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

(Incorporated in Bermuda with limited liability)

(Stock code: 232)

INSIDE INFORMATION

This announcement is made by Continental Aerospace Technologies Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the disclosure obligations under Rules 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Continental Aerospace Technologies, Inc. (“**CAT US**”), an indirect wholly owned subsidiary of the Company, entered into a settlement agreement (the “**Settlement Agreement**”) with the U.S. Department of Justice (“**DOJ**”) on 31 July 2026 (U.S. Central Daylight Time) concerning a Paycheck Protection Program (“**PPP**”) loan obtained by CAT US and later forgiven under the U.S. Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”). The settlement was kept confidential. On 3 August 2026 (U.S. Central Daylight Time), the DOJ informed CAT US that it does not object to the Company disclosing the settlement. Immediately upon receiving DOJ’s no objection confirmation, CAT US informed the Company to disclose the settlement.

During the COVID-19 pandemic in 2020, CAT US, like many manufacturers, faced significant operational disruption, supply-chain challenges, and demand volatility. Shortly after the PPP was announced in April 2020, CAT US applied for and received a PPP loan with an approximate principal amount of US\$7.43 million and an annual interest rate of 1% for use in paying U.S. employee wages, utilities, and rent. After providing the U.S. Government with relevant documentation regarding its use of the loan proceeds, CAT US received full forgiveness of the loan in August 2021 in the approximate amount of US\$7.52 million.

In November 2023, CAT US received an initial inquiry from the DOJ requesting documents and information relating to CAT US’s eligibility for the loan and loan forgiveness. CAT US cooperated with DOJ’s requests and provided relevant information.

While CAT US believes it acted appropriately and has done nothing wrong, following good-faith discussions with DOJ, CAT US determined that resolving the matter through a negotiated settlement was in the best interests of CAT US and its stakeholders. The negotiated settlement avoids the cost, time, uncertainty, and business disruption associated with prolonged legal proceedings and allows CAT US’s leadership to remain focused on supporting customers and advancing general aviation safety and innovation.

The Settlement Agreement requires a payment of US\$11,772,680.14, plus interest at an annual rate of 4%, calculated from 23 June 2026 through the payment date. It also includes clauses releasing CAT US from any future civil liability or claims under the False Claims Act with respect to the PPP loan.

Neither the settlement payment nor CAT US's participation in settlement discussions constitutes, or should be construed as, an admission of liability or wrongdoing by CAT US. The Company expects CAT US to make the settlement payment promptly in accordance with DOJ's instructions.

The Company and its subsidiaries remain committed to compliance with applicable laws and regulations and to transparency, integrity, and accountability across their operations.

The financial impact of entering into of the Settlement Agreement is subject to review or audit procedures by the auditors of the Company. The Company will make further announcement(s) as and when required under the Listing Rules or any applicable law.

Shareholders of the Company and prospective investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By order of the Board
Continental Aerospace Technologies Holding Limited
Huang Yongfeng
Chairman

Hong Kong, 4 August 2026

As at the date of this announcement, the Board comprises Mr. Huang Yongfeng, Mr. Zhang Zhibiao, Mr. Yu Xiaodong, Ms. Hu Min and Mr. Huang Kai as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Directors.