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Cirrus Aircraft Limited
西銳飛機有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2507)

CONNECTED TRANSACTIONS
PURCHASE OF EXTENDED WARRANTY

EXTENDED WARRANTY CONTRACTS

Cirrus Design (a wholly-owned subsidiary of the Company) has been purchasing extended warranty from Continental for its engines pursuant to requests from the Group's customers. During the Relevant Period, the Group's total purchases of extended warranty from Continental amounted to US$3,601,050.

LISTING RULES IMPLICATIONS

As of the date of this announcement, AVIC and its subsidiaries hold 310,963,318 Shares, representing approximately 84.97% of the issued share capital of the Company. AVIC is therefore a substantial shareholder of the Company. Continental is an associate of AVIC and hence a connected person of the Company. The transactions under the Extended Warranty Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As such transactions are contracted with Continental and conducted within a 12-month period, they are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transactions under the Extended Warranty Contracts exceed 0.1% but all of them are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Cirrus Design (a wholly-owned subsidiary of the Company) has been purchasing extended warranty from Continental for its engines pursuant to requests from the Group's customers. During the Relevant Period, the Group's total purchases of extended warranty from Continental amounted to US$3,601,050.

Continental is a wholly-owned subsidiary of Continental Aerospace Technologies Holding Limited which is indirectly held as to approximately 46.40% by AVIC, which in turn is a controlling shareholder of the Company. Therefore, Continental is an associate of AVIC and a connected person of the Company.

PURCHASE OF EXTENDED WARRANTY

During the Relevant Period, Cirrus Design (a wholly-owned subsidiary of the Company) has entered into Extended Warranty Contracts with Continental to purchase extended warranty for the engines provided by Continental on the Group's aircrafts sold to its customers on the back of such requests from the customers. The following table sets out the cumulative amount of the Extended Warranty Contracts since the start of the Relevant Period each month in which the Group had entered into Extended Warranty Contract with Continental:

Month	**Cumulative Amount of Extended Warranty Contracts (US$)**
July 2024 (since the Listing Date)	211,650
August 2024	1,138,050
October 2024	1,150,500
November 2024	2,507,550
December 2024	2,968,200
January 2025	2,980,650
March 2025 (up to the date of this announcement)	3,601,050

The consideration and the terms of the Extended Warranty Contracts are determined on normal commercial terms after arm's length negotiations between Continental and Cirrus Design, based on the warranty premium paid by the Group's customers. The premium amount under the Extended Warranty Contracts is payable by Cirrus Design within 30 days from the issue of the invoice by Continental.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EXTENDED WARRANTY CONTRACTS

The Group purchases extended warranties from Continental to meet the demands of its customers, who request extended coverage for the engines of their aircrafts beyond the three years already provided to them as part of the plan warranty. The decision to purchase the extended warranty is made by each individual customer. This arrangement is structured as a back-to-back agreement, where customers buy extended warranties on the airplane from the Group, and the Group, in turn, procures the corresponding warranties from major suppliers, including Continental among others. The Company considers the offer of such extended warranty as a value-added service to the Group's customers who require the additional coverage. Additionally, partnering with Continental ensures that the warranties are backed by the engine manufacturer, further boosting customer confidence in the Group's offerings.

The consideration and the terms of the Extended Warranty Contracts are determined on normal commercial terms after arm's length negotiations between Continental and Cirrus Design. The Directors (including the independent non-executive Directors) consider that the Extended Warranty Contracts have been made on normal commercial terms and in the ordinary and usual course of business of the Group; and that their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, AVIC and its subsidiaries hold 310,963,318 Shares, representing approximately 84.97% of the issued share capital of the Company. AVIC is therefore a substantial shareholder of the Company. Continental is a wholly-owned subsidiary of Continental Aerospace Technologies Holding Limited, which as of the date of this announcement is indirectly held as to approximately 46.40% by AVIC. Therefore, Continental is an associate of AVIC and a connected person of the Company. The transactions under the Extended Warranty Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As such transactions are contracted with Continental and conducted within a 12-month period, they are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transactions under the Extended Warranty Contracts exceed 0.1% but all of them are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has any material interest in the transactions under the Extended Warranty Contracts.

Since August 2024, one or more of the applicable percentage ratios concerning the cumulative amount of the Extended Warranty Contracts have exceeded 0.1%. The Company did not publish an announcement as required under Rule 14A.35 of the Listing Rules in August 2024 due to an inadvertent oversight which was attributable to the unexpected increase in the Group's customers' demand for extended warranty and payment timing delays due to delayed invoicing. Since the identification of the above, the Company has further enhanced its reporting system and provided additional trainings to its finance staff to monitor the amount of the transactions with Continental and other connected persons which include those items outside of the framework agreements with such connected persons previously disclosed to ensure all disclosure and other requirements under the Listing Rules are fully complied with. The enhanced measures include the implementation of a monthly reporting system, which involves generating a detailed report relating to the amount of Extended Warranty Contracts and the cumulated amount, reviewed by the senior management monthly to ensure accuracy and compliance.

The Company believes following the implementation of these measures, the Company will be able to more promptly assess the implications of the Listing Rules on its transactions, especially in light of any potential increase in customer requests for extended warranty.

INFORMATION ON THE PARTIES TO THE EXTENDED WARRANTY CONTRACTS

The Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability, and its shares are listed on the Main Board of the Stock Exchange. The Company designs, develops, manufactures, and sells premium aircraft across the personal aviation industry. Cirrus Design is a corporation organized under the laws of the State of Wisconsin, the United States. The Group engages in design, development, manufacturing, sales, marketing and customer service activities through Cirrus Design.

Continental

Continental is a corporation incorporated under the laws of Delaware. Continental is a wholly-owned subsidiary of Continental Aerospace Technologies Holding Limited, a company incorporated in Bermuda with limited liability and listed on the Main Board of Stock Exchange (stock code: 232). Continental is primarily engaged in general aviation aircraft piston engine manufacturing.

As of the date of this announcement, Continental Aerospace Technologies Holding Limited is indirectly held as to approximately 46.40% by AVIC.

AVIC was established in November 2008 in the PRC and its business spans across segments including defense, transport aircraft, helicopter, avionics systems, general aviation, aviation research and testing, aviation supply chain, automotive parts, assets management, finance and engineering and construction. AVIC is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement have the following meanings:

"AVIC"	Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司), a limited liability company established in the PRC; and a controlling shareholder of the Company
"Board"	the board of Directors
"Cirrus Design"	Cirrus Design Corporation, a corporation incorporated under the laws of the State of Wisconsin, the United States; and an indirect wholly-owned subsidiary of the Company
"Company"	Cirrus Aircraft Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Continental"	Continental Aerospace Technologies, Inc. (formerly known as Continental Motors, Inc.), a corporation incorporated under the laws of the State of Delaware, United States. Continental is a connected person of the Company
"Directors"	the directors of the Company
"Extended Warranty Contracts"	the contracts entered into between Cirrus Design and Continental in relation to the extended warranty for certain engines supplied by Continental

"Group"	the Company together with its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Date"	July 12, 2024, being the date on which the Shares were first listed and permitted to be trade on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"Relevant Period"	the period commencing the Listing Date and up to the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Shares"	ordinary shares of US$0.5 each in the issued share capital of the Company
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States

In this announcement, the terms "associate", "connected person", "controlling shareholder", "percentage ratios" and "subsidiary" have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

English translations for the Chinese names of the PRC entities, authorities or facilities in this announcement are for reference only. In the event of any discrepancies between the Chinese names of these PRC entities, authorities or facilities and their respective English translations, the Chinese version shall prevail.

By order of the Board
Cirrus Aircraft Limited
Mr. Lei YANG
Chairman and Non-Executive Director

Hong Kong, March 14, 2025

As at the date of this announcement, the Board comprises Mr. Lei YANG as the chairman and non-executive Director; Mr. Hui WANG as the vice-chairman and executive Director; Mr. Qingchun SONG, Mr. Liang LIU and Mr. Yihui LI as non-executive Directors; Mr. Zean Hoffmeister Vang NIELSEN as executive Director; and Mr. Ian H CHANG, Mr. Chung Man Louis LAU and Ms. Ferheen MAHOMED as independent non-executive Directors.