

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 MOU FOR THE COOPERATION WITH THE UNIVERSITY OF HONG KONG

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.

BACKGROUND

On 7 June 2021, the Company announced that the Group will commence the aerospace business (the “**Aerospace Business**”) which include (1) smart city with satellite big data applications and solutions; (2) satellite measurement and controlling; (3) satellite manufacturing; and (4) satellite launching.

THE MOU

The board (the “**Board**”) of directors (“**Director(s)**”) of the Company is pleased to announce that, on 18 August 2021, the Company and The University of Hong Kong (“**HKU**”) entered into the memorandum of understanding (the “**MOU**”) in relation to the strategic cooperation (the “**Cooperation**”) in the research and development (“**R&D**”) of the satellite data services industry in Hong Kong, covering satellite manufacturing, satellite launching and satellite big data application.

Pursuant to the MOU, the parties thereto agreed to conduct scientific research on earth observation, carbon neutrality and urban sustainable development, including the research on development of global high-resolution and high time-frequency seamless remote sensing data cubes and their urban applications, with a view to establishing high-tech demonstration projects. Meanwhile, both parties intend to cooperate in, among others, (i) the development of global high-resolution remote sensing data cubes research work; (ii) the application for patent and/or other intellectual property rights for technologies and related products derived from R&D, and publication of relevant dissertation(s); and (iii) the promotion of the commercial application of the data.

The MOU shall be effective for a term of 15 years, commencing on the date of the execution of the MOU by both parties, unless terminated by not less than 30 days' written notice served by either party.

Formal agreement

The parties to the MOU shall negotiate in good faith to procure that a formal cooperation agreement be entered into for the Cooperation.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE MOU

In order to develop the Aerospace Business, the Company intends to set up a satellite intelligent manufacturing center; a monitoring and operation control, application and data center for satellites; and also conduct corresponding research and development activities. HKU is a long-standing, reputable tertiary education institution with cutting-edge experience and resources in areas including, the development of remote sensing data cube and the monitoring of global environmental change. The Company is of the view that the Cooperation with HKU and the entering into of the MOU will have a positive impact on the future development of the Group's Aerospace Business. As such, the Board is of the view that the terms of the MOU are fair and reasonable, and the entering into of the MOU is in the interests of 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 MOU.

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

Hong Kong, 18 August 2021

As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Co-Chairman and Chief Executive Officer), Mr. Lam Kin Fung Jeffrey, Ms. Ku Ka Lee Clarie (Vice Chairman) and Mr. Ma Fujun as executive Directors; Dr. Lam Lee G. (Co-Chairman) and Dr. Yip Chung Yin as non-executive Directors; and Mr. Brooke Charles Nicholas, Mr. Hung Ka Hai Clement, Mr. Leung Kwong Ho and Mr. Lo Chi Chung William as independent non-executive Directors.