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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
COMPREHENSIVE STRATEGIC COOPERATION WITH
THE SHANGHAI INSTITUTE OF SPACE SYSTEMS ENGINEERING
OF CHINA AEROSPACE SCIENCE AND
TECHNOLOGY CORPORATION**

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

On 22 October 2014, after the morning trading session, Kuangchi Space Technology Company Limited (“Kuangchi Space Technology”), a wholly-foreign owned subsidiary of the Company, entered into a strategic cooperation framework agreement (“Framework Agreement”) with the Shanghai Institute of Space Systems Engineering of China Aerospace Science and Technology Corporation for the cooperation on near space manned spaceflight and space travel projects. Both parties will set up joint company(ies) for the development and promotion of commercialised space manned travel systems and provision for safe spaceflight platform and solutions for five years.

Pursuant to the Framework Agreement, the Group and the Shanghai Institute of Space Systems Engineering of China Aerospace Science and Technology Corporation will also cooperate on applicable solutions including but not limited to research and develop advanced space materials, provision of manned near space platform, near Earth orbit carriers and extraterrestrial flying platform project solutions.

Both parties consider each other as the prioritised cooperation partners on a reciprocal basis.

INFORMATION ABOUT THE SHANGHAI INSTITUTE OF SPACE SYSTEMS ENGINEERING

The Shanghai Institute of Space Systems Engineering conducts research and design in Shanghai for manned spaceflight and Chinese lunar exploration programme. It is an comprehensive space system research institute and engaged in the provision of space transportation systems and spatial structure products solutions. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Shanghai Institute of Space Systems Engineering is a third party independent of the Company and connected persons of the Company and is not a connected person of the Company.

The Company believes that the above Framework Agreement represented a great opportunity to establish cooperation with national aerospace organizations to conduct research and development in the novel space technology sector.

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

Hong Kong, 22 October 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.