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## KUANGCHI SCIENCE LIMITED

### 光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

### EXERCISE OF CONVERSION RIGHTS ATTACHING TO THE TRANCHE A PREFERRED SHARES

Reference is made to the announcements of the Company dated 13 June 2014, 22 August 2014 and 17 February 2015, and the circular of the Company dated 29 July 2014 (the “Circular”) in respect of the Subscription. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 17 April 2015, the Company has received notices from all of the Subscribers to convert all of their respective Tranche A Preferred Shares into the Conversion Shares. Set out below is the illustrative shareholding structure of the Company as at the date of this announcement and that upon allotment and issue of the Conversion Shares:

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%
New Horizon	1,133,333,334	33.27%	2,045,666,667	43.09%
World Treasure Global Limited	638,981,013	18.76%	638,981,013	13.46%
Starbliss	155,555,556	4.57%	280,777,778	5.91%
REORIENT Group Limited and its subsidiaries	66,666,667	1.96%	120,333,334	2.53%
<i>Subtotal</i>	1,994,536,570	58.56%	3,085,758,792	64.99%
<b>Public shareholders</b>				
Grand Consulting	77,777,778	2.28%	140,388,889	2.96%
Lucky Time	77,777,778	2.28%	140,388,889	2.96%
Cutting Edge	155,555,556	4.57%	280,777,778	5.91%
Other public shareholders	1,100,420,111	32.31%	1,100,420,111	23.18%
<i>Subtotal</i>	1,411,531,223	41.44%	1,661,975,667	35.01%
<b>Total</b>	<b>3,406,067,793</b>	<b>100.00%</b>	<b>4,747,734,459</b>	<b>100.00%</b>

The Conversion Shares are expected to be allotted and issued on or before 20 April 2015.

Following conversion of all Tranche A Preferred Shares, the Company had 1,341,666,666 partly paid Tranche B Preferred Shares. Subject to the Tranche B Preferred Shares having been fully paid, the Tranche B Preferred Shares are convertible into 1,341,666,666 Conversion Shares, representing (i) approximately 28.26% of the issued Ordinary Shares immediately after the allotment and issue of the Conversion Shares under the Tranche A Preferred Shares; and (ii) approximately 22.03% of the issued Ordinary Shares immediately after the allotment and issue of the Conversion Shares under the Tranche A Preferred Shares and as enlarged by the allotment and issue of the Conversion Shares under the Tranche B Preferred Shares.

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

Hong Kong, 17 April 2015

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