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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
PURCHASE NOTICE RECEIVED FROM
CHONGQING COMMUNICATIONS SERVICES COMPANY LIMITED,
MOBILE SERVICE BRANCH**

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

The Company is pleased to announce that, on 2 April of this year, Chongqing Communications Services Company Limited, mobile service branch* (重慶市通信產業服務有限公司移動服務分公司) (“**Chongqing Communications Services**”) issued a purchase notice to Chongqing KuangChi Future Technology Co., Ltd. *(重慶光啟未來科技有限責任公司) (“**Chongqing KuangChi**”), an indirect wholly-owned subsidiary of the Company. Chongqing Communications Services shall purchase Matrix Intelligent Engine and relevant hardware equipment, etc. from Chongqing KuangChi for Chongqing Public Security Bureau Liangjiang New District Sub-bureau’s* (重慶市公安局兩江新區分局) “Anti-terrorism and Anti-riot Technology Prevention Construction Project in Chongqingbei Railway Station Area”, which is a bid won by its parent group. The total purchase amount is RMB 7 million.

Currently, the Group focuses on promoting the industrialization of Matrix Intelligent Engine, mainly including the sale, maintenance, construction, operation of Matrix Intelligent Engine as well as relevant system-integrated hardware, to provide relevant digital operation service to end users. As a product independently developed by the Group, the Matrix Intelligent Engine has core technologies such as our independently developed visual artificial intelligence algorithm, radar tracking algorithm, big data operation algorithm, high-performance modelling and high concurrent computing, and is a new-generation

highly-intelligent core digital infrastructure. Matrix Intelligent Engine can perform intelligent empowerment for various hardware devices, conduct high-quality big data operation and realise precise digital characterisation and big data operation for dynamic targets. Matrix Intelligent Engine breaks through the bottleneck of artificial intelligence on high-performance modelling and high concurrent computing capacity. At the same cost, it can realise the concurrent capacity with the advantage of orders of magnitude as compared to the industry.

Chongqing KuangChi is principally engaged in technology development, technology service, technology consultation and technology transfer in network information technology area; database management service; technology development, technology consultation and technology service in artificial intelligence technology, internet of things information technology and cloud computing technology area; the design, development and sale of computer software and hardware, etc.

Chongqing Communications Services mainly undertakes businesses within the scope of its construction qualification for its parent corporation, such as the repair and technical service for general-purpose equipment and communication equipment; computer system service; the development, promotion and consultation of communication technology, the technology development and technology application of computer network, communication network information technical service and technical consultation.

IMPACT ON THE COMPANY

The purchase is a normal business operation for the principal business of the Group. The Group has been committed to developing domestic smart city market. Once the formal contract for this project is signed and successfully implemented, it is expected that this will have a positive impact on the Company's future operating results. The commercialization of Matrix Intelligent Engine is a huge progress for the Group in the industrialization of the future artificial intelligence area and a significant market and industrialization breakthrough following the Group's first Matrix Intelligent Engine commercial project in Shanghai Bund.

GENERAL

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, Chongqing Communications Services and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

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

The transaction is subject to the confirmation of the definitive agreement, shareholders and potential investors of the Company are therefore 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, 3 April 2019

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; and three independent non-executive directors, namely Dr. Liu Jun, Dr. Wong Kai Kit and Ms. Cao Xinyi.

* *For identification purpose only*