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## **KUANGCHI SCIENCE LIMITED**

**光啟科學有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 439)

### **INSIDE INFORMATION ENTERING INTO THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH SHENZHEN BUS GROUP COMPANY LIMITED**

This announcement is made by KuangChi Science Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

#### **STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The board of directors (the “**Board**”) of the Company announces that on 18 August 2017 (after trading hours), the Company has entered into a strategic cooperation framework agreement (“**Strategic Cooperation Framework Agreement**”) with Shenzhen Bus Group Company Limited (“**Shenzhen Bus Group**”).

In accordance with the Strategic Cooperation Framework Agreement, the proposed cooperation plan includes, but not limited to:

1. The formation of an informational and operational channel with the public security system, in relation to assuring the safety of road-based public transport system, focusing on the risks and challenges faced by the road-based public transport systems in aspects of security, integrating intelligent identification and security monitoring in the operation of public transport, management of stations and monitoring of charging poles; redefining a new standard for the management industrial safety in public transport, with a view to protecting the safe travelling of the public.

2. In-depth cooperation in the area of intelligent operations including intelligent scheduling, passenger statistics and smart operations, based on the concept of constructing an intelligent public transport operation platform.
3. The development of an integrated comprehensive intelligent operation platform in the area of integrated comprehensive platform construction, covering the functional capabilities including public safety, anti-terrorists emergency response, intelligent scheduling, convenience services, mobile credit card payment service, drivers management, vehicles management, stations management and charging poles management; and the joint-exploration and nurturing of future value-added services around such platform.
4. Promotion of the businesses in relation to the above cooperation areas, by setting up a joint venture through equity cooperation on the foundation of safety buses and intelligent operation projects.

## **REASONS AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The Board considers that through the Strategic Cooperation Framework Agreement, both parties can build a win-win and sustainable strategic partnership relationship, which will procure the cooperation in public transport safety and integrated intelligent operation platform, promote the in-depth integration between the public transport market and new technologies such as artificial intelligence, Internet of Things, cloud platform and big data analysis, expedite the realisation of intelligent transportation and the further building of intelligent city, and work together in the incubation and nurturing of the value-added market in relation to the road-based public transport industry. This will help enhance the overall profitability of the Group's business.

## **INFORMATION ON SHENZHEN BUS GROUP**

Shenzhen Bus Group is the largest public transport franchised enterprise in Shenzhen. Its main business is public transportation, supplemented by businesses such as advertising, travelling and transportation, real estate development, property management, new energy and intelligent transportation. As at the end of December 2016, Shenzhen Bus Group had a total of 23,504 employees and 8,881 operating vehicles (which include 4,537 large buses, 611 medium buses, 3,606 taxis, 63 touring buses and 64 cross-border vehicles), operating on 324 routes. Currently, it focuses on providing the public with a comfortable, convenient, safe and green travelling mode, and creating an integrated transportation system which is of high quality, efficient, modern and internationalized.

To the best knowledge, information and belief of the Board having made all reasonable enquiries, Shenzhen Bus Group and its ultimate beneficial owner are independent of the Company and connected persons of the Company.

## **GENERAL**

The Strategic Cooperation Framework Agreement shall be effective from the date of signing of this Strategy Cooperation Framework Agreement, until 18 August 2020. The purpose of the Strategic Cooperation Framework Agreement is to disclose the intention of the parties in the proposed cooperation and the results of the preliminary negotiation. As at the date of this announcement, the specific terms and conditions of the proposed cooperation is still being negotiated.

If any definitive agreement is entered into, the Company will make further announcement at appropriate time in accordance with the relevant requirements of the Listing Rules. Therefore, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares or other securities of the Company.

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

Hong Kong, 21 August 2017

*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. Dorian Barak; two non-executive Directors, namely Mr. Ko Chun Shun, Johnson and Mr. Song Dawei; and three independent non-executive Directors, namely Dr. Liu Jun, Dr. Wong Kai Kit and Ms. Cao Xinyi.*