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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)

2025 INTERIM RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Cirrus Aircraft Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries for the six months ended June 30, 2025. This announcement, containing the full text of the 2025 interim report of the Company (the “**2025 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results.

These interim results have been reviewed by the Audit, Risk Control and Compliance Committee of the Board.

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at <https://cirrusaircraft.com>. The 2025 Interim Report will be published on the same websites in due course.

By order of the Board
Cirrus Aircraft Limited
西銳飛機有限公司
Mr. Lei YANG

Chairman and Non-Executive Director

Hong Kong, August 26, 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.

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Definitions

In this interim report, unless the context otherwise requires, the following terms have the following meanings. The following contains definitions of certain terms used in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"Aircraft"	our revenue stream including SR2X Series and Vision Jet aircraft
"Audit, Risk Control and Compliance Committee"	the audit, risk control and compliance committee of the Board
"AVIC"	Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司), a limited liability company incorporated in the PRC on November 6, 2008, one of our Controlling Shareholders
"backlog"	the total amount of SR2X Series and Vision Jet orders and reservations for aircraft not yet delivered to customers
"Board Committees"	collectively, the Audit, Risk Control and Compliance Committee, the Remuneration Committee and the Nomination Committee
"Board of Directors" or "Board"	our board of Directors
"CAIGA"	China Aviation Industry General Aircraft Co., Ltd.* (中航通用飛機有限責任公司), a limited liability company incorporated in the PRC on February 6, 2009, one of our Controlling Shareholders
"CAIGA Hong Kong"	CAIGA (Hong Kong) Limited (中航通飛香港有限公司), a company incorporated in Hong Kong with limited liability on December 12, 2019, one of our Controlling Shareholders
"CAPS"	Cirrus Airframe Parachute System
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China





Definitions

"Cirrus Industries"	Cirrus Industries, Inc., the surviving corporation pursuant to the merger among Legacy Cirrus Industries, CAIGA (US) Co., Ltd. and CAIGA Co., Ltd. in December 2022, and a direct wholly-owned subsidiary of the Company
"Cirrus IQ"	our connected digital platform and mobile application which collects a wide range of flight data and aircraft data during flight to provide pilots useful data on their aircraft
"Cirrus Services and Other"	our revenue stream including a wide-ranging service and experience offering and a wide variety of other ancillary products and services including but not limited to sales of after market parts, service sales, warranty sales and training sales and revenue from a related party
"Company", "our Company", "Cirrus"	Cirrus Aircraft Limited (西銳飛機有限公司) (Stock Code: 2507), an exempted company incorporated in the Cayman Islands with limited liability on December 13, 2019
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to AVIC, CAIGA and CAIGA Hong Kong
"CSAs"	Cirrus sales agents, a network of independent third-party agents that support our international sales efforts and may also provide after-sales services to customers including aircraft maintenance and parts sourcing
"Director(s)"	the director(s) of the Company or any one of them
"EBITDA"	earnings before interest, taxes, depreciation and amortization
"Global Offering"	the Hong Kong public offering and international offering as described in the Prospectus
"Group", "we", "our", "our Group" or "us"	the Company and its subsidiaries from time to time
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

Definitions

"IFRS" or "IFRSs"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"independent third party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"IT"	information technology
"Legacy Cirrus Industries"	Cirrus Industries, Inc., a corporation incorporated under the laws of Delaware on February 13, 1996, which was merged with and into CAIGA (US) Co., Ltd. and CAIGA Co., Ltd. in December 2022
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	July 12, 2024, on which the Shares were listed and from which dealings therein were permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"orders"	gross aircraft orders minus cancelations
"Over-allotment Option"	the option pursuant to which our Company may be required to allot and issue additional shares, as described in the section headed "Underwriting — International Offering — Over-allotment Option" in the Prospectus, which has been partially exercised on August 8, 2024
"Prospectus"	the prospectus of the Company dated June 28, 2024





Definitions

"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six-month period from January 1, 2025 to June 30, 2025
"Safe Return Emergency Autoland" or "Safe Return"	an automated emergency landing system, activated by a single touch of a button, which commands the aircraft to navigate to a suitable nearby airport and land autonomously in the event of pilot incapacitation or other emergency
"Securities Policy"	our own code of conduct regarding securities transactions, namely the securities policy for management, directors and public float
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US\$0.50 each
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States" or "U.S."	the United States of America
"U.S. dollars" or "US\$"	United States dollars, the lawful currency of the United States
"%"	per cent

Definitions

In this interim report, unless otherwise indicated, the terms "associate", "associated corporation", "connected person(s)", "connected transaction(s)", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.

Unless otherwise specified, certain amounts and percentage figures included in this interim report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

The English names of PRC nationals, enterprises, departments, facilities, certificates, regulations, titles and the like marked with "*" are translations of their Chinese names and are included in this interim report for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name will prevail.





Corporate Information

BOARD OF DIRECTORS

Mr. Lei YANG (楊雷)
(Non-executive Director and Chairman of the Board of Directors)

Mr. Hui WANG (王暉)
(Executive Director and vice Chairman of the Board of Directors)

Mr. Qingchun SONG (宋慶春)
(Non-executive Director)

Mr. Liang LIU (劉亮)
(Non-executive Director)

Mr. Yihui LI (李屹暉)
(Non-executive Director)

Mr. Zean Hoffmeister Vang NIELSEN
(Executive Director and chief executive officer)

Mr. Ian H CHANG (張仁熾)
(Independent non-executive Director)

Mr. Chung Man Louis LAU (劉仲文)
(Independent non-executive Director)

Ms. Ferheen MAHOMED (alias: 馬穎欣)
(Independent non-executive Director)

JOINT COMPANY SECRETARIES

Mr. Wei PI (皮巍)

Ms. Hoi Ting WONG (黃凱婷)
(ACG, HKACG)

AUTHORISED REPRESENTATIVES

Mr. Hui WANG (王暉)

Ms. Hoi Ting WONG (黃凱婷)

AUDIT, RISK CONTROL AND COMPLIANCE COMMITTEE

Mr. Liang LIU (劉亮)

Mr. Chung Man Louis LAU (劉仲文)
(Chairperson)

Ms. Ferheen MAHOMED (alias: 馬穎欣)

REMUNERATION COMMITTEE

Mr. Qingchun SONG (宋慶春)

Mr. Liang LIU (劉亮)¹

Mr. Ian H CHANG (張仁熾) *(Chairperson)*

Mr. Chung Man Louis LAU (劉仲文)

Ms. Ferheen MAHOMED (alias: 馬穎欣)¹

NOMINATION COMMITTEE

Mr. Lei YANG (楊雷) *(Chairperson)*

Mr. Ian H CHANG (張仁熾)

Mr. Chung Man Louis LAU (劉仲文)²

Ms. Ferheen MAHOMED (alias: 馬穎欣)³

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Notes:

1. Mr. Liang LIU (劉亮) and Ms. Ferheen MAHOMED (alias: 馬穎欣) ceased to be members of the Remuneration Committee with effect from August 26, 2025.
2. Mr. Chung Man Louis LAU (劉仲文) ceased to be a member of the Nomination Committee with effect from August 26, 2025.
3. Ms. Ferheen MAHOMED (alias: 馬穎欣) was appointed as a member of the Nomination Committee with effect from August 26, 2025.

Corporate Information

ADDRESS OF HEAD OFFICE IN THE U.S.

4515 Taylor Circle
Duluth
Minnesota, 55811
United States

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPLIANCE ADVISER

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

HONG KONG LEGAL ADVISER

Allen Overy Shearman Sterling
9th Floor, Three Exchange Square
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

2507

WEBSITE

<https://cirrusaircraft.com/>





Financial and Business Highlights

- In the first half of 2025, Cirrus introduced the newest SR Series model, the SR Series G7+ featuring Safe Return™ Emergency Autoland as standard equipment. The SR Series G7+ also adds new features: Automatic Database Updates powered by Cirrus IQ PRO™, Runway Occupancy Awareness and Smart Pitot Heat.
- Revenue for the six months ended June 30, 2025 increased by approximately US\$119.1 million to US\$594.5 million, as compared to US\$475.4 million for the same prior year period, representing an increase of 25.1%, primarily attributable to increased aircraft deliveries, increased pricing on Aircraft, and higher volume of revenue generated from our Cirrus Services and Other revenue stream. This year's increase in deliveries is driven by driving more consistency in the production line and amplified by the prior year G7 production launch which caused production challenges and lowered delivery ready units in 2024. Due to these issues in 2024, deliveries were shifted to the latter half of the year, this will not be repeated in 2025. For the six months ended June 30, 2025, the Company has worked to smooth the usual seasonality between H1 and H2 by driving consistency and predictability in our production line.
- Revenue generated from Cirrus Services and Other grew from approximately US\$77.5 million for the six months ended June 30, 2024 to approximately US\$96.2 million for the same period in 2025, primarily driven by the growths in the JetStream program and flight training.
- Gross profit increased by approximately US\$51.6 million from approximately US\$163.4 million for the six months ended June 30, 2024 to approximately US\$215.0 million for the same period in 2025, primarily attributable to increased aircraft sales, increased pricing on Aircraft, and increased sales generated from Cirrus Services and Other.
- Profit for the period increased by approximately 82.5% from approximately US\$35.6 million for the six months ended June 30, 2024 to approximately US\$65.0 million for the same period in 2025. This increase is driven by the the aircraft production and deliveries discussed previously.

Financial and Business Highlights

RESULTS

	Period ended June 30,		Percentage increase/ (decrease)
	2025 US\$'000 (unaudited)	2024 US\$'000 (unaudited)	
Revenue	594,488	475,386	25.1%
Gross profit	215,003	163,441	31.5%
Profit before tax	82,108	44,068	86.3%
Profit for the period	64,966	35,607	82.5%

ASSETS AND LIABILITIES

	As of June 30, 2025 US\$'000 (unaudited)	As of December 31, 2024 US\$'000 (audited)	Percentage increase/ (decrease)
Total assets	1,437,072	1,363,221	5.4%
Total liabilities	626,751	581,270	7.8%



We design, develop, manufacture, and sell premium aircraft recognized across the personal aviation industry, which incorporate innovations in safety, technology, connectivity, performance, and comfort. Our two aircraft product lines, the SR2X Series and the Vision Jet, have successfully set the industry standard for owner-piloted aircraft and are currently certified and validated in more than 60 countries. We provide a wide range of products and services which include maintenance, upgrades, training, pilot services, Cirrus IQ connectivity, and e-commerce.

Since our inception in 1984 in Wisconsin, United States, we have delivered over 10,000 SR2X Series aircraft and over 600 Vision Jet aircraft. As part of our wide-ranging product offering strategy, our SR2X Series consists of an entry level aircraft, the SR20, as well as the SR22 and SR22T, both of which offer increasing levels of performance and capabilities addressing different customer needs and preferences for a single-engine piston aircraft. SR2X Series aircraft can typically carry up to four adults and one child. The Vision Jet targets a different and more premium segment of the personal aviation market and offers significantly enhanced performance, capabilities and specifications at a higher price point. Our Vision Jet is designed for owners to fly at jet speed without requiring support from a full-time professional pilot or flight department. The Vision Jet can typically carry up to five adults and two children.

Our design philosophy is customer-centric and focuses on enhancing the aviation experience by surrounding the operators and occupants with safety, services, advanced high performance technology, and connectivity, as well as ease of use, comfort and personalization. The resulting design features are tightly integrated to deliver a convenient product experience. We equip each aircraft with a patented Cirrus Airframe Parachute System (CAPS), which has saved over 250 people since its introduction in 1999. In addition, beginning in May 2025, all models of aircraft delivered are equipped with Safe Return, an emergency auto-landing system which allows a passenger in the cabin to land the aircraft safely with the single touch of a button in the event of a pilot's incapacitation or declared emergency. Our safety innovation extends beyond both CAPS and Safe Return to include numerous active and passive mitigations for different situations, including loss of control, mid-air collision, pilot incapacitation, loss of engine power, flight into terrain, adverse weather conditions, and runway incursion. Our commitment to safety in addition to our award-winning training and learning systems, Cirrus Approach and Cirrus Embark, and our engaged community of owners and operators, have allowed us to achieve general aviation's safest accident records in the United States. Our total accident rate per 100,000 flight hours is three times lower than the general aviation industry average.

Business Review

Since inception, we have focused on a “close-to-customer” sales model as an enterprise priority, which we expanded in 2024 to cover both the United Kingdom and France. Under this model, we are able to quickly respond to customer needs and ensure a close connection between our prospective and existing owners and operators in each aspect of the aircraft sales process, including dedicated salesperson, product demonstration, contracting, finance, insurance, and delivery, making Cirrus aircraft ownership convenient and efficient. We have also established a sales presence in more than 36 countries around the world through our sales agents and CSAs, enabling us to reach customers on a global scale. Our sales network consists of our in-house direct sales team based in the United States, Canada, United Kingdom and France. At the beginning of each year, we enable our sales team with new demonstration aircraft model to illustrate benefits to customers. As these units are typically delivered to customers at the end of the year, it usually creates some seasonality in our business particularly in the first and fourth quarters. Because of this customer approach, we require all of our sales team to be experienced pilots qualified to provide flight demonstrations directly to customers. In the six months ended June 30, 2025, the Company has worked to smooth the seasonality of deliveries to not have them backend loaded. In driving greater consistency and predictability in our production line, we will be better positioned to meet customer needs throughout the fiscal year.

We have developed a wide-ranging global post-sale ownership and support ecosystem that makes owning and operating our aircraft as convenient to access as owning and operating a car. Through our dedicated business unit “Cirrus Services and Other” and adjacent products and solutions, we provide service and support, maintenance, parts fulfillment, flight training, pilot services and aircraft management services that collectively enable easy aircraft ownership. Our Vision Center in Knoxville, Tennessee provides the flagship customer experience, including aircraft delivery, personalization consultations, flight training, maintenance and parts fulfillment, and complete aircraft management services.





Business Development

Since inception up to June 30, 2025, we had delivered over 10,000 SR2X Series aircraft and over 600 Vision Jet aircraft. As of June 30, 2025, we had a backlog of 1,056 aircraft, including approximately 229 reservations for the Vision Jet. Further, our net orders decreased for both the SR2X and Vision Jet combined for the six months ended June 30, 2025 by a total of 121 units from 362 for the six months ended June 30, 2024 to 241 for the six months ended June 30, 2025. Our order rate in the first half of 2024 was spurred by the launch of the G7 line in January of that year; our launch of the G7+ line was announced in May of 2025 altering the normal order patterns. As of June 30, 2025, we had established a sales presence in more than 36 countries, through our sales agents and CSAs, enabling us to reach our customers globally. We have been continuously renewing our product portfolio since our inception, which we believe is a key driver to sustaining the growth of our business and to continue providing a premium experience for our customers. Our key capabilities include being able to develop innovative safety features and design, our proficiency with advanced materials, our ability to get aircraft certified in a highly regulated environment and bring them to market and our ability to successfully integrate advanced technologies and materials. These capabilities create an expertise in product development and innovation that gives us a competitive advantage.

We consider the production and sale of Aircraft to be the beginning of a life-long relationship with our customers. In 2018, we launched Cirrus Services and Other, our customer-centric business unit that provides lifestyle-based solutions for flight training, aircraft maintenance and management and financing for individual aircraft owners and operators with a wide range of flight needs. Through Cirrus Services and Other, we address the challenges of a fragmented aircraft market by creating lifestyle-based solutions for our customers, regardless of the ownership cycle of our aircraft. By leveraging the smooth integration of our advanced technologies to create aircraft that directly connect to the customer and their lifestyle, combined with the various benefits offered as part of our Cirrus Services and Other business unit, we have created a wide-ranging ecosystem that enhances customer satisfaction and brand loyalty. Our direct-to-customer model is enabled by our global ecosystem. From our inception until June 30, 2025, our products have been sold to customers in 55 countries and territories around the world and as of June 30, 2025, we had authorized service centers in 32 countries.

For the six months ended June 30, 2025, we recorded an increase in the number of aircraft produced and delivered, as compared to the six months ended June 30, 2024. For the six months ended June 30, 2025, we produced 411 aircraft (360 SR2X Series aircraft and 51 Vision Jet) and delivered 350 aircraft (305 SR2X Series aircraft and 45 Vision Jet), as compared to 330 aircraft produced (287 SR2X Series aircraft and 43 Vision Jet) and 287 aircraft delivered (244 SR2X Series aircraft and 43 Vision Jet) for the six months ended June 30, 2024. These increases are driven by strategic efforts to smooth the pace of deliveries throughout the year, where prior years saw seasonality in the pace of deliveries.

Management Discussion & Analysis

1. OVERVIEW

For the six months ended June 30, 2025, the Group recorded revenue of US\$594.5 million, as compared with US\$475.4 million for the six months ended June 30, 2024. The profit of the Group was US\$65.0 million for the six months ended June 30, 2025, as compared with US\$35.6 million for the six months ended June 30, 2024, primarily due to increased aircraft deliveries. This year's increase in deliveries altered our normal delivery pattern from previous years and will result in a more consistent result pattern not seen in prior years. The selling and marketing expenses of the Group were US\$63.6 million for the six months ended June 30, 2025, as compared with US\$57.0 million for the six months ended June 30, 2024. The general and administrative expenses of the Group were US\$70.0 million for the six months ended June 30, 2025 as compared with US\$60.3 million for the six months ended June 30, 2024.

2. REVENUE

For the six months ended June 30, 2025, we generated revenue of US\$594.5 million as compared to US\$475.4 million for the six months ended June 30, 2024.

During the six months ended June 30, 2025, we delivered 63 more aircraft (61 more SR2X and 2 more Vision Jet) as compared to the same period in 2024. The increase in deliveries is driven by the Company's efforts to smooth the seasonality of deliveries seen in prior years as well as 2024 where deliveries were shifted to the second half of the year due to the launch of the G7 line which caused production issues on the line. The average sales price of our SR2X aircraft deliveries was approximately US\$1.14 million compared to US\$1.04 million in the same period in 2024. The average sales price of our Vision Jet aircraft deliveries was US\$3.48 million compared to US\$3.33 million in the same period in 2024.

During the six months ended June 30, 2025, the revenue generated from Cirrus Services and Other increased by approximately US\$18.7 million compared to the same period in 2024.

3. COST OF SALES

Our cost of sales consists of material, labor and overhead and other costs, including the amortization of intangibles as we realize research and development projects, warranty costs and other minor variances, in the cost of sales for Aircraft. We include costs related to Cirrus Services and Other, such as after market parts, material and labor costs and other costs in our cost of sales for Cirrus Services and Other.





Management Discussion & Analysis

For the six months ended June 30, 2025, cost of sales of the Group increased to US\$379.5 million, from US\$311.9 million for the six months ended June 30, 2024, primarily attributable to increased aircraft deliveries, increased costs related to the launch of our G7+ line, and increased volume of sales of Cirrus Services and Other.

4. GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue.

For the six months ended June 30, 2025, our gross profit increased to US\$215.0 million, from US\$163.4 million for the six months ended June 30, 2024, primarily attributable to increased aircraft deliveries resulted from our efforts to smooth the seasonality of deliveries, increased pricing on Aircraft, and increased sales generated from Cirrus Services and Other. Our gross profit margin increased from 34.4% for the six months ended June 30, 2024 to 36.2% for the six months ended June 30, 2025.

5. SELLING AND MARKETING EXPENSES

The Group's selling and marketing expenses primarily consist of employee expenses, facilities and equipment, professional services expense and other including advertising costs such as those related to trade shows and digital marketing.

For the six months ended June 30, 2025, the selling and marketing expenses of the Group increased by 11.6% to US\$63.6 million from US\$57.0 million for the six months ended June 30, 2024. The increase was primarily attributable to higher costs supporting the growth in Cirrus Services and Other.

6. GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses primarily consist of employee expense, facilities and equipment, insurance and product liability costs, outside selling and professional services expense (including expenses for legal and audit services as well as listing expenses) and other including licenses, dues and research costs.

For the six months ended June 30, 2025, the general and administrative expense of the Group increased by 16.1% to US\$70.0 million from US\$60.3 million for the six months ended June 30, 2024. The increase was primarily attributable to the collection of reinsurance recoverables in 2024, which had become virtually certain of collection that reduced expenses, and an increase in R&D cost.

Management Discussion & Analysis

7. FINANCE COSTS

Our finance costs primarily consist of interest expenses related to our outstanding debt and recognition of interest related to leases as lease liabilities.

For the six months ended June 30, 2025, the finance costs of the Group decreased to US\$2.0 million from US\$2.7 million for the six months ended June 30, 2024, primarily attributable to reduced principal on borrowings due to payments made to lenders.

8. PROFIT FOR THE PERIOD

As a result of the above factors, the profit for the period of the Group increased to US\$65.0 million for the six months ended June 30, 2025 from US\$35.6 million for the six months ended June 30, 2024.

9. LIQUIDITY AND WORKING CAPITAL

As of June 30, 2025, the Group's cash and bank balances decreased to US\$340.4 million from US\$391.8 million as of December 31, 2024. The decrease primarily resulted from the increases in inventories to manufacture our products, purchases of fixed assets to increase our production capabilities, development programs and the increased normal working capital needs in the first half of the year.

As of June 30, 2025, the current assets of the Group were US\$774.5 million, including cash and cash equivalents of US\$340.4 million and other current assets of US\$434.1 million. As of June 30, 2025, the current liabilities of the Group were US\$502.9 million, including accounts payables of US\$76.9 million, other payables and accrued liabilities of US\$410.5 million and borrowings of US\$15.5 million.

10. CASH FLOWS

For the six months ended June 30, 2025, net cash flows generated from operating activities of the Group amounted to US\$29.7 million, as compared to that of US\$11.7 million for the six months ended June 30, 2024, mainly due to increased deliveries in the Reporting Period.

For the six months ended June 30, 2025, net cash flows used in investing activities of the Group amounted to US\$71.5 million, which mainly consisted of purchases of financial assets, purchases of fixed assets to increase our production capabilities and development programs. For the six months ended June 30, 2024, net cash flow used in investing activities amounted to US\$38.3 million, which mainly consisted of purchases of fixed assets to increase our production capabilities and development programs.





Management Discussion & Analysis

For the six months ended June 30, 2025, net cash used in financing activities of the Group amounted to US\$9.7 million, which mainly consisted of repayments of borrowings. For the six months ended June 30, 2024, net cash flow used in financing activities of the Group amounted to US\$5.7 million, which mainly consisted of repayments of borrowings.

11. NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) provide useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss in the same manner as they help our management. However, our presentation of a non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The following table sets forth the reconciliation of our non-IFRS measures for the periods indicated with the nearest measure prepared in accordance with IFRS:

	Six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Reconciliation of profit to adjusted profit for the period (non-IFRS measure) and adjusted EBITDA for the period (non-IFRS measure):		
Profit for the period:	64,966	35,607
<i>Add back:</i>		
<i>Listing expenses:</i>	—	2,068
Adjusted profit for the period (non-IFRS measure)	64,966	37,675
<i>Add back:</i>		
<i>Finance costs</i>	1,970	2,688
<i>Income tax expenses</i>	17,142	8,461
<i>Depreciation of property, plant and equipment</i>	11,730	9,655
<i>Depreciation of right-of-use assets</i>	2,127	2,167
<i>Amortization of intangible assets</i>	10,458	7,074
<i>Less:</i>		
<i>Interest income</i>	(6,882)	(3,816)
Adjusted EBITDA for the period (non-IFRS measure)	101,511	63,904

Management Discussion & Analysis

12. KEY FINANCIAL RATIOS

The following table sets forth the key financial ratios for the periods indicated:

	As of June 30, 2025	As of June 30, 2024
Gross profit margin ⁽¹⁾	36.2%	34.4%
Net profit margin ⁽²⁾	10.9%	7.5%
Return on equity ⁽³⁾	8.2%	7.2%
Return on total assets ⁽⁴⁾	4.6%	3.4%
Adjusted profit margin (non-IFRS measure) ⁽⁵⁾	10.9%	7.9%
Adjusted EBITDA margin (non-IFRS measure) ⁽⁶⁾	17.1%	13.4%
	As of June 30, 2025	As of December 31, 2024
Current ratio ⁽⁷⁾	1.5	1.6
Quick ratio ⁽⁸⁾	1.0	1.2
Gearing ratio ⁽⁹⁾	0.1	0.1

Notes:

- (1) Gross profit margin is calculated using gross profit for the period divided by revenue for the period and multiplied by 100%.
- (2) Net profit margin is calculated using profit for the period divided by revenue for the period and multiplied by 100%.
- (3) Return on equity ratio is calculated using profit for the period as a percentage of the average balance of total equity at the beginning and the end of the period and multiplied by 100%.
- (4) Return on total assets ratio is calculated using profit for the period as a percentage of the average balance of total assets at the beginning and the end of the period and multiplied by 100%.
- (5) Adjusted profit margin (non-IFRS measure) is calculated using adjusted profit for the period (non-IFRS measure) divided by revenue for the period and multiplied by 100%.
- (6) Adjusted EBITDA margin (non-IFRS measure) is calculated using adjusted EBITDA (non-IFRS measure) divided by revenue for the period and multiplied by 100%.



Management Discussion & Analysis

- (7) Current ratio is calculated using total current assets divided by total current liabilities as of the same date.
- (8) Quick ratio is calculated using current assets less inventories divided by current liabilities as of the same date.
- (9) Gearing ratio is calculated using total debt (being interest-bearing borrowings) divided by total equity as of the same date.

13. TREASURY POLICIES

The Group manages liquidity risk based on expected maturity dates. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, borrowings and long-term leases.

14. PLEDGE OF ASSETS

For details, please refer to note 13 to the condensed consolidated interim financial information in this interim report.

15. MATERIAL INVESTMENTS

The Group did not make any material investments during the six months ended June 30, 2025.

16. SEGMENT INFORMATION

As stated in the consolidated financial statements, the chief operating decision-maker (the "**CODM**") regards the Group's business as a single operating segment. A detailed analysis of the Group's segment information for the six months ended June 30, 2025 is set out in note 5 to the condensed consolidated interim financial information.

17. PRICE RISK

Price risk relates to changes in the price of materials purchased for production. We manage this risk primarily by negotiating pricing agreements with significant suppliers, competitive bidding and identifying opportunities for cost reductions.

Management Discussion & Analysis

18. CREDIT RISK

Credit risk arises mainly from the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily accounts receivables). We have adopted a policy of dealing only with highly rated financial institutions and we have no significant concentrations of credit risk. Receivables that are past due at the reporting date are impaired as appropriate.

To manage risk arising from cash and cash equivalents, we place deposits in reputable banks. There has been no recent history of default in relation to these financial institutions. Our identified credit losses are effectively close to zero.

19. INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. We frequently monitor interest rates and do not anticipate any material losses as a result of interest rate risk.

20. EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATE

The Group operates primarily in U.S. dollars, and therefore does not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar.

21. MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the six months ended June 30, 2025.

22. FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in this interim report, as of June 30, 2025, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.





Management Discussion & Analysis

23. BANK LOANS AND OTHER BORROWINGS

As of June 30, 2025, the Group had borrowings of US\$45 million with a floating interest rate, borrowings of US\$3.4 million with fixed interest rates and lease liabilities of US\$14.9 million. For details, please refer to note 13 to the condensed consolidated interim financial information in this interim report.

24. CONTINGENT LIABILITIES

As of June 30, 2025, we had material contingent liabilities captured in our accrued product liability, relating to ongoing product liability claims. For details, please refer to note 17 to the condensed consolidated interim financial information in this interim report.

25. EMPLOYEE AND REMUNERATION

As of June 30, 2025, we had a total of 2,748 employees, substantially all in the U.S. Among our 2,748 employees as of June 30, 2025, 2,672 were full-time and 76 were part-time employees. Each of these employees is employed through a professional employer organization.

The table below sets forth the number of our employees according to their functions as of June 30, 2025:

Function	Number of employees	% of total number of employees
Product Line Manufacturing	1,527	55.6
Product Development	454	16.5
Cirrus Services	399	14.5
General and Administrative	171	6.2
Sales and Marketing	162	5.9
Facilities Management	35	1.3
Total	2,748	100.0

All employees are expected to follow our employee handbook, which includes a code of conduct policy that is annually refreshed and is supported by an anonymous hotline. In compliance with applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, confidentiality obligations, non-competition and grounds for termination.

Management Discussion & Analysis

Remuneration packages for our salaried employees are mainly comprised of a base salary and a discretionary bonus element. We set performance targets for our employees based on their position and department and periodically review performance. The results of such performance reviews are used in their salary reviews, bonus awards and promotion appraisals. We have an annual goal setting process that starts with the executive team laying out our strategies and strategic pillars for the year that is distilled into annual goals assigned by functional and individual levels.

Pursuant to a management incentive plan (the “**Management Incentive Plan**”) adopted by the board of Cirrus Industries (which is the holding company for all of our operating subsidiaries) with details agreed between CAIGA and the management team, a special cash bonus (the “**Special Cash Bonus**”) in an aggregate amount of 1.0% of the market capitalization of the Company immediately upon Listing, would be paid to our key employees in recognition of the value they have helped to create prior to the Listing Date. Based on the size of the Global Offering, the aggregate amount of the Special Cash Bonus under the Management Incentive Plan is approximately US\$12.9 million (equivalent to HK\$100.2 million). As of June 30, 2025, the Special Cash Bonus expense had been recognized and US\$7.1 million had been paid under the Management Incentive Plan.

26. FUTURE AND OUTLOOK PLAN

In 2025, the Company focused on driving more consistency and predictability within the production line, which will even out our results within the year. Looking ahead, we will continue to focus on product improvement, model upgrades and ongoing generational changes to equip our aircraft with new technologies and designs to remain at the forefront of the industry. As of June 30, 2025, our global customer base owned in excess of 10,600 of our aircraft and continues to grow. With over 10,600 aircraft deliveries worldwide as of the June 30, 2025, we believe we are well-positioned to continue to capture the growth in the personal aviation industry.

To deliver a wide-ranging and connected premium aviation experience and expand our market leadership in the personal aviation industry in the United States and globally, we intend to focus on the following key strategies:

- Build our ecosystem to service our installed base through establishing, among many things but not limited to, new maintenance programs, and expanding aircraft management solutions and an array of useful customer services;
- Enhance flight training solutions;
- Advance and expand our aircraft and services portfolio;





Management Discussion & Analysis

- Supply chain excellence to expand both production and service capabilities;
- Expand our markets globally; and
- Establish personal aviation services for non-pilots.

27. EVENTS AFTER THE REPORTING PERIOD

Subsequent to six months ended June 30, 2025, the following significant events took place:

Subsequent to the Reporting Period, on July 1, 2025, the Group entered into a term note agreement with Wells Fargo Bank for a principal amount of US\$9,480,000 at 7.5% interest per annum. Additionally, on July 1, 2025, the Group entered into agreement with Grand Forks Growth Fund and the Bank of North Dakota for the purpose of a buydown on the interest for the loan noted above. The buydown amount will reduce the Company's rate on the Wells Fargo Bank loan by 5% with a maximum offset of US\$500,000. The loan bears interest at 2.5% per annum and matures on June 30, 2028. The proceeds from this loan will be used to repay existing borrowings.

On July 10, 2025, the Group repaid US\$9,480,000 of outstanding debt plus interest previously held under facilities with Wells Fargo Bank, in line with its refinancing strategy to optimize its capital structure and reduce financing costs.

The One, Big, Beautiful Bill Act (the "**Act**") was signed into law on July 4, 2025. The Act contains significant tax law changes with various effective dates affecting business taxpayers. Among the tax law changes, those will primarily impact the Company relate to the timing of certain tax deductions including depreciation expense and R&D expenditures. The Company will implement the tax law changes in its 2025 annual report. The Company does not anticipate a material impact to its total tax expense, but the Act will impact the split of the expense between the current and deferred expenses. An estimate of the actual impact cannot be made at this time.

28. INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

Corporate Governance and Other Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on December 13, 2019 and the Shares were listed on the Stock Exchange on July 12, 2024. To the extent applicable, this corporate governance section of the Company covers the period from January 1, 2025 through August 21, 2025 (being the latest practicable date prior to the printing of this interim report) (the “**Relevant Period**”).

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions set out in the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules. The Company has applied the principles and complied with all applicable code provisions as set out in the CG Code throughout the Relevant Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. We have also adopted the Securities Policy, which applies to all Directors and senior management on terms not less exacting than the required standard indicated by the Model Code.

Upon specific enquiry, all Directors confirmed that they have strictly complied with the required standards set out in the Model Code and the Securities Policy during the Relevant Period.

AUDIT, RISK CONTROL AND COMPLIANCE COMMITTEE

The Company has established the Audit, Risk Control and Compliance Committee with written terms of reference in accordance with the Listing Rules. The Audit, Risk Control and Compliance Committee comprises three Directors, namely, Mr. Liang LIU (劉亮), Mr. Chung Man Louis LAU (劉仲文) and Ms. Ferheen MAHOMED (alias: 馬穎欣). Mr. Chung Man Louis LAU (劉仲文) is the chairman of the Audit, Risk Control and Compliance Committee. The primary duties of the Audit, Risk Control and Compliance Committee are to review and oversee the financial reporting procedure, risk management and internal control system of our Group, review the Company's financial information, provide advice and comments to the Board, and perform other duties and responsibilities as may be assigned by the Board.





Corporate Governance and Other Information

The unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and this interim report have been reviewed by the Group's external auditor, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410, "Review of Interim Finance Information Performed by the Independent Auditor of the Entity", and by the Audit, Risk Control and Compliance Committee. The Audit, Risk Control and Compliance Committee concluded that such financial information and this interim report had been prepared in accordance with applicable accounting standards and relevant requirements, and had made adequate disclosure. The Audit, Risk Control and Compliance Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

OTHER BOARD COMMITTEES

In addition to the Audit, Risk Control and Compliance Committee, the Company has also established the Nomination Committee and the Remuneration Committee with written terms of reference in accordance with the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2025, none of the Directors or the chief executive of our Company had an interest and/or short position in the Shares, underlying Shares or debentures of our Company or any interests and/or short positions in the shares, underlying shares or debentures of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) had to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Nature of interests	Number of Shares or securities held	Approximate percentage of interest as at June 30, 2025
CAIGA Hong Kong	Beneficial owner	310,963,318	84.97%
CAIGA	Interest in controlled corporation	310,963,318	84.97%
AVIC	Interest in controlled corporation	310,963,318	84.97%

Notes:

- (1) CAIGA Hong Kong is wholly-owned by CAIGA, which is in turn owned by AVIC as to approximately 73.39%. Under the SFO, each of CAIGA and AVIC is deemed to be interested in 310,963,318 Shares of the Company held by CAIGA Hong Kong.
- (2) All interests stated are long position.

Save as disclosed above, as at June 30, 2025, the Directors were not aware of any other persons (who were not Directors or chief executives of the Company) who had an interest or short position in any Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by the Company pursuant to Section 336 of the SFO.

During the Relevant Period, CAIGA Hong Kong, a Controlling Shareholder entered into a block trade agreement with China International Capital Corporation Hong Kong Securities Limited as the placing agent (the **"Placing Agent"**), pursuant to which CAIGA Hong Kong agreed to sell, and the Placing Agent agreed, as agent of CAIGA Hong Kong, to procure potential purchasers to purchase a total of 17,500,000 Shares, representing approximately 4.78% of the total issued share capital of the Company at the price of HK\$39.98 per Share (the **"Sale"**). For details of the Sale, please refer to the announcement of the Company dated July 4, 2025.



Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold, or redeemed any listed securities of the Company (including sale of treasury Shares) during the Reporting Period.

As at June 30, 2025, the Company did not hold any treasury Shares.

CHANGES IN DIRECTORS AND CHIEF EXECUTIVES

With effect from August 26, 2025:

- Mr. Liang LIU, a non-executive Director, ceased to be a member of the Remuneration Committee;
- Mr. Chung Man Louis LAU, an independent non-executive Director, ceased to be a member of the Nomination Committee; and
- Ms. Ferheen MAHOMED (alias: 馬穎欣), an independent non-executive Director, has been appointed as a member of the Nomination Committee and ceased to be a member of the Remuneration Committee.

Save as disclosed in this interim report, there has been no change in the information of the Directors and senior chief executives which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period.

The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

PUBLIC FLOAT

During the Reporting Period, our Company has maintained public float which is in compliance with the waiver from strict compliance with the public float requirements granted by the Stock Exchange pursuant to Rule 8.08(1)(d) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Corporate Governance and Other Information

USE OF NET PROCEEDS FROM LISTING

The Company has been listed on the Stock Exchange on July 12, 2024 by way of Global Offering of ordinary Shares including a public offering in Hong Kong of 5,487,600 Shares and an international offering of 49,388,300 Shares, in each case at a price of HK\$27.500 per Share. On August 8, 2024, the Over-allotment Option was partially exercised, as a result of which an aggregate of 149,600 Shares were issued and allotted by the Company at HK\$27.500 per Share. The net proceeds from the Global Offering (including Shares issued as a result of the partial exercise of the Over-allotment Option) were approximately HK\$1,396.03 million, which will be utilized for the purposes as set out in the Prospectus. As at June 30, 2025, the Company had used, and proposed to use, the net proceeds from the Global Offering (including Shares issued as a result of the partial exercise of the Over-allotment Option) according to the intentions previously disclosed by the Company. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company will place the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the SFO or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.






Corporate Governance and Other Information

The following table sets out the use of the net proceeds from the Global Offering (including Shares issued as a result of the partial exercise of the Over-allotment Option) and the amount of unutilized net proceeds as of June 30, 2025.

Planned use of net proceeds	Percentage of total net proceeds %	Amount of net proceeds for the relevant use (HK\$ million)	Amount of net proceeds not yet utilized as of January 1, 2025 (HK\$ million)	Amount of net proceeds utilized during the six months ended June 30, 2025 (HK\$ million)	Amount not yet utilized as of June 30, 2025 (HK\$ million)	Expected timeline for utilization of unutilized proceeds
1. Fund innovation, product enhancements, continuing product improvements, and additional research and development activities	30.0%	418.81	418.81	246.48	172.33	By December 31, 2027
2. Enhancement of our production efficiency and capacity	30.0%	418.81	418.81	32.18	386.63	By December 31, 2027
3. Fund improvement and expansion of service, sales and support for our products and services provided in our ecosystem, both in geographically and in total capacity	30.0%	418.81	418.81	30.61	388.20	By December 31, 2027
4. General working capital and other general corporate purposes to support our business operation and growth	10.0%	139.60	139.60	133.45	6.15	By December 31, 2025
Total	100.0%	1,396.03	1,396.03	442.72	953.31	

Note: Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

On behalf of the Board
Mr. Lei YANG
Chairman of the Board
 Hong Kong

August 26, 2025

Report on Review of Condensed Interim Consolidated Financial Information

To the Board of Directors of Cirrus Aircraft Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 54, which comprises the condensed consolidated statement of financial position of Cirrus Aircraft Limited (the "**Company**") and its subsidiaries (together, the "**Group**") as of June 30, 2025 and the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





Report on Review of Condensed Interim Consolidated Financial Information

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 26, 2025

Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2025

	Note	Six months ended June 30,	
		2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Revenue	5	594,488	475,386
Cost of sales	6	(379,485)	(311,945)
Gross profit		215,003	163,441
Selling and marketing expenses	6	(63,599)	(56,975)
General and administrative expenses	6	(70,001)	(60,310)
Operating profit before other income		81,403	46,156
Other income, net		2,675	600
Operating profit		84,078	46,756
Finance costs		(1,970)	(2,688)
Profit before income tax		82,108	44,068
Income tax expenses	7	(17,142)	(8,461)
Profit for the period		64,966	35,607
Earnings per share Basic and diluted (expressed in US\$ per share)	8	0.18	0.11

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Profit for the period	64,966	35,607
Other comprehensive gain/(loss):		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Fair value gain/(loss) on financial assets at fair value through other comprehensive income, net of tax	4	(1)
Other comprehensive gain/(loss) for the period, net of tax	4	(1)
Total comprehensive income for the period	64,970	35,606

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As of June 30, 2025

		As of June 30, 2025	As of December 31, 2024
	Note	US\$'000 (Unaudited)	US\$'000 (Audited)
Assets			
Non-current assets			
Property, plant, and equipment	10	238,052	233,049
Right-of-use assets		12,486	11,975
Intangible assets	11	276,506	265,701
Goodwill	11	115,923	115,923
Financial assets at fair value through other comprehensive income		503	492
Advances to suppliers		14,632	12,365
Deferred tax assets		4,381	—
Contract assets		127	126
		662,610	639,631
Current assets			
Inventories		247,744	167,353
Reinsurance recoverable		27,801	27,567
Advances to suppliers		9,523	16,084
Contract assets		254	239
Notes and other receivables and prepayments		3,636	3,829
Accounts receivables	14	8,479	11,415
Financial assets at fair value through profit or loss		2,348	2,266
Short term deposits		134,266	103,000
Cash and cash equivalents		340,411	391,837
Total current assets		774,462	723,590
Total assets		1,437,072	1,363,221



Condensed Consolidated Statement of Financial Position

As of June 30, 2025

		As of June 30, 2025	As of December 31, 2024
	Note	US\$'000 (Unaudited)	US\$'000 (Audited)
Equity and liabilities			
Equity			
Share capital and share premium	12	306,715	343,315
Capital reserve		(113,482)	(113,482)
Financial assets at fair value through other comprehensive income ("FVOCI") fair value reserve		4	—
Retained earnings		617,084	552,118
Total equity		810,321	781,951
Non-current liabilities			
Borrowings	13	32,916	40,416
Lease liabilities		11,158	10,848
Deferred tax liabilities		—	3,014
Accrued warranty		10,422	12,099
Contract liabilities		69,404	66,859
Total non-current liabilities		123,900	133,236
Current liabilities			
Accounts payables	14	76,885	50,739
Employee wages and benefits payable		59,568	60,335
Dividends payable	9	36,600	—
Accrued liabilities		20,899	23,536
Contract liabilities		50,650	51,948
Customer deposits		155,422	147,531
Interest payable		98	52
Income tax payable		12,176	18,070
Accrued warranty		27,981	31,700
Accrued product liability		43,337	45,042
Borrowings	13	15,532	15,532
Lease liabilities		3,703	3,549
		502,851	448,034
Total liabilities		626,751	581,270
Total equity and liabilities		1,437,072	1,363,221

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Share capital and share premium (Note 12) US\$'000	Capital reserve US\$'000	Financial assets at fair value through other comprehensive income fair value reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as of January 1, 2025	343,315	(113,482)	—	552,118	781,951
Profit for the period	—	—	—	64,966	64,966
Fair value gain/(loss) on financial assets at fair value through other comprehensive income, net of tax	—	—	4	—	4
Total comprehensive income/(loss)	—	—	4	64,966	64,970
Dividends declared (Note 9)	(36,600)	—	—	—	(36,600)
Balance as of June 30, 2025	306,715	(113,482)	4	617,084	810,321
Balance as of January 1, 2024	155,482	(113,482)	4	431,372	473,376
Profit for the period	—	—	—	35,607	35,607
Fair value gain/(loss) on financial assets at fair value through other comprehensive income, net of tax	—	—	(1)	—	(1)
Total comprehensive income/(loss)	—	—	(1)	35,607	35,606
Dividends paid	—	—	—	—	—
Balance as of June 30, 2024	155,482	(113,482)	3	466,979	508,982

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit for the period	64,966	35,607
Adjustments for:		
Income tax expenses	17,142	8,461
Finance costs	1,970	2,688
Depreciation on property, plant and equipment	11,730	9,655
Depreciation on right-of-use assets	2,127	2,167
Amortization of intangible assets	10,458	7,074
(Gain)/loss on disposal of property, plant and equipment	490	(164)
(Gain)/loss on financial assets at fair value through profit or loss	(839)	(166)
	108,044	65,322
Changes in working capital:		
(Increase)/decrease in inventories	(77,379)	(65,513)
(Increase)/decrease in accounts, notes and other receivables and reinsurance recoverable	351	(20,952)
(Increase)/decrease in contract assets	(16)	(20)
(Increase)/decrease in advances to suppliers	4,294	3,785
Increase/(decrease) in contract liabilities	1,247	350
Increase/(decrease) in customer deposits	7,891	29,989
Increase/(decrease) in employee benefit payable	(767)	(2,026)
Increase/(decrease) in accounts and other payables	18,405	8,914
Cash generated from/(used in) operations	62,070	19,849
Interest paid	(1,924)	(2,637)
Tax paid	(30,431)	(5,486)
Net cash generated from/(used in) operating activities	29,715	11,726

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Purchase of financial assets	(53,380)	(339)
Proceeds from sale of financial assets	860	—
Proceeds from maturity of financial assets	24,544	—
Payment for property, plant and equipment	(22,248)	(20,210)
Proceeds from sale of property, plant and equipment	20	1,561
Payment for intangible assets	(21,263)	(19,348)
Net cash generated from/(used in) investing activities	(71,467)	(38,336)
Cash flows from financing activities		
Repayment of borrowings	(7,500)	(3,750)
Principal elements of lease payments	(2,174)	(1,930)
Net cash generated from/(used in) financing activities	(9,674)	(5,680)
Net decrease in cash and cash equivalents	(51,426)	(32,290)
Cash and cash equivalents at beginning of the period	391,837	246,869
Cash and cash equivalents at ending of the period	340,411	214,579

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.





Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

Cirrus Aircraft Limited (the "**Company**") was incorporated on December 13, 2019 as an exempted company in the Cayman Islands under the Companies Act, Cap 22 (Law 3 of 1961) of the Cayman Islands with limited liability. The address of its registered office is Maples Corporate Services Limited, PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together "**the Group**") are principally engaged in manufacturing and sales of piston aircraft ("**SR2X Series**") and single-engine turbine jet ("**Vision Jet**"), sales of services through Cirrus Services, including aviation parts, extended warranty contracts, maintenance operations, and training services.

The Company's ultimate holding company is Aviation Industry Corporation of China Ltd. ("**AVIC**"), a company incorporated in the People Republic of China ("**the PRC**").

This condensed consolidated interim financial information has not been audited.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on July 12, 2024

2 BASIS OF PREPARATION

These condensed consolidated interim financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standards ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure provision of the Rules Governing the Listing of Securities of the Stock Exchange. This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") issued by the IASB.

The condensed consolidated interim financial information contains the condensed consolidated statement of financial position as of June 30, 2025, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended and selected explanatory notes. The condensed consolidated interim financial information does not include all of the notes of the type normally included in the consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION (continued)

The accounting policies applied are consistent with those of the consolidated financial statements of the group except for the adoption of amended standards as set out below.

This condensed consolidated interim financial information is presented in United State Dollars ("US\$") unless otherwise stated.

(a) Amendments to standards adopted by the Group:

Amendments to IAS 21 Lack of Exchangeability

The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

(b) New standards and amendments to standards adopted by the Group:

The following new standards and amendments to standards have been issued but are not effective during the reporting period, and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group plans to adopt the above new standards and amendments to standards when they become effective. According to the preliminary assessment made by the directors of the Company, these standards and amendments are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective.





Notes to the Condensed Consolidated Interim Financial Information

3 ESTIMATES

The preparation of condensed consolidated interim financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty are the same as those that applied to the consolidated financial statements for the year ended December 31, 2024.

4 SEASONALITY OF OPERATIONS

Due to the location of the Group's primary production facilities, the Group experiences seasonal weather conditions which impacts the Group's ability to certify the airworthiness of aircraft on a predictable basis. As a result, the Group generally keeps a higher level of finished goods or aircrafts in inventories during the summer months as compared to the start of the year or the winter months. Seasonal impacts are typically reflected in the first half of the financial year leading to lower revenues during the period as compared to the second half of the financial year. The revenues may vary from period to period within a financial year, as the results of operations of any particular period within a financial year may not be representative of the results of operations of the entire financial year. For the six months ended June 30, 2025, the Company has worked to smooth the usual seasonality between H1 and H2 by driving consistency and predictability in our production line.

5 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker (CODM) has been identified as the Chief Executive Officer and executive management of the Company that make strategic decisions. The CODM regard the Group's business as a single operating segment and review condensed consolidated financial information accordingly. As the Group has only one operating segment qualified as reporting segment under IFRS 8 and the information that regularly reviewed by the directors of the Group for the purposes of allocating resources and assessing performance of the operating segment is the financial statements of the Group, no separate segmental analysis is presented in the condensed consolidated interim financial information.

Since over 90% of the Group's revenue and operating profit are generated from transactions that are registered and closed within the United States, no geographical information is presented.

Notes to the Condensed Consolidated Interim Financial Information

5 REVENUE AND SEGMENT INFORMATION (continued)

The revenue breakdown of different revenue streams for the six months ended June 30, 2025 and 2024 are as follows:

	Six months ended June 30, 2025		
	Aircraft US\$'000	Cirrus Services & Other (Note) US\$'000	Total US\$'000
Revenue from external customers	<u>498,279</u>	<u>96,209</u>	<u>594,488</u>
Timing of revenue recognition			
— At a point in time	<u>498,279</u>	<u>65,765</u>	<u>564,044</u>
— Over time	<u>—</u>	<u>30,444</u>	<u>30,444</u>
Total	<u>498,279</u>	<u>96,209</u>	<u>594,488</u>
Six months ended June 30, 2024			
	Aircraft US\$'000	Cirrus Services & Other (Note) US\$'000	Total US\$'000
Revenue from external customers	<u>397,923</u>	<u>77,463</u>	<u>475,386</u>
Timing of revenue recognition			
— At a point in time	<u>397,923</u>	<u>52,648</u>	<u>450,571</u>
— Over time	<u>—</u>	<u>24,815</u>	<u>24,815</u>
Total	<u>397,923</u>	<u>77,463</u>	<u>475,386</u>

Note:

Revenue from Cirrus Services & Other includes sales and services made to related parties of the Group (Note 16).



Notes to the Condensed Consolidated Interim Financial Information

6 EXPENSES BY NATURE

	Six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
Employee benefit expenses	155,703	136,735
Raw materials	192,900	154,299
Preflown inventory	16,051	3,560
Insurance and product liability (<i>Note</i>)	6,296	(1,374)
Outside commissions and referrals	3,791	7,088
Lease expenses	2,202	2,341
Depreciation of property, plant, and equipment (<i>Note 10</i>)	11,730	9,655
Depreciation of right-of-use assets	2,127	2,167
Amortization of intangible assets (<i>Note 11</i>)	10,458	7,074
Advertising costs	7,494	7,133
Listing expenses	—	2,068
Legal and professional fees	7,719	7,005
Supplies	6,650	7,249
Repairs and maintenance	13,013	10,206
Service expenses	48,680	48,360
Utilities	3,234	2,893
Freight charges	4,700	2,208
Research	8,129	7,778
Vehicle expense	2,511	2,794
Travel and entertainment	2,888	2,782
Meetings	1,945	1,711
Real estate and miscellaneous tax	1,481	679
Other expenses	3,383	4,819
Total cost of sales, selling and marketing, general and administrative expenses	513,085	429,230

Note:

The balance during the period ended June 30, 2024 include a recoverable balance previously derecognized of approximately US\$7 million which had become virtually certain of collection during the period.

Notes to the Condensed Consolidated Interim Financial Information

7 INCOME TAX

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands and is not subject to corporate income taxes.

(b) US Corporation tax

The Group's subsidiaries in the United States are subject to US federal and state income tax. US federal tax have been provided at the rate of 21% on the estimated assessable profit during the six months ended June 30, 2024 and 2025, respectively, while the state income tax rate varies by state.

(c) The United Kingdom ("UK") corporate income tax

The Group's subsidiary in the United Kingdom is subject to UK corporation income tax and have been provided at the rate of 19% on the estimated assessable profit during the six months ended June 30, 2024 and 2025.

(d) The amount of income tax charged to the condensed consolidated statement of profit or loss represents:

	Six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
Current income tax	23,573	9,880
Deferred income tax	(6,431)	(1,419)
Total	17,142	8,461





Notes to the Condensed Consolidated Interim Financial Information

8 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods ended June 30, 2024 and 2025.

	Period ended June 30,	
	2025	2024
	US\$'000	US\$'000
Profit attributable to the owners of the Company (US\$'000)	64,966	35,607
Weighted average number of ordinary shares	365,988,818	310,963,318
Basic earnings per share (expressed in US\$/share)	0.18	0.11

(b) Diluted earnings per share

As the Company has no dilutive instruments for the periods June 30, 2024 and 2025, the Group's diluted earnings per share equals to its basic earnings per share.

9 DIVIDENDS

On June 20, 2025 at the annual general meeting, the shareholders of the Company approved a resolution to distribute a dividend of US\$0.1 per Share for the year ended December 31, 2024. The total value of the dividend is approximately US\$36,600,000. This amount has been recognized as a liability in the consolidated financial statements as of June 30, 2025. The final dividend was paid on July 14, 2025 to shareholders registered on the record date of June 30, 2025.

No dividends are declared for the six months ended June 30, 2025 (June 30, 2024: Nil).

Notes to the Condensed Consolidated Interim Financial Information

10 PROPERTY, PLANT AND EQUIPMENT

	2025	2024
	US\$'000	US\$'000
Six months ended June 30,		
Opening net book amount	233,049	197,933
Additions	14,231	19,980
Transfer	3,012	615
Disposals	(510)	(1,416)
Depreciation charge	(11,730)	(9,655)
Closing net book amount	<u>238,052</u>	<u>207,457</u>
At June 30		
Cost	393,958	342,017
Accumulated depreciation	<u>(155,906)</u>	<u>(134,560)</u>
Net book amount	<u>238,052</u>	<u>207,457</u>



Notes to the Condensed Consolidated Interim Financial Information

11 GOODWILL AND INTANGIBLE ASSETS

	Intangible assets US\$'000	Goodwill US\$'000	Total US\$'000
Six months ended June 30, 2025			
Opening net book amount	265,701	115,923	381,624
Additions	21,263	—	21,263
Amortization charge	(10,458)	—	(10,458)
Closing net book amount	<u>276,506</u>	<u>115,923</u>	<u>392,429</u>
At June 30, 2025			
Cost	403,240	115,923	519,163
Accumulated amortization	<u>(126,734)</u>	<u>—</u>	<u>(126,734)</u>
Net book amount	<u>276,506</u>	<u>115,923</u>	<u>392,429</u>
Six months ended June 30, 2024			
Opening net book amount	245,173	115,923	361,096
Additions	19,348	—	19,348
Amortization charge	(7,074)	—	(7,074)
Closing net book amount	<u>257,447</u>	<u>115,923</u>	<u>373,370</u>
At June 30, 2024			
Cost	361,323	115,923	477,246
Accumulated amortization	<u>(103,876)</u>	<u>—</u>	<u>(103,876)</u>
Net book amount	<u>257,447</u>	<u>115,923</u>	<u>373,370</u>

Notes to the Condensed Consolidated Interim Financial Information

12 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value US\$'000	Share premium US\$'000	Total US\$'000
Authorized				
500,000,000 ordinary shares of US\$0.50 each as of December 31, 2024 and June 30, 2025	500,000,000	250,000	—	250,000
Issued:				
As of December 31, 2024	365,988,818	182,995	160,320	343,315
Dividend declared	—	—	(36,600)	(36,600)
As of June 30, 2025	365,988,818	182,995	123,720	306,715

13 BORROWINGS

	As of June 30, 2025 US\$'000 (Unaudited)	As of December 31, 2024 US\$'000 (Audited)
Non-current		
Long-term bank borrowings	45,000	52,500
Long-term other borrowings	3,448	3,448
Less: current portion of long-term bank and other borrowings	(15,532)	(15,532)
	32,916	40,416
Current		
Current portion of long-term bank borrowings	15,000	15,000
Current portion of long-term other borrowings	532	532
	15,532	15,532
	48,448	55,948



Notes to the Condensed Consolidated Interim Financial Information

13 BORROWINGS (continued)

The carrying amounts of the Group's borrowings approximate their fair values since the interest payable on those borrowings is close to the current market rates. The Group's borrowings from a commercial bank bear interest at the 30-day SOFR average rate plus 1.85%. These borrowings are collateralized by a security interest in substantially all the tangible and intangible assets of the Group. The Group's borrowings from a local government entity bear interest at 3% per annum and are collateralized by the related property.

The borrowings from a commercial bank carry certain covenants based on financial and non-financial measures. The Group was in compliance with all covenants as of June 30, 2025 and December 31, 2024.

Future contractual maturities of long-term debts are as follows:

	As of June 30, 2025 US\$'000 (Unaudited)	As of December 31, 2024 US\$'000 (Audited)
Within one year	15,532	15,532
Greater than one year and less than two years	30,548	8,048
Greater than two years and less than five years	1,150	31,751
More than five years	1,218	617
	<u>48,448</u>	<u>55,948</u>

Notes to the Condensed Consolidated Interim Financial Information

14 FINANCIAL INSTRUMENTS

(i) Accounts receivables

	As of June 30, 2025 US\$'000 (Unaudited)	As of December 31, 2024 US\$'000 (Audited)
Accounts receivables	11,157	14,088
Less: Provision for impairment	(2,678)	(2,673)
Accounts receivables, net	8,479	11,415

The aging analysis of accounts receivables based on the invoice date is as follows:

	As of June 30, 2025 US\$'000 (Unaudited)	As of December 31, 2024 US\$'000 (Audited)
Current-60 days	9,132	11,904
61-90 days	927	1,185
91-120 days	419	—
Over 120 days	679	999
	11,157	14,088





Notes to the Condensed Consolidated Interim Financial Information

14 FINANCIAL INSTRUMENTS (continued)

(ii) Accounts payables

The aging analysis of accounts payables based on the invoice date is as follows:

	As of June 30, 2025 US\$'000 (Unaudited)	As of December 31, 2024 US\$'000 (Audited)
Current-30 days	69,443	50,462
31-60 days	4,800	—
61-120 days	2,642	—
Over 120 days	—	277
	<u>76,885</u>	<u>50,739</u>

15 CAPITAL COMMITMENTS

As of June 30, 2025 and December 31, 2024, the Group's capital commitment on property, plant and equipment amounted to approximately US\$3 million and US\$2 million, respectively.

16 RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the reporting period. In the opinion of the directors of the Group, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Notes to the Condensed Consolidated Interim Financial Information

16 RELATED PARTIES TRANSACTIONS (continued)

(a) Names and relationships with related parties

Name of the related parties	Nature of relationship
AVIC	Controlling shareholder
China Aviation Industry General Aircraft Co., Ltd. ("CAIGA")	Controlling shareholder
CAIGA (Hong Kong) Limited	Controlling shareholder
AVIC General Huanan Aircraft Industry Co., Ltd. ("AG Huanan")	Subsidiary of CAIGA
AVIC GENERAL Service Co., Ltd. ("AG Services")	Subsidiary of CAIGA
China Aviation Industry General Aircraft Zhejiang Institute Co., Ltd. ("AG Zhejiang")	Subsidiary of CAIGA
Continental Aerospace Technologies, Inc. ("Continental")	Associate of AVIC

(b) Significant transactions with related parties

	Six months ended June 30,	
	2025	2024
	US\$'000 (Unaudited)	US\$'000 (Unaudited)
Aircraft development fee — AG Zhejiang	—	218
Provision of procurement support and technical support service — AG Zhejiang	121	328
Provision of aircraft products — AG Services	592	1,021
Aircraft kits sale — AG Huanan	—	82
Program services — AG Huanan	—	240
Purchase of engines and parts — Continental	22,607	21,542



Notes to the Condensed Consolidated Interim Financial Information

16 RELATED PARTIES TRANSACTIONS (continued)

(b) Significant transactions with related parties (continued)

Note:

The purchases from Continental for the six months ended June 30, 2024 include the purchases of extended warranties. The framework agreement noted in the Prospectus is in relation only to purchases of engines and parts from Continental. Purchases of extended warranties by the Group comprise a portion of the normal warranty provisions for 2–3 years on aircraft sold. Purchases of engines and parts during the six months ended June 30, 2025 was \$22,607,000 (June 30, 2024: \$19,684,000). Purchases of extended warranties during the six months ended June 30, 2025 from Continental was \$3,072,000 (June 30, 2024: \$1,858,000).

(c) Period/year end balances with related parties

	As of June 30, 2025 US\$'000	As of December 31, 2024 US\$'000
Amounts due from related parties	<u>16,185</u>	<u>13,225</u>
Amounts due to related parties	<u>(3,081)</u>	<u>(2,439)</u>

The amounts due from/(to) related parties are trade in nature, unsecured, interest-free and repayable on demand. The carrying value of these balance approximate their fair value are and denominated in US\$.

17 LITIGATION AND CONTINGENT LIABILITIES

As of the date of this condensed consolidated interim financial information, the Group had several claims which are mostly product liability cases. In these matters, the Group continues to vigorously defend its position and believes there is a reasonable possibility for a favorable outcome to the benefits of the Group, or if not, the Group has provided adequate provisions to cover potential losses, including a comprehensive liability insurance program.

Based on the development of the litigation and independent legal advice obtained, management considered that the ultimate disposition of these matters will not have a material adverse effect on the Group's consolidated financial position, results of operations, or liquidity.

Notes to the Condensed Consolidated Interim Financial Information

18 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on July 1, 2025, the Group entered into a term note agreement with Wells Fargo Bank for a principal amount of \$9,480,000 at 7.5% interest per annum. The loan bears interest at 2.5% per annum and matures on June 30, 2028. The proceeds from this loan will be used to repay existing borrowings. Additionally, on July 1, 2025, the Group entered into agreement with Grand Forks Growth Fund and the Bank of North Dakota for the purpose of a buydown on the interest for the Loan noted above. The buydown amount will reduce the Company's rate on the Wells Fargo Bank loan by 5%.

On July 10, the Group repaid \$9,480,000 of outstanding debt plus interest previously held under facilities with Wells Fargo Bank, in line with its refinancing strategy to optimize its capital structure and reduce financing costs.

The One, Big, Beautiful Bill Act (the "**Act**") was signed into law on July 4, 2025. The Act contains significant tax law changes with various effective dates affecting business taxpayers. Among the tax law changes that will primarily impact the Company relate to the timing of certain tax deductions including depreciation expense and R&D expenditures. The Company will implement the tax law changes in its 2025 annual report. The Company does not anticipate a material impact to its total tax expense, but the Act will impact the split of the expense between current and deferred. An estimate of this impact cannot be made at this time.

These events do not provide evidence of conditions that existed at the end of the reporting period and are therefore classified as non-adjusting events under IAS 10 Events After the Reporting Period. Accordingly, the financial information for the period ended June 30, 2025 have not been adjusted to reflect these transactions.

Save as disclosed above in this condensed consolidated interim financial information, there were no additional material subsequent events took place after June 30, 2025.

