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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)

VOLUNTARY ANNOUNCEMENT LETTER OF INTENT FOR POTENTIAL SHARE SUBSCRIPTION IN ASPACE

This announcement is made by Hong Kong Aerospace Technology Group Limited (the “**Company**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 11 October 2023 (after trading hours), Aspace Satellite Technology Limited, an indirect non-wholly owned subsidiary of the Company (“**Aspace**”) entered into a non-legally binding letter of intent (the “**Letter of Intent**”) in relation to potential subscription of new shares of Aspace with Harvest Funds (Cayman) SPC (the “**Subscriber**”), pursuant to which, subject to the terms and conditions of the Letter of Intent, the Subscriber intends to subscribe for approximately 33.33% of total issued shares of Aspace (calculated upon the completion of the subscription by the Subscriber, the “**Potential Subscription**”) on the enlarged basis in an amount of approximately US\$16 million (the “**Subscription Amount**”), and intends to pay the full amount of such Subscription Amount to Aspace subject to the terms and conditions in the formal subscription agreement, the shareholders agreement of Aspace and any other transaction documents (together, the “**Investment Documents**”) to be entered into between the Subscriber and Aspace.

The Subscriber is independent of and not connected with the Company and its connected persons. The Subscriber is in the process of launching a new segregated portfolio (the “**Segregated Portfolio**”) dedicated for the Potential Subscription of the new shares to be issued by Aspace. It is expected that the Investment Documents will be entered into after (i) the Segregated Portfolio is officially launched; (ii) the Subscriber has fully received the funds from its own investor(s) and such investor(s) have been admitted to the investor of

the Subscriber after clearing all relevant procedures; and (iii) necessary resolutions are passed by the shareholders of the Company at its extraordinary general meeting in respect of the transactions contemplated under the Potential Subscription.

Aspace is the Group's key subsidiary carrying out satellite manufacturing (such as the development, design and testing of satellite payload, communications satellites, navigation augmentation satellites and remote sensing satellites). Given that the principal business of Aspace is capital intensive, the Directors consider the Potential Subscription will provide Aspace with financial support and strengthen its capital for satellite manufacturing business, which is in line with the development strategy of the Company.

The Letter of Intent shall be expired and terminated immediately upon the entry of the Investment Documents or 31 March 2024, whichever is earlier.

If the Potential Subscription materialised, it may constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

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

Hong Kong, 11 October 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.