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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

KUANGCHI SCIENCE LIMITED ENTERING INTO A STRATEGIC COOPERATION AGREEMENT WITH QILU TRANSPORTATION DEVELOPMENT GROUP COMPANY LIMITED

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

STRATEGIC COOPERATION AGREEMENT

The Company is pleased to announce that, on 2 January 2018, the Company entered into a strategic cooperation agreement (the “**Agreement**”) with Qilu Transportation Development Group Company Limited (“**Qilu Transportation Development Group**”).

Pursuant to the Agreement, the parties shall cooperate in various ways, including (but not limited to): jointly develop systems and solutions for intelligent transportation, and cooperate in the area regarding various intelligent transportation technologies and development plans.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Company considers that leveraging on its own technological advantages in the area of “intelligent transportation” and Qilu Transportation Development Group’s technology, resources and information advantages in transportation industry, both parties could jointly explore new systems and new methods of innovation and development in the field of intelligent transportation and enhance their respective innovation strengths in the field of intelligent transportation.

INFORMATION ON QILU TRANSPORTATION DEVELOPMENT GROUP

Qilu Transportation Development Group, effectively established and legally subsisting under the laws of the People's Republic of China, is a state-controlled company with limited liability. Its business scope includes investment and financing, construction, tolling, operation, maintenance and management of traffic infrastructure such as highways and bridges; surveying, design, consulting, construction, supervision, turnkey contracting of civil engineering and electrical and mechanical engineering construction projects; engineering design, procurement, general construction contracting; operation and development of service areas, parking areas, fuel (gas) stations, advertising, cultural media; comprehensive development and utilization of oil and gas and new energy; procurement, development and operation of transportation project materials; comprehensive development and operation of areas surrounding highways and bridges; vocational skills education and training for transportation sector; manufacturing and sales of road equipment; communication engineering; green transportation, research and development, application, marketing and sales of intelligent transportation.

To the best of the Company's knowledge, information and belief having made all reasonable inquiries, Qilu Transportation Development Group and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

GENERAL

The Agreement only sets out the cooperation framework of the parties. Such cooperation shall be subject to the terms of any definitive agreement(s) the parties may further enter into from time to time subsequent to the date of the Agreement. Further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate.

As the transactions contemplated under the Agreement are subject to definitive agreement, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 2 January 2018

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.