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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 (1) THE MULTIPLE SATELLITE LAUNCHING SERVICE AGREEMENT; AND (2) THE SATELLITE LAUNCHING SERVICE CONFIRMATION AGREEMENT**

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**

Reference is made to the announcement of the Company dated 16 June 2021 in relation to, among other matters, the acquisition of entire equity interest in 港航科(深圳)空間技術有限公司 (transliterated as Gang Hang Ke (Shenzhen) Space Technology Co., Ltd.) (“**SZ Gang Hang Ke**”). As disclosed in the said announcement, in April 2021, SZ Gang Hang Ke successfully launched the initial two satellites under the “Golden Bauhinia Constellation” project. To successfully form the Golden Bauhinia Constellation, the Group has to launch further satellites in the coming few years. It is expected that by the end of 2021, the follow-up satellite of the first formation of the “Golden Bauhinia Constellation” will also be launched, and the second formation satellite of the “Golden Bauhinia Constellation” will be launched in due course.

The satellite launching service for the “Golden Bauhinia Constellation” is procured by the Group from independent third party. Due to the scarcity of the satellite launching service and limited providers available in the market, the Group usually has to go through lengthy negotiations with the satellite launching service provider to agree on the terms and conditions of each satellite launch, which imposes uncertainty in the timeline of the “Golden Bauhinia Constellation” project.

## **(1) THE MULTIPLE SATELLITE LAUNCHING SERVICE AGREEMENT**

The board (the “**Board**”) of directors (“**Director(s)**”) of the Company is pleased to announce that, on 20 August 2021, SZ Gang Hang Ke and China Great Wall Industry Corporation (“**CGWIC**”) entered into a multiple satellite launching service agreement (the “**Agreement**”) in relation to the provision of multiple satellite launching and related services by CGWIC to the Group for a term of three (3) years, commencing on the date of the Agreement.

For each satellite launch, SZ Gang Hang Ke shall enter into a satellite launching service confirmation agreement (the “**Confirmation**”) with CGWIC to set out the specific terms, including details of the designated satellite to be launched, the designated rocket used for the launch, the target launch period, the price and the payment terms, in accordance with the terms and conditions of the Agreement. In the event that SZ Gang Hang Ke failed to pay the first instalment in accordance with the Confirmation and such amount had been overdue for more than 30 days, CGWIC shall have the right to terminate the Confirmation in writing and demand for payment for the services provided therein. In the event, due to the reason of CGWIC, the schedule for the satellite launch is postponed for over twelve months from the target launch period stipulated in the Confirmation, SZ Gang Hang Ke shall have the right to issue a revocation notice to CGWIC to revoke the relevant Confirmation on any day from the fourteenth month onwards, and CGWIC shall refund the payments received within 30 days from the date of the revocation notice.

## **(2) THE SATELLITE LAUNCHING SERVICE CONFIRMATION AGREEMENT**

The Board is pleased to announce that, on 20 August 2021, SZ Gang Hang Ke and CGWIC entered into the first Confirmation, setting out the terms of the proposed satellite launch, pursuant to the terms and conditions of the Agreement. The parties thereto agreed that the target launch period shall be between October to December 2021.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE AGREEMENT AND THE CONFIRMATION**

CGWIC is a wholly-owned subsidiary of China Aerospace Science and Technology Corporation. As a professional company promoting internationalised aerospace operation in China, CGWIC is committed to the internationalised aerospace development in China. CGWIC has developed into a system integrator of aerospace products and services, capable of providing comprehensive solutions, including commercial launch services, satellite in-orbit delivery, satellite ground monitor and control station construction, satellite applications, project financing, insurance, personnel training and technology transfer and so on, to meet the multifaceted needs of customers with a full range of one-stop services, and is well-known in the international aerospace, financial and insurance industries.

The “Golden Bauhinia Constellation” project is the aerospace project developed by SZ Gang Hang Ke, which will use satellite data received under the “Golden Bauhinia Constellation” project and give priority to the Guangdong-Hong Kong-Macau Greater Bay Area. Such aerospace data will facilitate cities in Greater Bay Area to achieve fine management and ecological environment construction of the full-cycle monitoring in the fields of agricultural monitoring, disaster prevention and mitigation, comprehensive urban governance, watershed control and so on.

The Board considers that the entering into of the Agreement, which act as a master framework agreement between the Group and CGWIC covering multiple satellite launching services, would greatly reduce the negotiation time spent between the parties, as the parties thereto are only required to agree on the material terms of the satellite launch thereafter. Further, the opportunity for a satellite launch is limited by the satellite launching capacity of the service provider; owing to the increasing demand for aerospace data for dynamic monitoring services, there is a keen competition for satellite launching services recently. The Company is of the view that the entering into of the Agreement will enable the Group to secure a guaranteed satellite launching capacity from its service provider, CGWIC, which 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 Agreement are fair and reasonable, and the entering into of the Agreement is in the interests of the Company and its shareholders as a whole.

The Board considers that the entering into of the first Confirmation acts as a milestone of the Group to carry on the satellite launching business, and enables the Group to progress with the “Golden Bauhinia Constellation” project. As such, the Board is of the view that the terms of the Confirmation are fair and reasonable, and the entering into of the Confirmation is in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 20 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.*