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China Strategic Technology Group Limited
中國技術集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1725)

SUPPLEMENTAL ANNOUNCEMENT TO EXPIRY OF LONG STOP DATE AND LAPSE OF MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 49% ISSUED SHARE CAPITAL OF ASPACE SATELLITE TECHNOLOGY LIMITED INVOLVING ISSUE OF CONSIDERATION SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the announcement of China Strategic Technology Group Limited (formerly known as USPACE Technology Group Limited) (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 October 2025 in relation to, among others, the lapse of the major and connected transaction in relation to the acquisition of 49% issued share capital of Aspace Satellite Technology Limited involving issue of consideration shares and convertible bonds under specific mandate (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide further information in relation to a term loan granted to and an equipment charge executed by Aspace.

LOAN AGREEMENT AND EQUIPMENT CHARGE

On 16 July 2025, the then chief executive officer of the Company and the then head of international cooperation department of the Company commenced negotiation with Prime Bridge Capital Ltd. in relation to the terms and conditions of a loan. Prime Bridge Capital Ltd. was introduced by the then vice president of the Company to Aspace when Aspace was exploring debt financing. Prime Bridge Capital Ltd. is a company incorporated in Hong Kong with limited liability and is ultimately owned as to approximately 44% by Burnšteins Jāzeps, 27.2% by Joseph Burnstein, 27.2% by Diana Gribcova and 1.6% by Anna Levin. To the best information, belief and knowledge of the Directors and having considered the information gathered by the Group under the due diligence review on the public information in relation to Prime Bridge Capital Ltd., (i) Prime Bridge Capital Ltd. is not a licensed money lender under the Money Lenders Ordinance (Cap. 163 of the laws of Hong Kong); and (ii) each of Prime Bridge Capital Ltd. and its ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Before entering into the Loan Agreement with Prime Bridge Capital Ltd., Aspace also sought debt financing opportunities from banks and/or financial institutions in Hong Kong and in the People's Republic of China (the "**PRC**") with the Equipment (as defined below) as security. However, save that one financial institution in the PRC was willing to provide debt financing of approximately RMB20 million, no other banks and/or financial institutions approached were interested to provide debt financing to Aspace. Given the smaller loan size, Aspace decided not to proceed further with the possible debt financing from such PRC financial institution.

After Aspace and Prime Bridge Capital Ltd. reached preliminary consensus on the terms and conditions of the loan, Aspace engaged external legal adviser to prepare and/or review the legal documents.

On 13 August 2025, the director(s) of Aspace and the Company approved the entering into of the loan agreement (the "**Loan Agreement**") in relation to the term loan facility of HK$42.1 million (the "**Loan**") and the equipment charge (the "**Equipment Charge**"), and the Loan Agreement and the Equipment Charge were entered into between Aspace and Prime Bridge Capital Ltd. Pursuant to the Loan Agreement, the maturity date of the Loan shall be a date falling one (1) month after the relevant drawdown date, or such other days as both the Lender and Aspace may agree, and the Loan is interest bearing at the rate of 2.5% per month and is not guaranteed by the Company. Pursuant to the Equipment Charge, (a) immediately upon the signing of the Equipment Charge, all equipment (the "**Equipment**") charged under the Equipment Charge shall be moved to the specified premises of Prime Bridge Capital Ltd. for its safe custody and possession, unless and until full discharged of the secured liabilities by Aspace; (b) the Equipment Charge shall be enforceable on the occurrence of an event of default under the Loan Agreement; and (c) Prime Bridge Capital Ltd. shall release, reassign or discharge the Equipment to Aspace if all the secured liabilities owed by Aspace under the Loan Agreement have been paid in full. The Equipment includes not limited to vacuum thermal testing system, vibration testing system, magnetic testing system, scanning testing system, electromagnetic compatibility (EMC) testing system and other satellite assembly process supporting equipment and has a book value of approximately HK$105 million as at 13 August 2025. The Equipment was constructed and built by China Great Wall Industry Corporation（中國長城工業集團有限公司）("**China Great Wall Industry**") with initial acquisition cost of RMB159 million pursuant to the total procurement of equipment and installation service contract dated 27 October 2021. The equipment was first delivered to the Group in or around June 2022 with the provision of installation, testing and debugging services, and technical support services completed in or around January 2024 and used at the Hong Kong satellite manufacturing centre and testing centre for the execution "Golden Bauhinia Constellation" project. Further details of which are disclosed in the announcement of the Company dated 27 October 2021 and the circular of the Company dated 17 November 2021. To the best information, belief and knowledge of the Directors, China Great Wall Industry is a company established in the PRC with limited liability and wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council and has no relationship with the Company and Prime Bridge Capital Ltd. and their associates.

Aspace was negotiating with a potential investor in relation to an equity financing when the Loan Agreement was entered into. It was expected that the equity financing could be materialised within 1 month and the proceeds could be utilised to repay the Loan. However, Aspace was subsequently informed by the potential investor that the equity financing would not proceed further due to the tension in the Sino-US relations.

On 26 August 2025, the then director of Aspace (the "**Former Aspace Director**") signed a confirmation letter acknowledging the receipt of the full amount of the Loan on the mistaken belief that the full amount of the Loan has been received. The Group only received the full amount of the Loan in December 2025.

At the request of Prime Bridge Capital Ltd., the taking possession of the Equipment is one of the conditions precedent for the provision of the Loan pursuant to the Loan Agreement and the Equipment Charge. Having said that, while part of the Loan of HK$33.72 million had been provided on or before 9 September 2025, Prime Bridge Capital Ltd. did not take or request to take possession of the Equipment. In the circumstances, while the Group was aware that part of the Loan was yet to be provided, it did not request for the advance of the remaining Loan to avoid alerting Prime Bridge Capital Ltd. of its rights. Prime Bridge Capital Ltd. subsequently took possession of the Equipment by removing the Equipment from the premises occupied by Aspace on 13 October 2025 and the Group has no information on the location where Prime Bridge Capital Ltd. stored the Equipment. As such, such consideration no longer applied. On 21 October 2025, the Company (for itself and on behalf of Aspace) sent a letter to Prime Bridge Capital Ltd. requesting for the advance of the remaining Loan of HK$8.38 million immediately.

On 23 October 2025, Aspace received a notice from Prime Bridge Capital Ltd. that all its rights, title, interest, benefit and advantage in the Loan and the Equipment Charge were assigned and transferred to Wood Trading FZCO. The Group has no information on the reason for the assignment from Prime Bridge Capital Ltd. to Wood Trading FZCO. On the same date, Aspace received a further notice from Wood Trading FZCO that (i) Aspace failed to repay the Loan was an event of default of the Loan Agreement and the Loan was due and payable and demanded for repayment; and (ii) the Equipment Charge was enforceable and was thereby enforced. As the Company was being notified by Prime Bridge Capital Ltd. in relation to the assignment, the Company has no information on the identity of the ultimate beneficial owner of Wood Trading FZCO. To the best information, belief and knowledge of the Company, save for the Loan Agreement and the transactions contemplated thereunder, the Company has no relationship with Wood Trading FZCO. Based on the information available, Wood Trading FZCO appears to be a company incorporated in Dubai. The Company has checked with independent search agency and is informed that no shareholding search on company incorporated in Dubai is available. In the circumstances, the Company has no information regarding the relationship between Prime Bridge Capital Ltd. and Wood Trading FZCO and their respective associates.

After receipt of the notice from Wood Trading FZCO dated 23 October 2025, Mr. Lin Mingzhi, the new director of Aspace appointed with effect from 30 October 2025, sought to contact Prime Bridge Capital Ltd. and Wood Trading FZCO to resolve the dispute in relation to the Loan and Prime Bridge Capital Ltd. verbally admitted that due to the reason on the part of Prime Bridge Capital Ltd., it failed to provide the remaining Loan of HK$8.38 million and has provided the shortfall by end of December 2025. Aspace utilised the Loan of HK$42.1 million to repay its shareholders' loan owed to the Company (which amounted to approximately HK$256 million as at 13 August 2025 (i.e. the date of the Loan Agreement)), being the ultimate holding company of Aspace. The said shareholders' loan was first provided by the Company in August 2021 to Aspace and further shareholders' loan was provided by the Company from time to time as and when necessary without a written shareholders' agreement, and is interest free and repayable on demand. The purpose of the said shareholders' loan is mainly for the acquisition of property, plant and equipment and payment for construction in progress by Aspace which were in the ordinary course of business of Aspace. On 28 February 2026, the outstanding amount of such shareholders' loan of approximately HK$220 million is waived at the request of the buyer for the purpose of facilitating the disposal of Aspace.

While the Company considered that the delay in the provision of the Loan was caused by Prime Bridge Capital Ltd. and/or Wood Trading FZCO and was not in any way caused by the action or omission on the part of the Former Aspace Director, the signing of the confirmation letter acknowledging the receipt of the full amount of the Loan indicated that the Former Aspace Director fell short of the reasonable standard of skill, care and diligence expected on a director. After discussion with the Group, the Former Aspace Director resigned as a director of Aspace with effect from 30 October 2025.

As such, the Company considers that the dispute in relation to the Loan is an isolated event and is not related to the internal control procedure of the Company and the Directors have discharged fiduciary duties.

Given that Prime Bridge Capital Ltd. and/or Wood Trading FZCO has provided the full amount of the Loan of HK$42.1 million, the Company has sought legal advice from legal counsel and is advised that having failed to repay the Loan, Aspace is in breach of the Loan Agreement. The Company considers that the Loan has been settled after the enforcement of the Equipment Charge and as disclosed in the annual result announcement of the Company for the year ended 31 December 2025, has recognised a transfer to lender for the Equipment of approximately HK$40 million and an impairment loss of approximately HK$55 million on the Equipment during the year. The Company also recorded depreciation on the Equipment of approximately HK23 million and impairment loss on the Equipment of approximately HK$62 million in prior years.

As disclosed in the announcement of the Company dated 13 December 2024, Aspace, Hong Kong Aerospace Satellite Tracking and Control Limited ("**HKASTCL**") and Hong Kong Aerospace Satellite Data Limited ("**HKASDL**") had respectively been served a writ of summons by Hong Kong Science and Technology Parks Corporation ("**HKSTP**") for, among others, vacant possession of certain premises and the outstanding rent, management charges and outgoings in the total sum of approximately HK$47.4 million, interest accrued thereon and other damages for the alleged breach of the tenancy agreements. As no settlement can be reached and in light of the looming litigation with HKSTP and having considered the removal request as contained in the court document from HKSTP, the Group eventually prepared for the removal of the equipment from the said premises in or around April 2025 with a view to relocate the equipment to the premises to be identified, which inevitably halted business operation of Aspace, HKASTCL and HKASDL. Before the disposal, Aspace, HKASTCL and HKASDL to HKSTP had not delivered up vacant possession of the premises to HKSTP.

Given that Aspace's business operation was already halted before Prime Bridge Capital Ltd. took possession of the Equipment charged from the premises occupied by Aspace in October 2025, the subsequent event does not have any additional adverse impact on Aspace's business operation before the disposal. Save for the Equipment removed by Prime Bridge Capital Ltd. and/or Wood Trading FZCO pursuant to the Equipment Charge, no other equipment is removed from the premises occupied by Aspace before the disposal.

Before the halt in business operation, Aspace, HKASTCL and HKASDL were principally engaged in aerospace business in Hong Kong, 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. As at the date of this announcement, the aerospace business of the Group currently operates through its wholly-owned subsidiary, 港航科(深圳)空間技術有限公司 (translated as Gang Hang Ke (Shenzhen) Space Technology Co., Ltd.), and only has operation in the PRC, with two offices which are located in No. Unit 07–10, 54th Floor, East Tower, Tianying Plaza, 222 Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong, the PRC and 1509, Tower 3, Excellence Century Center, No. 2030, Jintian Road, Fushan Community, Futian Street, Futian District, Shenzhen, the PRC respectively, with nine staff in total. The Group is currently in the course of identify suitable locations to establish its production line and research and development centres in the PRC. As at the date of this announcement, the Group has preliminary discussion with various local government authority in the PRC in relation to implementation of smart manufacturing factory for aerospace business.

Save as disclosed above, all other information and content as set out in the Announcement remain unchanged.

DISPOSAL AGREEMENT

On 9 March 2026, the Company as seller entered into a share purchase agreement (the "**Disposal Agreement**") with Van Minh Technology Service Trading Company Limited (the "**Buyer**") as buyer in relation to the sale and purchase (the "**Disposal**") of the entire issued shares of Aspace Holdings Limited (being the holding company of Aspace), Prestige Dragon Holdings Limited (being the holding company of HKASDL) and Supreme Class International Limited (being the holding company of HKASTCL) (collectively, the "**Disposal Companies**", and together with their respective subsidiaries, the "**Disposal Group**") at the consideration of US$2 million (the "**Consideration**"). Pursuant to the Disposal Agreement, the Buyer agrees to pay the Company 50% of any amounts recovered from pending claims or litigations related to the Disposal Group. No corporate guarantee from any remaining member of the Group after the Disposal is provided and/or subsisting for the obligations or liabilities of the Disposal Group. Completion of the Disposal took place on 9 March 2026. After the Disposal, each member of the Disposal Group ceased to be a subsidiary of the Company. After the Disposal, the Group is not required to bear the liabilities (including contingent liabilities) of the Disposal Group.

The Buyer is a company incorporated in Vietnam and principally engaged in technology trading. Based on the information provided by the Buyer, the Buyer is ultimately owned as to 100% by Vu ThiNu. To the best information, belief and knowledge of the Company, each of the Buyer and its ultimate beneficial owner is third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

The Consideration was arrived at after arm's length negotiations between the Company and the Buyer with reference to (i) the default under the Loan Agreement and the enforcement of the Equipment Charge; (ii) the dispute between Aspace, HKASTCL and HKASDL and HKSTP; (iii) the financial conditions and performance of Disposal Group as set out in the section headed "Information of the Disposal Group" in this announcement including but not limited the net liabilities of the Disposal Group of approximately HK$246 million after the waiver of the shareholder's loan owned by Aspace to the Group of approximately HK$220 million; and (iv) the reasons for and benefits of the Disposal as set out in the section headed "Reasons for and benefits of the Disposal" in this announcement.

INFORMATION OF THE DISPOSAL GROUP

Aspace Holdings Limited is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company before the Disposal. The principal asset of Aspace Holdings Limited is 51% equity interest in Aspace which is principally engaged in satellite manufacturing (such as the development, design and testing of satellite payload, communications satellites, navigation augmentation satellites and remote-sensing satellites).

Prestige Dragon Holdings Limited is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company before the Disposal. The principal asset of Prestige Dragon Holdings Limited is 100% equity interest in HKASDL which is principally engaged in satellite big data application and solution services.

Supreme Class International Limited is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company before the Disposal. The principal asset of Supreme Class International Limited is 100% equity interest in HKASTCL principally which is principally engaged in satellite tracking and controlling in the PRC and Hong Kong.

The following table summarises the unaudited consolidated financial results of Aspace Holding Limited for the financial years ended 31 December 2024 and 2025 respectively.

	For the financial years ended 31 December	
	2024	**2025**
	(unaudited)	(unaudited)
	Approximately HK$'000	*Approximately HK$'000*
Revenue	–	–
Loss before taxation	(149,161)	(305,746)
Loss after taxation	(149,161)	(305,746)

The following table summarises the unaudited consolidated financial results of Prestige Dragon Holdings Limited for the financial years ended 31 December 2024 and 2025 respectively.

	For the financial years ended 31 December	
	2024	**2025**
	(unaudited)	(unaudited)
	Approximately HK$'000	*Approximately HK$'000*
Revenue	17,086	—
Loss before taxation	490	(39,300)
Loss after taxation	355	(39,310)

The following table summarises the unaudited consolidated financial results of Supreme Class International Limited for the financial years ended 31 December 2024 and 2025 respectively.

	For the financial years ended 31 December	
	2024	**2025**
	(unaudited)	(unaudited)
	Approximately	*Approximately*
	HK$'000	HK$'000
Revenue	–	–
Loss before taxation	(61,870)	(93,619)
Loss after taxation	(61,870)	(93,619)

The unaudited aggregated loss after taxation of the Disposal Group of approximately HK$210.7 million for the year ended 31 December 2024 is mainly caused by (a) depreciation of property, plant and equipment and right of use of asset of approximately HK$63.9 million; (b) impairment loss of property, plant and equipment of approximately HK$89.5 million; and (c) salary of approximately HK$21.1 million;

The unaudited aggregated loss after taxation of the Disposal Group of approximately HK$438.7 million for the year ended 31 December 2025 is mainly caused by (a) other losses in relation to impairment loss of property, plant and equipment, right of use of assets, deposits and other receivables of approximately HK$326.9 million; (b) depreciation of property, plant and equipment of approximately HK$38.8 million; and (c) depreciation of right of use of asset of approximately HK$34.7 million;

Save for the revenue recorded by a then subsidiary (which ceased to be a member of the Disposal Group under a group reorganization and continues to be a wholly-owned subsidiary of the Company as at the date of this announcement) of Prestige Dragon Holdings Limited of HK$17.1 million for the year ended 31 December 2024 in relation to the provision of services to a fellow subsidiary of the Company, the Disposal Group did not record any revenue during the years ended 31 December 2024 and 2025, which is mainly due to the tension in the Sino-US relations, and various sanctions and restrictions imposed by Government of the United States of America, and the dispute between the Group and HKSTP in relation to the outstanding rent, management charges and outgoings, and the quality of the rented premises.

As at 28 February 2026 (after waiver of the shareholder's loan owed by Aspace to the Group of approximately HK$220 million), the unaudited net liabilities of the Disposal Group were approximately HK$246 million, among which, (a) approximately HK$218 million are lease liabilities and other amount payables due to HKSTP; and (b) the remaining balance of approximately HK$28 million are other payables.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon the completion of the Disposal, the Company ceased to hold any equity interest in any member of the Disposal Group, and each member of the Disposal Group ceased to be a subsidiary of the Company. Accordingly, the financial result of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group upon completion of the Disposal. Based on the Consideration of US$2 million less the net liabilities value of the Disposal Group as at 28 February 2026 (after waiver of the shareholder's loan owed by Aspace to the Group of approximately HK$220 million) as well as the estimated transaction expenses, the Company may recognise an estimated gain of approximately HK$261 million from the Disposal. The net proceeds from the Disposal, after deducting the estimated transaction expenses in relation to the Disposal, will be approximately US$1.93 million in which will be allocated for the general working capital of the Group. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Given that (i) the business operation of Aspace, HKASDL and HKASTCL in Hong Kong has been halted since April 2025 due to the litigation with HKSTP; (ii) the event of default under the Loan Agreement, the enforcement of the Equipment Charge and the removal of the Equipment; (iii) any revival of the business operation of Aspace, HKASDL and HKASTCL in Hong Kong would be conditional upon obtaining favourable results in legal proceedings against HKSTP, Prime Bridge Capital Ltd. and Wood Trading FZCO, which is likely to be time-consuming and involve substantial costs, and the result would be uncertain; (iv) regarding the aerospace business of the Group, the Group is focused on the satellite structure manufacturing, satellite component manufacturing, satellite power and energy system manufacturing and satellite data applications and shifted away from satellite manufacturing, satellite telemetry, tracking, and controlling (TT&C), and satellite launch, and will relocate its operation from Hong Kong to the PRC; (v) the Consideration in the amount of US$2 million and the Group's entitlement to 50% of any amounts recovered from pending claims or litigations related to the Disposal Group; (vi) the expected gain of approximately HK$261 million from the Disposal; and (vii) the Group is not required to bear the liabilities (including contingent liabilities) of the Disposal Group after the

Disposal, the Company considers that the Disposal would allow the Company to realise and receive certain amount of cash proceeds that will arise from the disposal of the Company's interest in the Disposal Group as distressed assets.

The Company also believes that the Disposal could immediately strengthen the cash flow of the Group and allow the Group to restructure and streamline its business operations to allocate its resources to the development of the Group's principal businesses.

Therefore, the Company is of the view that the terms of the Disposal Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As all the applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is below 5%, the Disposal does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

By Order of the Board
China Strategic Technology Group Limited
Gu Lin
Chairman and Executive Director

Hong Kong, 4 May 2026

As at the date of this announcement, the Board comprises Mr. Gu Lin (Chairman), Mr. Chen Youan (Deputy Chairman), Mr. Lu Huasheng, Mr. Zhang Yuanqi and Mr. Ma Fujun as executive Directors; and Mr. Yao Xinguo, Mr. Boris Tadić, and Ms. Chow Yin Kwan Yvonne as independent non-executive Directors.