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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
INVESTMENT IN AN ISRAELI HI-TECH COMPANY BEYOND
VERBAL**

The board of directors (the “Board”) of KuangChi Science Limited is pleased to announce that on 8 September 2016 (after trading hours), the Company has entered into an investment agreement with Beyond Verbal Communications Ltd. (“Beyond Verbal”), an Israeli company, to invest an aggregate sum of US\$3 million in Beyond Verbal through the Company’s Kuang-Chi Global Community of Innovation Fund & Incubator (“Kuang-Chi GCI Fund & Incubator”). Based on the applicable percentage ratios, the investment does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Based in Tel-Aviv, Israel, Beyond Verbal focuses on the decoding of human emotions and well-being through human voice. This world leading technology is a revolutionary breakthrough in the field of analysing health and emotions and the emotions analysing technology has undergone more than 20 years of research and development with a wide range of prospective applications, from improving call centre effectiveness to tracking health conditions overtime. Beyond Verbal has collected more than 2.5 million emotion-tagged voices in more than 40 languages and secured their technology with multiple patents.

The Company’s investment in Beyond Verbal closely signifies Kuang-Chi’s awareness of future trends in areas including in-depth space, spiritual machines and ultimate connection. Spiritual machines are machines that have been empowered with souls, allowing such equipments to become human partners rather than simply tools. Beyond Verbal’s emotions analysing technology enables machines to be emotionally intelligent thereby making them provide better services to human. This future technology is important to the spiritual machines field, and it is in line with the Company’s future development strategy in spiritual machines.

The Company is of the view that the investment represents integration and development of new technologies in the field of artificial intelligence by the Company, and it shall be used to finance the research and development and commercialisation of Beyond Verbal's health and emotions understanding applications.

The Directors consider that the investment agreement and the transactions contemplated thereunder are in the interest of the Company and its shareholders as a whole.

On behalf of the Board
KuangChi Science Limited
Dr. Liu Ruopeng
Chairman and Executive Director

Hong Kong, 8 September 2016

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