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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 “**Listing Rules**”).

I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company hereby announces that, on 27 August 2024, the Board proposed to amend the articles of association of the Company (the “**Articles of Association**”) as follows:

1. To amend the below articles in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the “**New Company Law**”) which became effective on 1 July 2024, the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and the Listing Rules:

Article 4 The Chairman shall be the legal representative of the Company.

If the Chairman serving as the legal representative resigns, he is deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of the legal representative's resignation. If the Company holds a meeting of the Board to elect or change the Chairman by a majority of all directors, the Chairman after the election or change shall

be the legal representative of the Company. If the Company changes its legal representative, the application for registration of the change shall be signed by the legal representative after change.

Article 25 ~~The Company may reduce~~ **The Company's reduction of** its registered capital **shall be in accordance with the proportion of shares held by the shareholders, unless otherwise provided by laws or administrative regulations or approved by the shareholders at a shareholders' meeting.** ~~in accordance with the provisions of the Articles of Association.~~

Article 26 When the Company is to reduce its capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital, and shall publish a public announcement of the resolution in newspapers **or the National Enterprise Credit Information Publicity System** within 30 days of the said date. Creditors shall, within 30 days of receiving a written notice or within 45 days of the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum.

Article 27 The Company may, in the following circumstances, buy back its own issued and outstanding shares in accordance with the procedures provided for in the Articles of Association:

1. ~~cancellation of shares in order to reduce its capital~~ **reduction of the registered capital of the Company;**
2. merger with another company holding shares in the Company; ~~or;~~
- 3. use of shares for employee shareholding plans or equity incentives;**
- 4. shareholders requesting the Company to buy back their shares because they object to a resolution of the shareholders' meeting on a merger or demerger of the Company;**
- 5. use of shares for corporate bonds issued by the Company that can be converted into shares;**
- 6. necessary to safeguard the value of the Company and the rights and interests of shareholders; or**
- ~~3~~7. other circumstances where laws or administrative regulations so permit.

Article 28 **The Company's buy back of the Company's own shares may be carried out by means of public centralized trading or other means recognized by the laws, regulations and the securities regulatory authorities under the State Council.**

After the Company has bought back the shares of the Company in accordance with Article 27 of the Articles of Association, in case of item (1), the shares shall be canceled within 10 days from the date of buy-back; in case of items (2) and (4), the shares shall be transferred or canceled within 6 months; and in case of items (3), (5), and (6), the total number of shares of

the Company held by the Company shall not exceed 10% of the total number of shares of the Company in issue, and the shares shall be transferred or canceled within 3 years.

The buy-back of the Company's shares by the Company under the circumstances set forth in Article 27 (1) and (2) shall be resolved by the shareholders' meeting; the buy-back of the Company's shares by the Company under the circumstances set forth in Article 27 (3), (5) and (6) may be resolved by the meeting of the board of directors attended by more than two-thirds of the directors in accordance with the Articles of Association of the Company or with the authorization of the shareholders' meeting. Where otherwise provided by laws, administrative regulations, departmental rules and regulations, or by the securities regulatory authorities or stock exchange where the Company's shares are listed, such provisions shall apply.

The Company may buy back its own shares 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.

Article 53 The shareholders' ~~general~~ meeting shall exercise the following functions and powers:

1. to determine the business policies and investment plans of the Company;
2. to elect and replace Directors and to decide on matters concerning the remuneration of Directors;
3. to elect and replace the supervisors ~~who are appointed from shareholders' representatives~~, and to decide on matters concerning the remuneration of supervisors;
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13. to consider proposals submitted by shareholders holding ~~31~~³¹% or more (inclusive) of the shares with voting rights in the Company;
14. other matters that laws, administrative regulations and the Articles of Association require to be resolved by the shareholders' ~~general~~ meeting;
15. any other matters that the Listing Rules require to be considered by the **shareholders'** ~~general~~ meeting.

Article 55 Shareholders' ~~general~~ meetings can be classified as annual general meetings or extraordinary **shareholders'** ~~general~~ meetings. Shareholders' ~~general~~ meetings shall be convened by the Board. Annual general meetings are held once a year within six months after the end of the previous financial year.

The Board shall convene an extraordinary **shareholders'** ~~general~~ meetings within two months of the occurrence of any of the following circumstances:

1. the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;

2. the losses of the Company that have not been made up amount to one-third of the total amount of its share capital;
3. shareholder(s) **who individually or collectively** holding 10 percent or more of the Company's issued and outstanding shares with voting rights request(s) in writing for the convening of an extraordinary shareholders' ~~general~~ meetings;
4. the Board deems necessary or the supervisory committee so requests; or
5. two or more independent non-executive directors so request.

Article 56 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, or waived by all shareholders of the Company on the receipt of a written notice, a written notice of a general meeting shall be given no less than twenty (20) days prior to the annual general meeting or fifteen (15) days prior to the extraordinary **shareholders'** ~~general~~ meetings, by notifying all of the shareholders who are registered on the register of members of the Company of the matters to be considered at the meeting and the date and the place of the meeting.

The date of the meeting and the date of the notice shall not be included when determining the notification period.

~~The date of notice stated in this section is the date on which the Company or the Company's appointed share registrar delivers such notice to the relevant postal office for mailing.~~ **The notice given by the Company by means of an announcement shall be deemed to have been received by all persons concerned once the announcement has been made.**

Article 57 When the Company convenes an **shareholders'** ~~annual general~~ meeting, shareholders holding 13% or more of the total shares with voting rights of the Company separately or jointly shall have the right to submit new proposals in writing, and the Company shall place matters in the proposals within the scope of functions and powers of the shareholders' ~~general~~ meeting on the agenda, provided that such proposals **shall be proposed and** ~~are~~ delivered to the Company ~~within 20~~ 10 days after dispatch of **prior to** the aforesaid ~~notice~~ of the meeting.

Article 69 **Any vote of shareholders at a general meeting must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.** ~~Unless pursuant to the rules of the Hong Kong Stock Exchange or any other relevant stock exchange as amended from time to time, at any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded (before or after voting is carried out by a show of hands):~~

- ~~1. by the chairman of the meeting;~~
- ~~2. by at least two shareholders present in person or by proxy entitled to vote thereat; or~~
- ~~3. by one or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote at the meeting.~~

~~Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence on the number or proportion of votes in favor of or against such resolution.~~

~~The demand for a poll may be withdrawn by the person who demands the same.~~

Article 74-~~73~~ The following matters shall be resolved by way of special resolution at the shareholders' ~~general~~-meeting:

.....

6. any other matters considered by the shareholders in shareholders' ~~general~~-meeting and resolved by way of an ordinary resolution to be of a nature which may have a material impact on the Company and should be adopted by a special resolution; and

7. any other matters that should be adopted by a special resolution in accordance with the Company Law and provisions of the Listing Rules.

Article 75-~~74~~ In the event that shareholders request to convene an extraordinary shareholders' ~~general~~-meeting, the following procedures shall be followed:

1. ~~two or more s~~ Shareholders that individually or 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 shareholders' ~~general~~-meeting and clarifying the matters to be considered at the meeting. ~~Upon such written request(s), the~~ The Board shall, in accordance with the laws and regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary shareholders' meeting within 10 days after receiving the aforesaid written request. ~~convene the extraordinary shareholders' general meetings at the earliest time possible.~~ The aforementioned voting shares shall be calculated upon the date when the written request(s) is/are submitted.

2. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days from the date of the Board's resolution, and any changes to the original request contained in the notice shall be agreed by the shareholders concerned. If the Board does not agree to ~~fails to issue notices to convene the meeting~~ or fails to provide feedback within ~~10~~³⁰ days upon receipt of the aforesaid written request(s), the shareholder who has submitted the request may submit a written request to the supervisory committee to convene such a meeting.

3. If the supervisory committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days of receipt of the request, and any changes to the original request contained in the notice shall be agreed by the shareholders concerned. If the supervisory committee does not agree to convene an

extraordinary shareholders' meeting upon receipt of the foregoing written request or fails to issue a notice of shareholders' meeting within the prescribed period, shareholders holding individually or collectively more than 10 percent of the Company's shares with voting rights for more than 90 consecutive days may ~~on his own within 4 months after the Board receives the notice~~ convene a meeting on his own and the procedures for such convening shall be, to the extent possible, identical to those used by the Board to convene a shareholders' meeting.

For the avoidance of doubt, on the date of the shareholders' meeting, the aggregate shareholding of the convening shareholders shall not be less than ten percent of the Company's shares with voting rights.

If the shareholders or the supervisory committee convene a meeting on their own as a result of the failure of the Board to do the same, all reasonable expenses thus incurred shall be borne by the Company, and shall be deducted from the money payable by the Company to the defaulting directors.

Save as those matters involving commercial secrets that cannot be disclosed in the shareholders' ~~general~~ meeting, the Board and the supervisory committee shall provide response or make explanations for the questions and suggestions raised by the shareholders.

Article ~~76-75~~ The Chairman shall preside over the shareholders' ~~general~~ meeting and shall be the chairman of the meeting. In the absence of the Chairman, deputy chairman of the Board shall convene and chair the meeting instead. If both the Chairman and the deputy chairman of the Board fail to attend the meeting, the ~~Board may designate a~~ majority of Directors shall jointly elect a Director to ~~convene and~~ chair the meeting. If no chairman of the meeting has been appointed, the chairman of the meeting may be elected by the shareholders attending the meeting, if, for any reason, the shareholders fail to elect the chairman of the meeting, the meeting shall be chaired by the shareholder (including proxy) present with the greatest number of shares with voting rights.

Article ~~84-82~~ The Board shall be accountable to the shareholders' ~~general~~ meeting and exercise the following functions and powers:

.....

9. to engage or dismiss the Company's general manager, decide on his/her remuneration, and based on the recommendations of the general manager, to engage or dismiss the deputy general manager(s) and the chief financial officer(s) of the Company, decide on their remuneration, authorize the manager to determine investment, financing programs, connected transactions and annual guarantee plans for the Company's subsidiaries, each amount of which shall be within the respective caps as approved by the Board;

.....

Resolutions by the Board on matters referred to in the preceding paragraphs shall be ~~may be~~ passed by the affirmative votes of more than half of all the Directors with the exception of

resolutions on matters referred to in items 6, 7, and 11 above which shall require the affirmative votes of at least two-thirds of the Directors. The Board shall comply with State laws, administrative regulations, the Articles of Association and shareholders' resolutions to perform duties.

Article ~~89~~87 Meetings of the Board shall be held at least twice every year and convened by the Chairman. Notice of the meeting shall be given to all of the Directors at least ten days prior to the date of the meeting. When there is an urgent matter, extraordinary meetings of the board of directors may be held upon proposal by more than three of the directors or the chairman of the Company.

Under the following circumstance, the Chairman of the Board shall convene an interim meeting of the Board within 5 business days if:

1. it is proposed by the shareholders representing 10 percent of the voting rights or more;

.....

Article ~~91~~89 Board meetings shall be held only if ~~more than half~~ **a majority** of the Directors are present.

Each Director shall have one vote. A resolution of the Board must be passed by more than half of all the Directors. ~~Where there is an equality of votes cast both for and against a resolution, the Chairman shall have a casting vote.~~

.....

Article ~~105~~103 The supervisory committee shall comprise three supervisors, including two shareholder representative supervisors and one employee representative supervisor, to serve a term of office of three years and may be eligible for re-election.

The supervisory committee shall have one chairman, **whose appointment and dismissal shall be subject to** the affirmative **vote of** ~~at least two-thirds~~ **a majority** of the members of the supervisory ~~committee~~ **all supervisors**.

Article ~~108~~106 The supervisory committee shall convene a meeting at least twice a year and the meeting shall be convened by the chairman of the supervisory committee. In the event that the chairman is unable to perform or does not perform his duty, a supervisor shall be elected by ~~more than half~~ **a majority** of the supervisors to convene and chair the meeting.

Article ~~109~~107 The supervisory committee shall be accountable to the shareholders' ~~general~~ meeting and exercise the following functions and powers in accordance with law:

1. to inspect the financial affairs of the Company;
2. to supervise the performance of ~~corporate~~ duties by Directors, managers and other senior

management staff, and propose to **dismiss** the aforesaid staff whoever becomes in breach the laws, administrative regulations, the Articles of Association or the resolutions of shareholders' ~~general~~ meetings;

3. if an act of a director, manager or other senior management staff is detrimental to the Company's interests, to request him or her to correct such act;

4. to verify financial information such as the financial reports, business report sand profit distribution plans, etc. that the Board intends to submit to the shareholders' ~~general~~ meeting and, if in doubt, to appoint, in the name of the Company, a registered accountant or practicing auditor to assist in reviewing such information;

5. to propose the holding of an extraordinary shareholders' general meetings, **and to convene and chair the shareholders' meeting in the event that the Board does not fulfill its duty to convene and chair the shareholders' meeting as stipulated in the Company Law;**

6. to make proposals to the shareholders' meetings;

~~67.~~ to represent the Company in negotiations with or instituting ~~institute~~ **legal proceedings against a Director or a senior management staff;** and

~~78.~~ other functions and powers provided for in the Articles of Association.

Article ~~110~~-**108** Under appropriate circumstances with justifiable reason, the supervisors shall be entitled to require the chairman of supervisory committee to convene interim meetings of supervisory committee. Notice of every supervisory committee meeting shall be given within 10 days in advance via telephone, fax, e-mail, mail or hand delivery, etc., which shall include the time and venue of the meeting, the matters to be considered at the meeting and the date of such notice.

No meeting of the supervisory committee shall be convened unless two thirds of the supervisors are present. The meeting of the supervisory committee shall be carried on through voting by open ballot, and each supervisor shall have one vote. ~~In the case of equality of votes cast for and against the relevant resolution, the chairman of the supervisory committee shall have a casting vote.~~ Where any supervisor is unable to attend the meeting for a certain reason, he may, by issuing a written power of attorney, entrust another supervisor to attend the meeting on his behalf, and the scope of authorization shall be stated in the power of attorney.

The resolutions of the supervisory committee include resolutions of the regular and interim meetings which shall be passed by the affirmative votes of ~~more than two thirds~~ **a majority of all the members of the supervisory committee.**

Article ~~117~~-**115** None of the following persons may serve as a Director, supervisor, manager or other senior management staff of the Company:

1. persons without legal capacity or with limited capacity for civil acts;
2. persons who were sentenced to criminal **penalty due to an offense** ~~punishment for the crime of~~ corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist **market** economy, ~~where not more than five years have elapsed since the expiration of the period of punishment;~~ or persons who were deprived of their political rights for

committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation, **or not more than two years have elapsed since the expiration of the probation period for suspended sentence, if applicable;**

3. persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises ~~that have gone into bankruptcy and liquidation due to mismanagement~~, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation;

4. persons who served as the legal representatives of companies or enterprises that had their business licenses revoked and **were ordered to close** for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license **thereof or the order for its close;**

5. persons **listed as a dishonest party by the People's Court due to** ~~with~~ comparatively large debts that have fallen due but have not been settled;

.....

Article 138-**136** The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

~~Unless otherwise provided by 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, the~~ **The** Company shall **provide** ~~send~~ copies of report of the Board, balance sheet (including each document required by the applicable laws and regulations) and profit and loss account or income and expenditure account (including the aforesaid financial reports) to each holder of overseas listed foreign invested shares ~~by prepaid mail at his address shown in the register of shareholders~~ at least 21 days prior to an annual general meeting.

Article 146-**144** Before making up for losses and transfers to the statutory common reserve fund ~~and welfare reserve fund~~, the Company shall distribute no dividends.

Article 155-**153** The remuneration or method of determining the remuneration of an accounting firm shall be decided upon by **an ordinary resolution of the shareholders'** ~~general~~ meeting. The remuneration of an accounting firm engaged by the Board shall be determined by the Board.

Article 156-**154** The engagement, dismissal or non-renewal of engagement of an accounting firm shall be decided upon by **an ordinary resolution of the shareholders'** ~~general~~ meeting.

Article 158-**156** **Where the Company merges with a company of which the Company holds 90% or more of its shares, unless otherwise required by the Articles of Association and by the stock exchange and the securities regulatory authorities where the Company's securities are listed, the acquired company is not required to obtain approval by resolution of its shareholders' meeting, but shall notify the other shareholders, who have the right to request the Company to buy back its equities or shares at a reasonable price.**

If the price paid for the Company's merger does not exceed 10% of the Company's net assets, approval by resolution of its shareholders' meeting is not required, unless otherwise required by the Articles of Association and by the stock exchange and the securities regulatory authorities where the Company's securities are listed.

Where the Company's merger is exempt from approval by resolution of the shareholders' meeting in accordance with the preceding two paragraphs, such merger shall be subject to approval by resolution of the Board.

The merger or division of the Company shall require the preparation of a proposal by the Board. After such proposal has been adopted in accordance with the procedures specified in the Articles of Association, relevant approval procedures shall be carried out in accordance with the law. Shareholders that oppose the proposal for the merger or division of the Company shall have the right to **request** require the Company or shareholders that are in favor of such proposal to purchase their shares at a **reasonable** fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

Holders of overseas listed foreign investment shares shall additionally be served copies of the aforementioned document by ways set out in Article 171~~3~~.

Article 159-~~157~~ The Company may carry out mergers either in the form a merger by absorption or the form of a merger by new establishment.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement. The parties to the merger shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution, the Company shall notify its creditors and within 30 days it shall publish an announcement on the designated newspapers **or the National Enterprise Credit Information Publicity System.**

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Article 160-~~158~~ If the Company is to be divided, its property shall be divided accordingly.

For division of the Company, the parties to the division shall enter into a division agreement and prepare a balance sheet and a property list. Within 10 days from the date of adoption of the division resolution, the Company shall notify its creditors and within 30 days it shall publish an announcement on the designated newspapers **or the National Enterprise Credit Information Publicity System.**

The post-division companies shall be jointly and severally liable for the pre-division debts of the Company.

Article ~~162~~-**160** The Company shall be dissolved due to the following reasons:

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;
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
5. the occurrence of other causes for dissolution prescribed by this Articles of Association.

Article ~~163~~-**161** If the Company falls under the circumstances specified in **Article 160 (1) and has not distributed its property to its shareholders, the Company may pass a special resolution at a shareholders' meeting to survive.**

If the Company falls under the circumstances specified in Article ~~160~~ ~~162~~-(5) of this Articles of Association **and has not yet distributed its property to the shareholders**, 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.

Article ~~164~~-**162** If the Company is dissolved pursuant to the provisions of Article ~~160~~ ~~162~~-(1), (3), (4) or (5) of this Articles of Association, **it shall go into liquidation. Directors as persons with obligations of liquidation of the Company shall form a liquidation committee to effect liquidation** ~~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 **or if the liquidation committee does not carry out liquidation after establishment, stakeholders** ~~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.

Article ~~166~~-**164** The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and publish an announcement of the liquidation in the newspapers **or the National Enterprise Credit Information Publicity System** within 60 days. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee. In reporting claims, a creditor shall explain the relevant particulars of the claims with supporting materials. Claims shall be registered by the liquidation committee.

Article ~~167-165~~ The liquidation committee shall exercise the following functions and powers during liquidation:

.....

6. to **distribute** ~~dispose of~~ the Company's property remaining after the debts are paid in full; and
7. to represent the Company in civil actions.

Article ~~168-166~~

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The members of the liquidation committee shall **perform the duty of liquidation and have obligations of fidelity and diligence.** ~~be faithful in the discharge of their duties and perform their liquidation obligations in accordance with the law.~~

~~The~~ **If the** members of the liquidation committee **are negligent in performing their liquidation duties and cause losses to the Company, they shall be liable for damages;** ~~may not use their power and authority to accept bribes or other illegal income or misappropriate the Company's property. If the Company or a creditor sustains a loss due to a willful act or gross negligence on the part of a member of the liquidation committee, such liquidation committee member shall be liable for damages.~~

Article ~~169-167~~ If the liquidation committee, having inventoried the Company's property and prepared a balance sheet and a property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court for ~~a declaration of~~ **liquidation**. After the People's Court **accepts** ~~has ruled to declare~~ the Company **bankruptcy application**, the liquidation committee shall turn over the liquidation matters **to the trustee in bankruptcy designated by** the People's Court.

Article ~~170-168~~ 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,~~ **and** submit the same to **the shareholders' meeting or** the People's Court for confirmation, **as well as submit to** the company registration authority to deregister the Company, ~~and announce the termination of the company.~~

2. To amend below articles in accordance with the corporate governance practice:

Article 36 The share certificates shall be signed by the Chairman. Where the signatures of other senior management staff of the Company are required by the stock exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such other senior management staff. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon. The signature of the Chairman or of other senior management staff on the share certificates may be also be in printed form.

In the case of paperless issuance and trading of the Company's shares, regulations of the securities regulatory authorities and stock exchange where the Company's shares are listed shall apply.

~~Article 72~~ Where there are two or more candidates of Directors when electing directors at a shareholders' general meeting, each of the shares represented by the shareholder (including proxy) shall have the same number of votes as the number of candidates, and the votes can be cast all on electing one person, or be cast separately on electing more than one persons, but details have to be given on the allocations of such votes.

Article ~~100~~**98** The Company shall have one manager and several deputy managers, who shall be appointed or dismissed by the Board. Unless otherwise specified, the manager in the Articles of Association refers to the general manager, the deputy manager refers to the deputy general manager, and the person in charge of financial affairs shall mean the chief financial officer **and the chief accountant.**

Article ~~144~~**142** The Company may distribute profits in either or both of the following forms:

1. Cash; and/or
2. Shares.

Dividends and other payments by the Company to holders of domestic investment shares and holders of overseas listed foreign investment shares of the Company by transactions in the stock markets trading interconnection mechanism shall be distributed and paid in Renminbi within three months after the declaration date; whereas those to holders of overseas listed foreign investment shares (except the holders of overseas listed foreign investment shares of the Company by transactions in the stock markets trading interconnection mechanism) shall be denominated and declared in Renminbi and paid in foreign currency within three month after the declaration date. The exchange rate shall be determined based on the **central parity** average closing exchange rate between RMB and the relevant foreign currency issued by the People's Bank of China for the five consecutive working days prior to the date of declaration of dividends or distributions. The foreign currency for the cash dividends and other payments by the Company to holders of overseas listed foreign investment shares (except the holders of overseas listed foreign investment shares of the Company by transactions in the stock market trading interconnection mechanism) shall be handled in accordance with state regulations on foreign exchange control. Subject to authorization by the shareholders' ~~general~~ meeting, the Board may decide on distribution of interim dividends.

Article ~~172~~**170** 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 the Board and shareholders communication, notices, communications or any other written information of the Company may be delivered in following ways:

.....

The aforesaid corporate notice, communication or any written material means any document issued or to be issued by the Company for the information or action of the shareholders, including but not limited to the reports of the board of directors (together with balance sheets and income statements), annual reports (including annual financial reports), interim reports (including interim financial reports), meeting notices, listing documents, circulars; **and** proxy forms ~~and reply slips~~, etc.

Article ~~173-171~~ When the notice is delivered by mail, it is deemed to be delivered as long as the addresses is clearly written, the postage is paid, the notice is put in an envelope, and the envelope is deposited to the mailbox, and the notice is deemed to be **served** ~~received~~ 48 hours after the delivery. **If the notice is sent by e-mail, the notice is deemed to be served on the date of delivery; if the notice is sent by public announcement, the notice is deemed to be served on the date of publication of the first announcement.**

3. To amend the below articles as the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (《到境外上市公司章程必備條款》 has been repealed on 31 March 2023:

Article 12 The Company shall have ordinary shares at all times. ~~It, and~~ **and** may have other kinds of shares ~~according to the need, upon approval by the authorities that are authorized by the State Council to examine and approve companies.~~

~~Article 80 Shareholders may review the photocopies of minutes of the meeting during the business hours of the Company. Upon request by any shareholder for photocopies of relevant minutes of the meeting, the Company shall send out the photocopies within seven days after receipt of reasonable payment.~~

4. Pursuant to the New Company Law and the Regulations of the People's Republic of China on the Administration of Market Entity Registration (《中華人民共和國市場主體登記管理條例》), the term “shareholders’ general meeting” or “general meeting” will be amended to “shareholders’ meeting”, and the term “authorities for industry and commerce” will be amended to “market supervision and administration authority” throughout the Articles of Association. An Example as follows:

Article 6 The Articles of Association shall come into effect after being passed by way of a special resolution at the ~~general meeting~~ **shareholders’ meeting** and shall supersede the original Articles of Association registered **filed** with the authorities for industry and commerce **market supervision and administration authority**.

The proposed amendments to the Articles of Association are subject to the approval by special resolution at the shareholders’ meeting of the Company.

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

The Board hereby announces that, on 27 August 2024, the Board proposed to amend the rules governing the operation of shareholders' general meetings of the Company (the “**Rules Governing the Operation of the Shareholders' General Meetings**”) as follows:

1. **To amend the below articles to align with the proposed amendments to the Articles of Association. Furthermore, the term “shareholders' general meeting” or “general meeting” will be amended to “shareholders' meeting” throughout the Rules Governing the Operation of the Shareholders' General:**

Article 5 The Board shall convene an extraordinary shareholders' ~~general~~ meetings within two months of the occurrence of any of the following circumstances:

1. the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
2. the losses of the Company that have not been made up amount to one-third of the total amount of its share capital;
3. shareholder(s) who individually or collectively holding 10 percent or more of the Company's issued and outstanding shares with voting rights request(s) in writing for the convening of an extraordinary shareholders' ~~general~~ meetings;
4. the Board deems necessary or the supervisory committee so requests; or
5. two or more independent non-executive directors so request.

Article 10 The shareholders' ~~general~~ meeting shall be the highest authority of the Company and shall exercise the following powers and functions in accordance with the law:

1. to determine the business policies and investment plans of the Company;
2. to elect and replace Directors and to decide on matters concerning the remuneration of Directors;
3. to elect and replace the supervisors ~~who are appointed from shareholders' representatives~~, and to decide on matters concerning the remuneration of supervisors;

.....

13. to consider proposals submitted by shareholders holding 31% or more (inclusive) of the shares with voting rights in the Company;
14. other matters that laws, administrative regulations and the Articles of Association require to be resolved by the shareholders' ~~general~~ meeting;
15. any other matters that the Listing Rules require to be considered by the shareholders' ~~general~~ meeting. The shareholders' ~~general~~ meeting shall exercise its powers and functions within the scope provided for in the Company Law and the Articles of Association, and shall not interfere with the shareholders' disposition of their own rights.

Article 17 When the Company convenes an shareholders' ~~annual general~~ meeting, shareholders holding 13% or more of the total shares with voting rights of the Company separately or jointly

shall have the right to submit new proposals in writing, and the Company shall place matters in the proposals within the scope of functions and powers of the shareholders' ~~general~~-meeting on the agenda, provided that such proposals **shall be proposed and** ~~are~~ delivered to the Company ~~within 20-10 days after dispatch of~~ **prior to the aforesaid notice** ~~of the meeting~~. Upon receiving of a proposal, the Company shall send a supplementary notice of the **shareholders'** ~~general~~-meeting to announce the contents of the provisional proposal within a reasonable time as required by law or the Listing Rules, and submit such provisional proposal to the **shareholders'** ~~general~~-meeting for consideration. ~~During the extraordinary general meeting, new proposals are not accepted, and the chairman of the meeting shall not include new proposals in the agenda of the meeting.~~ Where the listing rules of the place where the securities of the Company are listed provide otherwise, the requirements thereof shall also be satisfied.

The proposal submitted by the shareholders shall satisfy the following:

1. the content of the proposal is not in conflict with provisions of the laws and regulations, and is within the business scope of the Company and the functions and powers of shareholders' ~~general~~-meeting;
2. the matter is expressly stated and the business to be resolved is specific; and
3. it is to be presented or delivered to the Board in writing.

Article 23 Unless otherwise provided by the relevant laws, regulations, the Listing rules of the place where the securities of the Company are listed and the articles herein regarding means of shareholders communication, or waived by all shareholders of the Company on the receipt of a written notice, a written notice of a general meeting shall be given no less than twenty (20) days prior to the annual general meeting or fifteen (15) days prior to the extraordinary **shareholders'** ~~general~~-meetings, by notifying all of the shareholders who are registered on the register of members of the Company of the matters to be considered at the meeting and the date and the place of the meeting.

The date of the meeting and the date of the notice shall not be included when determining the notification period.

~~The date of notice stated in this section is the date on which the Company or the Company's appointed share registrar delivers such notice to the relevant postal office for mailing.~~ **Where a notice is given by the Company by means of an announcement, it shall be deemed to have been received by all relevant persons once the announcement has been made.**

Article 25 Unless otherwise provided in the relevant laws and regulations, the ~~Rules Governing the Listing of Securities on the Stock Exchange of the Company~~ **Listing Rules**, the Articles of Association of the Company and this Rules relating to the means of **shareholders** communication ~~between the Board and the shareholders~~, notices, communications or any other written materials of the Company may be given in the following forms:

1. by personal delivery;
2. by sending it by **postal mail**;
3. by facsimile, electronic mail or other electronic format or information carrier;

4. by publication on a website designated by the Company and The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), subject to compliance with laws and administrative regulations and the Listing Rules of the place where the securities of the Company are listed;
5. by way of announcement;

.....

The aforesaid corporate notice, communication or any written material means any document issued or to be issued by the Company for the information or action of the shareholders, including but not limited to the report of the directors (together with the balance sheet and profit and loss account), the annual report (together with the annual financial report), the interim report (together with the interim financial report), the notice of meeting, the listing document, the circular, **and** the proxy form ~~and reply slip~~ and other communications documents.

Article 27 **In the event that shareholders request to convene an extraordinary shareholders’ meeting, the following procedures shall be followed:**

1. ~~two or more~~ Shareholders that **individually or** 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 **shareholders’ general meeting** and clarifying the matters to be considered at the meeting. ~~Upon such written request(s), the~~ **The Board shall, in accordance with the laws and regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary shareholders’ meeting within 10 days after receiving the aforesaid written request.** ~~convene the extraordinary shareholders’ general meetings at the earliest time possible.~~ The aforementioned voting shares shall be calculated upon the date when the written request(s) is/are submitted.

2. If the Board **agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of convening the shareholders’ meeting within 5 days from the date of the Board’s resolution, and any changes to the original request contained in the notice shall be agreed by the shareholders concerned. If the Board does not agree to** ~~fails to issue notices to convene the meeting~~ **or fails to provide feedback** within ~~10~~ **30** days upon receipt of the aforesaid written request(s), the shareholder who has submitted the request may **submit a written request to the supervisory committee to convene such a meeting.**

3. If the supervisory committee agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of convening the shareholders’ meeting within 5 days of receipt of the request, and any changes to the original request contained in the notice shall be agreed by the shareholders concerned. If the supervisory committee does not agree to convene an extraordinary shareholders’ meeting upon receipt of the foregoing written request or fails to issue a notice of shareholders’ meeting within the prescribed period, shareholders holding individually or collectively more than 10 percent of the Company’s shares with voting rights for more than 90 consecutive days may ~~on his own within 4 months after the Board receives the notice~~ **convene a meeting on his own and the procedures for such convening shall be, to the extent**

possible, identical to those used by the Board to convene a shareholders' meeting.

For the avoidance of doubt, on the date of the shareholders' meeting, the aggregate shareholding of the convening shareholders shall not be less than ten percent of the Company's shares with voting rights.

If the shareholders **or the supervisory committee** convene a meeting on their own as a result of the failure of the Board to do the same, all reasonable expenses thus incurred shall be borne by the Company, and shall be deducted from the money payable by the Company to the defaulting directors.

Article 3836 The Chairman shall **convene** ~~preside over~~ the shareholders' general meeting and shall be the chairman of the meeting. In the absence of the Chairman, deputy Chairman of the Board shall **convene and** chair the meeting instead; If both the Chairman and the deputy Chairman of the Board fail to attend the meeting, ~~more than half a~~ **majority** of Directors shall jointly elect a Director to ~~convene and~~ chair the meeting. **If no chairman of the meeting has been appointed, the chairman of the meeting may be elected by the shareholders attending the meeting, if, for any reason, the shareholders fail to elect the chairman of the meeting, the meeting shall be chaired by the shareholder (including proxy) present with the greatest number of shares with voting rights.**

.....

Article 4644 The chairman of the meeting shall be obliged to propose to the shareholders' general meeting to vote on the motions by secret ballot, with each shareholder or shareholder's authorized proxy exercising his/her voting right by the number of shares he/she represents with voting right. Each share has one vote, ~~except when voting by cumulative voting on a motion for the election of directors as provided for in the Company's Articles of Association.~~

Shares of the Company held by the Company do not have voting rights, and such shares are not included in the total number of shares entitled to vote at the shareholders' general meeting attended by the shareholders.

Article 4745 **At a shareholders' meeting, any vote of the shareholders must be taken by poll except where the chairman of the meeting in good faith decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.** Except for the rules made from time to time by the Hong Kong Stock Exchange or any related stock exchanges, the shareholders' general meeting shall vote by a show of hands, unless (before or after the announcement to show of hands) the following persons request a written vote:

- I. the chairman of the meeting;
- II. at least two shareholders with voting right or proxies with voting right;
- III. shareholders individually or jointly holding 10% or more of shares carrying voting rights at the meeting.

~~Unless somebody proposes to vote by way of poll, the chairman of the meeting will announce the result of the proposal on the basis of the result of the show of hands, and record it in the minutes of the meeting as a final basis. There is no need to prove the number of votes or proportions supporting or objecting the resolution passed at the meeting.~~

The request for voting by way of poll can be withdrawn by the proposer.

~~Article 48 In the event that there are more than two candidates for the election of directors at a shareholders' general meeting, each share held by the shareholders (including shareholders' proxies) shall be entitled to a number of votes equal to the number of candidates to be elected, and the shareholders (including shareholders' proxies) may elect one person as the centralizer of all the votes, or they may elect a number of persons in a dispersed manner, provided that an explanation shall be given as to the allocation of the voting rights.~~

Article ~~50~~47 Resolutions at shareholders' ~~general~~ meetings consist of ordinary resolutions and special resolutions.

.....

2. Special Resolution

(2) The following matters shall be passed by special resolution of the shareholders' ~~general~~ meetings.

.....

(vii) any other matters that should be adopted by a special resolution in accordance with the Company Law and provisions of the Listing Rules.

~~Article 57 Shareholders can inspect copies of meeting minutes during office hours of the Company free of charge. If any shareholder requests for copies of relevant meeting minutes, the Company shall distribute the copies within 7 days after receiving a reasonable fee.~~

2. To amend the below article in accordance with the New Company Law:

Article ~~56~~53 There shall be minutes of the shareholders' ~~general~~ meetings signed by the chairperson, the Directors present and the recorder. If no Director is present at such meeting, the minutes shall be signed by the chairing shareholder or the shareholder's authorized proxy and the recorder. The minutes shall record the followings:

.....

3. To amend the below articles in accordance with the corporate governance practice:

Article ~~45~~43 The shareholders' ~~extraordinary general~~ meeting shall not vote on matters not specified in the notice convening the shareholders' ~~general~~ meeting. The shareholders' ~~general~~ meeting shall vote on all the motions listed in the agenda item by item, and shall not be suspended or withheld for any reason except that the shareholders' ~~general~~ meeting shall be adjourned or prevented from making a resolution due to force majeure or other special reasons. Where there are

different motions on the same item of business at an annual general meeting, the motions shall be voted on in the chronological order in which they are proposed and a resolution on the item shall be made.

Article ~~64~~**57** In accordance with the regulatory requirements of the place of listing, if the Company should convene a meeting of H-shareholders in respect of any material matter, the procedures for convening and voting of the relevant H-shareholders' meeting shall be implemented with reference to the relevant provisions in relation to shareholders' meetings of the Articles of Association **and this Rules.**

The proposed amendments to the Rules Governing the Operation of the Shareholders' General Meetings are subject to the approval by ordinary resolution at the shareholders' 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 the Shareholders' General Meetings as so amended shall be changed accordingly, including references.

A circular containing, among other things, details of the proposed amendments to the Articles of Association and the Rules Governing the Operation of the Shareholders' General Meetings, together with a notice of the extraordinary general meeting, will be published by the Company in due course.

By Order of the Board
AviChina Industry & Technology Company Limited*
Wu Yun
Company Secretary

Beijing, 27 August 2024

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*