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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)

BUSINESS UPDATE IN RELATION TO THE ENTERING INTO OF STRATEGIC PARTNERSHIP AGREEMENT WITH EGYPTIAN SPACE AGENCY

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 23 May 2024, the Company entered into a non-legally binding strategic partnership agreement (the “**Strategic Partnership Agreement**”) with, among others, the Egyptian Space Agency (“**EgSA**”) in respect of the strategic cooperation with EgSA on among others, satellite manufacturing and testing, satellite launch, education and training.

THE STRATEGIC PARTNERSHIP AGREEMENT

Scope

Subject to the entering into of the formal agreement(s), the areas of cooperation between the parties include but are not limited to:

- (a) The Company and EgSA shall work together to develop a 6U-sized cube satellite for Egypt to serve important application fields such as Earth observation in Egypt.
 - (i) The development, testing, launching, operation, tracking and control (TT&C), data reception, application promotion and other activities of the 6U-sized cube satellite (to be jointly named by the Company and EgSA) will be jointly conducted by the Company and EgSA.

- (ii) The manufacturing, integration, final assembly and component testing of the 6U-sized cube satellite shall be completed at the Company's Hong Kong satellite manufacturing center, whereas the thermal vacuum test and vibration test of the entire satellite shall be conducted at EgSA's environmental simulation test center.
 - (iii) The Company will provide necessary assistance in terms of test technology, and on-site guidance for EgSA to conduct thermal vacuum and vibration tests of the 6U-sized cube satellite in Egypt.
 - (iv) The Company's ground control station in Hong Kong and a new ground control station planned to be built in the Middle East can provide tracking, operation and control services for the 6U-sized cube satellite.
- (b) The Company will use its aerospace facilities and technical capabilities in Hong Kong and the Middle East to provide EgSA with technology research and development, training and education services, and continue to assist in improving Egypt's local satellite manufacturing capabilities.
 - (c) The parties will jointly organize international seminars, expert meetings or forums in areas of common interest.
 - (d) Any other areas of cooperation as agreed by the parties to the Strategic Partnership Agreement.

Formal agreement

For specific projects and activities planned to be carried out under the Strategic Partnership Agreement, the parties shall enter into formal agreement(s) in advance based on their respective work procedures, priority activities, internal rules and administrative regulations, setting out the detailed terms of the subject matter, including but not limited to details of the cooperation between the parties and their respective roles and obligations.

Duration

The Strategic Partnership Agreement is valid for a period of five (5) years commencing on the date of the Strategic Partnership Agreement and may be extended for a period of one (1) year upon written consent of the parties.

Legal effect

Save for certain general provisions including but not limited to confidentiality, legal effect and governing law, the Strategic Partnership Agreement does not impose legally binding obligations on the parties in relation to the material terms of the cooperation contemplated thereunder.

INFORMATION OF EGSA

EgSA was established in January 2018 and is headquartered in the Egyptian Space City, which is also the headquarters of the African Space Agency. EgSA is an Egyptian government organization that aims to acquire space technology and satellite launch capabilities to achieve the goals of the national sustainable development strategy “Egypt-SDS2030”. To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, each of EgSA and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

REASON FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC PARTNERSHIP AGREEMENT

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

It has been the plan of the Company to undergo a potential dual listing in the Middle East with a view to develop the Group’s presence and fundraising ability in the Middle East market and to consolidate the Group’s leading position in the aerospace market in the region. The Company expects the cooperation contemplated under the Strategic Partnership Agreement will further strengthen the collaboration between the Company and other market players in the space sector.

The Company is of the view that the entering into of the Strategic Partnership Agreement (i) will further enhance the Group's technological strength in satellite manufacturing, testing and launching, thereby broadening the Group's revenue base in the long run; (ii) signifies the continuous expansion of the Group's market presence globally, especially in the Middle East and Africa regions; and (iii) demonstrates the recognition received by the Group from both the private and public sectors. Having considered the aforesaid, the Company is of the view that the terms of the Strategic Partnership Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Shareholders and potential investors of the Company should note that the cooperation contemplated under the Strategic Partnership Agreement is subject to the entering into of the formal agreement(s) and the cooperation may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 May 2024

As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Chairman and Chief Executive Officer), H.H. Shaikh Mohammed Maktoum Juma Al-Maktoum (Deputy Chairman), Ms. Ku Ka Lee Clarie (Vice Chairman), 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. Nathan Earl Whigham as non-executive Directors; and Ms. Barbara Jane Ryan, 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.