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Eternity Technology Holdings Limited

恒達科技控股有限公司

(To be renamed as 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)

VOLUNTARY ANNOUNCEMENT

FULLY EXEMPTED CONNECTED TRANSACTIONS IN RELATION TO ACQUISITIONS OF THE ENTIRE EQUITY INTEREST IN

(I) GANG HANG KE (SHENZHEN) SPACE TECHNOLOGY CO. LTD.*; AND (II) HONG KONG SATELLITE LIMITED

The Company is pleased to announce that on 16 June 2021 the Company has agreed to acquire certain Aerospace Business from the Vendor by virtue of the First Acquisition and the Second Acquisition.

(A) THE FIRST ACQUISITION

On 16 June 2021, the First Purchaser and the Vendor entered into the First Acquisition Agreement, pursuant to which the First Purchaser has agreed to acquire and the Vendor has agreed to sell the SZ Gang Hang Ke Sale Interest at a consideration of RMB1,000,000 (equivalent to approximately HK\$1,210,000) payable by the First Purchaser to the Vendor.

(B) THE SECOND ACQUISITION

On 16 June 2021, the Second Purchaser and the Vendor entered into the Second Acquisition Agreement, pursuant to which the Second Purchaser has agreed to acquire and the Vendor has agreed to sell the HKS Sale Shares at the consideration of HK\$20,000 payable by the Second Purchaser to the Vendor.

LISTING RULES IMPLICATIONS

Prior to the completion of the Acquisitions, SZ Gang Hang Ke and HKS were wholly-owned by the Vendor, which owns approximately 70.95% of the issued share capital of the Company. Hence, the Vendor is a connected person of the Company by virtue of being the controlling shareholder of the Company.

The First Acquisition and the Second Acquisition shall therefore constitute connected transactions on the part of the Company. As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions in aggregate are less than 5% and the total consideration is less than HK\$3,000,000, the Acquisitions are fully exempt from the reporting, announcement, circular and shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The Company is pleased to announce that on 16 June 2021 the Company has agreed to acquire certain Aerospace Business from the Vendor by virtue of the First Acquisition and the Second Acquisition.

(A) THE FIRST ACQUISITION

Date: 16 June 2021

Parties:

(1) Vendor: Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司) (to be renamed as Hong Kong Aerospace Technology Holdings Limited (香港航天科技控股有限公司))

(2) Purchaser: Hong Kong Aerospace Development Limited

Prior to the completion of the First Acquisition, SZ Gang Hang Ke was wholly-owned by the Vendor, which owns approximately 70.95% of the issued share capital of the Company. Hence, the Vendor is a connected person of the Company by virtue of being the controlling shareholder of the Company.

Assets to be acquired

The SZ Gang Hang Ke Sale Interest, being the entire equity interest of SZ Gang Hang Ke.

Consideration

The consideration for the sale and purchase of the SZ Gang Hang Ke Sale Interest is RMB1,000,000 (equivalent to approximately HK\$1,210,000), which shall be payable by the First Purchaser to the Vendor in cash on completion.

The consideration was determined through arm's length negotiations between the First Purchaser and the Vendor on a commercial basis with reference to (i) the registered capital of SZ Gang Hang Ke; and (ii) the business prospect of SZ Gang Hang Ke.

Completion

The First Acquisition Agreement is unconditional and completion of the which shall take place within 30 calendar days after the signing of the First Acquisition Agreement.

Upon completion of the First Acquisition, SZ Gang Hang Ke will become an indirect wholly-owned subsidiary the Company and the financial results of SZ Gang Hang Ke will be consolidated into the consolidated financial statements of the Group.

(B) THE SECOND ACQUISITION

Date: 16 June 2021

Parties:

(1) Vendor: Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司) (to be renamed as Hong Kong Aerospace Technology Holdings Limited (香港航天科技控股有限公司))

(2) Purchaser: Supreme Class Interntional Limited

Prior to the completion of the Second Acquisition, HKS was wholly-owned by the Vendor, which owns approximately 70.95% of the issued share capital of the Company. Hence, the Vendor is a connected person of the Company by virtue of being the controlling shareholder of the Company.

Assets to be acquired

The HKS Sale Shares, being 10,000 issued shares of HKS, representing the entire issued shares of HKS.

Consideration

The consideration for the sale and purchase of the HKS Sale Shares is HK\$20,000, which has been paid by the Second Purchaser to the Vendor in cash on completion.

The consideration was determined through arm's length negotiations between the Second Purchaser and the Vendor on a commercial basis with reference to (i) the incorporation cost of HKS; and (ii) the business prospect of HKS.

Completion

The Second Acquisition Agreement is unconditional and completion of which took place simultaneously upon signing the Second Acquisition Agreement.

Upon completion of the Second Acquisition, HKS became an indirect wholly-owned subsidiary of the Company and the financial results of HKS will be consolidated into the consolidated financial statements of the Group.

INFORMATION ABOUT SUBJECT COMPANIES UNDER THE ACQUISITIONS

SZ Gang Hang Ke is a company established in the PRC on 22 November 2012 with limited liability. SZ Gang Hang Ke is principally engaged in aerospace technology, satellite application, satellite manufacturing and technical services, technical consulting, space technology solutions and design and development of network information and technology.

In April 2021, SZ Gang Hang Ke successfully launched the initial two satellites under the "Golden Bauhinia Constellation" project. SZ Gang Hang Ke 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.

HKS was a company incorporated in Hong Kong on 24 January 2019 with limited liability. HKS is principally engaged in integrated satellite management and aerospace data applications. The services rendered by HKS including satellite frequency coordination and launch license application, satellite data reception and product distribution, satellite in-orbit measurement and control, and integrated operation and control solutions.

In June 2019, HKS and entered into a strategic cooperation agreement with The Chinese University of Hong Kong (“**CUHK**”), pursuant to which HKS has the right to use the Satellite Remote Sensing Receiving Station of CUHK to receive and process the satellite data. Since 2021, HKS has been rendering the satellite data reception and application services for the “Golden Bauhinia Constellation” project, which will facilitate the development of various industrial and commercial activities related to remote sensing data processing, software development and other professional value-added services in Hong Kong and promoting the development of the aerospace industry in the Guangdong-Hong Kong-Macau Greater Bay Area.

REASONS FOR AND THE BENEFITS OF THE ACQUISITIONS

The Company is an investment holding company and the Group is principally engaged in the business of electronics manufacturing services 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 Group’s customers in respect of their assembling and production of printed circuit board assemblies and fully-assembled electronic products.

As disclosed in the composite offer and response document dated 13 May 2021 jointly issued by the Vendor and the Company, following the close of the offer, the Vendor intends that the Group will engage in the Aerospace Business and will also continue the existing principal businesses of the Group in parallel. On 7 June 2021, the Company announced that the Group will commence the Aerospace Business 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.

By virtue of the Acquisitions, the Group will acquire the initial two satellites launched under the “Golden Bauhinia Constellation” project and will take part in the “Golden Bauhinia Constellation” including the satellite launching and satellite data reception and application services. As a result of the Acquisitions, the Group is able to embark on the Aerospace Business.

The Vendor owns approximately 70.95% of the issued share capital of the Company. Mr. Sun Fengquan, the co-chairman of the Board, the chief executive officer of the Company, and an executive Director, is indirectly holding 64.61% shareholding in the Vendor; Mr. Liao Pin-tsung, an executive Director is indirectly holding 2% shareholding in the Vendor; and Dr. Lam Lee

G., the co-chairman of the Board and a non-executive Director is directly holding 2% shareholding in the Vendor. Mr. Sun Fengquan is considered to have a material interest in the Acquisitions and had abstained from voting on the board resolution(s) of the Company to approve the Acquisition Agreements and the transactions contemplated thereunder. Save as disclosed, no other Director has a material interest in the Acquisitions and is required to abstain from voting on the board resolution(s) of the Company to approve the Acquisition Agreements and the transactions contemplated thereunder.

As such, the Directors (other than Mr. Sun Fengquan who was required to abstain from voting), including the independent non-executive Directors, consider that the terms and conditions of each of the Acquisition Agreements are fair and reasonable, and the Acquisitions are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Prior to the completion of the Acquisitions, SZ Gang Hang Ke and HKS were wholly-owned by the Vendor, which owns approximately 70.95% of the issued share capital of the Company. Hence, the Vendor is a connected person of the Company by virtue of being the controlling shareholder of the Company.

The First Acquisition and the Second Acquisition shall therefore constitute connected transactions on the part of the Company. As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions in aggregate are less than 5% and the total consideration is less than HK\$3,000,000, the Acquisitions are fully exempt from the reporting, announcement, circular and shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition Agreements” collectively, the First Acquisition Agreement and the Second Acquisition Agreement

“Acquisitions” collectively, the First Acquisition and the Second Acquisition

“Aerospace Business”	being satellite precision manufacturing, satellite launch, aerospace measurement and control and aerospace data services to promote the marketisation of aerospace technology and to support regional aerospace commercialisation needs
“Board”	the board of the Directors
“Company”	Eternity Technology Holdings Limited (恒達科技控股有限公司) (to be renamed as Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司)), 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)
“Director(s)”	the director(s) of the Company
“First Acquisition”	the transfer of the SZ Gang Hang Ke Sale Interest from the Vendor to the First Purchaser pursuant to the First Acquisition Agreement
“First Acquisition Agreement”	the equity transfer agreement dated 16 June 2021 and entered into between the Vendor and the First Purchaser, in relation to the sale and purchase of the SZ Gang Hang Ke Sale Interest
“First Purchaser”	Hong Kong Aerospace Development Limited (香港航天發展有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HKS”	Hong Kong Satellite Limited (香港衛星有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor prior to the completion of the Second Acquisition

“HKS Sale Shares”	10,000 issued shares of HKS, representing the entire issued shares of HKS
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Acquisition”	the acquisition of HKS Sale Shares from the Vendor by the Second Purchaser pursuant to the Second Acquisition Agreement
“Second Acquisition Agreement”	the sale and purchase agreement dated 16 June 2021 and entered into between the Second Purchaser and the Vendor, in relation to the sale and purchase of the HKS Sale Shares
“Second Purchaser”	Supreme Class International Limited a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“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)
“SZ Gang Hang Ke	Gang Hang Ke (Shenzhen) Space Technology Co., Ltd.* (港航科(深圳)空間技術有限公司), a company established in the PRC with limited liability and is wholly-owned by the Vendor prior to the completion of the First Acquisition
“SZ Gang Hang Ke Sale Interest”	the entire equity interest of SZ Gang Hang Ke
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC
“%” per cent.

By order of the Board
Eternity Technology Holdings Limited
(To be renamed as
Hong Kong Aerospace Technology Group Limited)
Sun Fengquan
Co-Chairman and Chief Executive Officer

Hong Kong, 16 June 2021

** The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names*

For the purposes of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.21. 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.

As at the date of this announcement, the Board comprises Mr. Sun Fengquan (Co-Chairman and Chief Executive Officer), Mr. Ma Fujun, Mr. Liao Pin-tsung, Ms. Chen Xiaoyuan and Mr. Cheng Bin as executive Directors; Dr. Lam Lee G. (Co-Chairman) as non-executive Director; and Mr. Leung Kwong Ho, Mr. Wu Chi-luen, Mr. Chan Chung Kik, Lewis and Mr. Chow Kit Ting as independent non-executive Directors.