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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 CO-OPERATION AGREEMENTS SIGNED IN THE PARIS INTERNATIONAL AIR SHOW

This is a voluntary announcement made by KuangChi Science Limited (the “**Company**”).

The board (“**Board**”) of directors of the Company is pleased to announce that Martin Aircraft Company Limited (“**MACL**”), an associate company of the Company, is currently exhibiting at the 51st Paris Air Show and located in Hall 5 G249 for the world’s first practical jetpack invented by MACL, with potential search and rescue, recreational and commercial applications and with both manned and unmanned versions. The jetpack is characterized by its ability to take off and land vertically (VTOL) and because of its small dimensions, it can operate in confined spaces such as close to or between buildings, near trees or in confined areas that other VTOL aircraft such as helicopters cannot access.

The Board of the Company is also pleased to announce that, on 16 June 2015 of Paris time, MACL has entered into two alliance agreements with New Delhi based M2K Group Limited (“**M2K Group**”) and Czech Republic based Martin Aircraft Company s.r.o (“**MACSRO**”), respectively. Furthermore, KuangChi Martin Jetpack Limited (“**KCMJ**”), a joint venture company established by the Company with MACL, signed two strategic co-operation framework agreements with Beijing Flying Man Science & Technology Limited (“**Beijing Flying Man**”) and Beijing Voyage Investment Limited (“**Beijing Voyage**”), respectively, at the air show.

The alliance agreements signed by MACL with M2K Group and MACSRO, respectively, put in place a framework for the provision of sales and marketing, operational and after market support for both the first responder and personal jetpack sectors in both Indian and European markets.

Beijing Flying Man is a leisure and tourism company headquartered in Beijing, for the intended future delivery of manned and unmanned jetpacks, simulators, and static models. The agreement signed by KCMJ with Beijing Flying Man involves the parties working towards the future delivery of a package with an initial tranche of 100 manned jetpacks, 50 unmanned jetpacks, 25 static models and 25 simulators. It will also include initial training services and after sales support which will be provided through KCMJ. It is noted that at this stage the agreement is a strategic co-operation agreement and any sale is subject to agreeing a supply contract.

On the other hand, Beijing Voyage is a subsidiary company of AVIC International Holdings Limited (“AVIC”) which shares are listed on the main board of The Stock Exchange of Hong Kong Limited. The agreement signed by KCMJ with Beijing Voyage will enable the parties to develop their commercial relationship, with an objective to promote the jetpacks and generate exhibition sales and after sales services of the jetpacks in the PRC, in co-operation with AVIC and the aviation industry.

The management considers the abovementioned 4 agreements enable KCMJ to promote and establish the markets of the jetpacks globally and have accelerated the commercialisation of the jetpacks from the research and development stage.

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, 17 June 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.