



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment.

18 Can any resulting loss be recognized? ▶ See Attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment.

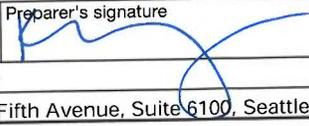
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 2/18/2024

Print your name ▶ E. Brandon Robinson Title ▶ Chief Executive Officer

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Kendall R. Fisher		2/20/2024		P01980923
Firm's name ▶	Firm's address ▶		Firm's EIN ▶	Phone no.
Dorsey & Whitney LLP	Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104		41-0223337	(206) 903-8793

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

New Horizon Aircraft Ltd. (formerly Pono Capital Three, Inc.)

Attachment to Form 8937-Part II

Report of Organizational Actions Affecting Basis of Securities (The Transaction)

**Consult your tax advisor:** The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Transaction (as defined below) on the tax basis of shares in New Horizon Aircraft Ltd., a corporation organized under the laws of the Province of British Columbia, Canada (formerly Pono Capital Three, Inc.) (“PubCo”), in the hands of holders of shares of PubCo stock who are U.S. taxpayers and who received such shares of PubCo stock pursuant to the Transaction (“U.S. Shareholders”). This discussion does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. PubCo does not provide tax advice to its shareholders. You are urged to consult your own tax advisors regarding the particular consequences of the Arrangement to you, including the applicability and effect of all U.S. federal, state and local tax laws as well as non-U.S. tax laws.

This Form 8937 and the analysis contained herein also does not address the U.S. federal, state, local or non-U.S. tax consequences of the Transaction applicable to holders of options, warrants or other convertible securities of PubCo or Company (as defined below). Holders of such options, warrants or other convertible securities should consult their own tax advisors regarding the tax consequences of the Transaction to them in light of their own personal circumstances.

For additional information, please read the Prospectus and Definitive Proxy Statement of PubCo, dated as of December 22, 2023 (as supplemented by a prospectus supplement filed on December 29, 2023, the “Proxy Statement/Prospectus”), which is available on EDGAR at [www.sec.com](http://www.sec.com).

**Part II Item 14. (Description of organizational action)**

The “Transaction” was effected pursuant to the following mutually interdependent steps (certain steps of the Transaction which are not relevant to the discussion herein are omitted, but are described in greater detail in the business combination agreement (the “**Business Combination Agreement**”) dated as of August 15, 2023 by and among PubCo, Pono Three Merger Acquisitions Corp., a corporation organized under the laws of the Province of British Columbia, Canada and a wholly-owned subsidiary of PubCo (“**Merger Sub**”), and Robinson Aircraft Ltd. d/b/a Horizon Aircraft, a corporation organized under the laws of the Province of British Columbia, Canada (“**Company**”)):

**Step 1:** On January 11, 2024, PubCo, a corporation then-organized under the laws of the Cayman Islands, continued to, and became organized under the laws of, the Province of British Columbia, Canada (the “**Continuance**”).

**Step 2:** On January 12, 2024, pursuant to the Business Combination Agreement, PubCo, Company and Merger Sub were parties to a three-cornered amalgamation pursuant to which Company and Merger Sub amalgamated (the entity formed upon the amalgamation of Company and Merger Sub being “Amalco”) (the “Amalgamation”). Pursuant to the Amalgamation, the Company shareholders (“Company Shareholders”) received PubCo Class A Ordinary Shares (“PubCo Shares”) for the Company Class A common shares, Class B common shares and Class C common shares (collectively, the “Company Shares”) exchanged therefor. No fractional PubCo Shares were issued pursuant to the Amalgamation, with any fractional shares rounded down to the nearest whole number. At the closing of the Amalgamation, PubCo was renamed from “Pono Capital Three, Inc.” to “New Horizon Aircraft Ltd.”

PubCo intends that (i) the Continuance qualify as a tax-deferred reorganization under Code Section 368(a)(1)(F), and (ii) PubCo prior to, and after, the Transaction was classified as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b). PubCo further intends that the Amalgamation qualify as a tax-deferred reorganization under Code Section 368(a), but PubCo provides no assurances in this regard (each of the foregoing tax treatments, collectively, the “Intended Tax Treatment”). The following discussion in this Attachment and the analysis contained herein assumes the Intended Tax Treatment is respected.

U.S. Shareholders should review the Proxy Statement/Prospectus and consult with their own tax advisors regarding the tax consequences of the Transaction to them in light of their particular circumstances.

Part II Item 15. (Description of the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer)

Pursuant to the Continuance, shareholders of PubCo were deemed to receive post-Continuance PubCo Shares in exchange for their pre-Continuance PubCo Shares, as PubCo continued to, and became organized under the laws of, the Province of British Columbia, Canada. Provided PubCo was classified as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to Code Section 7874(b) immediately prior to, and immediately after, the Continuance, and provided the Continuance qualifies as a tax-deferred reorganization under Code Section 368(a)(1)(F), each U.S. Shareholder should have a tax basis in the post-Continuance PubCo Shares deemed received pursuant to the Continuation equal to such U.S. Shareholder’s tax basis in his, her or its pre-Continuance PubCo Shares held immediately prior to the effective time of the Continuation.

If a U.S. Shareholder held different blocks of PubCo stock (i.e., shares acquired at different times or different prices) at the time of the Continuation, such shareholder should consult his, her or its own tax advisor with respect to the determination of the tax bases of particular shares of PubCo stock received in the Continuation.

PubCo intends that the Amalgamation qualify as a tax-deferred reorganization within the meaning of Code Section 368(a), but PubCo provides no assurances in this regard. Provided the Amalgamation qualifies as a tax-deferred reorganization under Code Section 368(a), each U.S.

Shareholder should have a tax basis in the PubCo Shares received pursuant to the Amalgamation equal to such U.S. Shareholder's adjusted tax basis in his, her, or its Company Shares surrendered in exchange therefor pursuant to the Amalgamation.

If a U.S. Shareholder held different blocks of Company stock (i.e., shares acquired at different times or different prices) at the time of the Amalgamation, such shareholder should consult its own tax advisor with respect to the determination of the tax bases of particular shares of PubCo stock received in the Arrangement.

Certain former Company U.S. Shareholders may recognize gain under Code Section 367 pursuant to the Amalgamation. Former Company U.S. Shareholders should consult with their own tax advisors regarding the potential application of the rules of Code Section 367 to them in light of their own personal circumstances.

If Company was a passive foreign investment Company ("PFIC"), as defined under Code Section 1297, for any tax year during which a U.S. Shareholder held its Company Shares, certain special PFIC rules may apply to the Amalgamation. U.S. Shareholders should review the Proxy Statement/Prospectus and consult with their own tax advisors regarding the potential application of the PFIC rules.

Alternatively, in the event the Amalgamation instead constitutes a taxable transaction for U.S. federal income tax purposes, a U.S. Shareholder that received PubCo Shares pursuant to the Amalgamation should generally have a tax basis in his, her or its PubCo Shares equal to the fair market value of such PubCo Shares at the effective time of the Amalgamation.

#### Part II Item 16. (Description of the calculation of the change in basis)

In the event the Continuation is taxable for U.S. federal income tax purposes, for purposes of calculating fair market value, the fair market value of a PubCo Share on January 11, 2024 is estimated at U.S.\$5.66, which was the closing price for a PubCo Share on the Nasdaq Stock Exchange on January 11, 2024.

In the event the Amalgamation is taxable for U.S. federal income tax purposes, for purposes of calculating fair market value, the fair market value of a PubCo Share on January 12, 2024 is estimated at U.S.\$5.72, which was the closing price for a PubCo Share on the Nasdaq Stock Exchange on January 12, 2024.

Each U.S. Shareholder should consult with his, her or its own tax advisors to determine whether they are required to recognize gain in connection with the Transaction and what measure of fair market value is appropriate.

#### Part II Item 17. (List of applicable Code sections)

Provided PubCo was classified as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b) immediately prior to, and immediately after, the Continuance, and provided the Continuance qualifies as a tax-deferred

reorganization under Code Section 368(a)(1)(F), the U.S. federal income tax consequences to U.S. Shareholders that were deemed to receive post-Continuance PubCo Shares pursuant to the Continuance should be determined under Code Sections 354, 358, 368, 1223 and 7874.

Provided the Amalgamation qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a), the U.S. federal income tax consequences for U.S. Shareholders that received PubCo Shares pursuant to the Amalgamation should be determined under Code Sections 354, 358, 367, 368 and 1223.

In addition, if Company was a PFIC at any time during the period that a former Company U.S. Shareholder held Company Shares, then Code Sections 1291-1297 would be applicable.

Alternatively, provided the Amalgamation instead constitutes a taxable transaction for U.S. federal income tax purposes, the U.S. federal income tax consequences for U.S. Shareholders that received PubCo Shares pursuant to the Amalgamation should be determined under Code Sections 1001, 1012, 1211 and 1221.

#### Part II Item 18. (Recognition of loss)

Provided PubCo was classified as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b) immediately prior to, and immediately after, the Continuance, and provided the Continuance qualifies as a tax-deferred reorganization under Code Section 368(a)(1)(F), U.S. Shareholders that are deemed to receive PubCo Shares pursuant to the Continuance should not recognize any loss.

Provided the Amalgamation qualifies as a tax-deferred reorganization under Code Section 368(a), U.S. Shareholders that received PubCo Shares pursuant to the Amalgamation should not recognize any loss.

Alternatively, provided the Amalgamation instead constitutes a taxable transaction for U.S. federal income tax purposes, a U.S. Shareholder that receive PubCo Shares pursuant to the Amalgamation may recognize loss pursuant to the Amalgamation to the extent such U.S. Shareholder's tax basis in the Company Shares surrendered exceeds the fair market value of the PubCo Shares received in exchange therefor.

#### Part II Item 19. (Other information)

The Continuation was effective on January 11, 2024 and the Amalgamation was effective on January 12, 2024. For a U.S. Shareholder which participated in the Transaction, or any component thereof, whose taxable year is a calendar year, the reportable tax year is 2024.