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USPACE Technology Group Limited

洲際航天科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(formerly known as Hong Kong Aerospace Technology Group Limited 香港航天科技集團有限公司)

(Stock Code: 1725)

BUSINESS UPDATE IN RELATION TO THE ENTERING INTO OF THE ABU DHABI SPACE ECO CITY TERM SHEET

The purpose of this announcement is to keep the shareholders and potential investors of USPACE Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 9 January 2024, the Company entered into a non-legally binding term sheet (the “**Term Sheet**”) with Abu Dhabi Ports Company PJSC (“**AD Ports**”), in relation to the development of a global aerospace ecological chain of international aerospace technology innovation and space trade centers with the concept of a mega-space city hub in Abu Dhabi, United Arab Emirates to provide commercial aerospace services worldwide (the “**Space Eco City Project**”).

THE TERM SHEET

Set out below are the principal terms of the Term Sheet:

Date: 9 January 2024

Parties:

- (1) the Company; and
- (2) AD Ports

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, each of AD Ports and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The Space Eco City Project

The Company is planning to develop a global aerospace ecological chain of international aerospace technology innovation and space trade centers with the concept of a mega-space city hub in Abu Dhabi, United Arab Emirates to provide commercial aerospace services worldwide.

Under the Space Eco City Project, AD Ports shall allocate to the Company a plot (the “**Project Plot**”) in the size of 3,000,000 square metres in the Khalifa Economic Zones (KEZAD) in Abu Dhabi for development of the Space Eco City Project, and the Space Eco City Project shall be developed in two phases of 1,000,000 square metres and 2,000,000 square metres respectively.

Formal Agreement

The parties to the Term Sheet shall enter into a final Musataha agreement (the “**Formal Agreement**”), setting out the detailed terms of the Space Eco City Project, including but not limited to the commercial terms for the acquisition of the Project Plot, development details and the respective roles and obligations of the Company and AD Ports.

Validity of the Term Sheet

The Term Sheet is valid for a period expiring on the earlier of (i) six (6) months commencing on the date of the Term Sheet (as may be extended in writing by the parties to the Term Sheet); or (ii) the date of the Formal Agreement.

Legal Effects

Save for certain general provisions including but not limited to confidentiality, validity of the Term Sheet and governing law, the Term Sheet does not impose legally binding obligations on the parties in relation to the material terms of the Space Eco City Project (including consideration).

INFORMATION OF AD PORTS

AD Ports is a public joint stock company established by Emiri Decree under the laws of Abu Dhabi, United Arab Emirates. AD Ports carries out an integrated business across 5 clusters — digital, economic cities & free zones, logistics, maritime & shipping, and ports connecting global maritime routes and international trading partners.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TERM SHEET

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

The Company is of the view that the entering into of the Term Sheet and the proposed Space Eco City Project represent another major milestone of the Group’s Aerospace Business and are in line with the Group’s strategical international expansion. As disclosed in the announcement of the Company dated 6 December 2023, the Company has resolved to proceed with a potential dual listing of the shares of the Company on a stock exchange in the Middle East, hoping to develop the Group’s presence and fundraising ability in the Middle East market upon completion of the dual listing. The Company believes that the Space Eco City Project will consolidate the Group’s leading position in the aerospace market in Middle East, and is planning to develop a mega-space city that integrates over 1,000 commercial aerospace enterprises worldwide to jointly develop a global aerospace ecological chain, which will have a profound impact on the development of the Group’s Aerospace Business in the long run. Having considered the above, the Company is of the view that the terms of the Term Sheet including the proposed Space Eco City Project, are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Shareholders and potential investors of the Company should note that the Space Eco City Project is subject to the terms of the Formal Agreement and the Space Eco City Project may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
USPACE Technology Group Limited
Sun Fengquan
Chairman and Chief Executive Officer

Hong Kong, 9 January 2024

As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Chairman and Chief Executive Officer), Dr. Lam Lee G. (Deputy Chairman), Ms. Ku Ka Lee Clarie (Vice Chairman), H.H. Shaikh Mohammed Maktoum Juma Al-Maktoum, Dr. Fabio Favata and Mr. Ma Fujun as executive Directors; Mr. Alhamedi Mnahi F Alanezi, Prof. Christian Feichtinger, Prof. Guo Huadong, Dr. Mazlan Binti Othman and Mr. Niu Aimin as non-executive Directors; and Ms. Barbara Jane Ryan, Mr. David Gordon Eldon, Mr. Hung Ka Hai Clement, Mr. Juan de Dalmau-Mommertz, Mr. Marwan Jassim Sulaiman Jassim Alsarkal and Prof. Wang Jianyu as independent non-executive Directors.