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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)

(Stock Code: 1725)

PROFIT WARNING

This announcement is made by USPACE Technology Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform shareholders and potential investors of the Company that, based on the latest information currently available to the Board, the Group is expected to record an estimated net loss of not less than RMB218 million for the financial year ended 31 December 2023 (the “**FY2023**”) as compared to a net loss of approximately RMB154 million recorded for the financial year ended 31 December 2022 (the “**FY2022**”). The increase in estimated net loss was mainly due to (i) the increase in depreciation expenses on right-of-use assets and management fee in the aerospace business, representing the lease for establishment of the Hong Kong satellite manufacturing centre and the Hong Kong satellite operation control and application centre at the Advanced Manufacturing Centre located at Tseung Kwan O Industrial Estate, Hong Kong; (ii) the increase in employee benefit expenses by reason of additional headcount to accommodate with the expected expansion of aerospace business; (iii) expenses related to the issuance of convertible notes; and (iv) impairment losses on certain properties, plant and equipment. The Board wishes to inform the shareholders and investors of the Company that the depreciation, convertible notes related expenses and impairment losses are mainly due to accounting treatment and non-cash in nature. If these three items are not taken into account in both FY2023 and FY2022, it is expected that the Group would record a slight increase in loss of about 1.7% for the FY2023 as compared to the same period last year.

The Company is currently finalising the annual results of the Group for the FY2023. The information contained in this announcement is merely based on, among others, the preliminary review and assessment of the Group's latest management accounts for the FY2023, which are subject to further review by the Company, and such information has not been audited or reviewed by the Company's auditor, nor reviewed by the audit committee of the Company. Details of the Group's financial performance for the FY2023 will be disclosed in its annual results announcement, which is expected to be published in late March 2024.

Shareholders and potential investors of the Company are advised 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, 15 March 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.