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USPACE Technology Group Limited

洲際航天科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

VOLUNTARY ANNOUNCEMENT JOINT VENTURE AGREEMENT IN RESPECT OF ASPACE SAUDI

INTRODUCTION

The Board is pleased to announce that on 1 February 2024 (after trading hours), Aspace Saudi, Aspace HK and the Investor entered into the Joint Venture Agreement in respect of the joint venture in Aspace Saudi. The Board and the Investor look forward to this collaboration and are excited to take part in the effort of bringing satellite manufacturing into the Kingdom of Saudi Arabia which is identified as a priority sector under the Saudi Vision 2030, a government program launched by the Kingdom of Saudi Arabia that aims to achieve the goal of increased diversification economically, socially and culturally.

THE JOINT VENTURE AGREEMENT

Pursuant to the terms of the Joint Venture Agreement, subject to certain conditions which the Investor and Aspace HK are expected to fulfil, Aspace HK and the Investor shall maintain their shareholding ratio at 85:15 in Aspace Saudi.

The Investor is expected to assist Aspace Saudi in the establishment of its satellite manufacturing facilities in the Kingdom of Saudi Arabia and its business operation thereafter.

INFORMATION ON THE INVESTOR

Masarrah Investment Company[#], the parent company and family office of Almutlaq Group (AMG), has been part of the economy of the Kingdom of Saudi Arabia since 1954 and has contributed through investment and operating companies in sectors like retail, energy and

petrochemical, industrial manufacturing, agro & food, real estate and most recently by participating in privatization projects (acquisitions & greenfield developments) in the Kingdom of Saudi Arabia.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, the Investor and its ultimate beneficial owner(s) is an Independent Third Party.

INFORMATION ON ASPACE SAUDI

Aspace Saudi is a company with limited liability incorporated under the laws of the Kingdom of Saudi Arabia and is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement. It is intended that Aspace Saudi will be principally engaged in satellite manufacturing in the Kingdom of Saudi Arabia.

REASON FOR AND BENEFITS OF THE JOINT VENTURE AGREEMENT

As at the date of this announcement, the Group is principally engaged in, amongst others, aerospace business, which includes (i) satellite manufacturing, (ii) satellite communication, (iii) satellite measurement and controlling and (iv) satellite launching.

As disclosed in the annual report of the Company for the year ended 31 December 2022 and the interim report of the Company for the six months ended 30 June 2023, the Board has been identifying opportunities to expand and develop its satellite manufacturing and launching business. As part of the Company's effort to expand its satellite manufacturing business, Aspace Saudi was incorporated in December 2023 as an indirect non-wholly owned subsidiary of the Company and is intended to be principally engaged in satellite manufacturing in the Kingdom of Saudi Arabia.

Having considered (i) the business and strategic relationships of the Investor in the Kingdom of Saudi Arabia and (ii) the tasks which the Investor will assist in the establishment and business operation of the satellite manufacturing business of Aspace Saudi, the Company is of the view that the Joint Venture Agreement enables the Group to commence satellite manufacturing business in the Kingdom of Saudi Arabia. As such, the Company believes that the Joint Venture Agreement could, on one hand, complement the business of the Group and, on the other hand, enable the Group to be benefited from expanding its satellite manufacturing business abroad. Accordingly, it will broaden the Group's revenue base in the future and is expected to increase investment returns to the Shareholders.

IMPACT OF THE JOINT VENTURE AGREEMENT ON THE COMPANY

The execution of the Joint Venture Agreement will not affect the independence of the Group's business, and will not cause connected transactions, horizontal competition and business dependence for the principal businesses of the Group.

LISTING RULES IMPLICATION

The Joint Venture Agreement is a framework agreement for the sale and purchase of the initial shares and the allotment and subscription of the investment shares. The detailed terms for the allotment and subscription of the investment shares shall be set out in the investment offer letter which shall be subject to Aspace Saudi's acceptance. As such, the signing of the Joint Venture Agreement does not constitute a notifiable transaction under the Listing Rules. Upon Aspace Saudi's acceptance of the investment offer letter (if any), the Company will comply with the relevant requirements under the Listing Rules (if applicable).

This transaction was advised by financial advisor Canaccord Genuity Dubai Ltd, a regional partner of Canaccord Genuity Group Inc..

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Aspace HK”	Aspace Satellite Technology Limited, a company with limited liability incorporated under the laws of Hong Kong and is a direct holding company of Aspace Saudi and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Aspace Saudi”	Aspace Satellite Technology Manufacturing Company [#] , a company with limited liability incorporated under the laws of the Kingdom of Saudi Arabia and is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Board”	the board of Directors

“Company”	USPACE Technology Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1725)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Investor”	Masarrah Investment Company#, a company with limited liability registered under the laws of the Kingdom of Saudi Arabia
“Joint Venture Agreement”	the joint venture agreement entered into between Aspace Saudi, Aspace HK and the Investor on 1 February 2024 in respect of the joint venture in Aspace Saudi
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) in the share capital of the Aspace Saudi
“Shareholder(s)”	holder(s) of the issued shares of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

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

Hong Kong, 1 February 2024

The English translation of company names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such company names of Saudi Arabia

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