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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 THE MOU ON THE STRATEGIC COOPERATION OF THE SETTING UP SATELLITE CENTER IN THE UAE**

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.

#### **THE MOU**

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce that on 17 October 2022, the Company and Silver Rock Group Ltd (“**Silver Rock**”) entered into the memorandum of understanding (the “**MOU**”) on the strategic cooperation in relation to the setting up of a commercial satellite manufacturing center (the “**Satellite Center**”) in the United Arab Emirates (the “**UAE**”).

Subject to the execution of a formal agreement between the parties, the Company and Silver Rock intend to establish a company (the “**UAE Holdco**”) in the UAE with the Company subscribing for 95% and Silver Rock subscribing for 5% of its total issued share capital respectively. Silver Rock shall identify and introduce local business entities (whether governmental, quasi-governmental or otherwise) in the UAE to participate as joint venture partners in the setting up and future operations of the Satellite Center.

Pursuant to the MOU, the parties thereto also agreed to explore the possibility of setting up the Satellite Center in the UAE covering the manufacturing of a full spectrum of satellite categories, including optical remote sensing satellites, radar satellites, and communication satellites.

## **Term**

The MOU shall be effective for a term of 1 year, commencing from the first day on the day of execution of the MOU, 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 formal agreement(s) be entered into in respect of the areas of collaboration.

## **Legal effect**

Save and except certain clauses of the MOU including but not limited to legal effect, further assurance, termination and governing law, the MOU does not constitute a legally binding commitment of the parties thereto.

## **About Silver Rock**

Silver Rock is a boutique investment firm founded by Mr. Ezzat Jallad, the managing director of Silver Rock. Mr. Ezzat Jallad, together with the team of investment experts of Silver Rock, has invested in over 100 projects over their 25-year track record in structuring and investing in a variety of financial instruments including private placements, pre-IPO investment and engaging in different financial dealings including structuring transactions, listing of companies, reverse mergers and acquisition of majority and minority stakes in public companies.

## **REASONS FOR AND THE BENEFITS OF THE ENTERING INTO OF THE MOU**

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

The setting up of the Satellite Center will enhance the satellite manufacturing capabilities of the Group. The entering into of the MOU with Silver Rock allows the Company to gain a market advantage by leveraging on the business connections of Silver Rock in the UAE and allows the Company to have a smooth entrance into the aerospace and technology markets of the UAE. The Company is of the view that entering into the MOU is a step of strategic importance for 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.

**There is no assurance of the Company that any collaboration contemplated under the MOU and this announcement will materialise. The Board would like to emphasise that no legally binding agreement in relation to the intentions stated in the MOU has been entered into by the Company as at the date of this announcement (save for certain obligations under the MOU). Shareholders and potential investors of the Company should note that the potential collaboration is subject to, among other things, the entering into of formal agreement(s), the major terms and conditions of which are yet to be agreed upon. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 17 October 2022

*As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Co-Chairman and Chief Executive Officer), Dr. Lam Lee G. (Co-Chairman), Mr. Lam Kin Fung Jeffrey, Ms. Ku Ka Lee Clarie (Vice Chairman) and Mr. Ma Fujun as executive Directors; Dr. Mazlan Binti Othman, Mr. Niu Aimin and Dr. Yip Chung Yin as non-executive Directors; and Mr. Brooke Charles Nicholas, Professor Chan Ka Keung, Ceajer, Mr. Hung Ka Hai Clement, Dr. Yuen Kwok Keung and Mr. Juan de Dalmau-Mommertz as independent non-executive Directors.*