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**If you have sold or transferred** all your shares in Hong Kong Aerospace Technology Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## **Hong Kong Aerospace Technology Group Limited**

**香港航天科技集團有限公司**

(formerly known as Eternity Technology Holdings Limited)

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1725)**

## **MAJOR TRANSACTION — CONSTRUCTION CONTRACT**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 8 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholders’ approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|                           |  |
|---------------------------|--|
| “associate(s)”            | has the same meaning ascribed to it under the Listing Rules  |
| “Board”                   | the board of Directors   |
| “close associate(s)”      | has the same meaning ascribed to it under the Listing Rules  |
| “Company”                 | Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司) (formerly known as Eternity Technology Holdings Limited (恒達科技控股有限公司)), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1725) |
| “Construction Contract”   | the construction contract dated 5 July 2021 and entered into between Eternity Huizhou and the Contractor for the Construction Works  |
| “Construction Works”      | construction works to be carried out by the Contractor in Daya Bay, Huizhou City pursuant to the Construction Contract   |
| “Contract Price”          | the contract price payable by Eternity Huizhou under the Construction Contract   |
| “Contractor”              | Huizhou City Chunlin Construction Engineering Company Limited* (惠州市春林建築工程有限公司), a company established in the PRC with limited liability  |
| “controlling shareholder” | has the same meaning ascribed to it under the Listing Rules  |
| “Director(s)”             | the director(s) of the Company   |
| “Eternity Huizhou”        | Eternity Technology (Huizhou) Company Limited* (恒達科技(惠州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company  |
| “Group”                   | the Company and its subsidiaries   |
| “HK\$”                    | Hong Kong dollar(s), the lawful currency of Hong Kong  |

## DEFINITIONS

|                                  |   |
|----------------------------------|---|
| “HKATH”                          | Hong Kong Aerospace Technology Holdings Limited (香港航天科技控股有限公司) (formerly known as Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司)), a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company                         |
| “Hong Kong”                      | the Hong Kong Special Administrative Region of the PRC  |
| “Huizhou City Eternity”          | Huizhou City Eternity Technology Company Limited* (惠州市恒昌盛科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company  |
| “Independent Third Party(ies)”   | the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company |
| “Land”                           | a piece of land which was located at Xinxing Industrial Park, Daya Bay Western District, Huizhou City, the PRC* (中國惠州市大亞灣西區新興產業園)   |
| “Latest Practicable Date”        | 25 August 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein   |
| “Listing Rules”                  | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “PRC” or “China”                 | the People’s Republic of China, which, for the purpose of this circular, does not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan  |
| “Previous Construction Contract” | the construction contract dated 16 July 2020 and entered into between Huizhou City Eternity and the Contractor for the construction works in Shuikou, Huizhou City, the PRC, as disclosed in the announcement of the Company dated 16 July 2020                                   |
| “RMB”                            | Renminbi, the lawful currency of the PRC  |

## DEFINITIONS

|                           |  |
|---------------------------|--|
| “SFO”                     | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| “Share(s)”                | ordinary share(s) of HK\$0.01 each in the share capital of the Company     |
| “Shareholder(s)”          | holder(s) of the issued Share(s)   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                    |
| “subsidiary(ies)”         | has the same meaning ascribed to it under the Listing Rules                |
| “substantial shareholder” | has the same meaning ascribed to it under the Listing Rules                |
| “%”                       | per cent   |

*For the purposes of illustration only, amounts denominated in RMB in this circular have been translated into HK\$ at the rate of RMB1.00 = HK\$1.20. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.*

*The English transliteration of the Chinese name(s) in this circular, where indicated with “\*”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

**LETTER FROM THE BOARD**

**Hong Kong Aerospace Technology Group Limited**

**香港航天科技集團有限公司**

(formally known as Eternity Technology Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 1725)**

*Executive Directors:*

Mr. Sun Fengquan (*Co-Chairman and*

*Chief Executive Officer*)

Mr. Lam Kin Fung Jeffrey

Ms. Ku Ka Lee Clarie (*Vice Chairman*)

Mr. Ma Fujun

*Registered office in Cayman Islands:*

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Non-executive Directors:*

Dr. Lam Lee G. (*Co-Chairman*)

Dr. Yip Chung Yin

*Principal place of*

*business in Hong Kong:*

13th Floor, St. John's Building

33 Garden Road, Central,

Hong Kong

*Independent non-executive Directors:*

Mr. Brooke Charles Nicholas

Mr. Hung Ka Hai Clement

Mr. Leung Kwong Ho

Mr. Lo Chi Chung William

26 August 2021

*To the Shareholders,*

Dear Sir or Madam,

**MAJOR TRANSACTION — CONSTRUCTION CONTRACT**

**INTRODUCTION**

References are made to the announcements of the Company dated 5 July 2021, 27 July 2021 and 3 August 2021. On 5 July 2021 (after trading hours), Eternity Huizhou, an indirect wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor, pursuant to which Eternity Huizhou conditionally agreed to engage the Contractor to, and the Contractor conditionally agreed to, undertake the Construction Works at the Contract Price of RMB165 million (equivalent to approximately HK\$198 million) (subject to adjustments).

The purpose of this circular is to provide you with, among other things, further information on the Construction Contract and other information as required under the Listing Rules.

## LETTER FROM THE BOARD

### CONSTRUCTION CONTRACT

A summary of the principal terms of the Construction Contract are as follows:

Date : 5 July 2021

Parties : (1) Eternity Huizhou; and

(2) the Contractor, a company established in the PRC with limited liability which principal business is construction of industrial and civil construction projects and sale of construction materials and equipment and plastic products. To the knowledge of the Directors, the ultimate beneficial owners of the Contractor are Lu Chunlin and Wu Yingying. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are Independent Third Parties.

### Construction Works

Pursuant to the Construction Contract, Eternity Huizhou conditionally agreed to engage the Contractor to, and the Contractor conditionally agreed to, undertake the Construction Works which included foundation pit support works, pile foundation works, civil structural engineering works, interior rough decoration works, exterior decoration works (wall tiles/stones) and conventional water and electricity works, civil defence works, fire safety works, aluminium alloy doors and windows works, outdoor water supply, drainage and connection works, outdoor road works etc in Daya Bay, Huizhou City, the PRC, for the purpose of constructing a production plant for the internal use of the Group.

### Contract Price and payment terms

The Contract Price payable by Eternity Huizhou shall be RMB165 million (equivalent to approximately HK\$198 million), subject to adjustments in accordance to the Construction Contract including in the event that during the term of the Construction Contract, the price(s) of the reinforcing bars and/or concrete change by more than 5%, the Contract Price shall be adjusted accordingly. Eternity Huizhou shall pay the Contract Price based on the construction progress. The Contract Price and the payment terms were determined after arm's length negotiations between Eternity Huizhou and the Contractor with reference to the then prevailing market price and the complexity and expected scope of the Construction Works to be carried out. The Contract Price will be funded by internal resources and bank facilities of the Group.

## **LETTER FROM THE BOARD**

Although there is no maximum amount of adjustment to the Contract Price, after considering that no adjustment had been made under the Previous Construction Contract which was also subject to similar adjustments as disclosed in the announcement of the Company dated 16 July 2020, the Directors do not expect that there will be any material adjustments to the Contract Price and any such adjustment would not materially affect the calculation of the classification of the transaction contemplated under the Construction Contract under Chapter 14 of the Listing Rules.

### **Condition precedent**

The Construction Contract is conditional upon the Shareholders' approval. As at the Latest Practicable Date, the condition precedent has been fulfilled.

### **Defect liability period and retention money**

Pursuant to the Construction Contract, 3% of the Contract Price shall be withheld by Eternity Huizhou as retention money. The defect liability period for the Construction Works shall be 12 months from the date of completion, inspection and acceptance of the Construction Works. The retention money shall be paid by Eternity Huizhou to the Contractor after the end of the defect liability period.

### **Duration of the Construction Works**

It is expected that the duration of the Construction Works will be 483 days commencing from 6 July 2021.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE CONSTRUCTION CONTRACT**

The Company is an investment holding company. The Group is principally engaged in (i) electronics manufacturing services (“EMS”) business which includes provision of design enhancement and verification, offering of technical advice and engineering solutions, raw materials selection and procurement, quality control, logistic and delivery and after-sale services to the customers in respect of the assembling and production of printed circuit board assemblies and fully-assembled electronic products; and (ii) aerospace business, currently under the “Golden Bauhinia Constellation” project, which include (1) smart city with satellite big data applications and solutions; (2) satellite measurement and controlling; (3) satellite manufacturing; and (4) satellite launching.

As disclosed in the announcement of the Company dated 7 July 2020, Eternity Huizhou acquired the Land. As part of the business strategies of the Group is to lower the impact from the trade friction between the United States of America and China and the impact from the outbreak of novel coronavirus (COVID-19) as disclosed in the annual report of the Company for the year ended 31 December 2020, the Group plans to continue its business strategies in constructing its own production plants instead of renting one to increase the interest of the Shareholders in the long term. The Directors consider that it is commercially beneficial to the Group and an appropriate time to enter into the Construction Contract for constructing a production plant on the Land because (i) the market rents in the Shenzhen continue to rise and



## LETTER FROM THE BOARD

it would be more cost efficient for the Group to construct its own production plant on the Land than leasing third party's premises in Shenzhen for production purpose; (ii) the cost of operating a production plant and the labour cost in Huizhou City are relatively lower than in Shenzhen; (iii) the Land has been left idle since July 2020 and it would not be economical for and in the benefit of the Group to leave the Land unused for a long time; and (iv) the current lease of the premises in Shenzhen for production purpose will expire in 2021 and it is expected that it would take more than a year to complete the construction works of the production plant and have the new production plant to come into operation.

As disclosed in the announcement of the Company dated 16 July 2020, pursuant to the Previous Construction Contract, the Group engaged the Contractor to construct a production plant for the internal use of the Group in Shuikou, Huizhou City ("**Shuikou Plant**"). The Directors consider that it would be beneficial for the Group to construct another production plant in Daya Bay under the Construction Contract ("**Daya Bay Plant**") since the Daya Bay Plant is in closer proximity to Shenzhen and it is expected that the Group will be able to reduce logistics cost by utilising the Daya Bay Plant to fulfil manufacturing orders from customers in Shenzhen whereas the Shuikou Plant will be used to fulfil manufacturing orders from customers in other areas.

For the reasons above, the Directors consider that entering into of the Construction Contract is in the ordinary and usual course of business of the Group and on normal commercial terms which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### FINANCIAL EFFECTS OF ENTERING INTO THE CONSTRUCTION CONTRACT

As disclosed above, the Contract Price will be funded by internal resources and bank facilities of the Group. Following completion of the Construction Contract and without taking into account of any appreciation of the Group's investment properties, the total of the fixed assets and investment properties of the Group is expected to increase by approximately the same amount as the Contract Price. On the other hand, the Construction Contract is partly financed by bank facilities and thus the total liabilities of the Group will be increased by an amount equal to the amount actually borrowed under the bank facilities. The net asset value of the Group is expected to remain at a similar level without material changes as the increase in the total of fixed assets and investment properties will be offset by the decrease in bank balances and cash and increase in bank borrowings. Other than the revaluation impact of the Land, the Group does not expect the Construction Contract to have any immediate material impact upon the earnings of the Group.

### LISTING RULES IMPLICATIONS

As the Previous Construction Contract and the Construction Contract were entered into with the same contractor within 12 months, the transactions contemplated under the Construction Contract shall be aggregated with the transactions under the Previous Construction Contract, and treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules.

## LETTER FROM THE BOARD

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Previous Construction Contract and the Construction Contract on an aggregate basis exceeds 25% but is less than 100%, it constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Construction Contract may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Construction Contract and the transactions contemplated thereunder; and (2) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Construction Contract and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Construction Contract and the transactions contemplated thereunder, and therefore no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for approving the Construction Contract and the transactions contemplated thereunder. As of the Latest Practicable Date, HKATH held 212,850,100 Shares, representing approximately 70.95% of the issued share capital of the Company, has provided written Shareholder's approval on the Construction Contract and the transactions contemplated thereunder. As such, no general meeting will be convened for approving the Construction Contract and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is also drawn to the financial and general information set out in the appendices to this circular.

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

## 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 are disclosed in the annual reports of the Company for the years ended 31 December 2018, 2019 and 2020, respectively, which have been published and are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.hkatg.com](http://www.hkatg.com)):

- annual report of the Company for the year ended 31 December 2018 which was published on 16 April 2019 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0416/ltn20190416523.pdf>), please refer to pages 44 to 103 in particular;
- annual report of the Company for the year ended 31 December 2019 which was published on 7 April 2020 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0407/2020040700606.pdf>), please refer to pages 51 to 115 in particular; and
- annual report of the Company for the year ended 31 December 2020 which was published on 28 April 2021 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042800837.pdf>), please refer to pages 62 to 125 in particular.

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, details of the Group's indebtedness are as follows:

|                    | <b>As at<br/>30 June 2021</b> |
|--------------------|-------------------------------|
|                    | <i>RMB'000</i>                |
|                    | <i>(unaudited)</i>            |
| <b>Current</b>     |                               |
| Lease liabilities  | 9,268                         |
| Bank borrowings    | <u>14,397</u>                 |
|                    | 23,665                        |
| <b>Non-current</b> |                               |
| Lease liabilities  | 24,507                        |
| Bank borrowings    | <u>48,449</u>                 |
|                    | <u><u>72,956</u></u>          |

**Bank borrowings**

As at 30 June 2021, the Group had outstanding bank borrowings of approximately RMB62,846,000 which are secured by pledged bank deposit, land-use rights, certain equipment and a corporate guarantee provided by the Company.

**Lease liabilities**

As at 30 June 2021, the Group had lease liabilities of approximately RMB33,775,000, among of which RMB1,568,000 were secured by leased machinery.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 30 June 2021, the Group did not have any loan capital outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the existing cash and bank balances, other internal resources and available existing unutilised credit facilities, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

As disclosed in the annual report of the Company for the year ended 31 December 2020, the Group's performance in the first half 2020 was inevitably affected by the trade friction between the United States of America and China and the impact from the outbreak of novel coronavirus (COVID-19). For the year ended 31 December 2020, the Group's revenue was approximately RMB547.8 million, representing a slight increase of approximately 0.3% as compared with that in 2019 of approximately RMB546.3 million while the profit attributable to equity holders of the Company amounted to approximately RMB17.3 million, representing a decreased of approximately 32.0% as compared with that in 2019 of approximately RMB25.5 million. Such decrease in profit attributable to equity holders of the Company was mainly due to, among others, the decrease in gross profit margin, the increase in administration expenses for subsidiaries incorporated during the year ended 31 December 2020, and the impairment loss made against contract assets, trade and bills receivables.

As disclosed in the joint announcements of HKATH and the Company dated 22 April 2021 and 3 June 2021 and the composite document dated 13 May 2021, Kingston Securities Limited made an offer for all the issued Shares for and on behalf of HKATH (the “**Offer**”) which was closed on 3 June 2021, and HKATH became the controlling shareholder of the Company. Further, as disclosed in the announcement of the Company dated 7 June 2021, under the “Golden Bauhinia Constellation” project, the Company will commence the business of the Group to include key business areas, namely: (1) smart city with satellite big data applications and solutions; (2) satellite measurement and controlling; (3) satellite manufacturing; and (4) satellite launching (the “**Potential New Business**”). The Board may also, where appropriate, invest in suitable target entity(ies)/asset(s) with funding from the Group’s internal resources to develop the Potential New Business.

Looking forward, it is expected that the COVID-19 pandemic may still be fluctuating in China. However, the Group will strive to sustain long-term growth in its current business, strengthen its production capacity and enhance production efficiency to secure more business opportunities. The Board, while continuously monitoring macroeconomic developments and risks to the outlook, remains cautiously optimistic towards the performance of the Group in the future. The Group will also continue to proactively explore other business opportunities to diversify the Group’s business, and to explore new markets with growth potential.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (“**Model Code**”), to be notified to the Company and the Stock Exchange were as follows:

#### *Interests in the Company*

| Name of Director | Capacity   | Number of ordinary Shares held/ interested (L)<br><i>(Note 1)</i> | Approximate percentage of shareholding |
|------------------|--|---|--|
| Mr. Sun Fengquan | Interest of a controlled corporation <i>(Note 2)</i> | 212,850,100   | 70.95%                                 |

#### *Notes:*

- The letter “L” denotes the person’s long position in such Shares.
- The 212,850,100 Shares are held by HKATH. The issued share capital of HKATH comprises 62.36% ordinary shares (class A) (“**Class A Shares**”) and 37.64% ordinary shares (class B) (“**Class B Shares**”), of which 64.61% (comprising of 62.36% Class A Shares and 2.25% Class B Shares) is owned by Vision International Group Limited, which in turn is wholly-owned by Mr. Sun Fengquan, and the remaining 35.39% Class B Shares is owned by a group comprising 32 individuals, corporates and private equity funds. Accordingly, each of Vision International Group Limited and Mr. Sun Fengquan is deemed to be interested in all the Shares held by HKATH by virtue of the SFO.

*Interests in HKATH, associated corporation of the Company*

| <b>Name of Director</b> | <b>Capacity</b>                               | <b>Number and class of shares held/ interested (L)<br/>(Note 1)</b> | <b>Percentage of shareholding</b> |
|-------------------------|---|---|-----------------------------------|
| Mr. Sun Fengquan        | Interest of a controlled corporation (Note 2) | 6,236 Class A Shares and 225 Class B Shares                         | 64.61%                            |
| Dr. Lam Lee G.          | Beneficial owner                              | 200 Class B Shares  | 2.00%                             |
| Dr. Yip Chung Yin       | Interest of a controlled corporation (Note 3) | 107 Class B Shares  | 1.07%                             |

*Notes:*

1. The letter "L" denotes the person's long position in such shares.
2. The 6,236 Class A Shares and 225 Class B Shares are held by Vision International Group Limited. The issued share capital of Vision International Group Limited is wholly-owned by Mr. Sun Fengquan.
3. The 107 Class B Shares are held by Sure Wealth Investment Limited. The issued share capital of Sure Wealth Investment Limited is wholly-owned by Dr. Yip Chung Yin and his family members.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

**(b) Interests and short positions of the Shareholders in the shares and underlying shares of the Company**

As at the Latest Practicable Date, so far as it is known to the Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests or short positions in Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name   | Capacity                                | Number of<br>Shares held/<br>interested (L)<br><i>(Note 1)</i> | Approximate<br>percentage of<br>shareholding |
|--|---|--|--|
| HKATH <i>(Note 2)</i>  | Beneficial owner                        | 212,850,100  | 70.95%                                       |
| Vision International<br>Group Limited<br><i>(Note 2)</i>               | Interest of a controlled<br>corporation | 212,850,100  | 70.95%                                       |
| Elite Foster<br>International<br>Investment Limited<br><i>(Note 3)</i> | Beneficial owner                        | 28,730,000   | 9.58%  |
| Mr. Lu Wan Ching<br><i>(Note 3)</i>                                    | Interest of a controlled<br>corporation | 28,730,000   | 9.58%  |
| Ms. Wong Yuk Ting<br><i>(Note 4)</i>                                   | Interest of spouse                      | 28,730,000   | 9.58%  |

*Notes:*

- The letter "L" denotes the person's long position in such Shares.
- These Shares are held by HKATH. Vision International Group Limited is interested in 6,641 ordinary shares (comprising 6,236 Class A Shares and 225 Class B Shares), representing 64.61% (comprising of 62.36% Class A Shares and 2.25% Class B Shares) of the issued shares of HKATH. Therefore, Vision International Group Limited is deemed to be interested in all the Shares held by HKATH by virtue of the SFO.
- The Shares are held by Elite Foster International Investment Limited, which is wholly-owned by Mr. Lu Wan Ching. Therefore, Mr. Lu Wan Ching is deemed to be interested in the Shares held by Elite Foster International Investment Limited by virtue of the SFO.
- Ms. Wong Yuk Ting is the spouse of Mr. Lu Wan Ching. Therefore, Ms. Wong Yuk Ting is deemed to be interested in the Shares in which Mr. Lu Wan Ching is interested under the SFO.



Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO.

### 3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, the controlling Shareholders or its/his/her respective close associates was considered to have an interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors, the controlling Shareholders or his or her close associates were appointed to represent the interests of the Company and/or the Group.

### 4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors were materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

### 5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within two years immediately preceding the issue of this circular, and which are or may be material:

- (a) the Previous Construction Contract;
- (b) the equity transfer agreement dated 16 June 2021 entered into between HKATH and Hong Kong Aerospace Development Limited in relation to the sale and purchase of the entire equity interest of Gang Hang Ke (Shenzhen) Space Technology Co., Ltd.\* (港航科(深圳)空間技術有限公司) (“**SZ Gang Hang Ke**”) at a consideration of RMB1 million;
- (c) the sale and purchase agreement dated 16 June 2021 entered into between HKATH and Supreme Class International Limited in relation to the sale and purchase of the entire issued shares of Hong Kong Satellite Limited at a consideration of HK\$20,000;

- (d) the State-owned Construction Land Use Rights Grant Contract (國有建設用地使用權出讓合同) entered into between Eternity Huizhou and Huizhou City Land Resources Bureau\* (惠州市國土資源局) dated 29 June 2021 in relation to the acquisition of land use right of the land which is located at Block DYW202010, Xinxing Industrial Park, Daya Bay Western District, Huizhou City, the PRC\* (中國惠州市大亞灣西區新興產業園DYW202010地塊) at a consideration of RMB25.5 million;
- (e) the Construction Contract;
- (f) the cooperation agreement dated 6 July 2021 between the Company and Huawei Cloud Hong Kong pursuant to which the parties thereto agreed to act as partners and to jointly establish a remote sensing big data and artificial intelligence service platform in the Guangdong-Hong Kong-Macau Greater Bay Area;
- (g) the memorandum of understanding dated 18 August 2021 entered into between the Company and The University of Hong Kong in relation to the strategic cooperation in the research and development of the satellite data services industry in Hong Kong, covering satellite manufacturing, satellite launching and satellite big data application;
- (h) the multiple satellite launching service agreement dated 20 August 2021 entered into between SZ Gang Hang Ke and China Great Wall Industry Corporation (“CGWIC”) in relation to the provision of multiple satellite launching and related services by CGWIC to the Group for a term of three years (the “**Service Agreement**”); and
- (i) the satellite launching service confirmation agreement dated 20 August 2021 entered into between SZ Gang Hang Ke and CGWIC, which 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 Service Agreement.

## 6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within one year without payment of any compensation (other than statutory compensation)).

## 8. MATERIAL ACQUISITION

Since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group have been made up, and up to the Latest Practicable Date, no member of the Group had acquired, or agreed to acquire, or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditors' report or next published audited consolidated financial statements of the Group.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at 13th Floor, St. John's Building, 33 Garden Road, Central, Hong Kong for a period of 14 days commencing from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the section headed "Material contracts" in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2019 and 2020, respectively; and
- (d) this circular.

## 10. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The Cayman Islands principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The Company's headquarters and principal place of business in Hong Kong is at 13th Floor, St. John's Building, 33 Garden Road, Central, Hong Kong.
- (e) The company secretary of the Company is Ms. Cheng Ka Yan, who is a member of The Hong Kong Institute of Chartered Secretaries and The Hong Kong Institute of Certified Public Accountants.
- (f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.