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Hong Kong Aerospace Technology Group Limited

香港航天科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

BUSINESS UPDATE IN RELATION TO THE ENTERING INTO OF THE FRAMEWORK AGREEMENT WITH HAIXING GUANGLIAN

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

THE FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors of the Company is pleased to announce that, on 26 September 2022, Gang Hang Ke (Shenzhen) Space Technology Co., Ltd. (transliteration of 港航科(深圳)空間技術有限公司) (“**SZ Gang Hang Ke**”), an indirect wholly-owned subsidiary of the Company, and Haixing Guanglian Technology (Shenzhen) Co., Ltd. (transliteration of 氦星光聯科技(深圳)有限公司) (“**Haixing Guanglian**”) entered into a framework agreement (the “**Framework Agreement**”) in relation to the strategic cooperation (the “**Cooperation**”) in the development and manufacturing of commercial satellites, covering satellite manufacturing and satellite launching.

Scope of the Cooperation

Pursuant to the Framework Agreement, the parties thereto intend to, among others:

- (1) commence strategic cooperation in respect of the development and manufacturing of commercial satellites, including, but not limited to:
 - (a) SZ Gang Hang Ke will be responsible for the research and development, carriage and launching of satellites, while Haixing Guanglian will be responsible for providing market and technology advisory services and will prefer choosing SZ Gang Hang Ke as the cooperating party for the development and manufacturing of the first 2 satellites under its project;

- (b) providing the carriage opportunity for 2 or more satellites of Haixing Guanglian when SZ Gang Hang Ke launches satellites under the “Golden Bauhinia Constellation” project, on the premise that technical requirements are met;
 - (c) choosing Haixing Guanglian as the preferred supplier of laser communication products by SZ Gang Hang Ke; and
 - (d) carrying out in-depth cooperation in areas such as satellite payload carriage and application, recoverable satellite technologies, satellite development and manufacturing;
- (2) create long-term cooperative partnership in the international market of satellite laser communication carriage, including but not limited to Haixing Guanglian licensing the Group for the sale of its products;
 - (3) leverage on the parties’ respective expertise and resources to achieve long-term cooperation in, among other areas, the application of satellite laser carriage and research and development of satellites; and
 - (4) grant to the other party the right to use each of the parties’ name and logo in respect of the marketing and publication materials in relation to the Cooperation, provided the publication and distribution of any material by Haixing Guanglian in relation to the Company would be subject to the prior written approval of SZ Gang Hang Ke.

Formal agreement

The parties to the Framework Agreement may negotiate and procure that a legally binding and effective agreement be entered into for the Cooperation.

About Haixing Guanglian

Haixing Guanglian is private enterprise established in China, principally engaged in the Starlink benchmark and satellite laser communication technology and the research and development of low-power-consumption miniaturized satellite-carried laser communication terminal and terrestrial communication receivers. Its key products include aerospace-grade core optoelectronic components, ultrahigh-speed communication single-board and laser communication terminal and terrestrial communication transceive hyperterminal systems.

REASONS FOR AND THE BENEFITS OF THE ENTERING INTO OF THE FRAMEWORK AGREEMENT

The Group is principally engaged in (1) electronics manufacturing services business; and (2) aerospace business (the “**Aerospace Business**”) which includes (a) satellite manufacturing; (b) satellite measurement and controlling; and (c) satellite launching. The Company is of the view that the entry of the Framework Agreement will have a positive impact on the future development of the Group’s Aerospace Business as the Group may rely on the products and know-how of Haixing Guanglian to gain practical experience in the manufacturing and launching of satellites as well as the research and development of satellites and their applications. As such, the Board is of the view that the terms of the Framework Agreement are fair and reasonable, and the entering into of the Framework Agreement is in the interests of the Group, the Company and its shareholders as a whole.

The Company will make further announcement(s) in compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited as and when appropriate for any material developments or other binding agreement(s) be entered into in relation to the transactions contemplated under the Framework Agreement.

There is no assurance of the Company that any cooperation contemplated under the Framework Agreement and this announcement will materialize. Shareholders and potential investors of the Company should note that the Cooperation is subject to, among other things, the entering into of a formal agreement, the major terms and conditions of which are yet to be agreed upon. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 26 September 2022

As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Co-Chairman and Chief Executive Officer), Dr. Lam Lee G. (Co-Chairman), Mr. Lam Kin Fung Jeffrey, Ms. Ku Ka Lee Clarie (Vice Chairman) and Mr. Ma Fujun as executive directors; Mr. Niu Aimin and Dr. Yip Chung Yin as non-executive directors; and Dr. Mazlan Binti Othman, Mr. Brooke Charles Nicholas, Professor Chan Ka Keung, Ceajer, Mr. Hung Ka Hai Clement, Dr. Yuen Kwok Keung and Mr. Juan de Dalmau-Mommertz as independent non-executive directors.