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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 A MEMORANDUM OF COOPERATION WITH AN INFORMATION COMMUNICATION TECHNOLOGY COMPANY IN XIONGAN OF THE PRC**

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

#### **MEMORANDUM OF COOPERATION**

The Company is pleased to announce that, the Company has entered into a non-legally binding memorandum of cooperation (the “MOC”) with an information communication technology company in Xiong’an of the People’s Republic of China (the “PRC”) (“Xiong’an Industry Research Institute”). Based on the information made available to the Company, Xiong’an Industry Research Institute will integrate with Research Institute in Beijing with aim to achieve in-depth synergy, with a focus on the areas of intelligent city, artificial intelligence and next generation network technology in order to build an innovative system that deeply integrates industry, learning and research, and an open and shared research and development ecology, as such contributing to the construction of a smart city in Xiong’an New Area, located in Baoding area of Hebei, PRC.

Pursuant to the MOC, the parties shall cooperate (mainly in Xiong’an New Area) through various ways, including but not limited to:

- (1) Jointly promote the development of 5G technology and cross-industry innovation for smart city;
- (2) Collaborate to tackle key technological issues and establish new business locations; and
- (3) Facilitate the implementation of research outcomes into practice.

The Company is responsible for the production and provision of Super Intelligent System for smart city and its related products, including front-end data acquisition system and technical support for facial analysis based on artificial intelligence. Moreover, the Company has assumed responsibility in providing front line demonstration and the implementation of research project in Xiong'an, such responsibilities include sharing data of the Super Intelligent System, providing support for data analysis work carried out by Xiong'an Industry Research Institute, technical research, as well as product research and development.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE MOC**

The Company considers that by leveraging on the geographical advantage of Xiong'an New Area and the key strategical development opportunities it provides, the partnership between the Company and Xiong'an Industry Research Institute can enhance both parties' core competencies in business innovation and improve their market competitiveness. In addition, the parties can make use of their own resources to fully utilise their strength as well as achieve joint development, collaborative partnership and mutual benefit, which would enhance the overall business profitability of the Company.

### **GENERAL**

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, Xiong'an Industry Research Institute and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

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

The board of directors of the Company wishes to emphasise that the Company has not entered into any legally binding agreements in relation to any specific cooperation plans with Xiong'an Industry Research Institute.

**As a result, Shareholders and potential investors of the Company 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, 5 September 2018

*As at the date of this announcement, the board of directors comprises four executive directors, namely Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Dorian Barak; one non-executive director, namely Mr. Ko Chun Shun, Johnson; and three independent non-executive directors, namely Dr. Liu Jun, Dr. Wong Kai Kit and Ms. Cao Xinyi.*