
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Continental Aerospace Technologies Holding Limited**, you should at once hand this circular and proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Continental Aerospace Technologies Holding Limited
大陸航空科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 232)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Continental Aerospace Technologies Holding Limited to be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 29 May 2023 at 11:00 a.m. is set out on pages 13 to 18 of this circular. Whether or not you are able to attend the meeting in person, you are requested to read the notice and to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting i.e. Saturday, 27 May 2023 at 11:00 a.m. (Hong Kong time) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting should you so wish.

Hong Kong, 4 May 2023

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 29 May 2023 at 11:00 a.m., notice of which is set out on pages 13 to 18 of this circular
“Board”	the board of Directors
“Bye-laws”	the amended and restated Bye-laws of the Company as may be amended from time to time, and the “Bye-law” shall mean a bye-law of the Bye-laws
“CG Code”	Corporate Governance Code set out in Appendix 14 of the Listing Rules
“close associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Company”	Continental Aerospace Technologies Holding Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution granting of such general mandate by the Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	26 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the relevant resolution granting of such repurchase mandate by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD

Continental Aerospace Technologies Holding Limited 大陸航空科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 232)

Executive Directors:

Mr. Huang Yongfeng (*Chairman*)
Mr. Yu Xiaodong (*Chief Executive Officer*)
Ms. Jiao Yan
Mr. Li Peiyin
Mr. Zhang Zhibiao

Non-executive Director:

Mr. Chow Wai Kam

Independent Non-executive Directors:

Mr. Chu Yu Lin, David
Mr. Li Ka Fai, David
Mr. Zhang Ping

Registered office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Head office and principal

place of business in Hong Kong:

Unit B, 15th Floor
United Centre
95 Queensway
Hong Kong

4 May 2023

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

The Directors will seek the approval of the Shareholders at the AGM for, among other things; (i) the granting of the General Mandate and the Repurchase Mandate to the Directors; and (ii) the re-election of Directors. The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the granting of the General Mandate and Repurchase Mandate, the re-election of Directors and the notice of the AGM.

LETTER FROM THE BOARD

1. REPURCHASE MANDATE

At the annual general meeting of the Company held on 27 May 2022, a repurchase mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares and securities, if any, which carry a right to subscribe or purchase Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of an ordinary resolution to be proposed at the AGM to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase on the Stock Exchange the Shares up to a maximum number equal to 10% of the total number of issued Shares as at the date of the Repurchase Resolution. If the Company conducts a Share consolidation or subdivision after the Repurchase Mandate is granted, the maximum number of Shares that may be repurchased under the Repurchase Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

As at the Latest Practicable Date, the Company has an aggregate of 9,303,374,783 Shares in issue. Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 930,337,478 Shares.

The Repurchase Mandate shall continue in force during the period from the date of passing of the Repurchase Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of Bermuda or Bye-laws to be held; or
- (iii) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

The explanatory statement required by the Listing Rules to provide the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the relevant resolution to approve the Repurchase Mandate is set out in Appendix I hereto.

LETTER FROM THE BOARD

2. GENERAL MANDATE

The Directors will also propose at the AGM an ordinary resolution granting the Directors a general and unconditional mandate to allot, issue and deal with new Shares of up to a maximum 20% of the total number of issued Shares as at the date of passing of the relevant resolution. Subject to the passing of the resolution approving the General Mandate and assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under such General Mandate to allot, issue and deal with not more than 1,860,674,956 new Shares.

In addition, a separate ordinary resolution will be proposed to extend the General Mandate by adding to the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

If the Company conducts a Share consolidation or subdivision after the General Mandate is granted, the maximum number of Shares that may be issued under the General Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

The General Mandate shall continue in force during the period from the date of passing of the resolution for the approval of the General Mandate until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of Bermuda or Bye-laws to be held; or
- (iii) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Mr. Huang Yongfeng, Mr. Yu Xiaodong, Ms. Jiao Yan, Mr. Li Peiyin, Mr. Zhang Zhibiao, Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping.

Pursuant to Bye-law 99(A), Mr. Yu Xiaodong, Mr. Li Ka Fai, David and Mr. Zhang Ping will retire by rotation from office at the AGM. Each of Mr. Yu Xiaodong, Mr. Li Ka Fai, David and Mr. Zhang Ping will offer themselves for re-election as executive Director, independent non-executive Director and independent non-executive Director respectively. Pursuant to Bye-law 102(A), Mr. Zhang Zhibiao, whom was appointed by the Board on 3 April 2023, shall hold office only until the AGM. Mr. Zhang Zhibiao will offer himself for re-election as an executive Director.

Mr. Li Ka Fai, David has served as an independent non-executive Director for more than nine years since his appointment in December 2007. Pursuant to the code provision B.2.3 of the CG Code, if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Mr. Li Ka Fai, David and Mr. Zhang Ping confirmations of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Li Ka Fai, David and Mr. Zhang Ping have not engaged in any executive management of the Group. Taking into consideration their independent scope of work in the past years, the Directors consider Mr. Li Ka Fai, David and Mr. Zhang Ping to be independent under the Listing Rules despite the fact that Mr. Li Ka Fai, David has served the Company for more than nine years.

When identifying suitable candidates for directorship, the nomination committee of the Board (the “**Nomination Committee**”) carries out the selection process by making reference to the skills, experience, background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company’s needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

LETTER FROM THE BOARD

In considering the re-election of Mr. Yu Xiaodong, Mr. Li Ka Fai, David, Mr. Zhang Ping and Mr. Zhang Zhibiao as executive Director, independent non-executive Director, independent non-executive Director and executive Director respectively, the Board, with the assistance and recommendation from the Nomination Committee, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to gender, age, cultural and ethnic background, professional qualification, skills, knowledge and length of service. The Board considers that Mr. Yu Xiaodong, Mr. Li Ka Fai, David, Mr. Zhang Ping and Mr. Zhang Zhibiao possess rich experience in their industries and are able to provide valuable advices in areas of accounting, finance, legal and/or business to the Company, thus contributing to better corporate governance of the Company. The Board is also of the view that during the tenure of Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Director, they have made positive contributions to the Company's strategy, policies and performance with their independent advice, comments, judgment from the perspective of their background coupled with their general understanding of business of the Group. They contribute to the diversity of the Board in age and cultural background.

Mr. Zhang Ping has not acted as director of seven or more listed companies. Mr. Li Ka Fai, David is currently holding directorships in seven listed companies. However, as an independent non-executive Director with significant business experience and professional background, the Board is satisfied that the Mr. Li Ka Fai, David will continue to bring valuable business experience, professional knowledge and insight to the Board and contribute to its efficient and effective functioning. Mr. Li Ka Fai, David had an excellent track record in attending the Company's meetings in the past and had consistently and proactively gave valuable and constructive advice to the Board. As such, the Board believes that Mr. Li Ka Fai, David will continue to be able to devote sufficient time to the business of the Board, notwithstanding the fact that he is currently holding directorships in seven listed companies. The Board believes that Mr. Li Ka Fai, David and Mr. Zhang Ping can commit sufficient time to assume their directors' duties.

Details of the Directors who are proposed for re-election at the AGM are set out in Appendix III to this circular.

LETTER FROM THE BOARD

4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 May 2023 to Monday, 29 May 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, unregistered holders of Shares should ensure that all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 22 May 2023.

5. ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Repurchase Mandate, the General Mandate and the re-election of Directors, is set out in Appendix II on pages 13 to 18 of this circular.

6. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM i.e. Saturday, 27 May 2023 at 11:00 a.m. (Hong Kong time) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at AGM should you so wish.

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will 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. The Company will announce the results of the poll in accordance with Rule 13.39(5) of the Listing Rules after the AGM.

8. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the General Mandate and the re-election of the Directors are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the AGM. So far as the Directors are aware, as at the Latest Practicable Date, no Shareholder is required to abstain from voting under the Listing Rules in respect of any of the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

10. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Yours faithfully,

For and on behalf of the Board

Continental Aerospace Technologies Holding Limited

Huang Yongfeng

Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to enable the Shareholders to make an informed decision on whether to vote for or against the Repurchase Resolution.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares was 9,303,374,783 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 930,337,478 Shares representing approximately 10% of the total number of issued Shares as at the Latest Practicable Date. If the Company conducts a Share consolidation or subdivision after such mandate is granted, the maximum number of Shares that may be repurchased under the mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

REASON FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share of the Company and share repurchase will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The Companies Act 1981 of Bermuda provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. Further, the Company cannot purchase its own shares if on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2022 in the event that the Repurchase Mandate were to be carried out in full. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2022	0.107	0.091
May 2022	0.102	0.090
June 2022	0.112	0.090
July 2022	0.104	0.094
August 2022	0.108	0.092
September 2022	0.103	0.079
October 2022	0.095	0.072
November 2022	0.089	0.076
December 2022	0.098	0.085
January 2023	0.110	0.089
February 2023	0.126	0.093
March 2023	0.107	0.090
April 2023 (up to the Latest Practicable Date)	0.097	0.084

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to sell any of the Shares to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Aviation Industry Corporation of China, Ltd ("AVIC"), the ultimate holding company of the Company, and its associates are interested in 4,316,900,390 Shares, representing approximately 46.40% of the issued share capital of the Company. Based on such shareholding and in the event that the Repurchase Mandate is exercised in full, the interests of AVIC and its associates will be increased to approximately 51.55% of the issued Shares, which will give rise to an obligation on the part of AVIC to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to the extent that would trigger such obligation. Save as disclosed above, the Directors are not aware of any other consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

In the event that the power to repurchase Shares pursuant to the Repurchase Resolution is exercised in full, the number of Shares held by the public would not fall below 25%.

SHARES REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Continental Aerospace Technologies Holding Limited

大陸航空科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 232)

NOTICE IS HEREBY GIVEN that the annual general meeting of Continental Aerospace Technologies Holding Limited (the “**Company**”) will be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 29 May 2023 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors (the “**Directors**”) and the independent auditor’s report of the Company for the year ended 31 December 2022.
2.
 - (a) To re-elect Mr. Yu Xiaodong as executive Director;
 - (b) To re-elect Mr. Li Ka Fai, David as independent non-executive Director;
 - (c) To re-elect Mr. Zhang Ping as independent non-executive Director;
 - (d) To re-elect Mr. Zhang Zhibiao as executive Director; and
 - (e) To authorise the board (the “**Board**”) of Directors to fix the remuneration of Directors.
3. To appoint Ernst & Young as the auditor of the Company and to authorise the Board to fix the remuneration of auditor.

4. As a special business, to consider and, if thought fit, pass with or without amendments, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its ordinary shares (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which the Directors are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be purchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same, and the maximum number of Shares that may be repurchased pursuant to the powers granted under such approval shall be adjusted to such extent accordingly; and

- (c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of Bermuda or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

references to repurchase Shares include buy-back or purchases by agents or nominees on behalf of the Company or subsidiary of the Company.”

B. “THAT:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and dispose of additional (i) Shares; (ii) securities convertible into Shares; or (iii) options, warrants or similar rights to subscribe for Shares or such convertible securities, and to make or grant offers, agreements and options which would or might require such securities to be issued, allotted or disposed of, in exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares, shall not exceed 20% of the total number of issued Shares as at the date of passing this Resolution;

- (c) if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (a) above as may be extended by Resolution No. 4C set out in the notice convening this meeting if so passed, as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same, and the maximum number of Shares that may be allotted or issued under the powers granted under such approval shall be adjusted to such extent accordingly; and
- (d) the approval in this Resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers to allot, issue or dispose of such securities as referred to in paragraph (a) above after the end of the Relevant Period and to make such allotment, issue and disposal under such offers, agreements and options;
- (e) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of Bermuda or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

- C. “**THAT** subject to the passing of Resolutions No. 4A and No. 4B set out in the notice convening this meeting, the powers granted to the Directors to allot, issue and dispose of additional Shares and other securities of the Company pursuant to Resolution No. 4B set out in the notice convening this meeting be and is hereby extended by the addition thereto at such number of Shares repurchased under the powers granted pursuant to Resolution No. 4A set out in the notice convening this meeting, provided that the maximum number of shares of the Company so repurchased shall not exceed the limits in the said Resolution No. 4A.”

By order of the Board

Continental Aerospace Technologies Holding Limited

Kwok Chi Ho

Company Secretary

Hong Kong, 4 May 2023

As at the date hereof, the Board comprises Mr. Huang Yongfeng, Mr. Yu Xiaodong, Ms. Jiao Yan, Mr. Li Peiyin and Mr. Zhang Zhibiao as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Directors

Notes:

1. For the purposes of holding the AGM, the register of members of the Company will be closed from Tuesday, 23 May 2023 to Monday, 29 May 2023, both days inclusive, during which period no transfer of shares will be registered, in order to determine the entitlement to attend and vote at the AGM. In order to be entitled to attend and vote at the AGM, unregistered holders of Shares should ensure that all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 22 May 2023.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company.
3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting i.e. Saturday, 27 May 2023 at 11:00 a.m. (Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting if the member so desires.
4. With regard to item 2 in this notice, the particulars of all retiring directors of the Company are set out in Appendix III of the circular to shareholders of the Company dated 4 May 2023.
5. With regard to item 4 in this notice, an explanatory statement containing details of Resolution No. 4 above is set out in Appendix I of the circular to shareholders of the Company dated 4 May 2023.
6. The voting on the above resolutions at the meeting will be conducted by way of a poll.
7. Where there are joint registered holders of any share(s), any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.

The following are the particulars of the Directors proposed to be re-elected at the AGM:

(A) Mr. Yu Xiaodong

Mr. Yu Xiaodong, aged 50, has been an executive Director since August 2018 and a member of the Remuneration Committee and the Chief Executive Officer from 1 April 2022. He obtained a Master's Degree in International Trade from University of International Business and Economics in 1997. He previously served as the project manager of AVIC International Holding Corporation ("**AVIC International**"), the assistant general manager of AVIC International Harbin Company* (中航國際哈爾濱公司), the operations management vice director of the international cooperation department of AVIC International, the organisational performance director of the human resources department of AVIC International, the vice general manager of the human resources department of AVIC International and the general manager of the auditing department of AVIC International. He is also the director of six subsidiaries of the Group.

The Company has entered into service agreement with Mr. Yu for a term of three years. Mr. Yu is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Yu's emoluments, which are reviewed and approved by the remuneration committee of the Company (the "**Remuneration Committee**") in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Yu is entitled to receive a director's fee of HK\$36,000 annually.

Save as disclosed above, Mr. Yu does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Yu does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Yu did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Yu which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(B) Mr. Li Ka Fai, David

Mr. Li Ka Fai, David, aged 68, has been an independent non-executive Director since December 2007. He is also a member of the Audit Committee and the Remuneration Committee. Mr. Li holds a Bachelor of Science honours degree in Chemistry and Administration. He is the senior advisor of SHINEWING (HK) CPA Limited. Mr. Li is also a fellow of the Association of Chartered Certified Accountants, UK. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosmopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited, and Wai Yuen Tong Medicine Holdings Limited, and was an independent non-executive director of CR Construction Group Holdings Limited until June 2021, all being listed on the main board of the Stock Exchange.

The Company has entered into service agreement with Mr. Li. There is no length of service specified in the said service agreement. Mr. Li is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Li's emoluments, which are reviewed and approved by the Remuneration Committee in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Li is entitled to receive a director's fee of HK\$400,000 annually.

Save as disclosed above, Mr. Li does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Li did not hold any directorship in other listed public companies in the last three years and does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Li did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Li which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(C) Mr. Zhang Ping

Mr. Zhang Ping, aged 58, has been an independent non-executive Director since May 2017. He is also a chairman and member of the Nomination Committee and the member of Audit Committee. He received a doctoral degree in Economics from Chinese Academy of Social Science Graduate School (中國社會科學院研究生院). Mr. Zhang started working at the Institute of Economics under Chinese Academy of Social Science (中國社會科學院經濟研究所) since July 1988. He once led and organized key national research project on economics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and macroeconomic policies. Mr. Zhang was an independent non-executive director of AVIC IHL until December 2014 and an independent director of Minsheng Tonghui Asset Management Co., Ltd (民生通惠資產管理有限公司) until December 2021.

The Company has entered into service agreement with Mr. Zhang for a term of three years. Mr. Zhang is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Zhang's emoluments, which are reviewed and approved by the Remuneration Committee in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Zhang is entitled to receive a director's fee of HK\$320,000 annually.

Save as disclosed above, Mr. Zhang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Zhang did not hold any directorship in other listed public companies in the last three years and does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Zhang did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Zhang which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(D) Mr. Zhang Zhibiao

Mr. Zhang Zhibiao, aged 49, obtained a master's degree in business administration from Nankai University, the People's Republic of China (the "PRC") and a bachelor degree from Jiangxi University of Finance and Economics, the PRC. Mr. Zhang is currently a director and chief executive officer of AVIC International (HK) Group Limited, a controlling shareholder of the Company and a director of Tacko International Limited, a substantial shareholder of the Company. Mr. Zhang served as an executive Director from August 2018 to August 2021.

Mr. Zhang was previously a director of FIYTA Precision Technology Company Limited from February 2021 to September 2021, a director of Shennan Circuit Company Limited from April 2021 to April 2022, a director of Tianma Microelectronics Company Limited from February 2021 to November 2021, a director and general manager of Rainbow Digital Commercial Company Limited from November 2021 to April 2022 and a director of China Merchants Property Operation & Service Company Limited (formerly known as AVIC Sunda Holding Company Limited) from September 2017 to December 2019, the shares of which are all listed on the Shenzhen Stock Exchange. Mr. Zhang was also previously an executive director of AVIC Joy Holdings (HK) Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 260) from July 2017 to September 2020.

Mr. Zhang also served as the head of the operations management department, the head of the planning and development department, the head of the comprehensive management department, the deputy head of the strategic development department, the office manager of international aviation business office and the deputy office manager of the capital operations office of AVIC International. Prior to joining AVIC International, Mr. Zhang served as the president assistant of AVIC Securities Company Limited (formerly known as 江南證券有限責任公司 (SouthChina Securities Company Limited)) and the head of 江南金融研究所 (SouthChina Financial Research Institute). Mr. Zhang has over 25 years of experience in areas of management, aviation business, strategic development, industry research, securities, investment and initial public offerings.

The Company has entered into service agreement with Mr. Zhang for a term of three years. Mr. Zhang is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Zhang's emoluments, which are reviewed and approved by the Remuneration Committee in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Zhang is entitled to receive a director's fee of HK\$36,000 annually.

Save as disclosed above, Mr. Zhang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Zhang does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Zhang did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Zhang which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.