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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 SUPPLY OF 600 5-METRE SPATIAL RESOLUTION SATELLITES
TO TREEFAM HOLDINGS L.L.C-FZ**

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 17 February 2025, the Company entered into a purchase contract (the “**Contract**”) with TREEFAM Holdings L.L.C-FZ (“**TREEFAM**”), pursuant to which the Company shall supply and TREEFAM shall purchase 600 5-metre spatial resolution remote sensing satellites (model number: A-OS15-6U) (the “**Satellites**”). The total contract price is US\$21,000,000 and the Satellites will be delivered within 3 years from the Effective Date (as defined below).

The signing of the Contract between the two parties demonstrates that the Company’s industrialized, scaled-up, mass-model production of 5-meter spatial resolution optical remote sensing satellite products has been recognized by its customers in terms of price and manufacturing technology. The delivery of the satellite products will further support business development of the customer in remote sensing data applications and help it to upgrade its technologies in related application scenarios such as agricultural monitoring, environmental protection and urban planning and enhance its market competitiveness. The signing and execution of the Contract is expected to have a positive impact on the Company’s brand influence and business expansion capability in the high-resolution remote sensing satellite product market and provide strong support for the Company’s future performance growth.

The Group is a global innovative industrial satellite manufacturer. The core concept of the Group's business is Industrial 5.0 + Satellite Technology (ST). The Group combines the principles of Industrial 5.0 with satellite technology to improve production efficiency and productivity, focusing on "people and environment", "ecology and inclusivity", and "satellite technology and applications" to significantly enhance product competitiveness. The Group has approximately 200,000 square feet of aerospace-grade precision manufacturing cleanroom facilities, certified to the highest international ISO standards, including Class 100,000 and Class 10,000 (ISO 14644-1:2015: Class 7) for satellite assembly, integration, and testing. It possesses independent capabilities for satellite system design, mass satellite manufacturing, component production, and satellite operation.

PRINCIPAL CONTENTS OF THE CONTRACT

The principal contents of the Contract include:

1. Parties:

- (a) The Company; and
- (b) TREEFAM

TREEFAM is a company organised and existing under the laws of the United Arab Emirates with its head office in Dubai, United Arab Emirates.

2. Subject of the transaction:

Pursuant to the Contract, TREEFAM agrees to purchase 600 Satellites at the total contract price of US\$21,000,000 and is responsible for making the payment according to the payment schedule. TREEFAM shall be responsible for transportation, launching, conducting telemetry, tracking, and command (TT&C) during and after launch of the Satellites, applying for frequency and orbit resources in the International Telecommunication Union (ITU), and receiving and using the data produced by the Satellites.

Pursuant to the Contract, the Company is responsible for manufacturing, testing and delivering 600 Satellites to TREEFAM at the total contract price of US\$21,000,000.

In the event that either party does not confirm the purchase within 15 days of the signing of the Contract, the Contract becomes ineffective and will not entail any burdens or penalties for either party.

3. Total contract price:

TREEFAM shall pay the total contract price in the following manners:

- (a) regarding the contract price of US\$3,500,000 for the first batch of 100 Satellites:
 - (i) as to US\$1,750,000 within 90 days of the signing of the Contract (the “**First Payment**”); and
 - (ii) as to US\$1,750,000 within 15 days upon delivery of the first batch of 100 Satellites;
- (b) regarding the contract price of US\$7,000,000 for the second batch of 200 Satellites:
 - (i) as to US\$3,500,000 within 15 days upon delivery of the first batch of 100 Satellites; and
 - (ii) as to US\$3,500,000 within 15 days upon delivery of the second batch of 200 Satellites;
- (c) regarding the contract price of US\$10,500,000 for the third batch of 300 Satellites:
 - (i) as to US\$5,250,000 within 15 days upon delivery of the second batch of 200 Satellites; and
 - (ii) as to US\$5,250,000 within 15 days upon delivery of the third batch of 300 Satellites.

If TREEFAM fails to pay the instalments, the Contract will automatically terminate and rescind, unless otherwise agreed by both parties.

4. Effective Date:

The effective date (the “**Effective Date**”) of the Contract shall be the date on which the following two conditions are fulfilled: (1) the Contract is established, and (2) the Company has received the First Payment of US\$1,750,000 from TREEFAM.

5. Delivery and progress:

The Company shall finish all the Satellites' manufacturing, integration, and testing within 3 years from the Effective Date in the following manners: (a) the first batch of 100 Satellites will be delivered within 1 year from the Effective Date; (b) the second batch of 200 Satellites will be delivered within 2 years from the Effective Date; and (c) the third batch of 300 Satellites will be delivered within 3 years from the Effective Date.

TECHNICAL FEATURES

A-OS15-6U satellite platform is an exemplary small satellite technology with high stability and reliability, designed for high-resolution remote sensing and other demanding space missions. Key technical parameters include:

- Weight: approximately 15kg
- Design life: over 36 months
- Resolution: 5 meters @ 500 km orbital altitude
- Data transfer rate: 5Mbps – 40Mbps

REASON FOR AND BENEFITS OF ENTERING INTO THE CONTRACT

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.

As disclosed in the interim report of the Company for the six months ended 30 June 2024, the Group had been testing various satellite manufacturing and testing equipment and have now successfully entered into production. The Group expects to continue to ramp up its production volume to achieve the production target of 100 satellite products by the first quarter of 2025. The Company is of the view that the Contract represents a further acceleration of the Group's expansion into the global commercial satellite market and will have a positive impact on the Group's revenue streams and market influence. It is in line with the Group's global expansion strategy and in the interests of the Company and its shareholders as a whole.

By order of the Board
USPACE Technology Group Limited
Mohamed Ben Amor
Chairman and Executive Director

Hong Kong, 17 February 2025

As at the date of this announcement, the Board comprises H.E. Mohamed Ben Amor (Chairman), 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, Professor Christian Feichtinger and Mr. Nathan Earl Whigham as non-executive Directors; and Ms. Barbara Jane Ryan, Mr. Boris Tadić, Mr. Hung Ka Hai Clement, Mr. Juan de Dalmau-Mommertz and Mr. Marwan Jassim Sulaiman Jassim Alsarkal as independent non-executive Directors.