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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### OVERVIEW

In 1979, our co-founders, Mr. Alan Lee Klapmeier and Mr. Dale Edward Klapmeier started developing the VK-30 homebuilt aircraft in Wisconsin, the United States. The Klapmeier brothers established Cirrus Design in 1987, following which the VK-30 aircraft celebrated its first flight in 1988. The headquarters of Cirrus Design was relocated to Duluth, Minnesota, the United States in 1994, and Legacy Cirrus Industries was incorporated in 1996. In June 2011, Legacy Cirrus Industries was acquired by CAIGA by way of merger. Upon completion of the merger in June 2011, Legacy Cirrus Industries became indirectly wholly-owned by CAIGA.

In preparation of our [REDACTED], we underwent the Reorganization and our Company was incorporated in the Cayman Islands as an exempted company with limited liability in December 2019. Our Company is an investment holding company and our Group carries out our operations mainly through our wholly-owned subsidiaries.

Since our inception in 1984, we have grown to become a pioneer and a global market leader in the personal aviation industry, according to Frost & Sullivan. Our two aircraft product lines are the SR2X Series (SR20, SR22 and SR22T models) and the Vision Jet.

### OUR BUSINESS MILESTONES

The following sets out our major business development milestones since our inception and up to the Latest Practicable Date:

<u>Year</u>	<u>Business Milestones</u>
1987	<ul style="list-style-type: none"><li>• Cirrus Design was incorporated which is now one of our principal subsidiaries</li></ul>
1998	<ul style="list-style-type: none"><li>• We received the FAA type certification of the SR20 model in October</li><li>• We became the first aircraft company to incorporate the FAA-certified CAPS</li></ul>
1999	<ul style="list-style-type: none"><li>• SR20 aircraft was first delivered to customer</li></ul>
2000	<ul style="list-style-type: none"><li>• We received the FAA production certification of the SR20 model</li><li>• We received the FAA type certification and the FAA production certificate of the SR22 model in December</li></ul>
2001	<ul style="list-style-type: none"><li>• The first customer delivery of the SR22 model</li></ul>
2004	<ul style="list-style-type: none"><li>• We introduced the second generation airframe of the SR2X Series</li></ul>

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<u>Year</u>	<u>Business Milestones</u>
2006	<ul style="list-style-type: none"><li>• The first customer delivery of the SR22TN model</li></ul>
2007	<ul style="list-style-type: none"><li>• We introduced the third generation airframe of the SR2X Series</li></ul>
2008	<ul style="list-style-type: none"><li>• We introduced the Cirrus Perspective+™ by Garmin platform</li></ul>
2009	<ul style="list-style-type: none"><li>• We received FAA certification for our Flight Into Known Ice (FIKI) system</li></ul>
2010	<ul style="list-style-type: none"><li>• We received the FAA type certification and the FAA production certification of the SR22T model in February</li></ul>
2011	<ul style="list-style-type: none"><li>• Legacy Cirrus Industries was acquired by CAIGA</li></ul>
2013	<ul style="list-style-type: none"><li>• We introduced the fifth generation airframe of the SR2X Series</li></ul>
2016	<ul style="list-style-type: none"><li>• We received the FAA type certification of the Vision Jet model in October</li><li>• The first customer delivery of the Vision Jet model</li></ul>
2017	<ul style="list-style-type: none"><li>• We received the FAA production certification of the Vision Jet model</li><li>• We launched the Cirrus Embark training program</li><li>• We introduced the sixth generation airframe of the SR2X Series</li><li>• The Vision Center in Knoxville, Tennessee was opened to provide aircraft delivery, SR2X Series and Vision Jet flight training, service, support, design and all customer experience services globally</li></ul>
2018	<ul style="list-style-type: none"><li>• We launched Cirrus Services</li><li>• We launched the Vision Jet full-motion flight simulator in support of the Vision Jet Type Rating training program</li></ul>
2019	<ul style="list-style-type: none"><li>• We introduced the second generation airframe of the Vision Jet model</li></ul>
2023	<ul style="list-style-type: none"><li>• Our SR2X Series aircraft achieved 9,000th delivery</li><li>• Our Vision Jet achieved its 500th delivery</li></ul>
2024	<ul style="list-style-type: none"><li>• We introduced the seventh generation airframe of the SR2X Series</li></ul>

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### OUR CORPORATE DEVELOPMENT

#### Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on December 13, 2019. Upon its incorporation, one ordinary Share of par value of US\$1.00 per Share was allotted and issued to the initial subscriber, an independent third party, on December 13, 2019, which was then transferred to CAIGA Hong Kong, a direct wholly-owned subsidiary of CAIGA, on the same date. On January 15, 2020, an additional 155,481,658 ordinary Shares were issued to CAIGA Hong Kong. For details, see “— Reorganization — 2. Acquisition of CAIGA Co., Ltd. through Share Swap.”

Our Company has been wholly-owned by CAIGA Hong Kong since the date of its incorporation.

#### Our Principal Subsidiaries

Set out below are the major corporate history and shareholding changes of our principal subsidiaries:

##### *Cirrus Industries and Legacy Cirrus Industries*

Legacy Cirrus Industries was incorporated in Delaware, the United States, as a corporation on February 13, 1996. Upon the inception of Legacy Cirrus Industries, it was owned by the Klapmeier family as to approximately 28.49%, with the remaining shareholding held by 20 other stockholders who were initial investors of the Group, each, to the best knowledge of the Company, an independent third party save for their then equity interest in Legacy Cirrus Industries. Over the years, with additional fundraising and the grant of share incentives to employees, the shareholding structure of Legacy Cirrus Industries had become more dispersed. As of August 2001, it was owned by the Klapmeier family as to approximately 39.53%, with the remaining shareholding held by 402 other stockholders including employees and, to the best knowledge of the Company, other independent third parties (save for their then equity interest in Legacy Cirrus Industries) including funds, investment companies and other individuals.

In August 2001, Cirrus Holding Company Limited (“**Arcapita Holdco**,” an independent third party established by Arcapita, an asset management firm headquartered in Bahrain) acquired majority stake in Legacy Cirrus Industries by capital injection. As of February 2011 and immediately before the 2011 Merger (as defined below), Legacy Cirrus Industries was owned by Arcapita Holdco as to approximately 58.80%, by the Klapmeier family as to approximately 13.98%, with the remaining shareholding held by 499 other stockholders including employees and, to the best knowledge of the Company, other independent third parties including funds and investment companies.

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To the best knowledge of the Company, following the global financial crisis in 2008, Arcapita was seeking to exit its investment in the Group. Considering the Group’s long-term development potential in light of its product offering, reputation in the personal aviation industry and management team’s expertise, CAIGA decided to acquire the Group by way of a merger with Legacy Cirrus Industries. CAIGA is a limited liability company incorporated in the PRC and is principally engaged in the research and development, operation and service of general aviation, designing and manufacturing of aviation parts and accessories. For further details on the background of CAIGA, see the section headed “Relationship with Our Controlling Shareholders — Background of Our Controlling Shareholders.” Pursuant to an agreement and plan of merger dated February 3, 2011 (the “Merger Agreement”), CAIGA MS Co., Ltd., a direct wholly-owned subsidiary of CAIGA (US) Co., Ltd. (a company directly wholly-owned by CAIGA Co., Ltd., which was wholly-owned by CAIGA prior to the Reorganization), merged with and into Legacy Cirrus Industries (the “2011 Merger”).

The aggregate consideration for the 2011 Merger pursuant to the Merger Agreement was calculated by the valuation of the Group (i.e., US\$210 million), as adjusted and deducted by the net debt and certain deductibles of the Group (i.e., approximately US\$150 million), as well as the transaction expenses of the 2011 Merger. The valuation of the Group was determined based on advice provided by independent financial advisors to the 2011 Merger. Pursuant to the Merger Agreement, on or before the effective date of the 2011 Merger, CAIGA (US) Co., Ltd. shall deposit the consideration payable to the then stockholders of Legacy Cirrus Industries in cash with a paying agent who shall make payments to the then stockholders. The certificate of merger in respect of the 2011 Merger was filed with the Secretary of State of the State of Delaware on June 24, 2011, and the 2011 Merger became effective on the same day. The 2011 Merger has been properly and legally completed and settled with all applicable approvals obtained. Based on (i) certain confirmations provided by Cirrus Industries and CAIGA and (ii) Hogan’s review of (A) the clearance letter issued by the CFIUS in connection with the 2011 Merger and (B) the national security agreement entered into among Legacy Cirrus Industries, CAIGA and the U.S. Department of Defense (on behalf of CFIUS) as a condition of CFIUS’ clearance of the 2011 Merger (the “NSA”), Hogan confirms that CFIUS cleared the 2011 Merger and that Cirrus Industries, Legacy Cirrus Industries and CAIGA have complied with the terms of the NSA. Upon the completion of the 2011 Merger and as of the Latest Practicable Date, CAIGA was held by AVIC as to 70%, by Guangdong Utrust Investment Holding Co., Ltd.\* (廣東粵財投資控股有限公司, “Guangdong Utrust”) as to 14%, by Guangdong Hengjian Investment Holding Co., Ltd.\* (廣東恆健投資控股有限公司, “Guangdong Hengjian”) as to 10% and by Zhuhai Gree Aviation Investment Co., Ltd.\* (珠海格力航空投資有限公司, “Gree Aviation Investment”) as to 6%.

Subsequent to the 2011 Merger, Legacy Cirrus Industries had been directly wholly-owned by CAIGA (US) Co., Ltd. until the merger in December 2022 as further elaborated in “— Reorganization — 3. Merger of holding entities under the 2022 Merger” below (the “2022 Merger”), after which Cirrus Industries (the surviving corporation pursuant to the 2022 Merger among Legacy Cirrus Industries, CAIGA (US) Co., Ltd. and CAIGA Co., Ltd.) became wholly-owned by our Company. Subsequent to the 2011 Merger when the Group became indirectly

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wholly-owned by CAIGA, each of Mr. Alan Lee Klapmeier and Mr. Dale Edward Klapmeier ceased to hold any interest in the Group. Mr. Alan Lee Klapmeier ceased to hold any executive position in the Group since 2009 to pursue other opportunities while Mr. Dale Edward Klapmeier ceased to hold any executive position in the Group following his retirement in 2019.

### *Cirrus Design*

Cirrus Design was incorporated in Wisconsin, the United States, as a corporation on February 25, 1987, with Mr. Alan Lee Klapmeier, Mr. Dale Edward Klapmeier and Mr. Jeffrey K Viken, each an independent third party, as the initial shareholders. The principal business activity of Cirrus Design is designing, manufacturing and retail sale of aircraft and related operations. Cirrus Design is the principal operating company within our Group.

While the entire shareholding held by Mr. Jeffrey K Viken was repurchased by Cirrus Design in April 1990, Mr. Alan Lee Klapmeier and Mr. Dale Edward Klapmeier transferred the entire shareholding in Cirrus Design to Legacy Cirrus Industries in February 1996, after which Cirrus Design became wholly-owned by Legacy Cirrus Industries.

After the 2022 Merger, CAIGA Co., Ltd. (subsequently renamed as Cirrus Industries) became the shareholder of Cirrus Design.

As of the Latest Practicable Date, the authorized capitalization of Cirrus Design was 100,000 shares of common stock with par value of US\$0.01 per share, and the issued and outstanding share capital of Cirrus Design was 82,500 shares of common stock with par value of US\$0.01 per share, all of which was held by Cirrus Industries.

### *Dakota Aircraft*

Dakota Aircraft was incorporated in North Dakota, the United States, as a corporation on July 28, 2014. The principal business activity of Dakota Aircraft is manufacturing of composite components of aircraft.

Dakota Aircraft had been held by Legacy Cirrus Industries since its incorporation until the 2022 Merger, after which CAIGA Co., Ltd. (subsequently renamed as Cirrus Industries) became the shareholder of Dakota Aircraft.

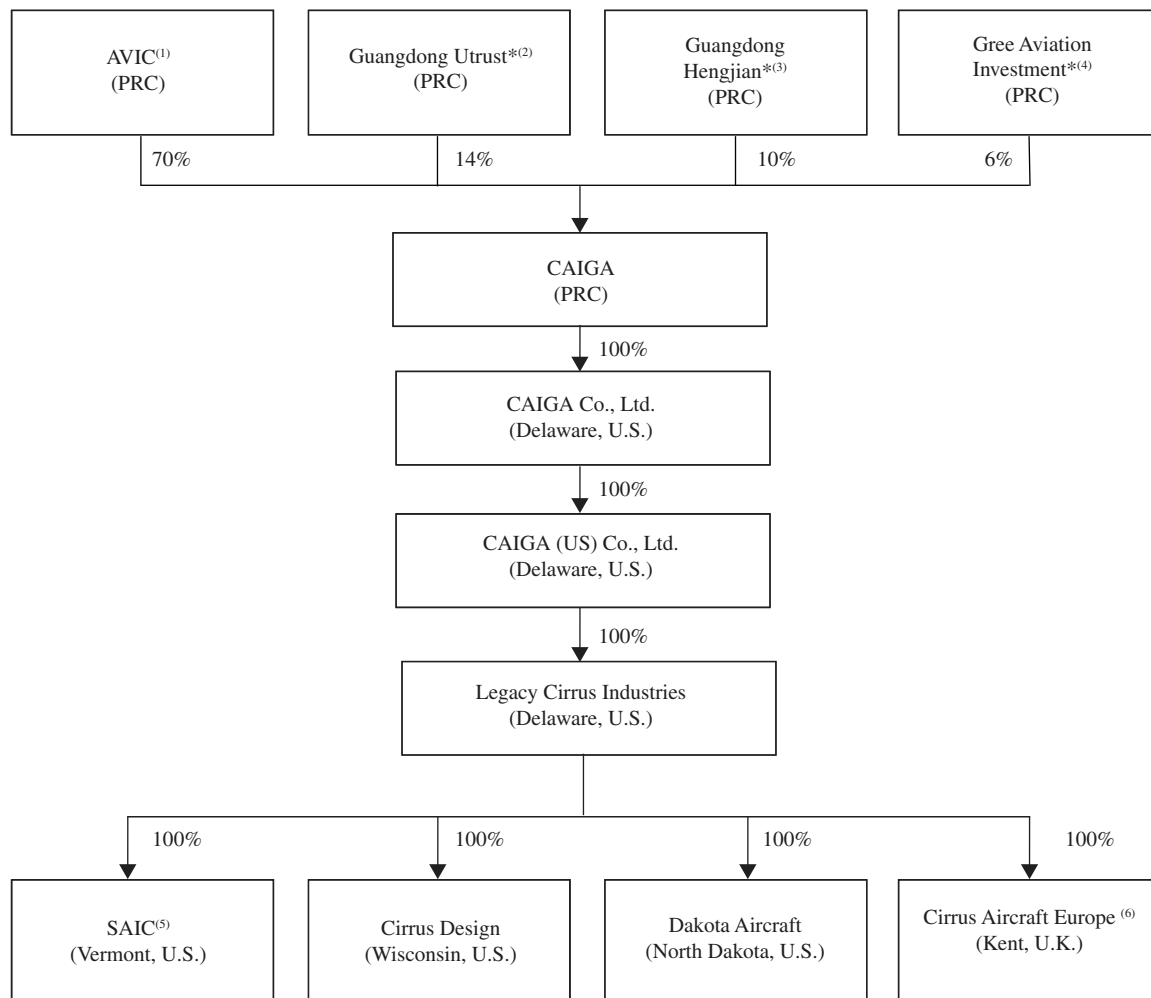
As of the Latest Practicable Date, the authorized capitalization of Dakota Aircraft was 10,000 shares of common stock with par value of US\$0.01 per share, and the issued and outstanding share capital of Dakota Aircraft was 1,000 shares of common stock with par value of US\$0.01 per share, all of which was held by Cirrus Industries.

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### REORGANIZATION

In preparation of our [REDACTED], we underwent the Reorganization pursuant to which our Company became the holding company of our Group.

The following chart shows the shareholding and corporate structure of our Group before the Reorganization which commenced in December 2019:



*Notes:*

- (1) AVIC is a limited liability company established in the PRC on November 6, 2008, and is wholly-owned by the SASAC.
- (2) Guangdong Utrust is a limited liability company established in the PRC on May 14, 2001, which is owned as to approximately 92.13% by the People’s Government of Guangdong Province (廣東省人民政府) and as to approximately 7.87% by the Department of Finance of the People’s Government of Guangdong Province (廣東省人民政府財政廳).

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- (3) Guangdong Hengjian is a limited liability company established in the PRC on March 16, 2006, which is wholly-owned by the SASAC of the People’s Government of Guangdong Province (廣東省人民政府國有資產監督管理委員會).
- (4) Gree Aviation Investment is a limited liability company established in the PRC on July 6, 2009, which is wholly-owned by Zhuhai Gree Group Co., Ltd.\* (珠海格力集團有限公司). Zhuhai Gree Group Co., Ltd. \* (珠海格力集團有限公司) is a limited liability company established in the PRC on December 15, 1990, which is wholly-owned as to 90% by the SASAC of the People’s Government of Zhuhai (珠海市人民政府國有資產監督管理委員會) and as to 10% by the Department of Finance of the People’s Government of Guangdong Province.
- (5) SAIC was incorporated in Vermont, the United States, as a corporation on June 22, 2005. SAIC is acting as our captive insurance subsidiary. See “Business — Insurance.”
- (6) Cirrus Aircraft Europe was incorporated in Kent, the United Kingdom, as a private company limited by shares on August 12, 2015. The principal business activity of Cirrus Aircraft Europe is the solicitation of sales of aircraft.

The Reorganization involved the following steps:

### **1. Incorporation of our Company**

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on December 13, 2019 with an authorized share capital of US\$50,000 divided into 50,000 Shares with par value of US\$1.00 per Share. Upon its incorporation, one ordinary Share of par value of US\$1.00 per Share was allotted and issued to the initial subscriber, an independent third party, on December 13, 2019, which was then transferred to CAIGA Hong Kong, a direct wholly-owned subsidiary of CAIGA, on the same date.

### **2. Acquisition of CAIGA Co., Ltd. through share swap**

CAIGA Co., Ltd. was incorporated in Delaware, the United States as a corporation on January 19, 2011 and was wholly-owned by CAIGA immediately prior to the Reorganization.

Pursuant to the share purchase agreement dated January 15, 2020 entered into between CAIGA, CAIGA Hong Kong and our Company, CAIGA agreed to sell, transfer and assign its right, title and interest in and to the 100% of the issued and outstanding share capital of CAIGA Co., Ltd. to our Company at a consideration of US\$155,481,658. The consideration for the acquisition of CAIGA Co., Ltd., which was a simplification of corporate structure as part of the Reorganization, was determined with reference to the audited consolidated net asset value of CAIGA Co., Ltd. as of December 31, 2018 and has been satisfied by the allotment and issuance of 155,481,658 new ordinary Shares by our Company to CAIGA Hong Kong on January 15, 2020, and our Company’s authorized share capital was increased from US\$50,000, divided into 50,000 Shares with par value of US\$1.00 per Share, to US\$250,000,000, divided into 250,000,000 Shares with par value of US\$1.00 per Share.

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Upon the completion of such transfer, CAIGA Co., Ltd. was wholly-owned by our Company.

### 3. Merger of holding entities under the 2022 Merger

In December 2022, Legacy Cirrus Industries was merged with and into CAIGA (US) Co., Ltd. and CAIGA (US) Co., Ltd. was merged with and into CAIGA Co., Ltd. under Delaware law. As a result, CAIGA Co., Ltd. acquired all the assets and properties of CAIGA (US) Co., Ltd. and Legacy Cirrus Industries, respectively, and assumed all of the liabilities and obligations therein. CAIGA Co., Ltd. was renamed as “Cirrus Industries, Inc.” The surviving corporation pursuant to the 2022 Merger was Cirrus Industries. For the shareholding and corporate structure of our Group after the Reorganization, see “— Corporate Structure Immediately Prior to the [REDACTED].”

Faegre has confirmed that the relevant approvals and permits from relevant authorities in the U.S. with respect to the Reorganization have been obtained, and the procedures involved are in accordance with applicable U.S. laws, rules and regulations. As advised by Jia Yuan, the relevant approvals and permits from relevant authorities in the PRC with respect to the Reorganization have been obtained, and the procedures involved are in accordance with applicable PRC laws and regulations.

### SHARE SUBDIVISION

Pursuant to the written resolutions of our Shareholder passed on [•], each Share with par value US\$1.00 in the then issued and unissued share capital of our Company was subdivided into [two] Shares with par value of US\$[0.50] each upon the [REDACTED] becoming unconditional. Following the Share Subdivision, our authorized share capital consists of US\$[250,000,000] divided into [500,000,000] Shares with a par value of US\$[0.50] each.

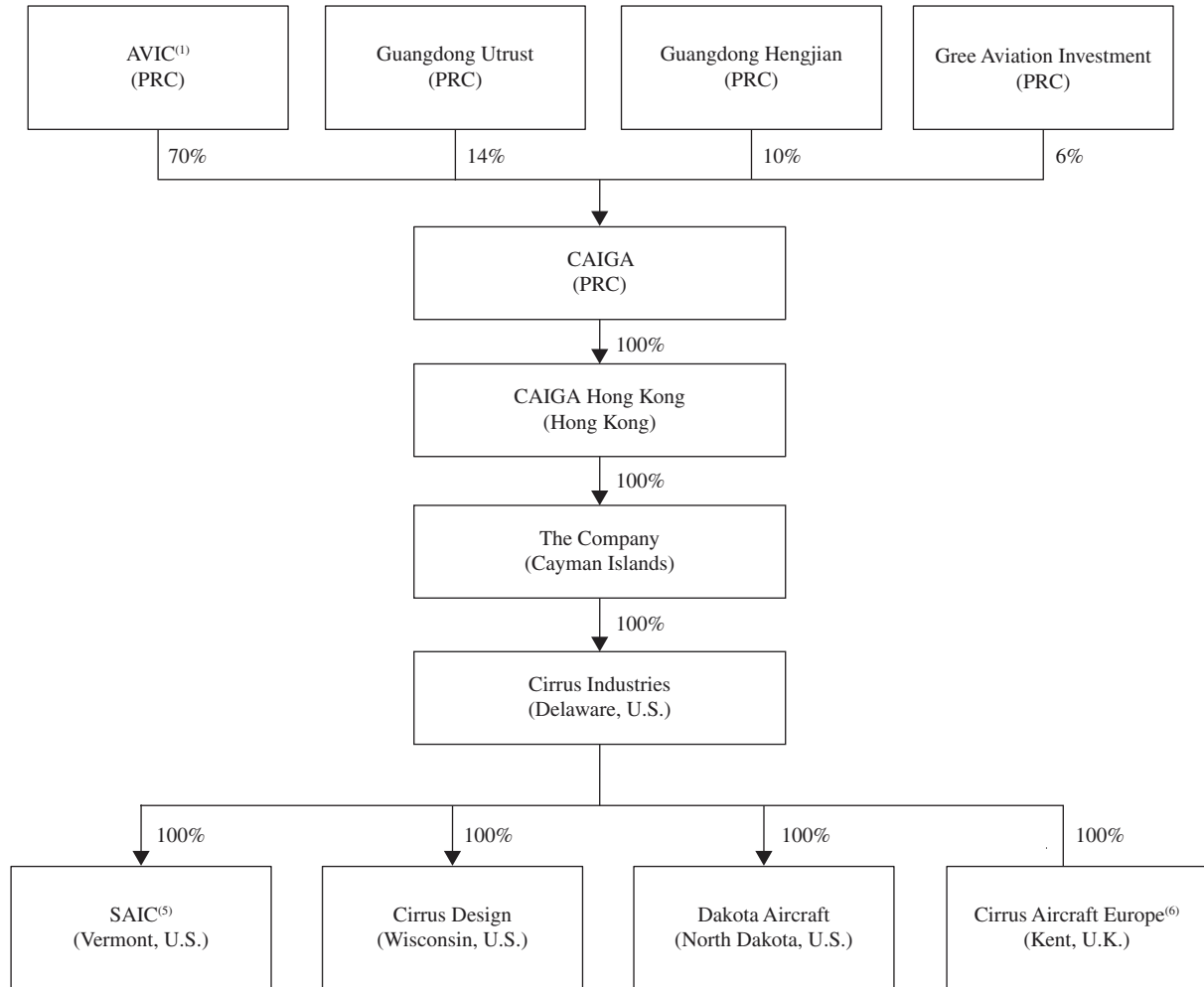
[REDACTED]



## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

### CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart shows the shareholding and corporate structure of our Group after the Reorganization and immediately before completion of the Share Subdivision and the [REDACTED]:



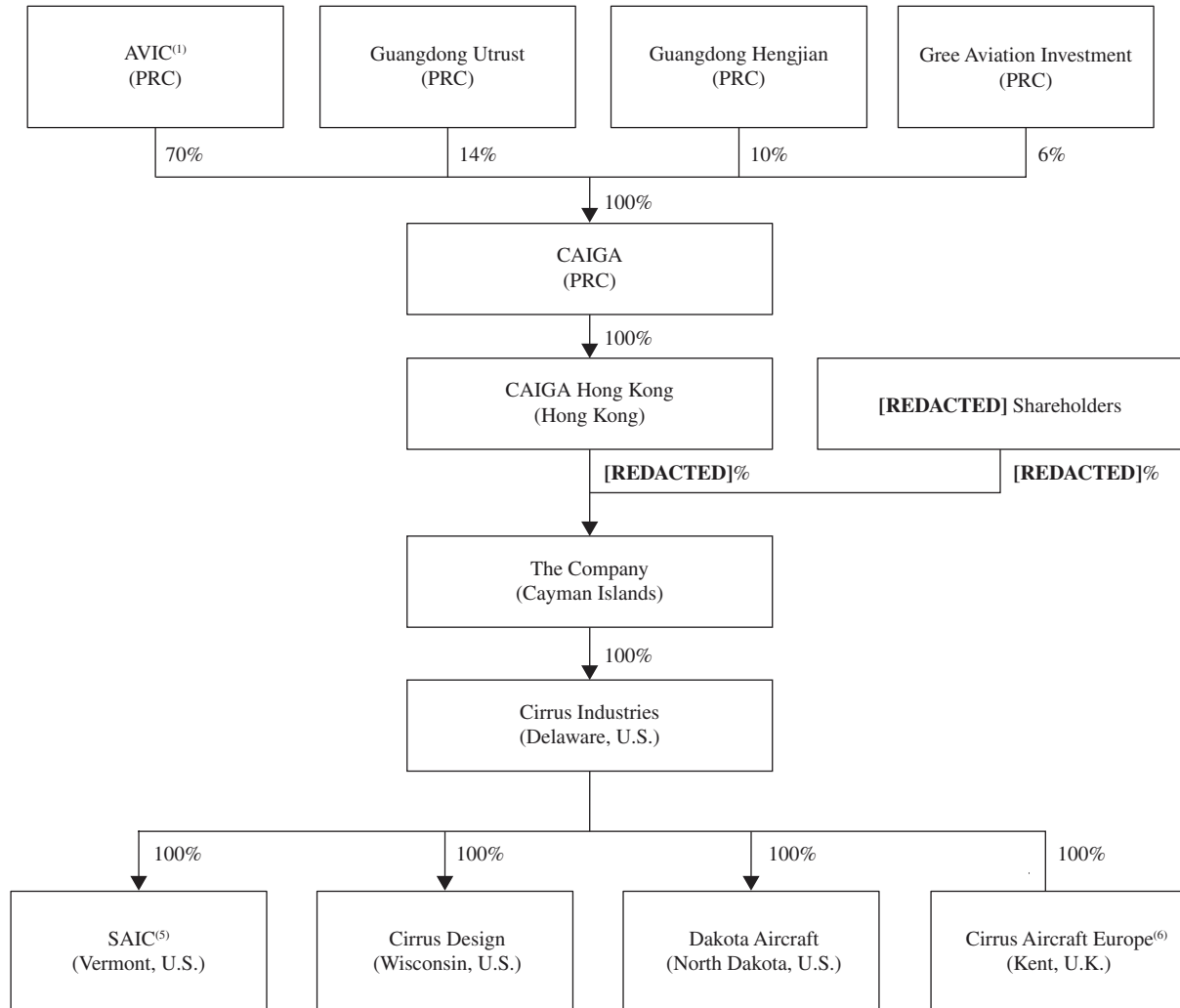
*Note:*

(1) See “— Reorganization” in this section for notes (5) to (6).

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### CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following chart shows the shareholding and corporate structure of our Group upon completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised):



*Note:*

(1) See “— Reorganization” in this section for notes (5) to (6).