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## **Hong Kong Aerospace Technology Group Limited**

**香港航天科技集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1725)**

### **DISCLOSEABLE TRANSACTION — THE “ONE-ROCKET-THIRTY-SATELLITES” PROJECT**

#### **THE CONTRACT**

On 17 March 2023, SZ Gang Hang Ke, a wholly-owned subsidiary of the Company, entered into the Contract with Beijing Zero Gravity in relation to the “One-Rocket-Thirty-Satellites” Project. Pursuant to the Contract, Beijing Zero Gravity shall undertake the overall coordination services of the project for launch and in-orbit delivery of thirty (30) satellites, namely Nos. 7–36 satellites of the Golden Bauhinia Constellation project for the Group, and Beijing Zero Gravity and the Group shall jointly undertake the R&D, manufacturing and other relevant services pertaining thereto the thirty (30) satellites including but not limited to (1) using the Group’s satellite manufacturing center in Hong Kong to jointly carry out satellite design, assembly, integration and testing; (2) using the Group’s satellite testing, control and operation center in Hong Kong for joint testing, control and operation, and maintenance of those satellites; and (3) using the Group’s satellite data application center in Hong Kong to carry out massive and high frequency satellite data storage, reception, distribution and application.

The R&D, manufacturing and launching of the thirty (30) satellites shall be completed within 12 months (or such other date mutually agreed between the parties to the Contract) from the date of the Contract. The total contract sum of RMB90 million, which shall be payable by stages commensurating to the progress of the Project. It is expected that those thirty (30) satellites will be launched by the end of the first quarter of 2024.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but is less than 25%, the Contract and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **THE CONTRACT**

The Board is pleased to announce that on 17 March 2023, SZ Gang Hang Ke a wholly-owned subsidiary of the Company and Beijing Zero Gravity entered into the Contract in relation to the “One-Rocket-Thirty-Satellites” Project.

Date: 17 March 2023

Parties: (i) SZ Gang Hang Ke; and  
(ii) Beijing Zero Gravity

## **Subject Matter**

Pursuant to the Contract, Beijing Zero Gravity shall undertake the overall coordination services of the project for launch and in-orbit delivery of thirty (30) satellites, namely Nos. 7–36 satellites of the Golden Bauhinia Constellation project for the Group, Beijing Zero Gravity and the Group shall jointly undertake R&D, manufacturing and other relevant services pertaining thereto the thirty (30) satellites including but not limited to:

- (1) using the Group's satellite manufacturing center in Hong Kong to jointly carry out satellite design, assembly, integration and testing;
- (2) using the Group's satellite testing, control and operation center in Hong Kong for joint testing, control and operation, and maintenance of those satellites; and
- (3) using the Group's satellite data application center in Hong Kong to carry out massive and high frequency satellite data storage, reception, distribution and application.

It is expected that those thirty (30) satellites will be launched by the end of the first quarter of 2024.

## The Services

The Services to be provided by Beijing Zero Gravity pursuant to the Contract including:

1. **Product R&D and manufacturing.** Jointly carry out (i) R&D, manufacturing and testing for thirty (30) satellites, namely Nos. 7–36 satellites of the Golden Bauhinia Constellation project, in Beijing Zero Gravity Jinhua center and the Group's satellite manufacturing center in Hong Kong; (ii) R&D for those thirty (30) satellites to be carried by one rocket simultaneously for launching; and (iii) R&D for the corresponding satellite separation mechanism from the rocket.
2. **Launch services.** Frequency application, rocket launch site coordination and data reception. Beijing Zero Gravity shall provide post-launching services, such as system testing, operation and control services, satellite maintenance and data reception for 36-month period after the in-orbit delivery of the satellites.
3. **In-orbit delivery.** Satellite launching and in-orbit delivery.
4. **Ground reception.** Through the Group's satellite remote sensing station in Tseung Kwan O, Hong Kong, to assist in the reception of remote sensing data from Golden Bauhinia Satellite Nos. 7–36.
5. **Post-launching training.** Using technical documents such as satellite instructions and test reports collected in the Group's satellite remote sensing station in Tseung Kwan O, Hong Kong to assist in delivery and docking with the Group's end customers. Beijing Zero Gravity shall also provide the professional technical trainings to the Group's staff for no less than 20 hours in those aspects, including (i) satellite orbit design; (ii) overall design of satellites; (iii) satellite monitoring and control operations; and (iv) satellite daily maintenance operations.
6. **System testing, operation and control.** Within 12 months after completion of the in-orbit delivery, provide ground testing, operation and control system services to ensure that the satellite system can work normally and in normal imaging for those thirty (30) satellites launch through the Group's satellite testing, operation and control center in Hong Kong.

## Term

The R&D, manufacturing and launching of the thirty (30) satellites shall be completed within 12 months (or such other date mutually agreed between the parties to the Contract) from the date of the Contract. All satellites shall be in full operation within 30 days from in-orbit delivery.

## Consideration

Pursuant to the Contract, SZ Gang Hang Ke shall pay Beijing Zero Gravity a contract sum of RMB90 million (comprising both manufacturing fee and service fee pertaining to the Services for the thirty (30) satellites), which shall be payable by stages commensurating to the progress of the Project by using internal resources or other financing. The consideration is determined after the arm's length negotiation between the parties to the Contract with reference to the prevailing market price for similar products and services. Since the Project has not yet commenced, there is no financial information available for the Project.

## INFORMATION OF BEIJING ZERO GRAVITY

Based on the public record, Beijing Zero Gravity was established in January 2017 in the PRC and Beijing Zero Gravity is owned by 16 individuals or corporations. 蘭利東 (Lanlidong<sup>#</sup>) is the largest shareholder of Beijing Zero Gravity, who holds approximately 41.91% shareholding while each of the other shareholders holds less than 10% of the shareholding. Among the minority shareholders, five of them are holding more than 5% shareholding in Beijing Zero Gravity namely, 北京中科天航雲鏈科技中心(有限合夥) (Beijing Zhongke Tianhang Cloud Chain Technology Center (Limited Partnership)<sup>#</sup>), holds approximately 9.47%, 金華市金開產業引領投資合夥企業(有限合夥) (Jinhua Jinkai Industry Leading Investment Partnership (Limited Partnership)<sup>#</sup>) holds approximately 9.09%, 北京零重聚合科技中心(有限合夥) (Beijing Zero Gravity Polymerization Technology Center (Limited Partnership)<sup>#</sup>) holds approximately 8.53%, 深圳市呆呆投資有限公司 (Shenzhen Dada Investment Co., Ltd.<sup>#</sup>) holds approximately 7.89% and 南通市崇川區勃爾金網絡安全合夥企業(有限合夥) (Nantong City Chongchuan District Burkin Network Security Partnership (Limited Partnership)<sup>#</sup>) holds approximately 6.74%. Each of the remaining shareholders holds less than 5% of the shareholdings in Beijing Zero Gravity. The headquarters of Beijing Zero Gravity is in Yizhuang, Beijing, and it has a branch in Shenzhen. Its technical teams come from various scientific research institutes in various aerospace systems. Beijing Zero Gravity is principally engaged in R&D and manufacturing of satellite components, satellite solution consulting, satellite launch and coordination services, etc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Beijing Zero Gravity and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

## **REASONS FOR AND THE BENEFITS OF THE ENTERING INTO OF THE CONTRACT**

The Group is principally engaged in (1) electronics manufacturing services business; and (2) Aerospace Business which includes (a) satellite manufacturing; (b) satellite communication; (c) satellite measurement and controlling; and (d) satellite launching.

Owing to the increasing demand for aerospace data for dynamic monitoring services, a satellite constellation with high-frequency and rapid revisit capability will have an obvious competitive edge. In view of the Group's experience and expertise in Aerospace Business and expertise of Beijing Zero Gravity in satellite R&D, satellite manufacturing and testing, and data reception, the Company is of the view that the entering into of the Contract (i) will enable the Group to rapidly secure the supply chain of satellite parts and coordinate launching capacity from Beijing Zero Gravity and verify the R&D and manufacturing capability of the Group's Hong Kong satellite manufacturing center in bulk; (ii) will greatly reduce the negotiation time spent between the parties, as the Contract covers the manufacturing, launching, operation and testing of thirty (30) satellites; and (iii) will effectively accelerate the progress of the Golden Bauhinia Constellation project by largely increasing the rapid revisit capability of the Golden Bauhinia Constellation, and expanding the Group's market share in satellite data and application.

As such, the Group considers that the entering into of the Contract will have a positive impact on the future development of the Group's Aerospace Business. Accordingly, the Board is of the view that the terms of the Contract (including the consideration payable by the Group) are fair and reasonable, and the entry of the Contract is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but is less than 25%, the Contract and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Aerospace Business”	One of the principal activities of the Group which includes (a) satellite manufacturing; (b) satellite communication; (c) satellite measurement and controlling; and (d) satellite launching
“Beijing Zero Gravity”	北京零重空間技術有限公司 (Beijing Zero Gravity Space Technology Co. Ltd.), the counterparty to the Contract
“Board”	the board of Directors
“Company”	Hong Kong Aerospace Technology Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1725)
“Contract”	the unconditional in-orbit delivery contract dated 17 March 2023 and entered into between SZ Gang Hang Ke and Beijing Zero Gravity in relation to the Project
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	the “One-Rocket-Thirty-Satellites” project for launch and in-orbit delivery of thirty (30) satellites, namely Nos. 7–36 satellites of the Golden Bauhinia Constellation project for the Group

“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	the services to be provided by Beijing Zero Gravity and pursuant to the Contract including R&D, manufacturing and other relevant services pertaining thereto
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Gang Hang Ke”	港航科（深圳）空間技術有限公司（Gang Hang Ke (Shenzhen) Space Technology Co., Ltd. <sup>#</sup> ), a wholly-owned subsidiary of the Company established in the PRC
“%”	per cent

<sup>#</sup> The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

By order of the Board  
**Hong Kong Aerospace Technology Group Limited**  
**Sun Fengquan**  
*Co-Chairman and Chief Executive Officer*

Hong Kong, 17 March 2023

*As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Co-Chairman and Chief Executive Officer), Dr. Lam Lee G. (Co-Chairman), Mr. Lam Kin Fung Jeffrey, Ms. Ku Ka Lee Clarie (Vice Chairman) and Mr. Ma Fujun as executive Directors; Dr. Mazlan Binti Othman, Mr. Niu Aimin and Dr. Yip Chung Yin as non-executive Directors; and Mr. Brooke Charles Nicholas, Professor Chan Ka Keung, Ceajer, Mr. Hung Ka Hai Clement, Dr. Yuen Kwok Keung and Mr. Juan de Dalmau-Mommertz as independent non-executive Directors.*