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KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(formerly known as Climax International Company Limited and 英發國際有限公司,
for identification purpose only)
(Incorporated in Bermuda with limited liability)
(Stock Code: 439)

INSIDE INFORMATION COOPERATION AGREEMENTS

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

Reference is made to the circular of the Company dated 29 July 2014 (the “**Circular**”) in respect of, among other things, the Subscription and the Outsourcing Technology Development Agreement. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

THE COOPERATION AGREEMENTS

The Board is pleased to announce that, as preparatory works for the commercialisation of the civil space services technology, on 11 September 2014, Shenzhen Kuangchi Space Technology Company Limited, a wholly-foreign owned subsidiary of the Company, and Pengxin International Mining Company Limited (鵬欣環球資源股份有限公司) (“**Pengxin**”) entered into a space services operating cooperation agreement and a space services technology consultation agreement (collectively the “**Cooperation Agreements**”) in relation to the strategic cooperations in space services between the Group and Pengxin in the Democratic Republic of the Congo.

Pursuant to the Cooperation Agreements, the Group will provide consultation services to Pengxin, in areas including but not limited to telecommunication, mineral exploration, satellite television, meteorological surveillance, space tourism, disaster detection and forest protection, etc, using the existing knowledge and technology of the Group in relation to the space services technology and other innovative technology solutions. Pengxin agreed to pay Shenzhen Kuangchi Space Technology Company Limited a consultation fee of RMB12,289,200 (equivalent to HK\$15,503,876) in aggregate within 15 clear days after the date of the Cooperation Agreements for the consultation services to be provided by the Group in the 6 months commencing from the date of the Cooperation Agreements. On the other hand, Pengxin is responsible to negotiate to and promote with the government

organisations of the Democratic Republic of the Congo for the aforementioned consultation services. It is intended that, within 6 months commencing from the date of signing the Cooperation Agreements, joint ventures will be formed in the Democratic Republic of the Congo to obtain the operating licences in the area of wireless communications licenses and mineral resources exploration.

The definitive terms of the joint ventures, such as rights and obligations, investment amount, cost allocation and profit distribution, etc, have not been set out in the Cooperation Agreements. Formal joint venture agreements will be entered into by the parties as and when appropriate. Further announcement(s) in relation to the formation of the joint ventures will be made by the Company accordingly if required by the Listing Rules.

Both parties agreed that, provided the compliance of the Cooperation Agreements, unless one of the contracting parties violate relevant provisions of the Cooperation Agreements, without the written consent from both parties, the other party shall not carry out the same or similar content in the Democratic Republic of the Congo with any third party under the contents and conditions of the Cooperation Agreements within 6 months commencing from the date of the Cooperation Agreements.

INFORMATION OF PENGXIN

Pengxin is engaged in mining, processing and sale of nonferrous metals. Pengxin is a company incorporated in the PRC and the issued shares of which are listed on Shanghai Stock Exchange (stock code: 600490). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Pengxin is a third party independent of the Company and connected persons of the Company and is not a connected person of the Company.

GENERAL

The Company will continue to develop its civil near space and other innovative technology industry business as disclosed in the Circular. The Company may enter into further agreements similar to the Cooperation Agreements in its ordinary and usual course of business. The Company from time to time is also discussing with different parties including potential customers, research institutions, strategic partners, etc, to explore different kinds of business co-operation and collaboration.

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

By Order of the Board
KuangChi Science Limited
Dr. Liu Ruopeng
Chairman & Executive Director

Hong Kong, 11 September 2014

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.