Cirrus Aircraft Limited
西鋭飛機有限公司

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

CONTINUING CONNECTED TRANSACTIONS
EXTENDED WARRANTY MASTER SUPPLY AGREEMENT

References are made to the announcements of the Company dated March 14, 2025 and April 28, 2025 in relation to the connected transactions regarding the purchase of Extended Warranty Coverage by Cirrus Design (a wholly-owned subsidiary of the Company) from Continental.

The Board announces that in view of the continuous demand of Extended Warranty Coverage by the customers of the Group, on November 3, 2025, Cirrus Design entered into the Extended Warranty Master Supply Agreement with Continental, pursuant to which Cirrus Design may purchase from Continental Extended Warranty Coverage, for a term commencing from the date of the Extended Warranty Master Supply Agreement to December 31, 2026.

LISTING RULES IMPLICATIONS

As at the date of this announcement, AVIC and its subsidiaries hold 293,463,318 Shares, representing approximately 80.18% of the issued share capital of the Company. AVIC is therefore a controlling 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 under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the Annual Caps exceed 0.1% but all of them are less than 5%, the entering into of the Extended Warranty Master Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

References are made to the announcements of the Company dated March 14, 2025 and April 28, 2025 in relation to the connected transactions regarding the purchase of Extended Warranty Coverage by Cirrus Design (a wholly-owned subsidiary of the Company) from Continental.

The Group has, from time to time and in response to customer requests for enhanced protection beyond the standard plan warranty, purchased Extended Warranty Coverage from Continental for engines supplied by Continental and installed on the Group's aircrafts sold to customers. To standardize this arrangement, Cirrus Design entered into the Extended Warranty Master Supply Agreement with Continental on November 3, 2025, pursuant to which Cirrus Design may purchase from Continental Extended Warranty Coverage, for a term commencing from the date of the Extended Warranty Master Supply Agreement to December 31, 2026.

THE EXTENDED WARRANTY MASTER SUPPLY AGREEMENT

The principal terms of the Extended Warranty Master Supply Agreement are as follows:

Date:	November 3, 2025
Parties:	(1) Cirrus Design Corporation (a wholly-owned subsidiary of the Company); and (2) Continental Aerospace Technologies, Inc.
Term:	From the date of the Extended Warranty Master Supply Agreement to December 31, 2026.
Major Terms:	Cirrus Design shall have the right, but not the obligation, to purchase optional extended warranties from Continental on delivered engines for Extended Warranty Coverage. Each purchase order for Extended Warranty Coverage placed pursuant to the Extended Warranty Master Supply Agreement shall specify (a) the quantity; and (b) unit and aggregate price. Continental shall then issue an invoice to Cirrus Design with payment terms being next 30 days after receipt by Cirrus Design of the invoice.

Price Determination:	Each purchase of Extended Warranty Coverage will be the result of fair and reasonable arm's length transactions, taking into account factors such as the level of risk and the duration of coverage. In general, the price of Extended Warranty Coverage is established based on actuarial assessments of anticipated warranty claims and costs over time, and are benchmarked against prevailing market rates for comparable extended warranty products within the aviation industry.
	When agreeing prices, the Parties will adhere to the following principles:
	(a) pricing shall be determined on normal commercial terms, which shall be a fair and reasonable arm's length transaction;
	(b) pricing shall be at prevailing market rates; and
	(c) pricing shall be on terms no less favorable to Cirrus than those available from independent third parties.

HISTORICAL TRANSACTION AMOUNTS AND THE ANNUAL CAPS

The historical transaction amounts of the Group's purchase of Extended Warranty Coverage and the Annual Caps are set out below:

Historical transaction amounts of the Group's purchase of Extended Warranty Coverage

Period	**Historical transaction amounts** *US$*
From July 12, 2024 (being the date on which the Shares were listed and permitted to be traded on the Stock Exchange) to December 31, 2024	2,968,000
From January 1, 2025 to September 30, 2025	4,928,000

Annual Caps

Year ending December 31,	**Annual Caps (per calendar year)** *US$*
2025	7,402,500 (including all Extended Warranty Coverage purchased in 2025 prior to the date of the Extended Warranty Master Supply Agreement)
2026	7,402,500

The Annual Caps have been determined taken into account factors including (i) the historical transaction amounts for the purchase by the Group of Extended Warranty Coverage; (ii) the expected amounts to be incurred by the Group for Extended Warranty Coverage based on (a) the number of engines the Group has purchased from Continental; and (b) the percentage of customers that have requested Extended Warranty Coverage; and (iii) a reasonable buffer to cater for any unexpected increase in demand of the Group's aircraft orders from customers.

The Directors (including the independent non-executive Directors) consider that the Annual Caps are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EXTENDED WARRANTY MASTER SUPPLY AGREEMENT

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 standard manufacturer's 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 Directors (including the independent non-executive Directors) are of the view that the Extended Warranty Master Supply Agreement was entered into in the ordinary and usual course of business of the Group and upon normal commercial terms or better to the Group, and the terms of the Extended Warranty Master Supply Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As of the date of this announcement, AVIC and its subsidiaries hold 293,463,318 Shares, representing approximately 80.18% of the issued share capital of the Company. AVIC is therefore a controlling 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 under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the Annual Caps exceed 0.1% but all of them are less than 5%, the entering into of the Extended Warranty Master Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the transactions under the Extended Warranty Master Supply Agreement.

INTERNAL CONTROL MEASURES

To ensure the continuing connected transactions will be conducted in accordance with the terms of the Extended Warranty Master Supply Agreement and that the terms and pricing offered by Continental are no less favorable than those offered by independent third parties, the Group has adopted the following internal control measures:

(1) when reviewing pricing of the Extended Warranty Coverage with Continental, management of the Group will review on an annual basis, when available, the terms and price offered by comparable, independent third party providers within the aviation industry through price enquiry and comparison on the relevant price websites or by referring to the prices of similar transactions in the surrounding markets where practicable. Any such terms and pricing from independent third party providers shall then be compared with the pricing tiers with Continental to ensure that the terms and pricing offered by Continental are no less favorable than those offered by independent third parties;

(2) the finance department of the Group will closely monitor each payment made or received under the Extended Warranty Master Supply Agreement, and timely report monitoring data to the compliance department designated by the Company. The compliance department will continue to monitor the total transaction amount under the Extended Warranty Master Supply Agreement to ensure that the Annual Caps are not exceeded;

(3) the Company will conduct internal control review, including review of financial, operational and compliance controls, on a continuous basis;

(4) the auditor of the Company will conduct annual review on the pricing basis and the annual caps of the transactions in accordance with the Listing Rules; and

(5) the independent non-executive Directors will conduct annual review on the transactions to ensure that those transactions are entered into through arm's length negotiations and on normal commercial terms or better, are fair and reasonable, in the ordinary and usual course of business of the Group, in the interests of the Company and its shareholders as a whole and are carried out pursuant to the terms of the Extended Warranty Master Supply Agreement, and to ensure compliance with the Listing Rules.

INFORMATION ON THE PARTIES

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 Group 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, 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, United States, and 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 the 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:

"Annual Caps"	the maximum aggregate transaction amounts for Extended Warranty Coverage purchase for each calendar year under the Extended Warranty Master Supply Agreement
"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 Coverage"	the extended warranty coverage for engines supplied by Continental to the Group beyond the three-year standard plan warranty
"Extended Warranty Master Supply Agreement"	the extended warranty master supply agreement dated November 3, 2025 entered into between Cirrus Design and Continental in relation to Extended Warranty Coverage
"Group"	the Company together with its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"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
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Parties"	Cirrus Design and Continental
"PRC"	the People's Republic of China
"Shares"	ordinary shares of US$0.5 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	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
西銳飛機有限公司
Mr. Lei YANG
Chairman and Non-Executive Director

Hong Kong, November 3, 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.