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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)**

### **COMPLETION OF SUBSCRIPTION OF COLLATERALISED CONVERTIBLE NOTES UNDER SPECIFIC MANDATE**

#### **COMPLETION OF SUBSCRIPTION OF COLLATERALISED CONVERTIBLE NOTES**

References are made to the announcements of Hong Kong Aerospace Technology Group Limited (the “**Company**”) dated 12 May 2023 and 31 August 2023 and the circular of the Company dated 15 September 2023 (the “**Circular**”) in relation to the subscription of the collateralised convertible notes under the specific mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that all the conditions precedent to the Subscription Agreement (as supplemented by the Supplemental Agreement) have been fulfilled and the Completion of the Subscription took place on 18 October 2023. The Convertible Notes in the aggregate principal amount of HK\$700,000,000 have been successfully issued to the Subscriber in accordance with the terms and conditions of the Subscription Agreement and the Supplemental Agreement.

Based on the Terms and Conditions of the Convertible Notes, assuming that there will be no change in the issued share capital of the Company before exercise of the Conversion Rights, the Maximum Number of Shares to be issued will be 61,750,000 Conversion Shares, which represents (i) approximately 19.98% of the existing issued share capital of the Company; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Maximum Number of Shares upon full conversion of the Convertible Notes. Pursuant to the Credit Support Agreement, the proceeds from the issue of the Convertible Notes will be kept as collateral with the Subscriber for securing the repayment of the Convertible Notes and the Company will

receive those proceeds upon conversion of the Convertible Notes. The Company will apply the net proceeds from the Subscription of up to approximately HK\$684.2 million under the arrangement as disclosed in the Circular.

As disclosed in the Circular, the Subscriber does not intend to become a long-term major shareholder or a substantial shareholder (as defined in the Listing Rules) of the Company, and may sell the Conversion Shares from time to time during and after the Conversion Period. Hence, theoretically all the holders of the Conversion Shares will be counted as public shareholders.

## CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon conversion of the Convertible Notes up to Maximum Number of Shares of 61,750,000 Conversion Shares:

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately upon conversion of the Convertible Notes up to 61,750,000 Conversion Shares (for illustration purpose only)</b>	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
<b>Substantial Shareholders and Directors</b>				
Hong Kong Aerospace Technology Holdings Limited (“ <b>HKATH (BVI)</b> ”) <i>(note 1)</i>	78,343,553	25.35	78,343,553	21.13
Vision International Group Limited (“ <b>Vision</b> ”) <i>(note 1)</i>	19,826,000	6.42	19,826,000	5.35
Ms. Chung Yuen Yee <i>(note 2)</i>	4,257,002	1.38	4,257,002	1.15
Sure Wealth Investment Limited <i>(note 3)</i>	2,277,496	0.74	2,277,496	0.61
<b>Public Shareholders</b>				
The Subscriber <i>(note 4)</i>	—	—	61,750,000	16.66
Other public shareholders	<u>204,295,949</u>	<u>66.11</u>	<u>204,295,949</u>	<u>55.10</u>
Total:	<u>309,000,000</u>	<u>100.00</u>	<u>370,750,000</u>	<u>100.00</u>

*Notes:*

- (1) HKATH (BVI) is wholly-owned by Vision and Vision is wholly-owned by Mr. Sun Fengquan (“**Mr. Sun**”), an executive Director. Therefore, Mr. Sun is deemed or taken to be interested in the 78,343,553 Shares held by HKATH (BVI) and 19,826,000 Shares held by Vision under the SFO.
- (2) Ms. Chung Yuen Yee, Kathy, spouse of Dr. Lam Lee G. (“**Dr. Lam**”), an executive Director is interested in 4,257,002 Shares, representing 1.38% of the total number of the issued Shares and hence Dr. Lam is deemed or taken to be interested in the Shares under the SFO.
- (3) Dr. Yip Chung Yin (“**Dr. Yip**”), a non-executive Director, and his family members, through their investment vehicles, are interested in 2,277,496 Shares, representing 0.74% of the total number of issued Shares. Dr. Yip holds one third of the investment vehicles and hence is deemed or taken to be interested in the Shares under the SFO.
- (4) The Subscriber does not intend to become a long term shareholder or a substantial shareholder (as defined in the Listing Rules) of the Company, and may sell the Conversion Shares from time to time during and after the Conversion Period. In addition, under the terms of the Subscription Agreement the Subscriber shall not exercise any Conversion Rights, nor otherwise acquire any Shares, to the extent that it would cause the Subscriber at any time to be entitled to voting rights in excess of 19% of the total outstanding Shares at such time.

As disclosed in the above shareholding table, immediately after the conversion of the Convertible Notes up to the Maximum Number of Shares, over 25% of the then issued share capital of the Company will be held by public shareholders (including the Subscriber).

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

Hong Kong, 18 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.*