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**KUANGCHI SCIENCE LIMITED**

**光啟科學有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 439)

**INSIDE INFORMATION –  
UPDATE ON INVESTMENT IN MARTIN JETPACK  
AND  
RESUMPTION OF TRADING**

On 19 February 2015, the Company was informed that Martin Jetpack received listing approval from the ASX on 19 February 2015. Martin Jetpack is scheduled to be admitted to the official list of ASX Limited and to quote its securities under the ticker Symbol MJP subject to the satisfaction of certain conditions precedent with effect from 24 February 2015.

At the request of the Company, trading in the shares of the Company has been halted from 9:00 a.m. on 23 February 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 24 February 2015.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 19 December 2014 (the “Announcement”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

On 19 February 2015, the Company was informed that Martin Jetpack received listing approval from the Australian Securities Exchange (“ASX”) on 19 February 2015. Martin Jetpack is scheduled to be admitted to the official list of ASX Limited and to quote its securities under the ticker Symbol MJP subject to the satisfaction of certain conditions precedent with effect from 24 February 2015.

Pursuant to the Investment Agreement, the Company shall have the right to appoint two directors to the board of directors of Martin Jetpack upon completion of the Subscription. Dr. Liu Ruopeng, the Chairman and executive Director, and Dr. Zhang Yangyang, the Chief Executive Officer and executive Director, will be appointed as directors of Martin Jetpack with effect from 24 February 2015.

Upon the completion of the Subscription and the Acquisition on 24 February 2015, the Company will become the largest shareholders of Martin Jetpack. Pursuant to the Investment Agreement, upon full conversion of the convertible securities of Martin Jetpack, the Company will hold approximately 37.74% of the enlarged issued share capital of Martin Jetpack; and upon the exercise of the Option in full and the allotment and issue of the Swap Shares, the Company will hold approximately 52.0% of the enlarged issued share capital of Martin Jetpack.

According to applicable Hong Kong Financial Reporting Standards, upon completion of the Subscription and the Acquisition, Martin Jetpack will be treated as an associate of the Company. Martin Jetpack will be accounted for using the equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Company’s share of the Martin Jetpack’s net assets and reported in a single line item as interest in an associate in the consolidated financial statements of the Company. When subsequently the Company has obtained control of Martin Jetpack, the financial results of Martin Jetpack will be consolidated into the financial statements of the Company. Any subsequent change of the trading price of Martin Jetpack over the ASX will not directly affect the financial results in the consolidated financial statements of the Company.

As stated in the announcement of the Company dated 19 December 2014, the Group and Martin Jetpack both share the common vision as to develop disruptive technologies to benefit human beings and the world. The cooperation between the Group and Martin Jetpack would bring unprecedented novel space services to the world. Through the investment in Martin Jetpack, the Group can share the advanced technologies of the Group including advanced materials technology and computational simulation technology to support the development of the jetpacks. On the other hand, the Group will benefit from the aviation and flying technology from Martin Jetpack for the development of the civil near space flying apparatus, namely the Traveller, and the Wi-Fi broadcasting flying platform, namely the Cloud.

The Group considers this investment is a stepping stone to establish a new research and development centre in Australia and New Zealand region and also to facilitate and support the launch of the Traveller in New Zealand by the first half year of 2015. The Group considers that HKCo could establish the market for the jetpacks in the PRC and Hong Kong. The development of the jetpacks provides a comprehensiveness to the novel space services and other innovative technology business of the Group.

## **RESUMPTION OF TRADING**

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By order of the Board  
**KuangChi Science Limited**  
**Dr. Liu Ruopeng**  
*Chairman and Executive Director*

Hong Kong, 23 February 2015

*As at the date of this announcement, the Board comprises five executive Directors, namely Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang, Mr. Ko Chun Shun, Johnson and Mr. Ng Man Chan; and three independent non-executive Directors, namely Dr. Liu Jun, Dr. Wong Kai Kit and Mr. Lau Man Tak.*