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USPACE Technology Group Limited

洲際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 STRATEGIC PARTNERSHIP AGREEMENT WITH EGYPTIAN SPACE AGENCY

The purpose of this announcement is to keep the shareholders and potential investors of USPACE Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) informed of the latest business development of the Group.

The Board is pleased to announce that, on 14 August 2024, the Company entered into a strategic partnership agreement (the “**Strategic Partnership Agreement**”) with the Egyptian Space Agency (“**EgSA**”) in respect of the strategic cooperation with EgSA on among others, satellite manufacturing and testing, satellite launch, education and training.

THE STRATEGIC PARTNERSHIP AGREEMENT

Formation of joint venture and scope of cooperation

The parties to the Strategic Partnership Agreement intends to strengthen its collaboration by establishing a joint venture headquartered in Cairo, Egypt (the “**Joint Venture**”) to carry out the areas of cooperation.

Subject to the entering into of the formal agreement(s), the areas of cooperation between the parties include but are not limited to:

1. Establish comprehensive cooperation in space technology, including design, programming, manufacturing components and subsystems, space payload (electro-optical, radar, and communication), assembly, integration and testing of satellites;

2. Establish a satellite manufacturing center at the Egyptian Space City in Cairo, Egypt;
3. Establish a satellite payload design and manufacturing center in the Egyptian Space City in Cairo, Egypt;
4. Using satellite data receiving stations located at both parties;
5. Exchange of satellite images between the two parties;
6. Cooperate to design and manufacture a constellation of communications satellites, which includes voice communication and internet;
7. Establish an integrated satellite remote sensing and communications satellite constellation covering the African continent in the Egyptian Space City in Cairo, Egypt;
8. Establish a satellite component and precision manufacturing center in the Egyptian Space City in Cairo, Egypt;
9. Training and qualification in the field of space science and technology;
10. Provision of technology research and development, training, and education services by the Company to EgSA and to continue to assist in improving Egypt's local satellite manufacturing capabilities;
11. Establish a globally oriented space laboratory at the Egyptian Space City in Cairo, Egypt;
12. Organising joint international seminars, expert meetings, or fora in areas of common interest; and
13. Any other joint activities agreed upon by both parties.

Formal agreement

The parties shall enter into a formal joint venture agreement and/or other formal agreements and contracts, which shall set out the detailed terms of the cooperation between the parties, including but not limited to details of the formation of the Joint Venture, the respective capital contribution of the parties in and shareholding structure of the Joint Venture, and the respective roles and obligations of the parties.

Duration

The Strategic Partnership Agreement is valid for a period of five (5) years commencing on the date of the Strategic Partnership Agreement. Unless notified by either party with prior written notice, the Strategic Partnership Agreement will be automatically extended for a period of five (5) years upon expiration of the initial term.

INFORMATION OF EGSA

EgSA was established in January 2018 and is headquartered in the Egyptian Space City, which is also the headquarters of the African Space Agency. EgSA is an Egyptian government organization that aims to acquire space technology and satellite launch capabilities to achieve the goals of the national sustainable development strategy “Egypt-SDS2030”. To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, each of EgSA and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

REASON FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC PARTNERSHIP AGREEMENT

The Group is principally engaged in (A) aerospace business (the “**Aerospace Business**”), 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; and (B) electronics manufacturing services business, including assembling and production of printed circuit boards assemblies and fully-assembled electronic products.

The Strategic Partnership Agreement sets out the framework of cooperation as contemplated under the Strategic Partnership Agreement and further advances the proposed partnership between the parties. The Company is of the view that the proposed establishment of the Joint Venture, which will be one of the first commercialised aerospace companies in Egypt, marks a significant milestone in the Group’s Aerospace Business in the Africa region. In particular, the cooperation under the Strategic Partnership Agreement will allow the Group to utilise EgSA’s existing aerospace technologies, facilities and infrastructures, including satellite manufacturing plants and facilities at the Egyptian Space City, and to gain access to EgSA’s established network with governmental space agencies in the region as the host of the African Space Agency, creating new collaboration opportunities with other market players and governmental agencies, and further expanding the Group’s presence in the Africa continent. Taking into account the aforesaid, the Company considers that the terms of the Strategic Partnership Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

To leverage EgSA's extensive business network and its resources at the Egyptian Space City, parties to the Strategic Partnership Agreement intend that the Joint Venture to be set up in Cairo, Egypt, subject to the obtaining of relevant approvals. Parties will embark on setting up the Joint Venture as soon as practicable.

Shareholders and potential investors of the Company should note that the cooperation contemplated under the Strategic Partnership Agreement is subject to the entering into of the formal agreement(s) and the cooperation may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
USPACE Technology Group Limited
Sun Fengquan
Chairman and Chief Executive Officer

Hong Kong, 14 August 2024

As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Chairman and Chief Executive Officer), H.H. Shaikh Mohammed Maktoum Juma Al-Maktoum (Deputy Chairman), Dr. Fabio Favata and Mr. Ma Fujun as executive Directors; Mr. Alhamedi Mnahi F Alanezi, Prof. Christian Feichtinger, Prof. Guo Huadong, Dr. Mazlan Binti Othman and Mr. Nathan Earl Whigham as non-executive Directors; and Ms. Barbara Jane Ryan, Mr. Hung Ka Hai Clement, Mr. Juan de Dalmau-Mommertz, Mr. Marwan Jassim Sulaiman Jassim Alsarkal and Prof. Wang Jianyu as independent non-executive Directors.