An investment in the Shares involves a high degree of risk. Prospective investors should carefully consider the following risk factors, together with all other information contained in this Prospectus, before deciding whether to invest in the Shares. If any of the following events occur or if these risks or any additional risks not currently known to us or which we now deem immaterial materialize, our business, financial condition, results of operations and our ability to meet our financial obligations could be materially and adversely affected. The market price of the Shares could fall significantly due to any of these events or risks or such additional risks, and you may lose the total value of your investment. The order in which the following risks are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Changes in consumer demand and preferences may affect our financial results.

The demand for our aircraft may be adversely impacted by unexpected events in the future. Therefore, future demand for our aircraft could be significantly and unexpectedly less than anticipated and/or less than previous period deliveries. Our orders, sales volumes and revenues may be affected by general economic conditions within the various countries in which our prospective or current owners reside and changing customer preferences and market trends. We have dedicated significant resources to product development and innovation to maintain pace with technological advances in the market and changes in customer preferences. However, we cannot assure you that we will succeed in anticipating or reacting to changes in customer preferences, maintaining pace with advances in design and manufacturing technologies or expanding our product lines and continuing to innovate in the future. In addition, our efforts and investments in product development and innovation may not generate the expected outcomes. If we misjudge the market for our products or are late in recognizing changing trends and customer preferences, we could experience poor returns on investment or damage to our reputation.

Similarly, there is uncertainty as to when or whether our existing backlog for aircraft will convert to revenues as the conversion depends on, among others, production capacity, customer needs and credit availability and affordability. Changes in economic conditions have in the past caused, and in the future may cause, customers to request that firm orders be rescheduled, deferred or canceled. Any failure by us to anticipate or react to such changes may also reduce demand for our aircraft. Reduced demand for our aircraft or delays or cancelations of orders in the future could have a material adverse effect on our business, financial condition, results of operations or cash flows.

We could be adversely affected as a result of any sales we make to certain countries or certain customers that are, or become subject to, sanctions administered by the U.S., the European Union, the United Nations, the UK, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organizations, including the European Union, the United Nations, the UK and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against certain countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries.

During the Track Record Period, we conducted sales of our piston aircraft and parts, directly or indirectly, to customers in the Relevant Regions. We generated revenue of approximately US$11,000, US$22,000 and US$10,400 from transactions involving the Relevant Regions for the years ended December 31, 2021, 2022 and 2023, respectively, representing 0.001%, 0.003% and 0.001% of the Group's total revenue for the years ended December 31, 2021, 2022 and 2023, respectively. The Relevant Regions were subject to various sanctions during the Track Record Period, but none of them was subject to a comprehensive export, import, financial or investment embargo under any sanctions related law or regulation of a Relevant Jurisdiction (i.e., none of them was a Comprehensively Sanctioned Country).

During the Track Record Period, we entered into certain transactions with two customers, AG Huanan and AG Zhejiang, who were designated by BIS on the Military End-User List on December 23, 2020 and are restricted from receiving items subject to the EAR and listed in supplement no. 2 to part 744 of the EAR without a license. Historically, we conducted sales of our piston aircraft and parts to AG Huanan and AG Zhejiang. Upon their designation by BIS, we temporarily suspended any activities involving them in order to obtain the required licenses from BIS. Upon receipt of the required licenses from BIS, we resumed conducting transactions with AG Huanan and/or AG Zhejiang pursuant to the terms and conditions of such BIS licenses. We generated revenue of approximately US$17.2 million, US$13.6 million and US$3.8 million from transactions with AG Huanan for the years ended December 31, 2021, 2022 and 2023, respectively, representing approximately 2.3%, 1.5% and 0.4% of our Group's total revenue for the same years, respectively. We generated revenue of approximately US$20.3 million, US$6.5 million and US$5.5 million from transactions with AG Zhejiang for the years ended December 31, 2021, 2022 and 2023, respectively, representing approximately 2.7%, 0.7% and 0.5% of our Group's total revenue for the same years, respectively. See "Connected Transactions" for further details.

While we have implemented internal control measures to minimize our risk exposure to International Sanctions, sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk, or our business will conform to the expectations and requirements of the authorities of the U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of the U.S., the EU, the U.K., the UN, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of our Group. For details on our business operations in the Relevant Regions subject to International Sanctions and transactions with AG Huanan and AG Zhejiang, see the sections headed "Business — International Sanctions relevant to Certain Business Activities and Affiliates — Business activities with Regions subject to International Sanctions" and "Business — International Sanctions relevant to Certain Business Activities and Affiliates — Business activities with AG Huanan and AG Zhejiang" in this Prospectus.

Our business is subject to risks associated with changes in the general macroeconomic, political, social and regulatory conditions in the markets in which we operate.

Our aircraft were sold to customers in 44 countries and territories during the Track Record Period, and we had approximately 242 authorized service centers globally as of December 31, 2023. Therefore, we are subject to risks associated with changes in the general macroeconomic, political, social and regulatory conditions in the markets in which we operate and our prospective or current owners reside, which are beyond our control. In particular, we face a number of challenges as a result of our international business and expansion strategy, including our ability to effectively recruit, manage and coordinate our employees across different geographic regions; and customs regulations on the import and export of products. If we fail to effectively manage these risks, such failure could impair our ability to operate or expand our business and could materially and adversely affect our business, financial condition, results of operations and prospects.

Recently there have been heightened tensions in international relations, particularly between the United States and China. These tensions have affected both diplomatic and economic ties among countries, and could reduce levels of trade and other economic activities between major economies. The impact of recent geopolitical conflicts on our procurement and current prospects has been minimal. However, there is no assurance that any escalation of geopolitical tension in the future will not create instability in macroeconomic and social conditions, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In the event of a significant geopolitical conflict or a macroeconomic downturn, the demand of our potential end customers may fall. Such events may damage our ability to obtain customer orders and lead to a decrease in future orders received, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the existing tensions and any further deterioration in the relationship between the United States and China may have a negative impact on the general, economic, political, and social conditions in both countries. For example, during his administration, President Donald J. Trump issued several executive orders restricting the operations of certain Chinese companies in the United States. Our operations are primarily based in the United States. Our Company is indirectly wholly-owned by CAIGA, a subsidiary of AVIC, a Chinese state-owned enterprise, which will continue to beneficially own a significant percentage of our Company after the Global Offering. AVIC, and certain of its subsidiaries, were designated by the U.S. Department of the Treasury ("**U.S. Treasury**") on the Non-SDN Chinese Military-Industrial Complex Companies List ("**NS-CMIC List**") under Executive Order 13959 ("**EO 13959**"), on June 3, 2021, with an effective date of August 2, 2021. EO 13959 prohibits United States persons beginning on August 2, 2021, from purchasing or selling any publicly traded securities, or any publicly traded securities that are derivative of such securities, or are designed to provide investment exposure to such securities, of AVIC unless licensed or authorized by the relevant U.S. government authority.

Pursuant to OFAC FAQ 857, the prohibitions in EO 13959, as amended, apply to a subsidiary of an entity listed on the NS-CMIC List only if such subsidiary itself is publicly listed on the NS-CMIC List by the U.S. Treasury pursuant to EO 13959, as amended, or identified in the Annex of EO 13959, as amended. Hogan is of the view that (i) as we are not listed on the NS-CMIC List, the sanctions applicable to AVIC being designated on the NS-CMIC List would not apply to us; (ii) the restrictions applicable to United States persons relating to the purchase or sale of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities of companies on the NS-CMIC List do not apply to our Company; and (iii) the securities of our Company would not be considered publicly traded securities that are derivative of publicly traded securities of AVIC or designed to provide investment exposure to publicly traded securities of AVIC. See "Relationship with our Controlling Shareholders" for more details.

Further, we are subject to certain post-merger requirements as set out in the national security agreement entered into among Legacy Cirrus Industries, CAIGA and the U.S. Department of Defense (on behalf of CFIUS) in May 2011 (the "**NSA**") relating to CFIUS' clearance of the 2011 Merger, which our competitors may not be subject to. Such requirements in the NSA primarily include: (i) we are required to provide advance notice to the U.S. Department of Defense regarding any individual who is not solely a U.S. citizen ("**Foreign National**") we sponsor for an employment visa or visitor's visa, or any Foreign Nationals visiting our facilities, with certain exceptions such as Foreign Nationals who are — or are directors, officers, employees or agents of — bona fide customers which are unaffiliated with Cirrus (provided any visit is no more than three days and the visits are infrequent); (ii) we shall keep a log of any visit by a Foreign National for which no notice is required, which shall be made available for inspection by the U.S. Department of Defense and provided to the U.S. Department of Defense every month; (iii) we are required to appoint a U.S. citizen as a security director to monitor our compliance with the terms of the agreement, and to know at all times the whereabouts of any Foreign National visitor for whom notice is required when present at a Cirrus facility; and (iv) we are required to allow the U.S. Department of Defense to make unannounced site visits to, and inspections of, any Cirrus facility to monitor compliance with the agreement.

Considering, among others, (i) the explicit exception to the advance notice requirements for bona fide customers as provided in the NSA, (ii) during the Track Record Period, approximately 95% of our supplies in terms of costs were sourced from suppliers located in the U.S.; and (iii) the U.S. Department of Defense has not expressed any concern as to notices filed by us or refused any visits pertaining to the notices filed, the requirements as set out in the NSA did not have and are not expected to have any material impact on our business operations and future business development. We also have ongoing connected transactions with entities controlled by CAIGA which are listed on the Military End-User List by the BIS, and we have obtained relevant export licenses and put in place internal control measures for transactions with these entities as detailed in the section headed "Connected Transactions."

On August 9, 2023, President Biden issued the Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern (the "**2023 Executive Order**"). The 2023 Executive Order identified China (including Hong Kong SAR and Macau SAR) as a "country of concern" that will be the focus of a new U.S. outbound investment screening regime, subject to the implementing regulations once issued. The outbound investment screening regime (subject to forthcoming implementing regulations) may require U.S. persons to notify the U.S. Department of Treasury of certain transactions and prohibit U.S. persons from engaging in other transactions related to certain Chinese parties that are engaged in subsectors of the semiconductors and microelectronics, quantum information technologies and certain artificial intelligence systems industries that are critical for the military, intelligence, surveillance, or cyber-enabled capabilities. However, the U.S. Department of Treasury has not implemented any actual regulations yet as a result of the 2023 Executive Order, and the implementation of regulations promulgated under the 2023 Executive Order is not expected until sometime in 2024.

Alongside the 2023 Executive Order, the U.S. Department of Treasury issued an Advance Notice of Proposed Rulemaking ("**ANPRM**"), which provided additional details on the intended focus of the outbound investment program and solicits input from the public to engage its participation in the rulemaking process. As advised by Hogan, the risk of our business operation to be subject to the 2023 Executive Order and the implementing regulations, pursuant to the intended focus set out in the ANPRM, is low, given our business focusing on sales of single-engine piston and jet aircraft in the personal aviation sector. Accordingly, our Directors are of the view that the 2023 Executive Order and the implementing regulations are not expected to have any material adverse impact on our business operations and compliance status. While the 2023 Executive Order articulates the broad scope of the outbound investment screening program and some preliminary details, the specifics of the program (including the entities, activities and operations that will be covered thereunder) have yet to be clarified, so the ultimate impact of the program on us will have to await the promulgation of the implementing regulations of the 2023 Executive Order. Based on the foregoing, the Sole Sponsor concurs with our Director's views with respect to the impact of the 2023 Executive Order on our business operations.

Our business may also be adversely impacted by federal, state or local restrictions on land or property ownership by Chinese citizens and companies. Our real property assets in Florida and Tennessee may be regulated by local legislation. There is recent state-level legislation in Florida and Tennessee that regulates land or property ownership by Chinese citizens and companies. Our current real property assets may be subject to a limited registration regime requiring the filing of a registration with relevant government authorities, and our future real property acquisitions in the two states may be affected. Considering that we have no current intention to expand our real property ownership in the two states, and the registration regime would not affect our current interests, we do not anticipate our business operation to be materially impacted by such local legislation. Additionally, other new federal, state or local legislation, regulations or executive orders addressed at protecting U.S. investments in Chinese or Chinese state-owned enterprises, may also become applicable to us. There can be no assurance that our Company and our business operations would not be subject to risks of economic and trade sanctions and/or export control restrictions or other forms of restrictions to our operations in the future due to heightened tensions between the United States and China or otherwise, which may adversely affect our business, financial condition, results of operations and prospects, as well as our ability to raise funds, especially from the U.S. investors, and the liquidity of our publicly traded securities.

Our business and growth strategies are subject to uncertainties and risks, including those relating to customer acceptance and commercial success of our strategies, and significant capital expenditure and investments for new product and service offerings, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our business and growth strategies include, but are not limited to, monetization of our established customer base, enhancement of our flight training solutions, advancement and expansion of our aircraft and services portfolio, advancement of production capabilities, expansion of our markets globally and establishment of Cirrus Air On-demand. There can be no assurance that any consumer demand in response to such strategies and related initiatives will exist or be sustained at the levels that we anticipate, or that any of these strategies will generate sufficient revenue to offset any new expenses or liabilities associated with any new investments. Moreover, we devote significant financial and other resources to the expansion of our products and service offerings, including increasing our ability to produce aircraft, and these efforts may not be commercially successful or achieve the desired results. Our financial results and our ability to maintain or improve our competitive position will depend on our ability to effectively gauge the direction of our key markets and successfully identify, develop, market and sell new or improved products and services in these changing markets. Further, any such efforts could distract management from current operations, and would divert capital and other resources from our more established offerings and technologies. Even if we were successful in developing our strategies, regulatory authorities may subject us to new rules or restrictions in response to our strategies that may increase our expenses or prevent us from successfully commercializing new product and service offerings or technologies. If we are not able to identify, capture or execute on these strategies successfully, our business, financial condition, results of operations and prospects could be materially and adversely affected, and any assumptions underlying estimates of expected cost savings or expected revenues may be inaccurate.

Our historical rate of growth may not be sustainable or indicative of our future rate of growth. We believe that our continued growth in revenue, as well as our ability to improve or maintain margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks and difficulties described elsewhere in this section and the extent to which our various offerings grow and contribute to our results of operations. We cannot provide assurance that we will be able to manage any such challenges or risks to our future growth successfully.

If we suffer substantial interruptions to our production activities to the extent that we are not able to compensate such interruptions by increasing the production capacity of our remaining production facilities, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We operated two manufacturing facilities, including a final aircraft assembly and production flight test campus as of the Latest Practicable Date. Work slowdowns and other forms of industrial action, or any deterioration in relations with our employees, as well as shortages of skilled workers, could cause interruptions to our production cycle. As a result of production constraints, we had a backlog of 1,320 aircraft as of the Latest Practicable Date. Any prolonged interruptions could cause us to fail to meet our contractual obligations to customers in relation to delivery of aircraft and may cause customers to terminate their orders. We have been impacted by delays to order fulfillment from our suppliers in the past. See "— We face risks associated with our supply chain. If we experience any delay or interrupted supply, or if the quality of the supplies does not meet the required standards, our business, financial condition, results of operations and prospects could be materially and adversely affected." The impact of any such interruptions to our production cycle could cause a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to significant laws, regulations and directives in the U.S. and foreign countries in which we operate. Increasing compliance risks and changes in government regulations imposing additional requirements and restrictions on our operations could increase our operating costs, result in service delays and disruptions, and adversely affect our business, financial conditions, results of operation and prospects.

As a global aviation business, we are subject to significant laws, regulations and directives in the U.S. and foreign countries in which we operate. A global customer base and service offering requires importing and exporting goods, software and technology, which may be subject to more stringent import-export controls across international borders. For example, under certain circumstances, we must initially obtain licenses and authorizations from various U.S. government agencies before our aircraft can be exported outside the U.S. While we have not been impacted by delays in obtaining licenses and authorizations beyond the normal course of business, we may not always be successful in obtaining these licenses or authorizations in a timely manner. U.S. and foreign laws and regulations applicable to us have been increasing in scope and complexity. For example, both U.S. and foreign governments and government agencies regulate the personal aviation industry, and they have previously and may in the future impose new regulations for additional aircraft safety or other requirements or restrictions. New or changing laws and regulations or related interpretation and policies could increase our costs of doing business, affect how we conduct our operations, adversely impact demand for our aircraft and/or limit our ability to sell our aircraft and services.

The personal aviation industry is subject to extensive U.S. and international regulatory requirements, including airworthiness directives. In the last several years, Congress and state and local governments have passed laws and regulatory initiatives, and the FAA and several of its respective international counterparts have issued regulations and a number of other directives, that affect the production and use of our aircraft. These requirements impose substantial costs on us and restrict the ways we may conduct our business. For example, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that may require significant expenditures or operational restrictions. These requirements can be issued with little or no notice, or can otherwise impact our ability to efficiently or fully utilize our aircraft, and in some instances have resulted in the temporary and prolonged grounding of aircraft altogether. FAA airworthiness directives or similar directives of this nature are common in the general aviation industry, according to Frost & Sullivan. We have been impacted in the past, and could be impacted in the future, by airworthiness directives issued by the FAA, including from the recent airworthiness directives issued by the FAA in the first half of 2023. See "Summary — Recent Developments and No Material Adverse Change — Recent Regulatory Developments — Recent Airworthiness Directives."

We have implemented and maintain policies and procedures that are designed to monitor and ensure compliance by us and our Directors, officers and employees with International Sanctions and other applicable laws, regulations and directives. Compliance with laws and regulations of increasing scope and complexity is even more challenging in our business environment in which reducing our operating costs is often necessary to remain competitive. In addition, regulators and enforcement agencies continue to devote greater resources to the enforcement of the FCPA, anti-money laundering laws and anti-corruption laws, and foreign jurisdictions have significantly expanded the reach of their anti-bribery laws. While we have developed and implemented policies and procedures designed to ensure strict compliance with anti-bribery, anti-money laundering, anti-corruption and other laws, such policies and procedures may not be effective in all instances to prevent violations.

Any determination that any of our employees have violated these laws, regulations or directives in the U.S. or other jurisdictions in which we do business, could subject us to, among other things, civil and criminal penalties, material monetary fines, profit disgorgement, injunction on future conduct, securities litigation, reputational damage, or other adverse actions, which could adversely affect our business, financial condition, results of operations or prospects.

We are subject to the risks of serving customers in foreign countries that could adversely impact our business.

We have a global customer base and service offering, which exposes us to risks in addition to our business operations in the U.S. These risks include import, export, economic sanctions and other trade restrictions; the changing U.S. and foreign procurement policies and practices; changes in international trade policies, including higher tariffs on imported goods and materials and renegotiation of free trade agreements; potential retaliatory tariffs imposed by foreign countries against U.S. goods; impacts on our non-U.S. suppliers and customers due to acts of war occurring internationally; restrictions on technology transfer; difficulties in protecting intellectual property; increasing complexity of employment and environmental, health and safety regulations; challenges associated with monitoring foreign suppliers and vendors to ensure compliance with applicable U.S. Federal Aviation Regulations; foreign investment laws; exchange controls; repatriation of earnings or cash settlement challenges; compliance with increasingly rigorous data privacy and protection laws; competition from foreign and multinational firms with home country advantages; economic and government instability; acts of industrial espionage, acts of war and terrorism and related safety concerns. The impact of any one or more of these or other factors could adversely affect our business, financial condition, results of operations and prospects.

We are also exposed to risks associated with using foreign representatives and consultants, including our CSAs, for our international sales efforts. In many jurisdictions, particularly in developing economies, it is common to engage in business practices that are prohibited by laws and regulations applicable to us, such as the U.S. federal Foreign Corrupt Practices Act ("**FCPA**"). A violation of such laws by any of our international representatives, CSAs, consultants, joint ventures, business partners, subcontractors or suppliers, even if prohibited by our policies, could have an adverse effect on our business and reputation. As we continue to grow our customer base globally, our exposure to these risks may also increase.

Any prolonged or severe downturn in the global economy could materially and adversely affect our business, financial condition and results of operations.

With the slowdown of the growth of the regional and global economy in recent years, it remains uncertain whether, and for how long, the regional and global economic downturn will persist. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies. There have been concerns over the Russia-Ukraine war, as well as unrest and terrorist threats in certain countries and regions, which have resulted in volatility in oil and other markets. Regional economic conditions are sensitive to global economic conditions, changes in domestic economic and political policies as well as the expected overall economic growth rate. It remains unclear whether such challenges and uncertainties will be effectively managed or resolved and what impacts they may have on the global economic conditions in the long term. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs. As a result, our business operations and financial performance may be adversely affected.

Global economic growth and increasing number of HNWIs are amongst the most important drivers for personal aviation market, according to Frost & Sullivan. The personal aviation market is generally affected by general macroeconomic conditions, and many factors affect the level of consumer spending on premium and lifestyle products, including the state of the economy as a whole, stock market performance, interest and exchange rates, inflation, political uncertainty, the availability of consumer credit, tax rates, unemployment levels and other matters that influence consumer confidence. Deteriorating general economic conditions may reduce disposable income and consumer wealth as well as the growth of wealth among HNWIs, adversely impacting customer demand, particularly for premium and lifestyle goods, which may negatively impact our profitability and put downward pressure on our prices and aircraft orders as well as demand of aircraft services. Furthermore, during recessionary periods, higher taxes may be more likely to be imposed on certain premium goods including our aircraft, which may affect our aircraft sales and provision of aircraft services. Adverse economic conditions may also affect the financial health and performance of our sales agents in a manner that will affect sales of our aircraft. In addition, there have been sustained inflationary pressures in many of the markets in which we operate. Inflation has led and may further lead to increases in the costs that we incur for raw materials, utilities or services, which could make our aircraft and services less affordable to customers and adversely affect our business, financial condition and results of operations if we are not able to pass on the increased costs to our customers or successfully implement other mitigating actions. Therefore, any severe or prolonged downturn or instability in the global economy may materially and adversely affect our business, financial condition and results of operations.

Environmental regulation and liabilities, including new or developing laws and regulations, or our initiatives in response to pressure from our stakeholders may increase our costs of operations and adversely affect us.

In recent years, governments, customers, suppliers, employees and our other stakeholders have increasingly focused on climate change, carbon emissions, and energy use. We are subject to certain environmental regulations and requirements and we also need to maintain applicable environmental permits and controls related to our operations, including permits and controls issued by federal, state and local agencies. We cannot guarantee that we will be able to maintain such permits and controls, nor can we guarantee that our cost of compliance with certain environmental regulations and requirements will not increase in the future. Laws and regulations that curb the use of conventional energy or require the use of renewable fuels or renewable sources of energy, such as wind or solar power, could result in a reduction in demand for aircraft that require hydrocarbon-based fuels such as oil and natural gas. In addition, governments could pass laws, regulations or taxes that increase the cost of such fuels, thereby decreasing demand for our aircraft and also increasing operating costs for customers. Apart from the engine fitted in the Vision Jet, which uses Jet-A fuel, all of the engines fitted in our aircraft currently use leaded fuel. The engines fitted in our SR2X Series aircraft operate on leaded aviation gas ("**avgas**") currently using 100 low-lead ("**100LL**") avgas for the piston engines.

The piston aviation industry has been, and is currently, researching a safe replacement fuel to replace leaded fuel. In 2022, the FAA created a new team named Eliminate Aviation Gasoline Lead Emissions ("**EAGLE**") of which we are a signatory. This is a government-industry partnership that also encompasses fuel producers and distributors, airport operators, communities that support general aviation airports, and environmental experts, seeking to develop an unleaded fuel replacement that can be used within the current general aviation infrastructure and engines. The most significant announcement impacting us is the stated aim of EAGLE to eliminate lead emissions from general aviation by the end of 2030. There are also projects underway for the European Union, which are considering the phase out of leaded fuel for the aviation industry earlier than the FAA timetable, and certain airports in the European Union have taken voluntary initiative to only provide unleaded fuel. While we expect that at some point in the future a replacement fuel will be identified, trialed and supplied to the industry, there is no currently available alternative that is proven to be usable in large scale and in a reasonably economical manner within the current general aviation infrastructure. We have partnered with GAMA in support of the EAGLE coalition and are actively involved in testing possible replacement fuels. See "Business — Environmental, Social and Corporate Governance Policy — Significant impacts on the environment and natural resources" for details on our initiatives in identifying possible replacement fuels. If no suitable product is identified and the use of leaded fuel is prohibited in the aviation industry, we would be required to re-engineer our aircraft with engines that use unleaded fuel, which would impose significant costs on us and our customers and potentially disrupt the ability to operate our aircraft. As a result, our future operating income and cash flows from operating activities could be adversely impacted.

Other laws or pressure from our stakeholders may adversely affect our business, financial condition, results of operation and prospects by requiring, or otherwise causing, us to reduce the emissions of our aircraft. Such activity may also impact us indirectly by increasing our operating costs. We expect that compliance with such laws and regulations or accommodation of such stakeholder pressure will require additional internal resources and may necessitate larger investment in product development, research personnel and manufacturing equipment and/or facilities, as well as sourcing from new suppliers and/or higher costs from existing suppliers, all of which would increase our direct and indirect costs and negatively impact our business, financial condition, results of operations and prospects.

We face risks associated with our supply chain. If we experience any delay or interrupted supply, or if the quality of the supplies does not meet the required standards, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We rely on our suppliers to provide us with a wide range of raw materials, components and sub-assemblies and service parts. For the years ended December 31, 2021, 2022 and 2023, we used raw materials with an aggregate amount of US$294.5 million, US$336.4 million and US$394.0 million, respectively, accounting for 39.9%, 37.6% and 36.9% of our revenue for the same years, respectively.

We face various risks associated with our suppliers. Due to the limited volumes, high switching costs, and challenges in developing multiple supplier relationships, we depend on relationship development, market analysis, and long-term agreements to maintain a healthy supply base. While the components that we purchase for our aircraft are generally commercially available, lead times for our various parts and components fluctuate significantly and are dependent on multiple factors, including contract terms, demand and the particular supplier involved. If our suppliers fail to perform their obligations or our contractual arrangements with them are terminated due to their breach and we are not able to replace them on a timely, effective and commercially acceptable basis, we may incur delays potentially affecting the agreed timetables or product specifications. In addition, we require our suppliers to be punctual in their deliveries and to give particular care to the quality of their supplies. As a result, any default by suppliers of their contractual obligations, or any failure by suppliers to meet specified deadlines, specifications and quality standards could negatively affect our ability to fulfill customer orders on a timely basis.

During the Track Record Period, we experienced certain supply chain volatilities due to the COVID-19 pandemic and destabilization of our supply of materials such as raw material components required to manufacture composite materials in terms of availability and the lead time to obtain supplies. We recorded a 23.1% increase of cost of material for Aircraft from US$288.0 million in 2021 to US$354.5 million in 2022 and a further 16.4% increase to US$412.8 million in 2023, which primarily reflected increases in line with the increase in total revenue resulting in greater volumes of material costs, together with the increased manufacturing costs due to an increase in supply chain and labor pool volatility, and continued impact of inflation on raw materials. See "Financial Information — Review of Historical Results of Operations" for more details. However, as such factors are beyond our control, if similar events were to occur in the future, we could experience significant delays in the production or delivery of our aircraft.

Reliance on a limited number of suppliers, including for our aircraft engines and other key components, poses risks to production of our aircraft.

We rely on a limited number of suppliers and, in some cases, on single-source suppliers for several key components of our products, including our aircraft engines to power our aircraft, in part, due to the customized nature of many of our parts and the requirement for certification. If any of our suppliers fail to adequately fulfill their obligations or experience disruptions in production or provision of services due to, for example, bankruptcy, natural disasters, labor strikes or disruption of its supply chain, or decide to unilaterally terminate their contractual arrangements with us, we may experience a significant delay in the delivery of or fail to receive previously ordered aircraft engines and parts, which would adversely affect our revenue and profitability and could jeopardize our ability to meet the demands of our customers.

If we are unable to obtain required components from our existing suppliers, we may need to obtain these components through secondary sources or markets, which could result in higher costs, delays, and/or components that do not meet our quality requirements or technical specifications. While we actively monitor and manage our supply chain, we cannot anticipate the potential impact that a variety of factors may have on the manufacturing and shipment of our products. This reliance on a limited number of suppliers and the lack of any guaranteed sources of supply exposes us to several risks, including:

- The inability to obtain an adequate supply of key components, including aircraft engines;

- Delay to aircraft deliveries due to designing and certifying new supplier components;

- Price volatility and manufacturing costs for the components of our aircraft;

- Failure of a supplier of key components to meet our quality or production requirements;

- Failure of a supplier of key components to remain in business or adjust to market conditions; and

- Consolidation among suppliers, resulting in some suppliers exiting the industry, discontinuing the manufacture of components or increasing the cost of components.

As a result of these risks, we cannot guarantee that we will be able to obtain a sufficient supply of key components in the future or that the cost of these components will not increase. If our supply of components is disrupted or delayed, or if we need to replace our existing suppliers, there can be no assurance that additional components will be available when required or that components will be available on terms that are favorable to us, which could extend our lead times, increase the costs of our components and harm our business, financial condition, results of operations and prospects. We may not be able to continue to procure components at reasonable prices, which may impact our business negatively or require us to enter into longer-term contracts to obtain components. Any of the foregoing disruptions could exacerbate other risk factors and increase our costs and decrease our gross margins, harming our business, financial condition, results of operations and prospects.

We are dependent upon our senior management team and qualified personnel with specialized skills, and our business, financial condition, results of operations and prospects may suffer if we lose their services.

We have been, and will continue to be, heavily dependent on the continued services of our senior management team, who have extensive experience and specialized expertise in our business. Certain members of our senior management team have long-standing experience in aviation including avionics, engineering and automotive industries and within large public companies in the U.S., and we believe that their depth of experience is instrumental to our continued success. If we lose the services of any member of our senior management team, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all, and our business, execution of strategic priorities, financial condition, results of operations and prospects could be materially and adversely affected. While members of our senior management team are subject to non-compete and confidentiality obligations, these may not be effective if any member of our senior management team joins a competitor or forms a competing business and there is a risk we may lose know-how, trade secrets, customers and key employees.

Our success is highly dependent upon our ability to hire and retain a workforce with the skills necessary for our businesses to develop, manufacture and maintain the products desired by our customers. The products and services desired by our customers require highly skilled personnel in multiple direct and indirect areas. These areas include, among others, engineering, manufacturing, maintenance, sales, information technology, cybersecurity, flight operations, business development and strategy and management. We might fail to retain our employees given the intense competition in the aviation industry. To the extent that we lose experienced personnel through retirement or otherwise, especially those who possess specific skills and/or critical know-how/trade secrets, it is critical for us to develop other employees, hire new qualified employees and successfully manage the transfer of critical knowledge. Although (i) our employees are subject to confidentiality obligations and (ii) we require all of our full-time employees to enter into non-compete agreements, if any employee joins a competitor or forms a competing business, we may need to litigate to enforce our rights under these agreements, which could be time-consuming, expensive, and ineffective, given the patchwork of different state laws regarding enforceability of non-compete obligations. Enforceability of the non-compete agreements that we have in place is not guaranteed, and contractual restrictions could be breached without discovery or adequate remedies. As a result, there is a risk we may lose know-how, trade secrets, customers and other key employees. In addition, regulation or legislation impacting the workforce, such as the proposed rule published by the U.S. Federal Trade Commission which would, if issued, generally prevent employers from entering into non-compete with employees and require employers to rescind existing non-competes, may lead to increased uncertainty in hiring and competition for talent. In particular, effective July 1, 2023, Minnesota has joined others states in prohibiting enforceability of non-compete provisions for employee or independent contractor agreements entered into after that date. Competition for skilled employees is intense, and we may incur higher labor, recruiting and/or training costs in order to attract and retain employees with the requisite skills. We do not currently have in place an established share award or option scheme that is subject to Chapter 17 of the Listing Rules. Job candidates and existing employees consider the value of the compensation, including benefits and equity awards, they receive in connection with their employment. Therefore, in the meantime, if the perceived value of our compensation is unattractive, it may adversely affect our ability to hire or retain highly skilled employees. We may not be successful in hiring or retaining such employees, which could adversely impact our business, financial condition, results of operations and prospects.

This challenge to retain skilled employees is increased by the intense competition for such employees in the aviation industry. The aviation industry, including related vendor partners, is experiencing and may continue to experience a shortage of qualified personnel, and we face added challenges with attracting and retaining qualified personnel due to, in particular, the low unemployment rate in Duluth, Minnesota and Grand Forks, North Dakota. We and others in the aviation and airline industries face shortages of qualified aircraft mechanics and other personnel. In addition, we have lost and may continue to lose employees due to the impact of the COVID-19 pandemic on aviation or as a result of restrictions which were imposed under the Coronavirus Aid, Relief, and Economic Security Act, or other governmental requirements placed on employees, which may further impede our ability to attract, retain and train skilled labor. If we are unable to hire, train and retain qualified employees, our business, financial condition, results of operations and prospects may be harmed.

Developing and launching new products, services and technologies entails significant risks and uncertainties.

To continue to grow our business and remain competitive, we continuously seek to identify, develop and launch new products, services and technologies or improve our existing products, services and technologies for our current and future markets, such as those relating to business processes, manufacturing, information technology, automation, connectivity, and initiatives to ensure high quality customer service. Our future performance depends, in part, on our ability to identify emerging technological trends and customer requirements and to develop and maintain competitive products and services.

Delays or cost overruns in the development and acceptance of new products or certification and launching of new aircraft and other products occur from time to time and could adversely affect our business, financial condition, results of operations and prospects. These delays or cost overruns could be caused by unanticipated technological hurdles, production changes to meet customer and manufacturing demands, unanticipated difficulties in obtaining required regulatory certifications of new aircraft or other products, or failure on the part of our suppliers to deliver components as agreed. We also could be adversely affected if our product development efforts are less successful than expected or if these efforts require significantly more funding to achieve our goals than anticipated. In addition, new products, services and technologies could generate unanticipated safety or other concerns resulting in expanded product liability risks, potential product recalls and other regulatory issues that could have an adverse impact on us. Furthermore, because of the lengthy product development cycle involved in bringing certain of our products to market, we cannot predict the economic conditions that will exist when any new product is complete, and the market for our product offerings does not always develop or continue to expand as we anticipate.

A reduction in capital spending in the personal aviation industry could have a significant effect on the demand for new products and technologies under development, which could have an adverse effect on our financial condition, results of operations and cash flows. No assurance can be given that our competitors will not develop competing technologies which gain superior market acceptance compared to our products. A significant failure in our new product development efforts, a substantial change to schedule, a material change in an anticipated market or the failure of our products or services to achieve customer acceptance relative to our competitors' products or services, could have an adverse effect on our business, financial condition, results of operations and prospects.

We could suffer losses and adverse publicity stemming from any accident involving our aircraft.

Certain of our aircraft have experienced accidents while being operated by owners. For the years ended December 31, 2021, 2022 and 2023, we recorded a non-fatal accident rate per 100,000 flight hours across our fleet of 1.43, 2.24 and 1.60, respectively, and a fatal accident rate per 100,000 flight hours across our fleet of 0.68, 0.64 and 0.87, respectively. By comparison, for the year ended December 31, 2022, non-fatal and fatal accident rates per 100,000 flight hours for personal general aviation, as compiled by the NTSB, were 7.99 for non-fatal accidents and 1.70 for fatal accidents. As a result, from time to time in the ordinary course of our business, we may be subject to claims or disputes by such owners. Such claims or disputes can either be based on a product liability claim or a breach of warranty. For more details, see "Regulatory Overview — Product Liability and Consumer Protection."

Our product liability insurance policies are subject to a cap on deductible, making us liable to pay for any claims exceeding such cap. We incur the first US$4.7 million of any losses, settlement, and fees incurred for covered claims related to incidents occurring in a policy year. These processes and claims are handled by our captive insurance company, SAIC. Once we have incurred the aggregate US$4.7 million of expenses, our insurance covers any remaining expenses up to an aggregate cap of US$150 million per policy year for claims arising from products and premises and general liability losses and up to an aggregate total of US$3.0 million per policy year for claims arising from hull losses. Furthermore, we may be liable to pay for any punitive damages in their entirety, if incurred, in any jurisdictions that do not permit insuring against punitive damage awards. There can be no assurance that the amount of our insurance coverage available would be adequate to cover losses, or that we would not be forced to bear substantial losses from such events, regardless of our insurance coverage. For more details, see "Business — Insurance."

If our owners experience accidents with our aircraft obligating us to take such aircraft out of service until the cause of the accident is determined and rectified, our reputation may be affected and we may lose customers. Any aircraft accident or incident, even if fully insured, could create a public perception that our aircraft are less safe or reliable than other means of transportation, which could cause our customers to lose confidence in us and switch to other aircraft or other means of transportation. In addition, any aircraft accident or incident could also affect the public's view of industry safety, which may reduce the amount of trust our customers have in personal aircraft. This may have negative financial impacts on us. It is also possible that the FAA or other foreign regulatory bodies could ground the aircraft and restrict the aircraft from flying by issuing airworthiness or similar directives until the cause of the accident is determined and rectified. Airworthiness or similar directives of this nature are common in the general aviation industry, according to the Frost & Sullivan. There is no assurance that our customers would not perceive such directives adversely. If this were to occur, our reputation could be adversely affected and we may lose revenue and customers. In addition, safety issues experienced by a particular model of aircraft could result in customers refusing to use that particular aircraft model or a regulatory body grounding that particular aircraft model.

In the future, we may, voluntarily or involuntarily, undertake remedial actions in connection with service bulletins, if any of our aircraft, including any systems or components sourced from our suppliers, prove to be defective or noncompliant with applicable laws and regulations. Such remedial actions, whether voluntary or involuntary and whether caused by systems or components engineered or manufactured by us or our suppliers, could incur significant expenses and adversely affect our brand image in our target markets. The value of the aircraft model might also be permanently reduced in the secondary market if the model were to be considered less desirable. Such accidents or safety issues related to aircraft models that we operate could have a material adverse effect on our business, financial condition, results of operations and prospects.

The operation of aircraft is subject to various risks, and failure to maintain an acceptable safety record may have an adverse impact on our ability to obtain and retain customers.

The operation of aircraft is subject to various risks, including but not limited to catastrophic disasters, crashes, mechanical failures and collisions, which may result in loss of life, personal injury and/or damage to property and equipment. Our customers have experienced and may experience accidents in the future while operating our aircraft. These risks could endanger the safety of our customers, third parties, equipment, cargo and other property, as well as the environment. If any of these events were to occur, we could experience loss of revenue, termination of customer orders, higher insurance rates, litigation, regulatory investigations and enforcement actions (including potential grounding of our aircraft) and damage to our reputation and customer relationships. In addition, to the extent an accident occurs involving our aircraft, we could be held liable for resulting damages or consequential loss, which may involve claims from injured passengers and survivors of deceased passengers.

We incur costs to maintain the quality of our aircraft and our training programs. We cannot guarantee that these costs will not increase. Likewise, we cannot guarantee that our efforts will provide an adequate level of safety or an acceptable safety record. If we are unable to maintain an acceptable safety record, we may not be able to retain existing customers or attract new customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Failure to comply with regulatory requirements related to our aircraft and associated operations may result in enforcement actions, including revocation or suspension of our operating authorities in the U.S. and potentially other countries.

Our insurance may become too difficult or expensive to obtain. If we are unable to maintain sufficient insurance coverage or experience delays or failures by our insurance providers to process or pay our insurance claims, in time or at all, it may materially and adversely impact our business, financial condition and results of operations.

Hazards are inherent in the personal aviation industry and may result in loss of life and property, potentially exposing us to substantial liability claims arising from, or in connection with, the operation of aircraft. We carry insurance for aviation products liability, completed operations and grounding liability exposures, premises and general liability, hangar keepers liability (ground and in-flight), aircraft liability, contingent aircraft liability, automotive liability, non-owned aircraft liability exposures and hull losses and other insurance customary in the industry in which we operate. Insurance underwriters are required by various federal and state regulations to maintain minimum levels of reserves for known and expected claims. However, there can be no assurance that underwriters have established adequate reserves to fund existing and future claims. The number of accidents, as well as the number of insured losses within the aviation and aerospace industries, and the impact of general economic conditions on underwriters may result in increases in premiums above the rate of inflation. To the extent that our existing insurance providers are unable or unwilling to provide us with sufficient insurance coverage, and if insurance coverage is not available from another source, our insurance costs and/or exposure may increase and may result in our being in breach of regulatory requirements or contractual arrangements requiring that specific insurance be maintained, which may have a material adverse effect on our business, financial condition and results of operations. In addition, we have experienced delays, and in the future may experience delays or failures, by our insurance providers to process or pay our insurance claims, in time or at all, which may have a material adverse effect on our business, financial condition and results of operations.

We may not succeed in preserving and enhancing the value of our brand which we depend on to drive demand and revenues, and in remaining competitive against other premium lifestyle alternatives.

Since our inception, we have focused on building a global brand by offering a wide-ranging personal aviation experience and a global ownership ecosystem to make owning and operating an aircraft convenient to access and enjoyable. Our financial performance is influenced by the perception and recognition of our brand, which in turn depends on many factors such as the design, performance, quality and image of our aircraft; the success of our promotional activities, including public relations and marketing; and our general profile, including our brand's image of safety and quality. Maintaining the value of our brand will depend significantly on our ability to continue to produce high performance aircraft of the highest quality and delivering a premium experience supported by our ecosystem. To promote our brand, we may be required to adjust our selling and marketing practices, which could substantially increase our expenses. Furthermore, we cannot assure you that these activities will be successful or that we will be able to achieve the desired promotional effect. If we fail to develop and maintain a strong brand, our business, financial condition, results of operations and prospects could be materially and adversely impacted.

The market for premium and lifestyle goods generally is intensely competitive, and we may not be successful in maintaining and strengthening the appeal of our aircraft over other premium lifestyle alternatives. Customer preferences, particularly among premium goods, can vary and change over time, sometimes rapidly. We are therefore exposed to changing perceptions of our brand image and the image of personal aircraft more generally, as we seek to attract new generations of customers. Any failure to preserve and enhance the value of our brand may materially and adversely affect our ability to sell our aircraft, to maintain our pricing and to extend the value of our brand into other activities profitably.

As a player in the personal aviation industry, we are subject to significant competition.

Many of the markets in which we operate are competitive as a result of the expansion of existing private aircraft operators and expanding private aircraft ownership and alternatives, such as premium commercial airline services. We compete against a number of professional aviation operators with different business models, local and regional private charter operators and aircraft companies. In addition, factors that affect competition in our industry include price, reliability, safety, regulations, reputation, aircraft availability, equipment and quality, consistency and ease of service and investment requirements. There can be no assurance that our competitors will not be successful in capturing a share of our present or potential customer base. The materialization of any of these risks could adversely affect our business, financial condition, results of operations and prospects.

The modification, renewal and revocation of permits, approvals, authorizations and licenses may impose limitations that increase the costs or limit the availability of our products.

Our business requires a variety federal, state, local and other government permits, approvals, authorizations and licenses and the maintenance of such permits, approvals, authorizations and licenses. Our business is subject to regulations and requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or if changes in applicable regulations or requirements occur. For example, FAA regulatory requirements associated with design approval and production approval for the production of an aircraft mean that our aircraft production business could be restricted by modification or revocation of these approvals upon which we depend which could have a material adverse impact on our business, financial condition, results of operations and prospects. See "Business — Licenses, Certificates and Permits."

Orders and reservations for our aircraft may be canceled by customers who have already provided deposit payments.

Our backlog represents orders and reservations that we have not fulfilled and, accordingly, for which we have not yet recognized revenue. We may not receive revenue from these orders or reservations, even in cases where the deposit is nonrefundable, and any backlog we report may not be indicative of our future revenue.

Many events can cause a delivery to be delayed or not completed at all, some of which may be out of our control, including supply chain disruptions resulting from the COVID-19 pandemic and our suppliers not being able to provide us with products or components or from production capacity constraints. If we delay fulfilling customer orders or reservations or if customers reconsider their orders or reservations, those customers may seek to cancel or modify their orders or reservations with us. Customers may otherwise seek to cancel or delay their orders or reservations even if we are prepared to fulfill them. If our backlog does not result in sales, our results of operation may suffer. Our customer deposits are recognized as current liabilities. We had customer deposits of US$145.2 million, US$165.1 million, US$149.5 million and US$191.8 million as of December 31, 2021, 2022 and 2023 and April 30, 2024, respectively.

We are subject to potential warranty and product liability claims, which could cause material harm to our brand image and reputation and have a material adverse effect on our business, financial condition, results of operations and prospects.

We provide warranties that the aircraft airframe will be free of material and workmanship defects under normal use and services for a period of 24 months or 1,000 flight hours, whichever comes first for the Vision Jet, and for a period of 36 months or 2,000 flight hours, whichever comes first, for the SR2X Series. We also provide extended warranty options. Accordingly, flaws or defects in our design and production process could give rise to material exposures under our product and performance warranties. We made provision for product warranties of US$19.8 million, US$12.4 million and US$16.9 million, in 2021, 2022 and 2023, respectively, for current year sales and prior period Service Bulletins, representing 2.7%, 1.4% and 1.6% of our revenue for the same years, respectively.

Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the historical warranty period for all products sold. Any such estimates of future warranty liabilities are inherently uncertain, and any changes to our estimates, especially with respect to new aircraft or features, may require us to make material changes to our warranty reserve policies in the future. If our warranty reserves and related insurance coverages prove to be inadequate to cover our future warranty claims, or if our suppliers and subcontractors fail to honor the underlying warranties that we pass through to our own customers or our insurance providers fail to process or pay our insurance claims in time or at all, our business, financial condition, results of operations and prospects could be materially and adversely affected. See "Financial Information — Review of Historical Results of Operations — Year Ended December 31, 2023 Compared to Year Ended December 31, 2022 — General and Administrative Expenses" for further details.

In addition, flaws and defects in our design and production processes, or in those of our suppliers and subcontractors, as well as unsatisfactory performance of our products, could give rise to product liability and product recall exposures. In the event of litigation involving claims of this nature, we could become obligated to pay material damage awards and/or legal expenses in amounts far greater than our insurance coverage. Such events would also generate negative publicity, which could in turn cause material harm to our brand image and reputation. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our ability to maintain sufficient liquidity going forward is subject to the general liquidity of and ongoing changes in the credit markets in addition to other factors.

Our liquidity is a function of our cash on-hand, our ability to successfully generate cash flows from a combination of efficient operations and continuing operating improvements, access to capital markets and funding from third parties. We believe our liquidity should be sufficient to meet our operating requirements as they occur; however, our ability to maintain sufficient liquidity going forward is subject to the general liquidity of and ongoing changes in the credit markets as well as general economic, financial, competitive, legislative, regulatory, and other market factors that are beyond our control. The recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures in the U.S. could affect our liquidity. The recent closures of U.S. banks and their placement into receivership with the Federal Deposit Insurance Corporation created bank-specific and broader financial institution liquidity risk and concerns in the U.S. market. If we are not able to maintain adequate liquidity, we may not be able to meet our operating cash flow requirement, debt service cost, future required contributions to our employee benefit plan, and other financial obligations.

A failure in our technology or breaches of the security of our information technology infrastructure may adversely affect our business, financial condition, results of operations and prospects.

The performance and reliability of the technology that we use is critical to our ability to compete effectively. A significant internal technological error or failure or large-scale external interruption in the technological infrastructures on which we depend, such as power, telecommunications or the Internet, may disrupt our internal network. Any substantial, sustained or repeated failure of the technology that we use could impact our ability to conduct our business, lower the utilization of our aircraft, and result in increased costs. Our technological systems and related data may be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues.

We are subject to complex and frequently changing privacy and data protection laws, rules and regulations in the United States as well as in other regions where we operate, regarding the collection, use, storage, transfer and other processing of personal information.

Cybersecurity risks and the failure to maintain the confidentiality, integrity and availability of our computer hardware, software and internet applications and related tools and functions could result in damage to our reputation, data integrity and/or subject to costs, fines or lawsuits under data privacy laws or other contractual requirements. The integrity and protection of the data we hold is relevant to our business. The regulatory environment governing information, security and privacy laws is increasingly demanding and continues to evolve. We could be subject to risks caused by misappropriation, misuse, leakage, falsification, system malfunction or intentional or accidental release or loss of information maintained in our information systems and networks and those of our third-party service providers.

If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer regulatory consequences in addition to business consequences. We are subject to complex and frequently changing privacy and data protection laws, rules and regulations in the United States as well as in other regions where we operate, regarding the collection, use, storage, transfer and other processing of personal information. These privacy, security and data protection laws and regulations could impose significant limitations, require changes to our policies, practices and processes and in some cases impose restrictions on our use or storage of personal information. For example, on January 1, 2023, California enacted the California Privacy Rights Act, which significantly modifies the California Consumer Privacy Act, including by expanding consumers' rights with respect to certain non-public personal information and creating a new state agency to oversee implementation and enforcement efforts. We are also subject to the European General Data

Protection Regulation, which is considered one of the strictest and most comprehensive privacy laws in the world, is being continuously enforced, and levies increasingly heavy fines on businesses for non-compliance. As regulations continue to evolve, we may be potentially subject in the future to additional data protection obligations to those that we are already subject to and for which we are fully compliant, which may result in additional costs, including for the purpose of monitoring rapidly evolving privacy laws, rules and regulations.

Government enforcement actions can be costly and may interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in significant fines, reputational damage and civil lawsuits, any of which may adversely affect our business, financial condition, results of operations and prospects.

If we are unable to adequately protect our intellectual property interests or are found to be infringing on intellectual property interests of others, we may incur significant expense and our business may be adversely affected.

Our intellectual property includes our trademarks, goodwill, domain names, website, mobile and web applications, software (including our proprietary algorithms and data analytics engines), copyrights, trade secrets and inventions (whether or not patentable). We believe that our intellectual property plays an important role in protecting our brand and the competitiveness of our business. If we do not adequately protect our intellectual property, our brand and reputation may be adversely affected and our ability to compete effectively may be impaired.

We protect our intellectual property through a combination of patent, trademark, copyright, and trade secret laws, contracts and policies. We have registered our patents, trademarks and domain names that we use in the United States and certain other jurisdictions in which we do significant business, but we may not have such registrations for all territories in which we have fewer operations. In the United States, we have brought a claim against a small charter company infringing on use of the Cirrus name. Although the initial claim was ruled against our favor, we do not expect a material adverse financial impact on us if we are not successful in our appeal. However, we may be unable to prevent competitors from acquiring trademarks or domain names that are similar to or diminish the value of our intellectual property or in any way are misleading or deceptive to our existing or potential customers, and will have to seek legal action to oppose or invalidate such registrations. In addition, it may be possible for other parties to copy or reverse engineer our applications or other technology offerings. Moreover, our proprietary algorithms, data analytics engines, or other software or trade secrets may be compromised by third parties or our employees or agents, which could negatively impact any competitive advantage that we may have from them.

Our business is subject to the risk of third parties infringing our intellectual property. Violations of intellectual property laws (including trade secret laws) can lead to legal actions against infringing parties. If our intellectual property (including trade secrets) is infringed, misappropriated or disclosed without authorization, we may seek legal remedies to protect our interests. Litigation, settlements, or damages awarded can impact both our financial resources and reputation. Considering the varying enforceability of intellectual property laws (including trade secret laws) across jurisdictions, we actively keep abreast of the legal frameworks and regulations of different countries to protect intellectual property (including trade secrets) during global operations. We may not always be successful in securing protection for, or identifying or stopping infringements of, our intellectual property, and we may need to resort to litigation, arbitration or other dispute resolution mechanisms in the future to enforce our intellectual property rights. Any such litigation could result in significant costs and a diversion of our management's time and resources. Further, such enforcement efforts may result in a ruling that our intellectual property rights are unenforceable.

Companies in the aviation and technology industries are frequently subject to litigation based on allegations of intellectual property infringement, misappropriation or other violations. We may acquire or introduce new technology offerings, which may increase our exposure to patent and other intellectual property claims. Any intellectual property claims asserted against us, whether or not having any merit, could be time-consuming and expensive to settle or litigate. If we are unsuccessful in defending such a claim, we may be required to pay substantial damages, we could be subject to an injunction or we could agree to a settlement that may prevent us from using our intellectual property or making our offerings available to customers.

Some intellectual property claims may require us to seek a license to continue our operations, and those licenses may not be available on commercially reasonable terms or may significantly increase our operating expenses. If we are unable to procure a license, we may be required to develop or acquire non-infringing technological alternatives, which could require significant time and expense. Further, if international regulatory risks relating to intellectual property were to materialize, it could lead to legal consequences, reputational damage, business disruptions, and loss of intellectual property. Violations of international laws and regulations relating to intellectual property can result in legal actions, fines, penalties, and potential criminal liability. Regulatory risks can harm our reputation, erode customer trust, and negatively affect public perception. Compliance issues relating to intellectual property may disrupt operations, supply chains, and business relationships, resulting in financial losses. Failure to protect trade secrets and intellectual property can lead to misappropriation, loss of competitive advantage, and decreased market share. Any of these events could adversely affect our business, financial condition, results of operations and prospects.

Our financial results may vary significantly from period to period due to the seasonality of our business and fluctuations in our operating costs.

Due to fewer deliveries at the start of the year as we roll out and replenish updated demo and training aircraft, which reduces the number of aircraft available for delivery to customers, our results are typically strongest towards the end of the year. In addition, due to the location of our primary production facilities, we experience seasonal weather conditions which impacts our ability to certify the airworthiness of aircraft on a predictable basis. Seasonal impacts are typically reflected during the start of our fiscal year leading to lower revenues during such period. We generally keep a higher level of finished goods or aircraft in inventories during the year as compared to the start of the year or the winter months. See "Business — Seasonality" and "Financial Information — Discussion of Certain Key Statements of Financial Position Items — Inventories" for more details.

We may be unable to identify or execute acquisition opportunities as planned.

We may face challenges successfully completing acquisitions, including any acquisitions related to the consolidation of our supply chain or execution of our strategic objectives. We plan to organically, and inorganically through acquisitions, increase our production capacity and efficiency in order to support the growth of our business. However, there is no assurance that we will be able to identify suitable assets to expand our business. Even if we are able to identify suitable targets, such expansion can be difficult, time consuming and costly to execute. We may also have to engage in intense competition for attractive targets, which may make it difficult to consummate any acquisitions on commercially acceptable terms or at all. Even if we are able to consummate any acquisitions, our ability to grow our business through any recently completed or future acquisitions remains subject to further risks and uncertainties which could, in whole or in part, materially and adversely affect our growth plan in relation to acquisitions. For example, we may fail to successfully integrate the acquired businesses with our existing business and operations, or realize the expected synergies, growth opportunities and other benefits from such acquisitions.

In addition, for so long as CAIGA retains a material ownership interest in us, we will be deemed a "foreign person" under the regulations relating to the CFIUS. As such, acquisitions of or investments in U.S. businesses or foreign businesses with U.S. subsidiaries that we may wish to pursue may be subject to CFIUS review, the scope of which was recently expanded by the Foreign Investment Risk Review Modernization Act of 2018 ("**FIRRMA**") to include for example, certain non-passive, non-controlling investments (including certain investments in entities that hold or process personal information about U.S. nationals), certain acquisitions of real estate even with no underlying U.S. business, and any transaction resulting in a "change in the rights" of a foreign person in a U.S. business if that change could result in either control of the business or a covered non-controlling investment. If a particular proposed acquisition or investment falls within CFIUS' jurisdiction, we may determine that we are required to make a mandatory filing or that we will submit to CFIUS review on a voluntary basis, or to proceed with the transaction without submitting to CFIUS and risk CFIUS intervention, before or after closing the transaction. In addition, among other things, FIRRMA authorizes CFIUS to prescribe regulations defining "foreign person" differently in different contexts, which could result in less favorable treatment for investments and acquisitions by companies from countries of "special concern."

If such future regulations impose additional burdens on acquisition and investment activities involving China and Chinese investor-controlled entities, our ability to consummate transactions falling within CFIUS's jurisdiction that might otherwise be beneficial to us and our shareholders would be hindered.

Our ability to obtain financing or access capital markets may be limited due to a number of factors, including covenants in our credit agreements.

There are a number of factors that may limit our ability to raise financing or access capital markets in the future, including current and future debt and future contractual obligations, our liquidity and credit status, our operating cash flows, the market conditions in the personal aviation industry, U.S. and global economic conditions, the general state of the capital markets and the financial position of the major providers of aircraft and other aviation industry financing. We cannot assure you that we will be able to source external financing for our capital needs; and, if we are unable to source financing on acceptable terms, or unable to source financing at all, our business could be materially adversely affected.

Our credit agreements contain covenants that may limit our ability to operate our business. Under the terms of our credit agreement with a U.S. commercial bank, we are required to comply with certain financial covenants based on financial, including specified ratios: (i) between our indebtedness to EBITDA (non-IFRS measure) (as defined under the credit agreement) and (ii) between (a) the sum of EBIDA (non-IFRS measure) (as defined under the credit agreement) less unfinanced capital expenditures and cash dividends and distributions to (b) the sum of interest expense paid or payable in cash and scheduled principal payments with respect to indebtedness.

Such credit agreement also contains, and our future debt financing agreements may contain, restrictions that may limit our ability to, among other things, incur additional debt over agreed thresholds, create liens, make certain investments, effect a fundamental change, make certain asset dispositions, and declare or make restricted payments in certain circumstances. These covenants could also restrict our ability to respond to changes in business and economic conditions, to engage in potentially beneficial transactions and to obtain required financing. During the Track Record Period and up to the Latest Practicable Date, we were in compliance with all covenants. To the extent we finance our activities with debt, we may become subject to further financial and other covenants that may restrict our ability to pursue our business strategy or otherwise constrain our growth and operations. Furthermore, a failure by us to comply with these covenants could result in a default under our debt agreements, which could permit our creditors to accelerate our obligations to repay debt. Any of these outcomes could have a material adverse impact on our business, financial condition, results of operations and prospects.

Interest rate fluctuations may adversely affect our business.

Interest rate fluctuations may adversely affect our financial performance. Any changes in interest rates will impact our borrowing costs. We currently have exposure to floating rate debt. While the exposure to interest rate volatility may be hedged through the use of interest rate swaps and interest rate caps, the magnitude of the final exposure depends on the effectiveness of the hedge. We do not currently have any interest rate hedging in place. Moreover, the potential for low or negative interest rates in the United States and on U.S. Dollar-denominated financial instruments could adversely impact our revenues, including interest on our cash and bank balances. Any or all of these factors could materially and adversely affect our business, financial condition and results of operations and our ability to meet our financial obligations.

Exchange rate fluctuations may adversely affect our business.

Since we operate as a multinational corporation that sells to customers and sources products in many different countries, changes in exchange rates could in the future, adversely affect our cash flows and results of operations. We currently operate primarily in U.S. dollars, and therefore do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar. An increase in the value of the U.S. dollar against currencies in countries in which our customers reside could have a negative impact on the demand for our aircraft. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows to the extent we begin to conduct business in other currencies and based on its impact on demand for goods in U.S. dollars.

We face risks associated with malicious competition or other detrimental impact from third parties which could damage our reputation and cause our customers to lose faith in our brand.

We may become subject to malicious third-party activities including anti-competition conduct, harassing, or other harmful behaviors, especially customers unsatisfied with our products and services or third-party competitors. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. Our brand reputation may be harmed by aggressive marketing and communications strategies of our competitors. Third parties may also maliciously copy or adopt our key business strategies to gain an unfair competitive advantage in the market. We cannot guarantee that we will not be exposed to such unfair business competition or dominant market position abuse imposed by third parties in the future. In particular, we may face the risk of unfair competition or other maliciously competitive actions by third parties whose corporate names carry "Cirrus" in their name, in particular in addition to any references to aviation, or carry other words that are similar to our corporate and brand names. This includes companies that may already exist or ones that may exist in the future. Disputes, litigation, regulatory actions or other negative publicity in relation to those third parties bearing similar names could also be mistakenly perceived as relating to us. In addition, we may become the target of government or regulatory investigation as a result of or in connection with such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

Moreover, you may see negative information posted on the Internet or pages embedded in various social media mobile apps related to us or our Directors, employees, affiliates or third-party collaboration partners, even without merit. Consumers may value readily available information concerning retailers, manufacturers, and their goods and services and often act on such information without further investigation or authentication and without regard to its accuracy. Social media platforms may immediately publish the content posted by their subscribers and members, often without filters or due diligence checks on the accuracy of such content posted. Therefore, information on social media platforms generates impact almost immediately as it is disseminated. Information posted may be inaccurate and adverse to us, and it may harm our business, financial condition, results of operations and prospects.

The harm may be immediate without affording us an opportunity for redress or correction, which, a result of the public dissemination of anonymous allegations or malicious statements about us, may in turn cause us to lose market share, customers and revenue-generating capabilities and adversely affect our business, financial condition, results of operations and prospects.

Our significant intangible assets and goodwill may expose us to write-downs and other risks associated with periodic impairment tests carried out pursuant to IAS 36.

Our intangible assets and goodwill exposes us to losses arising in connection with impairment. As of December 31, 2023, our intangible assets and goodwill were US$245.2 million and US$115.9 million, respectively, accounting for 24.3% and 11.5% of our total assets as of the same date, respectively. Our intangible assets primarily include our Cirrus trademark, development costs and aircraft type certificates. For more details, see "Financial Information — Discussion of Certain Key Statements of Financial Position Items — Intangible Assets."

Pursuant to IAS 36, (i) goodwill and indefinite-lived intangible assets, such as trademarks, are not amortized, but are reviewed for impairment at least annually or more frequently if impairment indicators arise and (ii) finite-lived intangible assets, such as aircraft type certificates, are recognized at fair value at the acquisition date and are subsequently carried at cost less accumulated amortization. In evaluating the recoverability of the value of these assets and the potential for the impairment thereof, we make assumptions regarding future operating performance, business trends and market and economic conditions. Such analyses in turn require us to make certain assumptions about operating cash flows, growth rates and discount rates. Uncertainties are inherent to any such assessments of the recoverability of the value of these assets.

We cannot assure you that we will not record write-downs in the future if our financial performance should diverge significantly from the assumptions underlying such impairment tests or if we otherwise experience unexpected business disruptions or declines in market capitalization. The occurrence of such write-downs could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our net current liabilities position may be affected by payment under the Management Incentive Plan.

Pursuant to the Management Incentive Plan and as further disclosed in "Directors and Senior Management — Management Incentive Plan", based on the indicative Offer Price range as disclosed in this Prospectus and the corresponding market capitalization of the Company immediately upon Listing, the Special Cash Bonus of 1% of the market capitalization of the Company immediately upon Listing will be paid after the Listing. Based on the size of the Global Offering as disclosed in this Prospectus, the estimated aggregate amount of the Special Cash Bonus under the Management Incentive Plan is US$12.8 million (equivalent to HK$100.0 million, based on the low-end of our indicative Offer Price range, assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised) or US$13.1 million (equivalent to HK$102.4 million, based on the high-end of our indicative Offer Price range, assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised). For more details see "Directors and Senior Management — Management Incentive Plan." There is no assurance that such payment would not result in us recording net current liabilities in the future.

We recorded net current liabilities as of December 31, 2021.

As of December 31, 2021, we had net current liabilities of US$31.5 million. Our net current liabilities position as of December 31, 2021 was primarily due to customer deposits and borrowings. For more details on our net current liabilities position as of December 31, 2021, please see "Financial Information — Liquidity and Capital Resources — Sources of Liquidity and Working Capital."

We require deposits from our customers to secure their orders, which is recorded as a current liability. During the Track Record Period, as our aircraft orders increased, our customer deposits also increased. For more details on customer deposits, see "Financial Information — Discussion of Certain Key Statements of Financial Position Items — Customer Deposits."

We cannot assure you that we will not have a net current liabilities position in the future. A net current liabilities position may expose us to liquidity risk which could restrict our ability to make necessary capital expenditure or develop business opportunities, and our business, operating results and financial condition could be materially and adversely affected. In addition, if we are unable to obtain sufficient funds to finance our operations, or to satisfy our current liabilities in a timely manner, our business operations, liquidity and ability to raise funds may be materially and adversely affected.

Failure to fulfill our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position.

Our contract liabilities represent our obligations to provide the contracted products and services to customers, primarily under customer maintenance contracts and our extended warranty and JetStream program. As of December 31, 2021, 2022 and 2023, we had contract liabilities of US$80.7 million, US$85.5 million and US$102.3 million, respectively. For further details, see "Financial Information — Discussion of Certain Key Statements of Financial Position Items — Contract liabilities and contract assets." There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to reimburse or compensate our customers for failure to fulfill our obligations. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

We are exposed to risks of obsolete inventory which may adversely impact our cash flow and liquidity.

We are exposed to risk of inventory obsolescence. Our inventory primarily consists of raw materials and work in process, as we produce aircraft based on customer orders. We had inventories of raw materials of US$46.7 million, US$75.7 million and US$89.8 million as of December 31, 2021, 2022 and 2023, respectively. We had inventories of work in process of US$44.3 million, US$39.7 million and US$41.0 million as of December 31, 2021, 2022 and 2023, respectively. Our average inventory turnover days were recorded at approximately 65.2 days, 67.1 days and 66.5 days for the years ended December 31, 2021, 2022 and 2023, respectively. As of December 31, 2021, 2022 and 2023, we had provision for inventory obsolescence of US$2.1 million, US$3.2 million and US$5.2 million, respectively.

Our business is subject to customers' preferences and behavior, which are beyond our control. Any increase in inventory may adversely affect our working capital. If we cannot manage our inventory level efficiently in the future, our liquidity and cash flow may be adversely affected. As our business expands, our inventory level increases, and our inventory obsolescence risk may also increase along with the increased purchase of inventories. Furthermore, any unexpected and adverse changes to the optimal storage conditions at our warehouse may expedite the deterioration of our inventories which may in turn increase our inventory obsolescence risk. Therefore, any unexpected change in the economic condition or degree of economic activities of our customers may render our inventory obsolete. Such unexpected change in the demand for our products may result in over-stocked inventories which may lead to decline in inventory values, and significant write-offs. All these factors may in turn adversely affect our business, financial condition, and results of operations.

We are subject to anti-corruption, anti-bribery, and similar laws, and noncompliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption laws and regulations, including the FCPA, the U.K. Bribery Act and other anti-corruption, anti-bribery, anti-money laundering, and similar laws in the United States and other jurisdictions we operate in. Anti-corruption and anti-bribery laws, which have been enforced aggressively and are interpreted broadly, prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the public sector. Anti-money laundering laws prohibit disguising financial assets so they can be used without detection of the illegal activity that produced them.

We leverage our business partners, including channel partners, to sell our aircraft and service solutions and host facilities for our network. We may also rely on our business partners to conduct our business abroad. We and our business partners may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of our business partners and intermediaries, our employees, representatives, contractors, channel partners and agents, even if we do not explicitly authorize such activities. We are also subject to certain economic and trade sanctions programs administered by OFAC, which prohibit or restrict transactions to, or from, or dealings with, specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are SDNs, Sanctioned Persons, narcotics traffickers, and/or terrorists or terrorist organizations. Our subsidiaries may be subject to additional foreign or local sanctions requirements in other relevant jurisdictions.

We cannot assure you that all of our employees and agents have complied with, or in the future will comply with, our policies and applicable laws. The investigation of possible violations of these laws, including internal investigations and compliance reviews that we may conduct from time to time, could have a material adverse effect on our business. Noncompliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from government contracts and other contracts, other enforcement actions, the appointment of a monitor, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage and other consequences. Other internal and government investigations, regulatory proceedings, or litigation, including private litigation filed by our shareholders, may also follow as a consequence. Any investigations, actions, or sanctions could materially harm our reputation, business, financial condition, results of operations and prospects. Further, the promulgation of new laws, rules or regulations or new interpretations of current laws, rules or regulations could impact the way we do business in other countries, including requiring us to change certain aspects of our business to ensure compliance, which could reduce revenues, increase costs, or subject us to additional liabilities.

We are potentially subject to legal proceedings and other claims.

We are potentially subject to legal proceedings and other claims arising from or in connection with the conduct of our business, including proceedings and claims relating to commercial and financial transactions; alleged lack of compliance with applicable laws and regulations; disputes with suppliers, production partners or other third parties; product liability; patent and trademark infringement; employment disputes; and environmental, safety and health matters. In the case of litigation matters for which reserves have not been established because the loss is not deemed probable, it is reasonably possible that such claims could be decided against us and could require us to pay damages or make other expenditures in amounts that are not presently estimable.

Due to the nature of our business, we are subject to liability claims arising from or in connection with accidents involving our products, including claims for serious personal injuries or death caused by weather or by pilot error or a combination of both. In addition, we cannot be certain that our reserves are adequate and that our insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, we may not be able to obtain insurance coverage at acceptable levels and costs in the future. We cannot predict the levels of the premiums that we may be required to pay for subsequent insurance coverage, the level of any retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks. Litigation is inherently unpredictable, and we could incur judgments, receive adverse arbitration awards or enter into settlements for current or future claims that could adversely affect our results of operations.

We may not be able to detect and prevent fraud or other misconduct committed by our employees or third parties.

Fraud or other misconduct by employees, such as unauthorized business transactions and breaches of our internal policies and procedures, or third parties, such as breach of law, may be difficult to detect and prevent and could subject us to financial loss, sanctions imposed by governmental authorities and seriously harm our reputation. Our risk management systems, information technology systems, and internal control procedures are designed to monitor our operations and overall compliance. See "Business — Internal Control and Risk Management." However, we may not be able to identify non-compliance matters in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud or other misconduct and the precautions we take to prevent and detect such activities may not be effective. Consequently, risk of fraud or other misconduct may have previously occurred but was undetected, or may occur in the future. This could materially adversely affect our business, financial condition, results of operations and prospects and our ability to meet our financial obligations.

Unanticipated changes in our tax rates or trade policies that we are subject to, or exposure to additional income tax liabilities or regulations could affect our profitability.

We are subject to income taxes, capital gains taxes, value-added taxes and/or other taxes in the U.S. and various foreign jurisdictions, and our domestic and international tax liabilities are subject to the location of income among these different jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in the amount of earnings indefinitely reinvested offshore, changes to unrecognized tax benefits or changes in tax laws, which could affect our profitability. In particular, the carrying value of deferred tax assets is dependent on our ability to generate future taxable income, as well as changes to applicable statutory tax rates. In addition, the amount of income taxes that we pay is subject to audits in various jurisdictions, and a material assessment by a tax authority could affect our profitability.

Our tax filings are subject to audits by tax authorities in the various jurisdictions in which we do business. These audits may result in assessments of additional taxes that are subsequently resolved with the taxing authorities or through the courts. Currently, we believe there are no outstanding assessments whose resolution would result in a material adverse financial result. However, there can be no assurances that unasserted or potential future assessments would not have a material effect on our business, financial condition, or results of operations.

In addition, we are subject to a wide variety of complex domestic and international laws, rules and regulations, including trade policies and tax regimes. We are affected by new laws and regulations and changes to existing laws and regulations, including interpretations by the courts and regulators, whether prompted by changes in government administrations or otherwise. These laws, regulations and policies, and changes thereto, may result in restrictions or limitations to our current operational practices and processes and product/service offerings which could negatively impact our current cost structure, revenue streams, future tax obligations, the value of our deferred income tax assets, cash flows and overall financial position.

Natural disasters or other events outside of our control may disrupt our operations, adversely affect our business, financial condition, results of operations and prospects, and may not be fully covered by insurance.

Natural disasters, including hurricanes, fires, tornados, floods and other forms of severe weather, the intensity and frequency of which are being exacerbated by climate change, along with other impacts of climate change, such as rising sea waters, as well as other events outside of our control including public health crises, pandemics, power outages and industrial accidents, have in the past and could in the future disrupt our operations and adversely affect our business. We also face seasonal impacts to our business due to the sometimes severe weather where our facilities are located, particularly in Duluth, Minnesota, which typically experiences significant snowfall that impacts production and where several of our facilities are located.

Any of these events could result in physical damage to and/or complete or partial closure of one or more of our facilities and temporary or long-term disruption of our operations or the operations of our suppliers by causing business interruptions or by impacting the availability and cost of materials needed for manufacturing or otherwise impacting our ability to deliver products and services to our customers. Existing insurance arrangements may not provide full protection for the costs that may arise from such events. The occurrence of any of these events could materially increase our costs and expenses and have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior market for our Shares, and their liquidity and market price following the Global Offering may be volatile.

Prior to the Global Offering, there was no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after the completion of the Global Offering. The Offer Price will be determined by negotiations between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and us, which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

In addition, the trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares, and the price of our Shares may not reflect our actual results of operations.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face dilution as a result of future equity financings.

As the Offer Price of Shares is higher than the net tangible book value per share of our Shares immediately prior to the Global Offering, purchasers of our Offer Shares will experience an immediate dilution. The unaudited pro forma adjusted consolidated net tangible assets of our Group as of December 31, 2023 were approximately US$0.81 per Share (equivalent to approximately HK$6.33 per Share) and US$0.82 per Share (equivalent to approximately HK$6.40 per Share), based on the Offer Price of HK$27.34 per Share and HK$28.00 per Share, respectively. Such unaudited pro forma adjusted consolidated net tangible assets per Share has not taken into account the special cash bonus under the management incentive plan of US$12.8 million based on the low-end of the indicative Offer Price range or US$13.1 million based on the high-end of the indicative Offer Price range and assuming that the Over-allotment Option and the Offer Size Adjustment Option are not exercised. See “Directors and Senior Management — Management Incentive Plan” for details. Had such special cash bonus (assuming a special cash bonus of US$12.8 million or US$13.1 million based on the low-end or high-end of the indicative Offer

Price range of HK$27.34 per Share or HK$28.00 per Share and assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised), respectively, been taken into account, the unaudited pro forma adjusted consolidated net tangible assets per Share would decrease by approximately US$0.04 per Share (equivalent to approximately HK$0.31 per Share), and the unaudited pro forma adjusted consolidated net tangible assets per Share would have been approximately US$0.77 per Share (equivalent to approximately HK$6.01 per Share) and US$0.78 per Share (equivalent to approximately HK$6.09 per Share), based on the Offer Price of HK$27.34 per Share and HK$28.00 per Share, respectively. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Future or perceived sales of substantial amounts of our Shares could affect their market price.

Prior to the Global Offering, there has not been a public market for our Shares. Future sales or perceived sales by our existing Shareholders, or issuance by us of significant amounts of our Shares after the Global Offering, could result in a significant decrease in the prevailing market prices of our Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price for our Shares and our ability to raise equity capital in the future.

Our Controlling Shareholders have substantial influence over the Company, and our Controlling Shareholders' interests may not always be aligned with the interests of our other Shareholders.

Immediately following completion of the Share Subdivision and the Global Offering, AVIC, CAIGA and CAIGA Hong Kong will directly or indirectly hold in aggregate approximately 85.0% of our Shares (assuming that the Over-allotment Option and the Offer Size Adjustment Option are not exercised). The interests of our Controlling Shareholders may differ from the interests of our other Shareholders.

Our Controlling Shareholders may have conflicts of interest with us and our other shareholders. Accordingly, our Controlling Shareholders and its members may take actions that favor their own interests, but which are not in the best interests of our other shareholders and which would adversely affect the interests of our other shareholders. As our Controlling

Shareholders, and subject to our Memorandum and Articles and applicable laws and regulations, AVIC, CAIGA and CAIGA Hong Kong will have significant influence over our business and affairs, including decisions in respect of mergers, consolidations, other business combinations, acquisition or disposition of assets, issuance of additional Shares, timing and amount of dividend payments, election of Directors and senior management and approval of our annual budget. This concentration of ownership may discourage, delay or prevent changes in control that would otherwise benefit our other Shareholders. To the extent that the interests of our Controlling Shareholders conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

We may not pay any dividends in the future.

As we intended to retain most, if not all, of our funds and future earnings to fund the growth of our business, we have not adopted a formal dividend policy with respect to our future dividend. Therefore, you should not rely on the investment in our Shares as the source of your future dividend income.

Subject to certain restrictions under the Cayman Islands law, our Board has the discretion to determine whether to distribute dividends. Namely, our Company may only pay dividends either out of profits or a share premium account, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at their fall due in the ordinary course of business. In addition, the dividend amount may not exceed the amount recommended by our Board. Furthermore, the timing, amount and form of future dividends are subject to the limitation of our future financial results. Accordingly, your investment in our Shares will depend entirely upon any future price appreciation and there is no assurance as to the return of your investments.

We are a Cayman Islands company and you may face difficulties in protecting your interests under the laws of the Cayman Islands.

Our Company is an exempted company incorporated in the Cayman Islands with limited liability. Our operation and corporate affairs are governed by our Memorandum and Articles, the Cayman Companies Act and common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The Shareholders' right to take action against our Company and/or our Directors are governed by the common law of the Cayman Islands. However, the rights of the Shareholders and the fiduciary duties of Directors owed to us under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in Hong Kong, and the Cayman Islands has a less developed body of securities laws than Hong Kong. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a Hong Kong court. As we conduct substantially all of our operations and most of our Directors and senior management reside outside of Hong Kong, it may be difficult for you to effect service of process upon us or our management.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests than they would as public shareholders of a company incorporated in Hong Kong or the United States.

You should only rely on the information included in this Prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the Global Offering.

There has been, prior to the publication of this Prospectus, and there may be, subsequent to the date of this Prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any information concerning the Global Offering in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this Prospectus only and should not rely on any other information.

Forward-looking statements contained in this Prospectus are subject to risks and uncertainties.

This Prospectus contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would," and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications contained in this Prospectus.

Facts, forecasts and statistics in this Prospectus relating to the personal aviation industry are obtained from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Overall Coordinator, Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, advisers or agents, or any other persons or parties involved in the Global Offering, and no representation is given as to the accuracy or completeness of such information and statistics. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. Accordingly, the information from official government sources contained herein should not be unduly relied upon. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.