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KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE ENTERING OF STRATEGIC COOPERATIVE FRAMEWORK AGREEMENT WITH A TELECOMMUNICATION OPERATOR

This is a voluntary announcement made by KuangChi Science Limited (the “Company”, together with its subsidiaries, the “Group”).

On 18 March 2015, the Group entered into a strategic cooperative framework agreement (the “Cooperative Agreement”) with Dr. Peng Telecom & Media Group Co., Ltd. (鵬博士電信傳媒集團股份有限公司) (“Dr. Peng”) for the cooperation in information, networking and intelligence. Pursuant to the Cooperative Agreement, the Group shall be responsible for the provision of near space technologies, the product solutions of the Cloud and the Traveller and other technical support for the purposes of the establishment of innovative technology platform and wireless communication platform as well as the cooperation in the operation service of OTT (Over The Top) jointly with Dr. Peng.

In accordance with the Cooperative Agreement, both parties shall introduce its own quality resources and expertise into their cooperation for the application of communication system in river and seaborne transportation, and the extensive market expansion of communication and big-data services in rail transit sector. Dr. Peng is engaged in the provision of internet services and wholly owns the Great Wall Broadband (長城寬帶). The management considers that the Cooperative Agreement allows complement to the existing technologies of the Group’s space communication platforms by the existing broadband network and optical fibre platform of Dr. Peng, extends the potential customers of the Group to end-users of the internet and generates synergies, which will expedite future business development of the Group.

The Cooperative Agreement shall take effect from the date of execution by both parties for a term of five years. The parties to the Cooperative Agreement acknowledge that such agreement only outlines the general direction and substances of the cooperation between the parties, and any matters not covered by it shall be subject to further agreement. There are no detailed terms prescribed in the Cooperative Agreement for future cooperation such as the form and value of cooperation. The Company will make further announcement(s) in accordance with the Listing Rules as and when necessary.

Dr. Peng is engaged in the businesses of internet services, company security and surveillance services and internet media. Its issued shares are listed on the Shanghai Stock Exchange (Stock code: 600804). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Dr. Peng and its ultimate beneficial owner are independent from the Company and connected persons of the Company and are not connected persons of the Company.

The Company will pursue the development of its novel space services and other innovative technology businesses. The Company may enter into further agreements similar to the Cooperative Agreement or other agreements in its ordinary and usual course of business. The Company is also, from time to time, in discussion with different parties including potential customers, research institutions, strategic partners, etc, to explore ways of business cooperation and collaboration.

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

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

Hong Kong, 18 March 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.