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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors ("**Directors**") of USPACE Technology Group Limited (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023.

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations of the Group for the Reporting Period was approximately RMB315.8 million, representing a decrease of approximately 32.7% as compared with RMB469.1 million for 2023.

- Gross profit from continuing operations of the Group for the Reporting Period was approximately RMB48.1 million, representing a decrease of approximately 11.4% as compared with RMB54.3 million for 2023.

- Loss for the year of the Company arising from continuing and discontinued operations for the Reporting Period increased to approximately RMB265.3 million from approximately RMB222.8 million for 2023.

- Basic and diluted loss per share attributable to equity holders of the Company arises from continuing and discontinued operations was approximately RMB51.9 cents for the Reporting Period (2023: RMB68.2 cents).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Year Ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000 (restated)
Continuing Operations			
Revenue	3	**315,803**	469,063
Cost of sales		**(267,681)**	(414,729)
Gross profit		**48,122**	54,334
Other income	5	**7,143**	5,857
Other losses, net	6	**(3,535)**	(834)
Selling and distribution expenses		**(15,634)**	(20,310)
General and administrative expenses		**(187,182)**	(217,945)
Impairment losses on properties, plant and equipment	4, 10	**(87,934)**	(25,422)
Impairment losses on assets of disposal group classified as held for sale	4, 17	**(12,347)**	–
Reversal of impairment/(impairment losses) on trade and bills receivables	4	**903**	(6,266)
Operating loss		**(250,464)**	(210,586)
Finance income		**185**	198
Finance costs		**(17,490)**	(17,625)
Finance costs, net	7	**(17,305)**	(17,427)
Loss before income tax		**(267,769)**	(228,013)
Income tax (expense)/credit	8	**(824)**	3,918
Loss from continuing operations		**(268,593)**	(224,095)
Profit from discontinued operations		**3,260**	1,314
Loss for the year		**(265,333)**	(222,781)
Loss for the year attributable to:			
Equity holders of the Company		**(198,005)**	(211,141)
Non-controlling interest		**(67,328)**	(11,640)
		(265,333)	(222,781)
(Loss)/profit for the year attributable to equity holders of the Company arises from:			
Continuing operations		**(201,265)**	(212,455)
Discontinued operations		**3,260**	1,314
		(198,005)	(211,141)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2024

	Note	2024 *RMB'000*	2023 *RMB'000* (restated)
Loss for the year		**(265,333)**	(222,781)
Other comprehensive income/(loss):			
Item that will not be reclassified to profit or loss			
Currency translation differences		**7,959**	4,018
Item that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(5,069)**	(2,417)
Total comprehensive loss for the year		**(262,443)**	(221,180)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(194,764)**	(208,852)
Non-controlling interest		**(67,679)**	(12,328)
		(262,443)	(221,180)
Total comprehensive (loss)/income for the year attributable to equity holders of the Company arises from:			
Continuing operations		**(198,024)**	(210,166)
Discontinued operations		**3,260**	1,314
		(194,764)	(208,852)
Loss per share attributable to equity holders of the Company arises from continuing operations:			
Basic and diluted	*9*	**RMB52.80 cents**	RMB68.62 cents
Loss per share attributable to equity holders of the Company arises from continuing and discontinued operations			
Basic and diluted	*9*	**RMB51.94 cents**	RMB68.19 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	**2024**	2023
		RMB'000	*RMB'000*
Assets			
Non-current assets			
Properties, plant and equipment	*10*	**316,744**	520,459
Right-of-use assets	*10*	**113,590**	173,477
Investment property		**–**	5,610
Intangible assets		**4,143**	4,972
Restricted cash		**–**	2,683
Financial asset at fair value through profit or loss		**–**	917
Prepayments and deposits		**48,350**	45,891
Deferred tax assets		**2,849**	3,781
		485,676	757,790
Current assets			
Inventories	*11*	**31,191**	106,706
Trade and bills receivables	*12*	**91,272**	159,231
Prepayments, deposits and other receivables		**77,223**	50,801
Amount due from a related company		**18**	17
Current income tax recoverable		**105**	113
Pledged bank deposits		**–**	10,000
Cash and cash equivalents		**28,719**	70,225
		228,528	397,093
Assets of disposal group classified as held for sale	*17*	**130,965**	–
		359,493	397,093
Total assets		**845,169**	1,154,883
Equity			
Equity attributable to equity holders of the Company			
Share capital		**4,488**	2,751
Share premium		**533,376**	326,330
Accumulated losses		**(501,317)**	(307,389)
Reserves		**138,300**	152,637
		174,847	174,329
Non-controlling interest		**(38,631)**	29,048
Total equity		**136,216**	203,377

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Liabilities			
Non-current liabilities			
Deferred government grants		**6,496**	9,004
Lease liabilities		**95,226**	131,983
Provision for reinstatement cost	*14*	**23,022**	22,268
Bank and other borrowings		**62,208**	51,036
Deferred tax liabilities		**818**	796
		187,770	215,087
Current liabilities			
Trade payables	*13*	**61,763**	85,153
Other payables and accruals	*14*	**108,065**	115,800
Contract liabilities	*14*	**20,473**	18,492
Lease liabilities		**70,829**	36,648
Bank and other borrowings		**60,825**	195,932
Bonds payable		**16,274**	17,809
Loans from related companies		**127,582**	258,140
Current income tax liabilities		**6,912**	8,445
		472,723	736,419
Liabilities of disposal group classified as held for sale	*17*	**48,460**	–
		521,183	736,419
Total liabilities		**708,953**	951,506
Total equity and liabilities		**845,169**	1,154,883

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2017 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands.

The Company is an investment holding company and the Group is principally engaged in (A) aerospace business (the "**Aerospace Business**") comprising (1) satellite manufacturing, (2) satellite component manufacturing, (3) precision electronics manufacturing, (4) satellite data applications, (5) satellite telemetry, tracking, and controlling (TT&C), and (6) satellite launch; and (B) electronics manufacturing services ("**EMS**") business (the "**EMS Business**"), including assembling and production of printed circuit board assemblies (the "**PCBAs**") and fully-assembled electronic products. The operation of the Productive Group (details refer to note 16) was discontinued during the Reporting Period.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 August 2018.

These consolidated financial statements are presented in unit of Renminbi ("**RMB**") and all values are rounded to the nearest thousand ("**RMB'000**"), unless otherwise stated. These consolidated financial statements were approved for issue by the Directors on 31 March 2025.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The consolidated financial statements have been prepared on a historical cost convention as modified by the revaluation of financial asset at fair value through profit or loss which is carried at fair value and assets of disposal group classified as held for sale which is measured at the lower of carrying amount and fair value less costs to sell.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Basis of preparation — use of going concern basis

The Group recorded a net loss of RMB265,333,000 and a net cash outflow from operating activities of RMB42,705,000 for the year ended 31 December 2024. As at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB161,690,000 while the Group's cash and cash equivalents amounted to RMB28,719,000.

In addition, the Group had received writs of summons during the Reporting Period in respect of alleged breaches of tenancy agreements for a total amount of approximately Hong Kong Dollars ("**HK$**") 47.4 million (equivalent to approximately RMB44.5 million) for the premises located in Hong Kong.

Furthermore, the Group has entered into (1) a number of fitting-out contracts and procurement and installation contracts for the setting up of the Aerospace Business in Hong Kong and (2) procurement contracts for satellites. As at 31 December 2024, the Group's capital expenditures commitment expected to be payable within the next twelve months amounted to approximately RMB47.6 million.

The Group will need to secure a substantial amount of funding in the near future to finance its financial obligations and capital expenditures. These facts and circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the Directors have given careful consideration of the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient resources to continue as a going concern.

For this purpose, the management had prepared a forecast covering a period of not less than twelve months from the end of the Reporting Period taking into account of the followings:

(i) On 17 March 2025, the Group obtained a letter of undertaking (the "**Undertaking Letter**") from Mr. Sun Fengquan ("**Mr. Sun**", a major shareholder and chief executive officer of the Company), pursuant to which Mr. Sun has irrevocably undertaken to provide the Group with an unsecured and interest-free revolving loan when necessary to meet the Group's future financial obligation. The Undertaking Letter is valid and subsisting up to 31 March 2026 and any loan drawn thereunder shall be repayable on 31 March 2026;

(ii) On 17 March 2025, the Group entered into a loan agreement with Vision International Group Limited ("**Vision**"), a company wholly owned by Mr. Sun, pursuant to which Vision has agreed to provide the Company unsecured and interest-free loan facility of HK$200.0 million (approximately RMB187.9 million) ("**Vision facility**"). The Vision facility is valid and subsisting up to 31 March 2026. Up to the date of this announcement, the Group drew a total of approximately RMB106.7 million from the Vision facility;

(iii) On 17 March 2025, the Group entered into a loan agreement with Hong Kong Aerospace Technology Holdings Limited ("**HKATH (BVI)**"), a company wholly owned by Vision, pursuant to which HKATH (BVI) has agreed to provide the Company an unsecured and interest-free loan facility of HK$100.0 million (approximately RMB94.0 million) ("**HKATH (BVI) facility**"). The HKATH (BVI) facility is valid and subsisting up to 31 March 2026. Up to the date of this announcement, the Group drew a total of approximately RMB26.6 million from the HKATH (BVI) facility;

(iv) In July and October 2021, the Group entered into legally binding agreements with an independent third-party lender (the "**Lender**") for loans in the aggregate sum of approximately RMB98.2 million (the "**Loans**"). The Group entered into supplemental agreements with the Lender to extend the repayment date of the Loans to 7 March 2026. As at 31 December 2024, the Loans amounted to approximately RMB59.4 million;

(v) On 4 November 2024, the Company entered into a placing agreement with a placing agent. Pursuant to the placing agreement, the Company agreed to appoint the placing agent and the placing agent agreed to arrange, on a best effort basis, the placees to subscribe for the one-year 10% per annum fixed coupon unsecured unsubordinated and unlisted bonds to be issued in tranches by the Company in an aggregate principal amount of up to HK$100.0 million. As at 31 December 2024, the Company successfully raised HK$19.0 million (approximately RMB17.9 million) in principal from the bondholders. The Company expects to receive more subscriptions of bonds during the rest of the placing period ending on 3 May 2025;

(vi) On 22 November 2024, Huizhou City Eternity Company Limited* (惠州市弘盛昌科技有限公司), a wholly-owned subsidiary of the Company (the "**Vendor**"), Huizhou City Long Ming Technology Company* (惠州市隆明科技有限公司), an independent third-party (the "**Purchaser**") and a wholly owned subsidiary of the Vendor namely Huizhou City Eternity Technology Company* (惠州市恒昌盛科技有限公司, the "**Target Company**") entered into an agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire paid-up capital of the Target Company at a consideration of RMB27.1 million. The net proceeds from the disposal will be approximately RMB26.8 million which will be allocated for repayment of bank borrowings and general working capital of the EMS Business. The completion of the transaction is subject to various conditions precedent but the Group expects the transaction will be completed by the end of June 2025;

(vii) In August and December 2024, the Group obtained banking facilities totalling RMB58.0 million from two banks in Mainland China to support the general working capital of the EMS Business. As at 31 December 2024, the amount undrawn under these facilities totalled approximately RMB20.0 million;

(viii) The Group will substantially improve its cash flow position by reducing its net operating cash outflows from operations for the next twelve months by implementing various business strategies including (i) the EMS Business being able to secure contracts from new customers with higher margins; (ii) the Aerospace Business being successful in its business development effort to expand its businesses abroad and also to secure new customers worldwide and generate cash inflows; and (iii) the Group will make a more effective use of its resources and minimise its operating costs and expenses;

(ix) The Group is in negotiation with existing lenders in respect of renewal of existing borrowings as well as certain potential lenders in respect of new borrowings; and

(x) The Group is in negotiation with certain potential investors for raising new capital by the way of issuing new equity and/or debt securities.

The Directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 December 2024. In the opinion of the Directors, assuming the successful and timely implementation of the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2024. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

* *for identification purpose only*

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to successfully implement its plans and measures as described above. Whether the Group will be able to continue as a going concern depends upon the Group's ability to generate adequate net cash inflows through:

a) Successfully obtaining adequate funding, as and when needed, from Mr. Sun as mentioned in note (i) above;

b) Successfully sustaining the commitment from Vision and HKATH (BVI) that they would not seek for repayment of the loans due to them by the Group unless and until the Group is in a position to repay as mentioned in note (ii) and (iii) above; and

c) Successfully obtaining adequate funding through existing financing arrangements or new borrowings, renewing existing borrowings, and the issuance of new equity and/or debt securities as mentioned in notes (v), (vii), (ix) and (x) above.

Should the Group fail to achieve the above plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(b) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The adoption of these new and amended standards did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

(c) New and amended standards issued but not yet adopted by the Group

The following new and amended standards have been published that are not mandatory for the Group's financial periods beginning 1 January 2024 and have not been early adopted by the Group.

HKFRS18	Presentation and Disclosure in Financial Statements[4]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after I January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in (A) aerospace business (the "**Aerospace Business**") comprising (1) satellite manufacturing, (2) satellite component manufacturing, (3) precision electronics manufacturing, (4) satellite data applications, (5) satellite telemetry, tracking, and controlling (TT&C), and (6) satellite launch; and (B) electronics manufacturing services business (the "**EMS Business**"), including assembling and production of printed circuit board assemblies (the "**PCBAs**") and fully-assembled electronic products.

The chief operating decision-maker has been identified as the Directors. The Directors review the Group's internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segments based on these reports.

During the Reporting Period, the Group had two reportable operating segments being:

(i) EMS Business — Banking and finance and other devices*; and
(ii) Aerospace Business.

* Included the assets of disposal group classified as held for sale as disclosed in note 17.

For the EMS Business — Smart home devices, it was classified as discontinued operations in the current year. The segment information reported does not include any amounts for the discontinued operations, which are described in note 16.

(a) Segment revenue and gross profit and other segment information

	EMS Business *RMB'000*	**Aerospace Business** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2024			
Continuing operations			
Segment revenue	**316,554**	**–**	**316,554**
Inter-segment revenue	**(751)**	**–**	**(751)**
Revenue from external customers	**315,803**	**–**	**315,803**
Segment cost of sales	**(267,681)**	**–**	**(267,681)**
Segment gross profit	**48,122**	**–**	**48,122**
Other segment information:			
Depreciation of properties, plant and equipment	**13,139**	**27,640**	**40,779**
Depreciation of right-of-use assets	**1,714**	**31,858**	**33,572**
Depreciation of investment properties	**302**	**–**	**302**
Amortisation of intangible assets	**929**	**–**	**929**
Impairment losses on properties, plant and equipment	**–**	**87,934**	**87,934**
Impairment losses on assets of disposal group classified as held for sale	**12,347**	**–**	**12,347**
Reversal of impairment on trade and bills receivables	**(903)**	**–**	**(903)**
Provision for inventories	**4,534**	**–**	**4,534**
Additions to non-current segment assets*	**1,986**	**7,511**	**9,497**

	EMS Business *RMB'000*	Aerospace Business *RMB'000*	Total *RMB'000*
For the year ended 31 December 2023 (restated)			
Continuing operations			
Segment revenue	473,036	–	473,036
Inter-segment revenue	(3,973)	–	(3,973)
Revenue from external customers	469,063	–	469,063
Segment cost of sales	(414,729)	–	(414,729)
Segment gross profit	54,334	–	54,334
Other segment information:			
Depreciation of properties, plant and equipment	16,262	11,821	28,083
Depreciation of right-of-use assets	2,426	31,725	34,151
Depreciation of investment properties	252	–	252
Amortisation of intangible assets	970	–	970
Provision for impairment losses on properties, plant and equipment	–	25,422	25,422
Impairment losses on trade and bills receivables	6,266	–	6,266
Reversal of provision for inventories	(11,823)	–	(11,823)
Additions to non-current segment assets*	4,432	177,651	182,083

* For the Reporting Period, the additions to non-current segment assets include additions to properties, plant and equipment and right-of-use assets. (2023: included (i) additions to properties, plant and equipment, right-of-use assets and intangible assets; and (ii) prepayments for the acquisitions of properties, plant and equipment and intangible assets.)

(b) Segment assets and liabilities

	EMS Business ***RMB'000***	**Aerospace Business** ***RMB'000***	**Total** ***RMB'000***
As at 31 December 2024			
Continuing operations			
Segment assets*	**387,331**	**454,884**	**842,215**
Segment liabilities#	**240,067**	**461,156**	**701,223**

	EMS Business *RMB'000*	Aerospace Business *RMB'000*	Total *RMB'000*
As at 31 December 2023 (restated)			
Continuing operations			
Segment assets	446,045	601,685	1,047,730
Segment liabilities	311,715	559,362	871,077

Reportable segment assets are reconciled to total assets as follows:

	2024 ***RMB'000***	2023 *RMB'000* (restated)
Segment assets*	**842,215**	1,047,730
Assets relating to discontinued operations##	**–**	102,637
Financial asset at fair value through profit or loss	**–**	917
Current income tax recoverable	**105**	113
Deferred tax assets	**2,849**	3,486
Total assets	**845,169**	1,154,883

Reportable segment liabilities are reconciled to total liabilities as follows:

	2024 ***RMB'000***	2023 *RMB'000* (restated)
Segment liabilities#	**701,223**	871,077
Liabilities relating to discontinued operations	**–**	71,188
Current income tax liabilities	**6,912**	8,445
Deferred tax liabilities	**818**	796
Total liabilities	**708,953**	951,506

* Included in segment assets, there are assets of disposal group classified as held for sales of RMB130,965,000 for EMS Business as at 31 December 2024.

Included in segment liabilities, there are liabilities directly associated with assets of disposal group classified as held for sales of RMB48,460,000 for EMS Business as at 31 December 2024.

Included in assets relating to discontinued operations, there are deferred tax assets of approximately RMB295,000 as at 31 December 2023.

(c) Disaggregation of revenue from contracts with customers

The Group derives revenue from the sales of goods at a point in time as follow:

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Timing of revenue recognition		
At a point in time — sales of goods	**315,803**	469,063

(d) Segment revenue by customers' geographical location

The Group's revenue from continuing operations by geographical location, which is determined by the location of customers, is as follows (excluding those related to discontinued operations):

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Mainland China	**177,715**	353,275
Vietnam	**30,568**	3,662
India	**30,038**	27,689
Hong Kong	**26,488**	10,411
South Korea	**17,823**	14,894
Australia	**13,008**	15,375
Germany	**10,137**	26,363
The United States of America (the "**USA**")	**6,165**	9,307
Austria	**–**	4,989
Others	**3,861**	3,098
	315,803	469,063

(e) Details of contract liabilities

	2024	2023
	RMB'000	*RMB'000*
Contract liabilities *(Note 14)*	**20,473**	18,492

Notes:

(i) Contract liabilities represent advanced payments received from the customers for goods that have not yet been transferred to the customers. The balances of contract liabilities fluctuated during the years ended 31 December 2024 and 2023 with sales order with advanced payments.

(ii) The following table shows the amount of revenue recognised in the current Reporting Period relating to carried-forward contract liabilities:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**7,609**	10,058

(f) Major customers

There is no single customer from continuing operations contributing over 10% of total revenue of the Group for the years ended 31 December 2024 and 2023.

(g) Unsatisfied performance obligations

As at 31 December 2024 and 2023, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations was not disclosed.

(h) Non-current assets by geographical location

The total amounts of non-current assets, other than those related to discontinued operations and financial instruments and deferred tax assets of the Group as at 31 December 2024 and 2023 are located in the following regions:

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Hong Kong	**393,693**	547,035
Mainland China	**63,987**	174,526
Germany	**8**	243
	457,688	721,804

4. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year form continuing operations has been arrived at after charging (crediting):

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Cost of inventories	**187,673**	340,998
Employee benefit expenses and manpower services expenses, including Directors' emoluments	**123,756**	140,289
Rental expenses of short-term leases in respect of machinery and properties	**4,117**	3,962
Amortisation of intangible assets	**929**	970
Depreciation for properties, plant and equipment and right-of-use assets	**74,351**	62,234
Depreciation for investment properties	**302**	252
Provision/(reversal of provision) for inventories	**4,534**	(11,823)
Auditor's remuneration		
— Audit services	**2,000**	2,976
— Non-audit services	**234**	484
Impairment losses on properties, plant and equipment *(Note 10)*	**87,934**	25,422
Impairment losses on assets of disposal group classified as held for sale *(Note 17)*	**12,347**	–
Share-based payments	**–**	13,970
(Reversal of impairment)/impairment losses on trade and bills receivables	**(903)**	6,266
Exchange loss	**1,792**	5,075
Loss on disposal of properties, plant and equipment	**55**	960
Fair value changes from financial asset at fair value through profit or loss	**917**	255
Gains on disposal of subsidiaries	**3,340**	5,404
Gain on lease modification	**–**	52

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Government grants	**2,890**	3,411
Service income	**2,191**	–
Rental income	**661**	774
Sundry income	**1,401**	1,672
	7,143	5,857

6. OTHER LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Gains on disposals of subsidiaries	**–**	5,404
Exchange loss	**(1,792)**	(5,075)
Fair value changes from financial asset at fair value through profit or loss	**(917)**	(255)
Gain on lease modification	**–**	52
Loss on disposal of properties, plant and equipment	**(55)**	(960)
Others	**(771)**	–
	(3,535)	(834)

7. FINANCE COSTS, NET

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Finance income		
Interest income on cash at banks	**185**	198
Finance costs		
Interest expense on bank and other borrowings	**(7,406)**	(7,732)
Interest expense on lease liabilities	**(5,826)**	(7,162)
Interest expense on bonds payable	**(2,726)**	(2,731)
Late interest on rental charges	**(1,532)**	–
	(17,490)	(17,625)
Finance costs, net	**(17,305)**	(17,427)

8. INCOME TAX EXPENSE/(CREDIT)

During the years ended 31 December 2024 and 2023, no provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group had no assessable profits in Hong Kong.

During the Reporting Period, Shenzhen Hengchang Sheng Technology Company Limited*, the Group's major operating subsidiary in Mainland China has qualified for high and new technology enterprises status and is therefore subject to a preferential income tax rate of 15% (2023: 15%).

Gang Hang Ke (Shenzhen) Space Technology Co., Limited* (港航科(深圳)空間技術有限公司), the Group's subsidiary in Mainland China, has been qualified for small-scale enterprises with minimal profits status and is subject to an applicable tax rate of 20% (2023: 20%).

Eternity Electronic Manufacturing Service GmbH, the Group's subsidiary in Germany were subject to German corporate income tax at the tax rate of 15.825% during the Reporting Period (2023: 15.825%).

Other Group's entities in Mainland China were subject to the corporate income tax ("**CIT**") in the People's Republic of China ("**PRC**") at the tax rate of 25% during the Reporting Period (2023: 25%).

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Current income tax		
— Withholding tax	**–**	27
— German Enterprise Income tax	**64**	–
	64	27
Under provision in prior year		
— PRC Enterprise Income tax	**123**	–
Deferred income tax	**637**	(3,945)
Income tax expense/(credit)	**824**	(3,918)

* *For identification purpose only*

9. LOSS PER SHARE

For continuing operations

The calculation of the basic loss per share attributable to equity holders of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Loss:		
Loss for the year attributable to equity holders of the Company	**(198,005)**	(211,141)
Less: Profit for the year from discontinued operations	**3,260**	1,314
Loss for the purposes of basic loss per share from continuing operations	**(201,265)**	(212,455)
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic loss per share (thousand of shares)	**381,195**	309,615

For continuing and discontinued operations

The calculation of the basic loss per share from continuing and discontinued operations attributable to equity holders of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Loss:		
Loss for the purpose of basic loss per share		
Loss for the year attributable to equity holders of the Company	**(198,005)**	(211,141)

The denominator used are the same as those detailed above for basic loss per share.

For discontinued operations

Basic profit per share for the discontinued operations is RMB0.86 cents (2023: RMB0.43 cents) per share, based on profit for the year from discontinued operations of RMB3,260,000 (2023: RMB1,314,000) and the denominator detailed above for basic loss per share.

No diluted loss per share is presented as there is no potential ordinary share outstanding for both years.

10. PROPERTIES, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Properties, plant and equipment *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2023			
Opening net book amount	424,674	209,435	634,109
Additions	153,913	290	154,203
Depreciation	(30,328)	(37,529)	(67,857)
Disposals	(3,693)	–	(3,693)
Lease modification	–	(3,193)	(3,193)
Transfer to investment properties	(5,862)	–	(5,862)
Impairment losses *(Note 4)*	(25,422)	–	(25,422)
Exchange difference	7,177	4,474	11,651
Closing net book amount	520,459	173,477	693,936
At 31 December 2023			
Cost	595,416	236,996	832,412
Accumulated depreciation	(74,957)	(63,519)	(138,476)
Net book amount	520,459	173,477	693,936
Year ended 31 December 2024			
Opening net book amount	**520,459**	**173,477**	**693,936**
Additions	**7,163**	**2,375**	**9,538**
Depreciation	**(42,905)**	**(36,387)**	**(79,292)**
Disposals	**(734)**	**(227)**	**(961)**
Transfer to assets of disposal group classified as held for sale	**(82,730)**	**(24,689)**	**(107,419)**
Written off	**(6,175)**	**–**	**(6,175)**
Impairment losses *(Note 4)*	**(87,934)**	**–**	**(87,934)**
Disposal of subsidiaries	**(3,098)**	**(5,067)**	**(8,165)**
Exchange difference	**12,698**	**4,108**	**16,806**
Closing net book amount	**316,744**	**113,590**	**430,334**
At 31 December 2024			
Cost	**375,054**	**200,926**	**575,980**
Accumulated depreciation	**(58,310)**	**(87,336)**	**(145,646)**
Net book amount	**316,744**	**113,590**	**430,334**

11. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**24,177**	80,348
Work in progress	**1,994**	12,635
Finished goods	**5,020**	13,723
	31,191	106,706

The cost of inventories recognised as expense and included in cost of sales during the Reporting Period amounted to approximately RMB187,673,000 (2023 (restated): RMB340,998,000).

12. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**98,635**	163,125
Bills receivables	**12**	9,545
Less: provision for impairment on trade and bills receivables	**(7,375)**	(13,439)
Trade and bills receivables	**91,272**	159,231

The Group's sales were made on credit terms primarily from 30 to 120 days.

As at 31 December 2024 and 2023, the aging analysis of trade and bills receivables, net of impairment, based on invoice date, was as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**87,800**	141,925
Over 3 months	**10,847**	30,745
	98,647	172,670
Less: provision for impairment on trade and bills receivables	**(7,375)**	(13,439)
	91,272	159,231

Movements of the provision for impairment on trade and bills receivables were as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of the year	**13,439**	7,130
(Reversal of impairment)/provision for impairment on trade and bills receivables on individual basis	**(755)**	5,386
(Reversal of impairment)/provision for impairment on trade and bills receivables on collective basis	**(148)**	880
Written-off of provision for impairment	**(5,443)**	(95)
Exchange difference	**282**	138
At end of the year	**7,375**	13,439

The maximum exposure to credit risk as at 31 December 2024 and 2023 was the carrying value of the trade and bills receivables mentioned above. The Group does not hold any collateral as security.

13. TRADE PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**61,763**	85,153

As at 31 December 2024 and 2023, the aging analysis of trade payables, based on invoice date, was as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**57,936**	75,755
Over 3 months	**3,827**	9,398
	61,763	85,153

14. PROVISION FOR REINSTATEMENT COST, CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Current portion		
Payables for construction works	**25,902**	26,094
Payables for acquisition of properties, plant and equipment	**–**	1,632
Interest payable	**5,969**	4,727
Other tax payables	**4,895**	2,021
Other payables	**20,867**	12,031
Provision on litigation case *(Note)*	**11,188**	–
Accrued salaries and bonus	**32,368**	30,209
Accrued expenses	**6,876**	8,979
Refundable customer deposits	**–**	19,107
Deposit received for construction work	**–**	11,000
Contract liabilities *(Note 3(e))*	**20,473**	18,492
	128,538	134,292
Non-current portion		
Provision for reinstatement cost	**23,022**	22,268
	151,560	156,560

Note: During the year, the Group has been served writs for alleged breaches of tenancy agreements for an amount of approximately RMB44,498,000 in relation to the legal proceedings commenced by Hong Kong Science and Technology Parks Corporation. In which, the Group made provision on litigation case of approximately RMB11,188,000 and the remaining outstanding rent of approximately RMB33,310,000 was recognised as lease liabilities.

15. DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 December 2024 and 2023.

16. DISCONTINUED OPERATIONS

On 28 June 2024, the Group entered into an agreement with a third party in relation to the disposal of the entire equity interest of Productive Glory Limited (then an indirect wholly-owned subsidiary of the Company) which, together with its subsidiaries (the "**Productive Group**"), for a consideration of HK$37,387,000 (equivalent to approximately RMB34,300,000) (the "**Disposal**").

The Disposal of the operating segment — smart home devices is completed on 29 October 2024 and constitutes a discontinued operation under HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" as the disposal group. As a result, this reportable operating segment was not included in the continuing segment information in Note 3.

Upon completion of the Disposal, the Group will cease to have beneficial interest in the disposal group, and all the companies in the disposal group will cease to be subsidiaries of the Company. The financial results of the disposal group will no longer be consolidated into the consolidated financial statements of the Company.

Financial performance and cash flow information

The financial performance and cash flow information presented below are for the period from 1 January 2024 to 29 October 2024 and the year ended 31 December 2023. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to represent the disposal group as discontinued operation.

	Period ended 29 October 2024 *RMB'000*	Year ended 31 December 2023 *RMB'000*
Revenue	**107,944**	126,051
Cost of sales	**(103,987)**	(115,676)
Gross profit	**3,957**	10,375
Other income	**3,819**	878
Other losses, net	**(301)**	(143)
Selling and distribution expenses	**(621)**	(1,095)
General and administrative expenses	**(5,256)**	(6,870)
Finance costs, net	**(1,000)**	(1,817)
Income tax expense	**(678)**	(14)
(Loss)/profit from discontinued operations	**(80)**	1,314
Gain on disposals of subsidiaries	**3,340**	–
	3,260	1,314

17. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 22 November 2024, the Group entered into an agreement with a third party for the disposal of its entire equity interest in Huizhou City Eternity Technology Company* (惠州市恒昌盛科技有限公司) (the "**Target Company**"), an indirect wholly-owned subsidiary of the Company, at a consideration of RMB27,100,000. The principal asset of the Target Company comprises a parcel of land and a building located in the PRC.

As of 31 December 2024, the completion of the disposal subject to various conditions specified in the agreement and is expected to take place within twelve months.

The assets and liabilities of the Target Company were reclassified as a disposal group held for sale and presented separately in the consolidated statement of financial position as at 31 December 2024. As at 31 December 2024, the asset and liabilities of the disposal group were measured at the fair value less cost to sell, which was lower than the carrying amount and an impairment loss of approximately RMB12,347,000 was made.

The following assets and liabilities were reclassified as held for sale in relation to the disposal group as at 31 December 2024:

	RMB'000
Assets of disposal group classified as held for sale	
Properties, plant and equipment	**107,419**
Investment property	**5,308**
Inventories	**16,917**
Prepayments, deposits and other receivables	**10,591**
Restricted cash	**2,683**
Cash and cash equivalents	**394**
	143,312
Less: Impairment loss on assets of disposal group classified as held for sale	**(12,347)**
Total assets of disposal group classified as held for sale	**130,965**
Liabilities of disposal group classified as held for sale	
Other payables and accruals	**1,109**
Bank borrowings *(Note a)*	**47,351**
Amount due to the Group	**55,405**
	103,865
Less: Amount due to the Group *(Note b)*	**(55,405)**
Total liabilities of disposal group classified as held for sale	**48,460**
Carrying amounts of net assets disposed of	**27,100**

Note:

(a) As at 31 December 2024, the bank borrowings and facilities of the disposal group were secured by the land-use-right with carrying value of approximately RMB24,689,000.

(b) The amount due to the Group arises from inter-company balances that will be eliminated in the consolidated statement of financial position. The management anticipates that the amount due to the Group would be settled prior to the completion of the disposal.

* *for identification purpose only*

BUSINESS REVIEW

Amidst a macroeconomic environment characterized by the continuing strong United States Dollar ("**USD**") against other currencies and high interest rates, the slow recovery of the global market and the tight liquidity in the capital market had a material adverse impact on global economic performance during the Reporting Period. In addition, the ongoing complex external environment and geopolitical tension will continue to affect international trade and capital flows. These factors will disrupt the global supply chain, which not only increases the operating costs of the Group, but also affects the demand from the Group's customers for various products and services.

During the Reporting Period, the Group recorded a turnover from continuing operations of approximately RMB315.8 million, representing a decrease of approximately 32.7% as compared to that of 2023; while the loss for the year from continuing and discontinued operations of approximately RMB265.3 million as compared to that of approximately RMB222.8 million for 2023. The increase of approximately 19.1% in net loss recorded by the Group during the Reporting Period was mainly due to the combined effect of (i) the reduction in general operating expenses incurred by the Group; and (ii) the impairment losses of certain properties, plant and equipment provided based on accounting treatment and they are non-cash in nature.

Business Strategies and Outlook

Despite heavy operational pressures ahead, the Group will continue to make relentless efforts to actively explore new markets and embrace challenges with innovative thinking to bring about new breakthroughs for our business.

In terms of the Aerospace Business, the Group is the first manufacturer of innovative industrialized satellites in the world with Industrial 5.0 + Satellite Technology (ST) as its core business concept. It combines the principles of Industrial 5.0 with satellite technology to improve production efficiency and productivity, focusing on "people and environment", "ecology and inclusivity", and "satellite technology and applications" to significantly enhance product competitiveness. The Group has approximately 200,000 square feet of aerospace-grade precision manufacturing cleanroom facilities, certified to the highest international ISO standards, including Class 100,000 and Class 10,000 (ISO 14644-1:2015: Class 7) for satellite assembly, integration, and testing. It possesses independent capabilities for satellite system design, mass satellite manufacturing, component production, and satellite operation, with an annual production capacity of 500 low earth orbit remote sensing (optical, Synthetic Aperture Radar) and communication satellites.

From 10 March 2025 to 12 March 2025, the Group successfully collaborated with the International Astronautical Federation to host the first stop of the "Hundred-Satellite Exhibition" in Hong Kong. The exhibition showcased 100 low earth orbit satellites and set to tour several European, American and Middle East countries subsequently, such as France, the United States and Egypt. The purposes of the exhibition were to promote the design concept and innovative achievements of the Group in Industrial 5.0+ST and enhance awareness among various sectors of society regarding new satellite manufacturing and its contribution to social development. The Group aims to fully implement its Industrial 5.0+ST concept and expects to become the most competitive satellite manufacturer globally by 2028. In addition, as part of its business plan, the Group plans to build a remote sensing and communication satellite constellation in low earth orbit by 2030 to serve the socio-economic development of the Middle East and Africa regions.

In terms of the EMS Business, the Group will continue to proactively optimize the supply chain process, improve production efficiency, and adjust procurement strategies. By enhancing cost control and strengthening the close cooperations with suppliers and partners, it will secure more stable and high-quality resources for the EMS Business to further mitigate operational pressure and maintain the competitiveness and operational efficiency of the Group.

OPERATING RESULTS

Revenue by Customers' Geographical Location

The Group's revenue from continuing operations by geographical location, which is determined by the location of customers, is as follows:

	2024	2023
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
Mainland China	**177,715**	353,275
Vietnam	**30,568**	3,662
India	**30,038**	27,689
Hong Kong	**26,488**	10,411
South Korea	**17,823**	14,894
Australia	**13,008**	15,375
Germany	**10,137**	26,363
USA	**6,165**	9,307
Austria	**–**	4,989
Others	**3,861**	3,098
	315,803	469,063

Revenue by Product Type

During the Reporting Period, revenue from continuing operations of the EMS Business was generated by two principal product types. The table below summarises the amount of revenue generated and as a percentage of total revenue from each product category for the Reporting Period and for the year ended 31 December 2023, respectively:

	Revenue for the year ended 31 December			% of total revenue for the year ended 31 December		
	2024	2023	Change	**2024**	2023	Change
	RMB'000	*RMB'000*	*%*			
		(restated)			(restated)	
Continuing operations						
PCBAs	**230,667**	294,267	(21.6)	**73.0**	62.7	10.3
Fully-assembled electronic products	**85,136**	174,796	(51.3)	**27.0**	37.3	(10.3)
Total	**315,803**	469,063	(32.7)	**100**	100	–

PCBAs

Based on the usage of the final electronic products which embedded with PCBAs, PCBAs can be broadly applied to electronic end products for three principal industries, namely banking and finance, telecommunications and smart device. The revenue generated from the sales of PCBAs decreased by approximately 21.6% from approximately RMB294.3 million (restated) for the year ended 31 December 2023 to approximately RMB230.7 million for the Reporting Period. The decrease in revenue is primarily attributable to a notable decline in demand from banking and finance sector during the Reporting Period.

Fully-assembled electronic products

The fully-assembled electronic products that are embedded with PCBAs primarily manufactured by the Company in-house mainly include mobile phones, mPOS, photovoltaic inverters, tablets and street lamp controller, which are sold under the respective brands of the customers or the brands of their ultimate customers. The revenue generated from sales of fully-assembled electronic products decreased by approximately 51.3% from approximately RMB174.8 million (restated) for the year ended 31 December 2023 to approximately RMB85.1 million for the Reporting Period. The decrease in revenue is primarily due to (i) the decrease in demand from mobile phone and tablet manufacturers which did not continue to produce new models and place related new orders; and (ii) cessation of cooperation with one significant customer during the Reporting Period.

Gross Profit and Gross Profit Margin by Product Type

Gross profit from continuing operations of the Group for the Reporting Period was approximately RMB48.1 million, representing a decrease of approximately RMB6.2 million or 11.4% as compared with approximately RMB54.3 million (restated) for the year ended 31 December 2023. Overall gross profit margin increased from 11.6% for the year ended 31 December 2023 to 15.2% for the Reporting Period.

	Gross profit for the year ended 31 December			**Gross profit margin for the year ended 31 December**		
	2024	2023	Change	**2024**	2023	Change
	RMB'000	*RMB'000* (restated)	%	**%**	% (restated)	%
Continuing operations						
PCBAs	**34,575**	39,147	(11.7)	**15.0**	13.3	1.7
Fully-assembled electronic products	**13,547**	15,187	(10.8)	**15.9**	8.7	7.2
Total	**48,122**	54,334	(11.4)	**15.2**	11.6	3.6

PCBAs

The gross profit derived from the sales of PCBAs decreased by approximately 11.7% to approximately RMB34.6 million for the Reporting Period (2023 (restated): RMB39.1 million). The gross profit margin increased to approximately 15.0% for the Reporting Period (2023 (restated): 13.3%). The improvement in gross profit margin was attributable to a more strategic approach in order management, i.e. focusing on optimising the order mix, which helped reducing the proportion of lower-margin sales during the Reporting Period.

Fully-assembled electronic products

The gross profit derived from the sales of fully-assembled electronic products decreased by approximately 10.8% to approximately RMB13.5 million for the Reporting Period (2023 (restated): RMB15.2 million). The gross profit margin increased to approximately 15.9% for the Reporting Period (2023 (restated): 8.7%), which was mainly due to the Group has charged higher prices with higher gross profit margin for new customers and there was a decrease in raw material costs during the Reporting Period.

Other Income

Other income from continuing operations of the Group for the Reporting Period was approximately RMB7.1 million comprises discretionary government grants, rental income, service income and sundry income. The increase of other income was mainly due to the increase in service income arose from providing aerospace data analysis service during the Reporting Period.

Other Losses, Net

Other losses, net of the Group from continuing operations for the Reporting Period of approximately RMB3.5 million mainly represented exchange loss, fair value changes from financial asset at fair value through profit or loss and others.

Selling and Distribution Expenses

Selling and distribution expenses from continuing operations mainly comprised (i) employee benefit expenses, which included salaries and allowance, social insurance contributions and staff welfare expenses for sales staff; (ii) transportation charges; (iii) sales commission paid to the sales agents in respect of customer introduction; and (iv) other expenses. For the Reporting Period, selling and distribution expenses amounted to approximately RMB15.6 million (2023 (restated): RMB20.3 million). Selling and distribution expense against revenue ratio from continuing operations remained at a very similar level, with approximately 5.0% for the Reporting Period and approximately 4.3% (restated) for the year ended 31 December 2023.

General and Administrative Expenses

General and administrative expenses from continuing operations mainly represented (i) employee benefit expenses, which included salaries and allowance, social insurance contributions and staff welfare expenses of administrative staff; (ii) depreciation expenses on right-of-use assets and properties, plant and equipment; (iii) legal and professional fees; and (iv) other expenses. For the Reporting Period, general and administrative expenses from continuing operations amounted to approximately RMB187.2 million (2023 (restated): RMB217.9 million), representing a decrease of approximately 14.1% as compared to the year ended 31 December 2023. The decrease in general and administrative expenses was mainly due to (i) the decrease in employee benefit expenses resulting from reduced headcount of the Aerospace Business ; and (ii) the decrease in share-based payments related to the issuance of Convertible Notes (as defined below) during the Reporting Period.

Impairment Losses on Properties, Plant and Equipment

Impairment losses from continuing operations on properties, plant and equipment represented the impairment of properties, plant and equipment of the Aerospace Business. The Group had made an impairment on the relevant assets of the Aerospace Business according to the fair value less cost to sell with amounted to RMB87,934,000 during the Reporting Period.

For the impairment losses amounted to RMB12,347,000 on the properties, plant and equipment under disposal group classified as held for sale, please refer to note 17 to the consolidated financial statements for details.

Impairment Losses on Financial Assets

Impairment losses from continuing operations on financial assets represented the provision of impairment of trade and bills receivables. For the Reporting Period, a reversal of impairment of approximately RMB0.9 million was made mainly due to the impairment loss on trade and bills receivables recognised in prior years which has been collected during the Reporting Period (2023: impairment losses of approximately RMB6.3 million was made against the trade and bills receivables which were difficult to be recovered).

Finance Costs, Net

The finance costs from continuing operations mainly comprised interest expenses on bank and other borrowings, bonds payable, lease liabilities and late interest on rental charges, while the finance income mainly represented interest income on cash and cash equivalents. For the Reporting Period, finance costs, net of the Group from continuing operations were approximately RMB17.3 million (2023 (restated): RMB17.4 million) representing a decrease of approximately 0.7% as compared to the year ended 31 December 2023. The decrease in finance costs, net was primarily due to the decreased interest expenses in relation to lease for right-of-use assets for the Reporting Period.

Income Tax (Expense)/Credit

Income tax expense from continuing operations amounted to approximately RMB0.8 million for the Reporting Period (2023 (restated): income tax credit of approximately RMB3.9 million). The increase in income tax expense is primarily attributable to more assessable profits from the PRC and German subsidiaries and the increase in deferred income tax during the Reporting Period.

Loss Attributable to Equity Holders of the Company

As a result of the factors discussed above, loss attributable to equity holders of the Company amounted to approximately RMB198.0 million for the Reporting Period as compared with that for the year ended 31 December 2023 of approximately RMB211.1 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group funds its capital expenditure and working capital requirement for the conduct of its normal course of business by using a mix of internal resources and bank and other borrowings. The management of the Group closely monitors the Group's liquidity position to ensure the Group has a sufficient level of cash and banking facilities to meet its funding needs.

Net Current Liabilities

The Group had net current liabilities of approximately RMB161.7 million as at 31 December 2024 (2023: RMB339.3 million). The current ratio of the Group increased from approximately 0.5 as at 31 December 2023 to approximately 0.7 as at 31 December 2024.

Borrowings, the Pledge of Assets and Restricted Cash

The bank and other borrowings of the Group amounted to approximately RMB123.0 million as at 31 December 2024 (2023: RMB247.0 million). The weighted average interest rate per annum of the Group's bank and other borrowings as at 31 December 2024 was 3.48% (2023: 3.93%). As at 31 December 2024, the bank and other borrowings were secured by properties, equipment, shares of the Company's subsidiary, corporate guarantees provided by the Company and the Company's subsidiaries and a personal guarantee provided by one of the Directors, Mr. Ma Fujun (2023: secured by properties, equipment, land-use rights, shares of the Company's subsidiary, corporate guarantees provided by the Company and the Company's subsidiaries and a personal guarantee provided by one of the Directors, Mr. Ma Fujun). As at 31 December 2023, bank deposits amounted to approximately RMB10.0 million were pledged for a performance bond provided for customer contract. No bank deposit was pledged as at 31 December 2024.

As at 31 December 2024 and 2023, the cash and cash equivalents, pledged bank deposits and restricted cash and bank and other borrowings were mainly denominated in RMB, HK$, USD and Euro ("**EUR**"). The Group had unutilised banking facilities of approximately RMB20.0 million as at 31 December 2024 (2023: RMB125.1 million).

Convertible Notes

In 2023, the Company and Macquarie Bank Limited (the "**Macquarie Bank**") entered into a series of agreements, pursuant to which the Company agreed to issue and Macquarie Bank agreed to subscribe at the subscription price of HK$686,000,000, for the collateralised convertible notes (the "**Convertible Notes**") in the principal amount of HK$700,000,000 at the coupon rate of 0.5% per annum and due on 17 October 2024.

Based on the terms and conditions of the Convertible Notes, the subscriber is entitled to, during the conversion period stipulated in the Convertible Notes, convert the Convertible Notes into ordinary shares of HK$0.01 each in the share capital of the Company at the conversion price representing 95% of the volume weighted average prices of the shares as traded on the Stock Exchange on the trading day immediately preceding the conversion date. Pursuant to the agreements, the maximum number of shares of the Company could be issued to Macquarie Bank is 61,750,000 shares (the "**Conversion Shares**").

During the conversion period, Macquarie Bank had converted the Convertible Notes into the maximum number of shares allowed to be converted to 61,750,000 Conversion Shares, representing an aggregate nominal value of HK$617,500, at the average conversion price of HK$1.16. The aggregate gross proceeds was approximately HK$71.5 million and the net proceeds (after deduction of the professional and other related expenses) was approximately HK$69.7 million, which was fully utilised as to 50% for the working capital of the operation of the Group's Hong Kong satellite manufacturing centre and the Hong Kong satellite operation control and application centre located at the Advanced Manufacturing Centre located at Tseung Kwan O Industrial Estate, Hong Kong and 50% for the general working capital of the Group.

For details of the Convertible Notes, please refer to the announcements of the Company dated 12 May 2023, 31 August 2023 and 18 October 2023 and the circular of the Company dated 18 September 2023.

Capital Structure

As at 31 December 2023, the Company's issued share capital was HK$3,153,778 and the number of issued shares of the Company was 315,377,800 ordinary shares of HK$0.01 each.

On 2 May 2024, the Company and Mr. Li Xiaofei ("**Mr. Li**") entered into a subscription agreement, pursuant to which the Company agreed to allot and issue, and Mr. Li conditionally agreed to subscribe for 30,000,000 new ordinary shares at the subscription price of HK$1.51 per Share (the "**May Subscription**"). Completion of the May Subscription took place on 17 May 2024. The total nominal value of the said new shares was HK$300,000. The closing price of the shares on which the subscription agreement for the May Subscription was signed was HK$1.88 per Share. The net issue price of the May Subscription was approximately HK$1.50 per Share. For details of the May Subscription, please refer to the announcements of the Company dated 2 May 2024 and 17 May 2024.

On 14 June 2024, the Company and Mr. Ren Ran ("**Mr. Ren**") entered into a subscription agreement pursuant to which the Company agreed to allot and issue, and Mr. Ren conditionally agreed to subscribe for 31,800,000 new ordinary shares at the subscription price of HK$1.01 per Share (the "**June Subscription**"). Completion of the June Subscription took place on 26 June 2024. The total nominal value of the said new shares was HK$318,000. The closing price of the shares on which the subscription agreement for the June Subscription was signed was HK$1.18 per Share. The net issue price of the June Subscription was approximately HK$1.00 per Share. For details of the June Subscription, please refer to the announcements of the Company dated 14 June 2024 and 26 June 2024.

On 18 October 2024, the Company entered into two subscription agreements with two subscribers, namely Mr. Chen Lizhong ("**Mr. Chen**") and Mr. Liu Shoutang ("**Mr. Liu**"), pursuant to which the Company agreed to allot and issue, and Mr. Chen and Mr. Liu conditionally agreed to subscribe for an aggregate of 71,524,000 new ordinary shares at the subscription price of HK$1.23 per Share (the "**October Subscription**"). Completion of the October Subscription took place on 8 November 2024. The total nominal value of the said new share was HK$715,240. The closing price of the shares on which the subscription agreement for the October Subscription was signed was HK$1.51 per Share. The net issue price for the October Subscription was HK$1.22 per Share. For details of the October Subscription, please refer to the announcements of the Company dated 18 October 2024 and 8 November 2024.

All of the above-mentioned subscription shares were allotted and issued under the general mandate. The Directors consider that the subscriptions provided opportunities for the Company to raise capital and intend to apply the net proceeds from the subscriptions for the general working capital of the Group including, but not limited to the ongoing administrative expenses of the Company and operating expenses of the Aerospace Business. Set out below is a summary of the allocation of the net proceeds of the May Subscription, the June Subscription and the October Subscription and their respective utilisation as at 31 December 2024:

Fund raising activities	**Use of proceeds**	**Approximate net proceeds** *(HK$'000)*	**Actual use of approximate net proceeds during the Reporting Period** *(HK$'000)*	**Unutilised approximate net proceeds as at the end of the Reporting Period** *(HK$'000)*	**Expected timetable for utilisation of unutilised net proceeds**
May Subscription	General working capital	45,000	45,000	–	N/A
June Subscription	General working capital	31,800	31,800	–	N/A
October Subscription	General working capital	87,140	59,800	27,340	By the end of June 2025

As at 31 December 2024, the Company's issued share capital was HK$5,040,740 and the number of issued shares of the Company was 504,074,000 ordinary shares of HK$0.01 each.

Gearing Ratio

The gearing ratio, which is calculated by total bank and other borrowings, bond payable and loans from related companies divided by total equity, was approximately 195.9% and 257.1% as at 31 December 2024 and 31 December 2023, respectively. The decrease in gearing ratio was due to repayment of bank and other borrowings and loan from related companies during the Reporting Period.

Foreign Exchange Exposure and Exchange Rate Risk

The Group's assets, liabilities and transactions are mainly denominated in RMB, HK$, USD and EUR, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than the respective functional currencies of the Group's entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. During the Reporting Period, the Group did not engage in any hedging transactions or enter into any financial instrument for hedging purpose. The management closely monitors the foreign currency exposure from time to time.

Capital Expenditure

For the Reporting Period, the Group had capital expenditure of approximately RMB9.5 million (2023: RMB154.2 million). The capital expenditure was mainly related to the construction of the Hong Kong satellite operation control and application centre.

DIVIDEND

The Board did not recommend payment of final dividend for the Reporting Period (2023: Nil).

The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

EMPLOYEES AND EMOLUMENTS POLICY

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, commission, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme.

As at 31 December 2024, the Group had 568 employees from continuing operations with a total remuneration of approximately RMB123.8 million during the Reporting Period (2023 (restated): RMB140.3 million). The remuneration packages of the employees, which were reviewed regular by the Group, were determined with reference to individual performance, work experience, qualification and current industry practices. The Group also arranged induction and regular trainings for the staff.

CAPITAL COMMITMENT

As at 31 December 2024, the Group's capital commitment amounted to approximately RMB185.3 million (2023: RMB196.2 million). The capital commitment was mainly related to (i) fitting-out contracts and procurement and installation contracts for the establishment of the Aerospace Business in Hong Kong and (ii) satellite procurement contracts. The Group's capital commitments were principally financed by the internal resources of the Group.

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have any material contingent liabilities as at 31 December 2024 (2023: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2024.

LITIGATION

On 9 December 2024, the Group's three subsidiaries, namely (i) Aspace Satellite Technology Limited ("**ASTL**"), (ii) Hong Kong Aerospace Satellite Tracking and Control Limited ("**HKASTCL**") and (iii) Hong Kong Aerospace Satellite Data Limited ("**HKASDL**"), were respectively served as the defendant a writ of summons together with an indorsement of claim (the "**Writs**") dated 6 December 2024 issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by Hong Kong Science and Technology Parks Corporation as the plaintiff (the "**Plaintiff**") under three separate actions (the "**Actions**").

As stated in the respective Writs, the Plaintiff purportedly claimed against ASTL, HKASTCL and HKASDL for, among other things, vacant possession of certain premises of Data Technology Hub in Tseung Kwan O Industrial Estate, No. 5 Chun Cheong Street, Tseung Kwan O, New Territories, Hong Kong and Advanced Manufacturing Centre in Tseung Kwan

O Industrial Estate, No. 18 Chun Cheong Street, Tseung Kwan O, New Territories, Hong Kong rented respectively by ASTL, HKASTCL and HKASDL under the tenancy agreements (the "**Tenancy Agreements**") and the outstanding rent, management charges and outgoings in the total sum of approximately HK$47.4 million, the interest accrued thereon and other damages for the alleged breach of the Tenancy Agreements.

As at the date of this announcement, the Actions are currently still ongoing and the Company does not expect the Actions to have any material adverse impact on the ordinary operation and financial positions of the Group. Details of the Writs and the Actions are set out in the announcement of the Company dated 13 December 2024. The Company has sought legal advice on defending the Actions against the Company.

EVENTS AFTER THE REPORTING PERIOD

On 3 February 2025, the Company and NineSky International Co., Ltd. (九天國際有限公司) (the "**Possible Subscriber**") entered into a memorandum of understanding in relation to the possible subscription of the new ordinary Shares in such number to be determined between the Company and the Possible Subscriber, which was expected to be not less than 30% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Shares under the possible subscription. Details of the possible subscription are set out in the announcement of the Company dated 7 February 2025.

On 4 February 2025, Aspace Satellite Technology Limited ("**Aspace**"), an indirect non-wholly owned subsidiary of the Company, entered into a co-hosting agreement (the "**Co-Hosting Agreement**") with the International Astronautical Federation (IAF) in respect of co-hosting of exhibition event of 100 satellites produced by Aspace. The exhibition aimed to promote and popularize innovative achievements in industrialized satellite manufacturing, enhancing awareness among various sectors of society regarding new satellite manufacturing and its contribution to social development. Details of the Co-Hosting Agreement are set out in the announcement of the Company dated 4 February 2025.

On 6 February 2025, the Company entered into a strategic partnership agreement (the "**Strategic Partnership Agreement**") with the Arab Information and Communication Technologies Organization (AICTO) to join forces as strategic partners to cooperate in satellite manufacturing, satellite telemetry, tracking, and controlling (TT&C), and data application activities. The Group planed to build a remote sensing and communication satellite constellation in low earth orbit by 2030 to service the Middle East and Africa region for their socio-economic development. Details of the Strategic Partnership Agreement are set out in the announcement of the Company dated 6 February 2025.

On 12 February 2025, the Company entered into a memorandum of understanding (the "**MOU**") with the Kingdom of Bahrain National Space Science Agency (NSSA) in respect of the proposed cooperation in the areas of satellite manufacturing, satellite telemetry, tracking, and controlling (TT&C), and data application activities. Details of the MOU are set out in the announcement of the Company dated 12 February 2025.

On 17 February 2025, the Company entered into a purchase contract (the "**Contract**") with TREEFAM Holdings L.L.C-FZ ("**TREEFAM**"), pursuant to which the Company shall supply and TREEFAM shall purchase 600 5-metre spatial resolution remote sensing satellites (model number: A-OS15-6U). The total contract price is USD21,000,000 and the satellites will be delivered within 3 years from the effective date of the Contract. Details of the Contract are set out in the announcement of the Company dated 17 February 2025.

MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENTS

On 28 June 2024, Total United Holdings Limited ("**Total United**"), a wholly-owned subsidiary of the Company, entered into an agreement with the Stable Brand Limited ("**Stable Brand**"), an independent third party of the Group, pursuant to which the Total United has conditionally agreed to sell, and Stable Brand has conditionally agreed to purchase, the entire issued shares of Productive Glory Limited ("**Productive Glory**") at the consideration of HK$37,387,000 (the "**Productive Glory Disposal**"). Completion of the Productive Glory Disposal took place on 29 October 2024, and upon completion, the Company ceased to hold any equity interest in Productive Glory and its financial results ceased to be consolidated into the financial results of the Group. As one or more of the applicable percentage ratios (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**the Listing Rules**")) in respect of the Productive Glory Disposal exceed 5% but are less than 25%, the Productive Glory Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Details of the Productive Glory Disposal are set out in announcements of the Company dated 28 June 2024 and 29 October 2024 respectively.

On 22 November 2024, Huizhou City Eternity Company Limited* (惠州市弘盛昌科技有限公司) (the "**Vendor**") (a wholly-owned subsidiary of the Company), Huizhou City Long Ming Technology Company* (惠州市隆明科技有限公司) (the "**Purchaser**") and Huizhou City Eternity Technology Company* (惠州市恒昌盛科技有限公司) (the "**Target Company**") entered into an agreement (the "**Agreement**"), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the entire paid-up capital of the Target Company at a consideration of RMB27,100,000 (the "**Eternity Technology Disposal**"). As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Eternity Technology Disposal exceeds 5% but is less than 25%, the Eternity Technology Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Details of the Eternity Technology Disposal are set out in the announcement of the Company dated 22 November 2024.

Save as disclosed in this announcement, there were no material acquisitions, disposals of subsidiaries, associates and joint ventures and significant investments during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the trust of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance codes to meet the legal and commercial standards by focusing on areas such as internal control, adequate disclosure and accountability to all shareholders.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") in force during the Reporting Period as set out in Appendix C1 to the Listing Rules as its own code of corporate governance and has complied with all the applicable CG Code provisions during the Reporting Period except the following deviation:

(a) Pursuant to code provision C.2.1 of the CG Code, the role(s) of chairman and chief executive should be separated and should not be performed by the same individual. During the period from 1 January 2024 to 2 October 2024, Mr. Sun Fengquan ("**Mr. Sun**") served as both the chairman and the chief executive officer of the Company. The Board was of the view that conferring both of the roles on Mr. Sun would offer the Group consistent leadership.

    In consideration of the emerging global business environment, Mr. Sun would like to focus and devote more time in the business development and day-to-day management of the Aerospace Business and have a lesser Board leadership role. Hence, with effect from 2 October 2024, (i) Mr. Sun resigned as the chairman and executive Director but remained as the chief executive officer of the Company; (ii) H.E. Mohamed Ben Amor was appointed as the chairman of the Board; and (iii) the Company re-complied with the requirement under code provision C.2.1 of the GC Code thereafter.

(b) During the period from 27 April 2024 (the effective date of resignation of a former independent non-executive Director, Mr. David Gordon Eldon) to 10 May 2024, the Company did not meet the minimum number of independent non-executive Directors required under Rule 3.10A of the Listing Rules. On 10 May 2024, following the reduction in number of Directors, the number of independent non-executive Directors resumed to represent not less than one-third of the Board and the Company re-complied with such requirement thereafter.

AUDIT COMMITTEE

The audit committee of the Board ("**Audit Committee**") was established on 25 July 2018 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide independent advice in respect of the financial reporting process, and to oversee the risk management and internal control systems of the Group. As at 31 December 2024, the Audit Committee comprises three members, all being independent non-executive Directors, namely, Mr. Hung Ka Hai Clement (chairman), Ms. Barbara Jane Ryan and Mr. Marwan Jassim Sulaiman Jassim Alsarkal. The Group's accounting principles and policies, financial statements and related materials for the Reporting Period had been reviewed by the Audit Committee.

For the Reporting Period, the Audit Committee held three meetings to discuss and review with the external auditor and senior management for, inter alia, the interim and annual results of the Group and approve the appointment of internal audit and its scope of services. The work performed by the Audit Committee during the Reporting Period included: (i) discuss of the accounting principles and practices being adopted together with auditing and financial reporting matters; (ii) discuss of the nature and scope of the audit and determined the scope and extent of the interim review with the external auditor; (iii) review of the interim and annual financial statements of the Group, including true and fairness, integrity and significant financial reporting judgements contained therein; (iv) review the risk management and internal control review report; and (v) review of and recommendations to the Board on the re-appointment of the external auditor after considering on the terms of engagement of the external auditor. Full minutes of the Audit Committee meetings are kept by the company secretary. Draft and final versions of the minutes of the Audit Committee meetings are circulated to all members of the Audit Committee for comments and approval and all decisions of the Audit Committee are reported to the Board subject to applicable restriction.

The external auditor was invited to attend the Audit Committee meetings held during the Reporting Period to discuss with the Audit Committee members on the audit and financial reporting related matters. The chairman of the Audit Committee provided the Board with a briefing on the significant issues after Audit Committee meetings.

The annual results of the Group for the Reporting Period had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this announcement, and confirmed that this announcement is completed and accurate, and has complied with the Listing Rules. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. Having made specific enquiry with all Directors by the Company, each of them confirmed his/her compliance with the required standard set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares within the meaning of the Listing Rules). As of 31 December 2024, the Company did not hold any of these treasury shares.

AUDITORS

PricewaterhouseCoopers (“**PwC**”) retired as the auditor of the Company at the closing of the annual general meeting of the Company (“**AGM**”) convened on 25 June 2024.

Baker Tilly Hong Kong Limited was appointed as the auditor of the Company in place of PwC to fill the vacancy arising from the retirement of PwC at the extraordinary general meeting held on 23 December 2024 and hold office until the conclusion of the next AGM to be convened in 2025.

A resolution of the re-appointment of Baker Tilly Hong Kong Limited as the auditor of the Company will be proposed at the 2025 AGM to be convened in 2025.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the Reporting Period as set out in this announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group’s draft consolidated financial statements for the Reporting Period. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.uspace.com). The annual report of the Company for the Reporting Period will be published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Company would like to take this opportunity to thank the management and all our employees for the contribution they have made towards the Group's continued progress and to our shareholders, customers and business partners for their support.

By order of the Board
USPACE Technology Group Limited
Mohamed Ben Amor
Chairman and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises H.E. Mohamed Ben Amor (Chairman), H.H. Shaikh Mohammed Maktoum Juma Al-Maktoum (Deputy Chairman), Dr. Fabio Favata and Mr. Ma Fujun as executive Directors; Mr. Alhamedi Mnahi F Alanezi, Professor Christian Feichtinger and Mr. Nathan Earl Whigham as non-executive Directors; and Ms. Barbara Jane Ryan, Mr. Boris Tadić, Mr. Hung Ka Hai Clement, Mr. Juan de Dalmau-Mommertz and Mr. Marwan Jassim Sulaiman Jassim Alsarkal as independent non-executive Directors.