March, 2010, and Aviation Industry Corporation of China sold 29,217,402 existing shares pursuant to the relevant requirements of the PRC regulations on reduction of state-owned shares. The Company issued

183,404,667 domestic shares on 18 January, 2012; the Company issued and allotted 342,000,000 shares of overseas listed foreign invested shares on 2 March, 2012; the Company issued 491,692,669 Domestic Shares in June 2016. 3,609,687,934 domestic shares of the Company were converted into overseas listed foreign invested shares in June 2018; the Company issued and allotted 279,000,000 shares of overseas listed foreign invested shares in December 2018; the Company canceled a total of 34,459,000 repurchased shares of overseas listed foreign invested shares in June and September 2020; the Company issued 1,500,669,406 domestic shares in December 2020; **the Company issued 261,522,000 domestic shares in July 2023.**

The current shareholding structure of the Company is: the total number of issued ordinary shares of the Company amounts to ~~7,972,854,242~~7,711,332,242 shares. among which ~~1,762,191,406~~1,500,669,406 shares are held by shareholders of domestic shares, representing ~~22.10~~19.46% of the total number of issued ordinary shares of the Company, and 6,210,662,836 shares are held by shareholders of overseas listed foreign invested shares, representing ~~77.90~~80.54% of the total number of issued ordinary shares of the Company.

4. To amend Article 20 and Article 21 of the Articles of Association in accordance with current relevant laws and regulations:

~~Article 20 After~~**For** the plan ~~to issue~~**for** issuing overseas listed foreign invested shares and domestic invested shares ~~has been approved by the securities regulatory authorities of the State Council,~~ the Board may arrange for implementation of such plan by means of separate issues.

~~The Company's plan for separate issues of overseas listed foreign invested shares and domestic invested shares in accordance with the preceding paragraph may be implemented separately within 15 months of being approved by the securities regulatory authorities of the State Council.~~

Article 21 When the Company issues overseas listed foreign invested shares and domestic invested shares separately within the total number of shares specified in the issue plan, every such issue shall be fully subscribed for each time. Where special circumstances make it impossible for every such issue to be fully subscribed for at one time, the shares may be issued at several stages, ~~subject to the approval of the securities regulatory authorities of the State.~~

5. To amend Article 22 of the Articles of Association as the Company completed the issuance of 261,522,000 domestic shares in July 2023:

Article 22 The registered capital of the Company is RMB~~7,972,854,242~~7,711,332,242.

6. To amend Article 27 and Article 28 of the Articles of Association in accordance with current relevant laws and regulations:

Article 27 The Company may, in the following circumstances, buy back its own issued and

outstanding shares following the adoption of a pertinent resolution in accordance with the procedures provided for in the Articles of Association, ~~and submission to and approval by the relevant State authorities:~~

1. cancellation of shares in order to reduce its capital;
2. merger with another company holding shares in the Company, or
3. other circumstances where laws or administrative regulations so permit.

Article 28 ~~After the Company may is approved by relevant State authorities to buy back its own shares, it may proceed~~ in any of the following manners:

1. making of a buy-back offer in the same proportion to all shareholders;
2. buy-back through open transactions on a stock exchange; or
3. buy-back by an agreement outside a stock exchange.

7. To amend Article 64 of the Articles of Association as the Mandatory Provisions were repealed on 31 March 2023, and it is proposed to delete the chapter of “Special Procedures for Voting of Class Shareholders” from the Articles of Association:

Article 64 The instrument appointing a proxy to vote shall be delivered to the address of the Company or any other place designated in the notice of the meeting at least 24 hours before the convening of the meeting to which such instrument is relevant, or 24 hours before the designated time for voting. If the instrument is signed by the other person authorized by the appointer, the power of attorney authorizing the signature or other authorization documents shall be notarially certified. Such power of attorney or other authorization documents notarially certified, together with the instrument appointing the proxy shall be placed at the address of the Company or any other place designated in the notice of the meeting.

If the appointer is a legal person, its legal representative or such person authorized by a resolution of the board of directors or other decision-making body of such legal person can attend at any shareholders’ general meeting of the Company as a representative of the appointer.

If a shareholder is a recognized clearing house (or its proxy), it could authorize one or more persons it considers appropriate as its representative at any shareholders’ general meeting, ~~any class shareholders’ meetings~~ or any creditors’ meeting, however, if more than one person are so authorized, the authorization letter should specify the number and class of shares relating to each of the authorized persons. The authorized person can represent a recognized clearing house (or its proxy) to exercise its rights (including speaking rights and voting rights) in the same manner as it is an individual shareholder of the Company.

8. To delete Article 73 of the Articles of Association as the Mandatory Provisions were repealed on 31 March 2023:

Article 73 ~~In the case of an equality of votes cast in favor of and against the relevant resolution,~~

~~whether on a show of hands or by poll, the chairman of the meeting at which a show of hands takes place or at which the poll is demanded is entitled to have a casting vote.~~

- 9. To amend Article 76 of the Articles of Association as the Mandatory Provisions were repealed on 31 March 2023 and it is proposed to delete the chapter of “Special Procedures for Voting of Class Shareholders” from the Articles of Association:**

~~Article 76~~ In the event that shareholders request to convene an extraordinary general meeting ~~or a class shareholders’ meeting~~, the following procedures shall be followed:

1. two or more shareholders that collectively represent more than 10% (including 10%) of the voting shares at the meeting proposed to be convened may sign and submit one or several written requests identical in form and content, urging the Board to convene an extraordinary general meeting ~~or a class shareholders’ meeting~~ and clarifying the matters to be considered at the meeting. Upon such written request(s), the Board shall convene the extraordinary general meeting ~~or the class shareholders’ meeting~~ at the earliest time possible. The aforementioned voting shares shall be calculated upon the date when the written request(s) is/are submitted;

.....

- 10. To delete Chapter Nine of the Articles of Association and to add Article 81 to the Articles of Association as the Mandatory Provisions were repealed on 31 March 2023 and the Hong Kong Listing Rules have also been amended:**

~~**Chapter Nine Special Procedures for Voting of Class Shareholders**~~

~~Article 82~~ Shareholders that hold different classes of shares shall be class shareholders. Class shareholders shall enjoy rights and bear obligations in accordance with provisions of laws, administrative regulations and the Articles of Association.

~~Article 83~~ If the Company intends to vary or abrogate the rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution at the shareholders’ general meeting and by a separate class shareholders’ meeting convened by the affected class shareholders in accordance with Articles 85 to 89, except for the circumstances that listing and trading on overseas stock exchange of shares transferred set out in Article 16 herein and the concerting of domestic invested shares to overseas listed foreign invested shares set out in Article 17 herein.

~~Article 84~~ Rights of shareholders of a certain class shall be deemed to be varied or abrogated under the following circumstances:-

1. the increase or decrease of the number of shares of such class, or increase or decrease of the number of shares of a class having voting rights, distribution rights or other privileges equal or

superior to those of the shares of such class;

~~2. the conversion of all or part of the shares of such class into shares of another class, or the conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;~~

~~3. the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;~~

~~4. the reduction or removal of a dividend preference, or a property distribution preference during liquidation of the Company, attached to shares of such class;~~

~~5. the addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;~~

~~6. the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;~~

~~7. the creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;~~

~~8. the imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;~~

~~9. the issuance of rights to subscribe for, or convert into, shares of such class or another class;~~

~~10. the increase of the rights and privileges of shares of another class;~~

~~11. such restructuring of the Company as would cause shareholders of different classes to bear disproportionate liabilities under the restructuring; or~~

~~12. the amendment or deletion of the provisions of this Chapter.~~

Article 85 ~~Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, shall have right to vote at class shareholders' meetings in respect of any of the matters referred to in items (2) to (8) and items (11) to (12) of Article 84, except that interested shareholders shall not have the right to vote at class shareholders' meetings.~~

~~For the purposes of the preceding paragraph, the term "interested shareholders" shall have the following meaning:~~

~~1. if the Company is to issue a buyback offer to all of the shareholders in the same proportion or is to buy back its own shares through open transactions on a stock exchange in accordance with Article 28 of the Articles of Association, the controlling shareholder as defined in Article 51 of the Articles of Association shall be an "interested shareholder";~~

~~2. if the Company is to buy back its own shares by agreements outside a stock exchange in accordance with Article 28 of the Articles of Association, holders of shares to which such agreements relate shall be "interested shareholders";~~

~~3. shareholders that, under a proposed restructuring of the Company, would bear liabilities in a proportion smaller than that of the liabilities borne by other shareholders of the same class, and shareholders that have an interest in a proposed restructuring of the Company that is different from the interest in such proposed restructuring of other shareholders of the same class, shall be "interested shareholders".~~

~~**Article 86** Resolutions of a class shareholders' meeting may be passed only by two-thirds or more of the equity interests carrying voting rights that are represented at the meeting in accordance with Article 85.~~

~~**Article 87** Unless otherwise provided by the relevant laws, regulations and listing rules of the place where the securities of the Company are listed and the articles herein regarding means of shareholders communication, when the Company is to hold a class shareholders' meeting, it shall issue a written notice informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting according to the requirements on the notice period for holding the general meeting as prescribed in this Article 56 in this Articles of Association.~~

~~**Article 88** If a class shareholders' meeting is to be called by issuance of a meeting notice, notice of such meeting need be delivered only to the shareholders entitled to vote thereat.~~

~~The procedure according to which class shareholders' meetings are held shall, to the extent possible, be identical to the procedure according to which shareholders' general meetings are held. Provisions of the Articles of Association relevant to procedures for the holding of shareholders' general meetings shall be applicable to class shareholders' meetings.~~

~~**Article 89** In addition to holders of other classes of shares, holders of domestic invested shares and overseas listed foreign invested shares shall be deemed to be shareholders of different classes; The special procedures for voting of class shareholders shall not apply:~~

- ~~1. where, as approved by way of a special resolution at the shareholders' general meeting, the Company issues, either separately or concurrently, domestic invested shares and overseas listed foreign invested shares every 12 months, and the number of the domestic invested shares and overseas listed foreign invested shares intended to be issued does not exceed 20 percent of the issued and outstanding shares of the respective classes;~~
- ~~2. where the plan for issuance of domestic invested shares and overseas listed foreign invested shares upon the establishment of the Company is completed within 15 months of being approved by the securities regulatory authorities of the State Council; or~~
- ~~3. where situations regarding the listing and trading on overseas stock exchange of shares transferred set out in Article 16 herein and the transfer of domestic invested shares to overseas listed foreign invested shares set out in Article 17 herein occur.~~

~~**Article 81** In accordance with the regulatory requirements of the place of listing, if the Company is required to convene a meeting of H Shareholders in respect of any material matter, the relevant procedures for convening and voting at the H Shareholders' meeting shall be implemented in accordance with the relevant provisions of this chapter on shareholders' meetings.~~

11. To amend Article 170 of the Articles of Association in accordance with the current provisions

of the Company Law of the People's Republic of China (the "Company Law"):

Article ~~162~~¹⁷⁰ The Company shall be dissolved due to the following reasons in accordance with the law if:

1. the shareholders' general meeting resolves to dissolve the Company by special resolution;
 2. dissolution is necessary as a result of the merger or division of the Company;
 3. the Company's business license is revoked or suspended or the Company is ordered to close down in accordance with the laws; ~~the Company is legally declared bankrupt because it is unable to pay its debts as they fall due;~~
 4. where the Company gets into serious difficulties in operation and management and its continuation may cause substantial loss in shareholders' interests, and no solution can be found through any other channel, shareholders representing 10% or above of the total voting rights of the Company may request the People's Court to dissolve the Company; or the Company is ordered to closed down because of its violation of laws and administrative regulations.
 5. the occurrence of other causes for dissolution prescribed by the Articles of Association.
12. To add Article 163 to the Articles of Association in accordance with the current provisions of the Company Law:

Article 163 If the Company falls under the circumstances specified in Article 162 (5) of this Articles of Association, it may survive by amending this Articles of Association.

The amendment of this Articles of Association in accordance with the provisions of the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the shareholders attending the shareholders' meeting.

13. To amend Article 171, Article 172, Article 174, Article 175 and Article 177 of the Articles of Association in accordance with the current provisions of the Company Law:

Article ~~164~~¹⁷¹ If the Company is dissolved pursuant to the provisions of Article 162 (1), (3), (4) or (5) of this Articles of Association, a liquidation committee shall be established within 15 days from the date of the occurrence of the cause of dissolution to begin liquidation. The liquidation committee is composed of directors or personnel determined by the shareholders' meeting. If a liquidation committee is not established within the prescribed time limit for liquidation, creditors may apply to the People's Court to designate relevant personnel to form a liquidation committee for liquidation. The People's Court shall accept the application and promptly organize a liquidation committee to carry out liquidation. ~~item 1 of the preceding Article, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be composed of persons determined by the shareholders' general meeting by ordinary resolution.~~

~~If the Company is to be dissolved pursuant to item 3 of the preceding Article, the People's Court~~

~~shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.~~

~~If the Company is to be dissolved pursuant to item 4 of the preceding Article, the relevant governing authorities shall organize the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.~~

Article 165172 If the Board decides that the Company should be liquidated ~~(otherwise than because of a declaration of bankruptcy)~~, the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay its debts in full within 12 months after the commencement of liquidation.

The functions and powers of the Board shall terminate immediately upon the adoption by the shareholders' general meeting of a resolution to carry out liquidation.

The liquidation committee shall take instructions from the shareholders' general meeting, and not less than once a year make a report to the shareholders' general meeting on the committee's receipts and expenditures, the business of the Company and the progress of the liquidation. It shall make a final report to the shareholders' general meeting when the liquidation is completed.

Article 167174 The liquidation committee shall exercise the following functions and powers during liquidation:

1. to inventory the Company's property, and to prepare a balance sheet and a property list;
2. to notify creditors by notice and public announcement;
3. to dispose of unfinished business of the Company relating to the liquidation;
4. to pay all outstanding taxes in full **and taxes generated during the liquidation process**;
5. to liquidate claims and debts;
6. to dispose of the Company's property remaining after the debts are paid in full; and
7. to represent the Company in civil actions.

Article 168175 After the liquidation committee has inventoried the Company's property and prepared a balance sheet and a property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or the **People's Court** ~~relevant governing authorities~~ for confirmation.

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Article 170177 Following completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, as well as a revenue and expenditure statement and financial account books in respect of the liquidation period, and, after verification thereof by a PRC certified public accountant, submit the same to the shareholders' general meeting or the **People's Court** ~~relevant governing authorities~~ for confirmation.

Within 30 days from the date of confirmation of the aforementioned documents by the shareholders' general meeting or the People's Court~~relevant governing authorities~~, the liquidation committee shall submit the same to the relevant company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's termination.

The Board is of the view that the proposed amendments to the Articles of Association (including the removal of the class meeting requirement from the Articles of Association following the repeal of the Mandatory Provisions) will not compromise protection of the shareholders and will not have material impact on measures relating to the shareholders' protection, as H shares and domestic shares are regarded as one class of ordinary shares under the PRC law, and the substantive rights attached to these two kinds of shares (including voting rights, dividends and asset distribution upon liquidation) are the same.

The proposed amendments to the Articles of Association are subject to approval by special resolutions at the shareholders' general meeting, the H shares class meeting and the domestic shares class meeting of the Company.

(II) PROPOSED AMENDMENTS TO THE RULES GOVERNING THE OPERATION OF SHAREHOLDERS' GENERAL MEETINGS

Pursuant to the above proposed amendments to the Articles of Association, on 22 August 2023, the Board also proposed to amend the rules governing the operation of shareholders' general meetings of the Company (the "**Rules Governing the Operation of Shareholders' General Meetings**") as follows:

- 1. To amend Article 2, Article 22 and Article 35 of the Rules Governing the Operation of Shareholders' General Meetings as the Mandatory Provisions were repealed on 31 March 2023 and it is proposed to delete the chapter of "Special Procedures for Voting of Class Shareholders" from the Articles of Association and the Rules Governing the Operation of Shareholders' General Meeting:**

Article 2 Shareholders' general meetings can be classified as annual general meetings and~~extraordinary general meetings or class shareholders' meetings.~~

Article 22 If an extraordinary general meeting ~~or a class meeting~~ is proposed to be convened by the supervisory committee, or shareholders who individually or jointly hold 10% or more of the total voting shares at the proposed meeting, they may sign one copy or several copies of a written request in the same form and substance clearly specifying the topics for discussion for the meeting and at the same time submit to the board of directors a motion which complies with conditions as provided in the preceding articles of this Rules Governing the Operation of Shareholders' General Meetings.

Article 35 Shareholders shall be registered to attend general meetings. Shareholders registering for

a meeting should provide the following documents.

.....

Any shareholder who is a recognized clearing house (a “Recognized Clearing House”) within the meaning of the applicable laws at the place where the shares of the Company are listed or its proxy may authorize one or more persons it considers appropriate as its representative at any shareholders’ general meeting ~~or, any class shareholders’ meeting~~ or any creditors’ meeting to act as its representative; provided, however, that if more than one persons are so authorized the powers of attorney shall set forth the number and class of shares in respect of which each such persons is so authorized. Any person so authorized may exercise all the rights, including the right to speak and vote, on behalf of the Recognized Clearing House (or its proxy) as if that person were an individual shareholder in the Company.

2. To amend Article 53 of the Rules Governing the Operation of Shareholders’ General Meetings as the Mandatory Provisions were repealed on 31 March 2023:

Article 53 In addition to the requirements in relation to the scrutinizing of ballot under the Listing Rules, before voting starts, shareholders attending the meeting shall elect at least one supervisor and the Board Secretary to be the person responsible for tallying the votes. He shall tally up the votes on the spot and shall sign on the statistical information concerning the voting. ~~When the numbers of votes in favour and against are equal, the chairman of the meeting is entitled to cast one extra vote.~~

3. To delete Chapter Seven of the Rules Governing the Operation of Shareholders’ General Meetings and add Article 61 to the Rules Governing the Operation of Shareholders’ General Meetings as the Mandatory Provisions were repealed on 31 March 2023 and the Hong Kong Listing Rules have also been amended:

~~Chapter 7 – Special Procedures for Voting of Class Shareholders~~

~~Article 61~~ ~~Holders of different classes of shares are class shareholders.~~

~~Except for other class shareholders, holders of domestic shares and H shares shall be deemed as different class shareholders.~~

~~Article 62~~ ~~If the Company intends to alter or abolish the rights of class shareholders, the proposed resolution shall be approved by way of a special resolution at a shareholders’ general meeting in accordance with the provisions of the Articles of Association, and a class meeting shall be called and held. Only class shareholders may attend the class meeting.~~

~~Article 63~~ ~~Unless otherwise required by the relevant laws and regulations, the Listing Rules and the Articles of Association, the notice of class shareholders’ meeting shall be issued 30 days before~~

~~the date of the meeting to notify all registered class shareholders about the matters to be considered at and the date and venue of the meeting. The class shareholders who intend to attend the meeting should return their written replies stating their intention to attend the meeting to the Company 20 days before the date of the meeting.~~

~~If the number of shares carrying voting rights represented by the class shareholders who intend to attend the meeting amounts to more than half of the Company's total number of the shares carrying voting rights in this class, the Company may convene the class shareholders' meeting; if not, the Company shall, within five days, notify the shareholders again, by way of a public announcement, about the matters to be considered and the place and date of the meeting. The Company may then convene the class shareholders' meeting after such announcement.~~

~~**Article 64** The notice for class shareholders' general meeting shall only be served on shareholders with the right to vote at such meetings.~~

~~**Article 65** The procedures to which class shareholders' meetings are convened shall, to the extent possible, be identical to the procedures which shareholders' general meetings are convened. The articles in the Rules which are in relation to the procedures of shareholders' general meetings shall apply to class shareholders' meetings.~~

~~**Article 66** Resolutions to be proposed involving the following conditions will be deemed as altering or abolishing the rights of certain class shareholders. The Board shall submit the same to be considered and discussed at a separate class meeting.~~

- ~~1. the increase or decrease of the number of shares of such class, or increase or decrease of the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;~~
- ~~2. the conversion of all or part of the shares of such class into shares of another class, or the conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;~~
- ~~3. the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;~~
- ~~4. the reduction or removal of a dividend preference, or a property distribution preference during liquidation of the Company, attached to shares of such class;~~
- ~~5. the addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;~~
- ~~6. the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;~~
- ~~7. the creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;~~
- ~~8. the imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;~~

9. the issuance of rights to subscribe for, or convert into, shares of such class or another class;
10. the increase of the rights and privileges of shares of another class;
11. such restructuring of the Company as would cause shareholders of different classes to bear disproportionate liabilities under the restructuring; or
12. the amendment or deletion of the provisions under Chapter 9 of the Articles of Associates in relation to “Special Procedures for Voting of Class Shareholders”.

Article 67 ~~Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders’ general meetings, shall have right to vote at class shareholders’ meetings in respect of any of the matters referred to in subparagraphs 2 to 8 and subparagraphs 11 to 12 of Article 66 of these Rules, except that interested shareholders shall not have the right to vote at class shareholders’ meetings. For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meaning:~~

1. ~~if the Company is to issue a buyback offer to all of the shareholders in the same proportion or is to buy back its own shares through open transactions on a stock exchange in accordance with Article 26 of the Articles of Association, the controlling shareholder as defined in Article 51 of the Articles of Association shall be an “interested shareholder”;~~
2. ~~if the Company is to buy back its own shares by agreements outside a stock exchange in accordance with Article 26 of the Articles of Association, holders of shares to which such agreements relate shall be “interested shareholders”;~~
3. ~~shareholders that, under a proposed restructuring of the Company, would bear liabilities in a proportion smaller than that of the liabilities borne by other shareholders of the same class, and shareholders that have an interest in a proposed restructuring of the Company that is different from the interest in such proposed restructuring of other shareholders of the same class, shall be “interested shareholders”.~~

Article 68 ~~Resolutions of a class shareholders’ meeting may be passed only by two thirds or more of the equity interests carrying voting rights that are represented at the meeting in accordance with the preceding Article.~~

~~The special procedures for voting of class shareholders shall not apply to the following situations:~~

1. ~~where, as approved by way of a special resolution at the shareholders’ general meeting, the Company issues, either separately or concurrently, domestic invested shares and overseas listed foreign invested shares every 12 months, and the number of the domestic invested shares and overseas listed foreign invested shares intended to be issued does not exceed 20 percent of the issued and outstanding shares of the respective classes;~~
2. ~~where the plan for issuance of domestic invested shares and overseas listed foreign invested shares upon the establishment of the Company is completed within 15 months of being approved by the securities regulatory authorities of the State Council; and~~
3. ~~where, upon approval from the securities regulatory authorities of the State Council, domestic shareholders of the Company transfer the shares held by them to overseas investors and such~~

~~shares could be listed and traded on the overseas stock exchanges as set out in Article 16 of the Articles of Association; and where, upon approval from the securities regulatory authorities of the State Council, the domestic invested shares be converted to overseas listed foreign invested shares, and listed and traded on the overseas stock exchanges as set out in Article 17 of the Articles of Association.~~

Article 61 In accordance with regulatory requirements of the place of listing, if the Company is required to convene a meeting of H Shareholders in respect of any material matter, the relevant procedures for convening and voting at the H Shareholders' meeting shall be implemented in accordance with the relevant provisions of the Articles of Association on shareholders' meetings.

The proposed amendments to the Rules Governing the Operation of Shareholders' General Meetings are subject to approval by an ordinary resolution at the shareholders' general meeting of the Company.

Save as disclosed in this announcement, if the serial numbering of the chapters and articles is changed due to the addition or deletion of certain articles, the serial numbering of the chapters and articles of the Articles of Association and/or the Rules Governing the Operation of Shareholders' General Meetings as so amended shall be changed accordingly, including references.

Notice of the shareholders' general meeting, the H shares class meeting and the domestic shares class meeting and circular in relation to, among other things, the proposed amendments to the Articles of Association and the Rules Governing the Operation of Shareholders' General Meetings will be despatched to the shareholders in due course.

By Order of the Board
AviChina Industry & Technology Company Limited*
Xu Bin
Company Secretary

Beijing, 22 August 2023

As at the date of this announcement, the Board comprises executive Directors Mr. Yan Lingxi and Mr. Sun Jizhong, non-executive Directors Mr. Lian Dawei, Mr. Liu Bingjun, Mr. Xu Gang and Mr. Wang Jun as well as independent non-executive Directors Mr. Liu Weiwu, Mr. Mao Fugen and Mr. Lin Guiping.

** For identification purpose only*