
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in KuangChi Science Limited, you should at once hand this circular and the accompany form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**KUANGCHI SCIENCE LIMITED****光啟科學有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 439)**

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
(2) RE-ELECTION OF RETIRING DIRECTORS
**(3) SPECIFIC MANDATE TO ISSUE SHARES UNDER RESTRICTED SHARE
AWARD SCHEME**
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of the Company to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on 22 May 2015 at 11:00 a.m. is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon and return the same to the Company’s share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

20 April 2015

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on 22 May 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, approving, among other things, the proposed resolution(s) set out in this circular
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the bye-law(s) of the Company
“Company”	KuangChi Science Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of approval of the mandate
“Latest Practicable Date”	16 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Reference Award Sum”	such amount, as determined by the Share Award Committee from time to time pursuant to the Scheme Rules, for the purchase of restricted Shares
“Repurchase Mandate”	a general mandate to repurchase Shares not exceeding 10% of the total fully paid-up nominal amount of the share capital of the Company as at the date of approval of the mandate

DEFINITIONS

“Restricted Share Award Scheme”	the restricted share award scheme adopted by the Company on 10 December 2014
“RS Award”	an award of restricted Shares to a selected participant pursuant to the Restricted Share Award Scheme
“RSA Specific Mandate”	the specific mandate to issue and allot up to 85,151,694 new Shares, representing 2.5% of the number of Shares in issue as at the date of approval of the Restricted Share Award Scheme at the special general meeting held on 10 December 2014
“Scheme Rules”	the rules related to the Restricted Share Award Scheme in its present or any amended form
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Award Committee”	the committee set up by the Board for the purpose of administrating the Restricted Share Award Scheme
“Shareholder(s)”	holders of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$” and “\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

Executive Directors:

Dr. Liu Ruopeng (*Chairman*)
Dr. Zhang Yangyang (*Chief Executive Officer*)
Dr. Luan Lin (*Chief Technology Officer*)
Mr. Ko Chun Shun, Johnson

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. Lau Man Tak
Dr. Liu Jun
Dr. Wong Kai Kit

Head Office and

Principal Place of Business:

Unit 906, 9th Floor
Wings Building
110-116 Queen's Road Central
Central
Hong Kong

20 April 2015

To the Shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
(3) SPECIFIC MANDATE TO ISSUE SHARES UNDER
RESTRICTED SHARE AWARD SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with details in respect of (i) the grant of general mandates to Directors to issue and repurchase Shares; (ii) the re-election of retiring Directors; (iii) the refreshment of specific mandate to issue Shares under the Restricted Share Award Scheme; and (iv) to give you a notice of the AGM.

LETTER FROM THE BOARD

ISSUE MANDATE AND REPURCHASE MANDATE

The Directors propose to seek the approval of the Shareholders at the AGM by way of passing an ordinary resolution for granting the general mandate to the Directors (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued Shares as at the date of passing the relevant resolution and the extension of the aforesaid mandate by addition thereto the number of Shares repurchased pursuant to the proposed general mandate for repurchase of Shares up to a maximum of 10% of the issued Shares as at the date of passing the relevant resolution as described below, and (ii) to repurchase Shares with total nominal amount not exceeding 10% of the total fully paid-up nominal amount of the Shares in issue at the date of passing the relevant resolution, at any time during the period ending on the earlier of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or its Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in the general meeting of the Company.

As at the Latest Practicable Date, the number of Shares in issue was 3,406,067,793 Shares. On the basis that no further Shares will be issued or repurchased prior to the AGM, (i) the Issue Mandate in full would enable the Company to allot, issue and deal with a maximum of 681,213,558 Shares, and (ii) the Repurchase Mandate in full would enable the Company to repurchase a maximum of 340,606,779 Shares.

The purpose of the general mandate to allot, issue and deal with new Shares is to enable the Directors to capture right timing of the securities market to widen the capital base of the Company. The Directors have no present intention to issue or repurchase any Shares under the general mandates to be sought at the AGM.

An explanatory statement as required by the Listing Rules for information on the general mandate to repurchase Shares is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

According to Bye-laws 87, at each annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire by rotation shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

In accordance with Bye-laws 87, Dr. Zhang Yangyang, an executive Director, and Dr. Liu Jun, an independent non-executive Director, shall retire by rotation at the conclusion of the AGM and shall be eligible for re-election at the AGM.

LETTER FROM THE BOARD

Details of the above retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular.

SPECIFIC MANDATE TO ISSUE SHARES UNDER RESTRICTED SHARE AWARD SCHEME

Under the Restricted Share Award Scheme, the Share Award Committee shall not make any further RS Award which will result in the aggregate number of Shares awarded by the Board under the Restricted Share Award Scheme in excess of 170,303,388 Shares, representing 5% of the issued Shares as at the date on which the Board adopted the Restricted Share Award Scheme, i.e. 10 December 2014. In addition, the total number of new Shares which may be allotted and issued to the Trustee under the Restricted Share Award Scheme shall not exceed 85,151,694 Shares, representing 2.5% of the issued Shares as at the date on which the Board adopted the Restricted Share Award Scheme.

Pursuant to the Scheme Rules, the Share Award Committee shall determine the Reference Awarded Sum for the purchase of the existing Ordinary Shares or for the issue of new Ordinary Shares to be awarded. After the Reference Awarded Sum has been determined, the Share Award Committee shall procure the Company to purchase existing Shares or to issue new Shares as the restricted Shares. In determining whether to purchase existing Shares or to issue new Shares, the Share Award Committee shall take into account, among other things, the existing market price of the Shares comparing to the expectation on the performance of the market price of the Shares in a foreseeable period, flexibility of purchasing Shares from open market, the dilutive effect to the existing shareholders, financial burden to the Company and tax efficiency of the arrangement, etc.

The Share Award Committee may grant RS Award to a connected person of the Company. Where any grant of RA Award (by way of allotment and issue of new Ordinary Shares under the RSA Specific Mandate) is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules, unless otherwise exempted under the Listing Rules.

The selected participants under the Restricted Share Award Scheme will be required to pay the grant price representing a discount of not less than 50% to the closing price of the Share on the date of grant in obtaining the RS Award. The Company intends to apply the proceeds from the grant price, if any, for general working capital of the Group.

At the special general meeting of the Company held on 10 December 2014, an ordinary resolution was passed to grant a specific mandate to the Directors to allot and issue new Shares under the Restricted Share Award Scheme not exceeding 85,151,694 Shares, i.e. 2.5% of the number of Shares in issue as at the date on which the Board adopted the Restricted Share Award Scheme. Since the adoption of the Restricted Share Award Scheme and up to the Latest Practicable Date, no Shares has been issued under the RSA Specific Mandate.

The Restricted Share Award Scheme is effective for a term of 10 years from 10 December 2014. The Directors consider that it is a good practice to follow the same requirements under the Listing Rules in respect of the Issue Mandate to obtain shareholders' approval for the RSA Specific Mandate annually. The existing RSA Specific Mandate is going to expire at the conclusion of the AGM. The Directors believe that it is in the interests of the Company and the Shareholders as a whole to obtain the Shareholders' approval for the unutilised number of new Shares to be issued under the Restricted Share Award Scheme, i.e. 85,151,694 Shares.

LETTER FROM THE BOARD

Accordingly, an ordinary resolution for the RSA Specific Mandate to the Directors to allot and issue new Shares under the Restricted Share Award Scheme not exceeding 85,151,694 Shares will be proposed at the AGM. The RSA Specific Mandate shall lapse at the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and (iii) the revocation or variation of the approval given by such ordinary resolution by a resolution of members of the Shareholders in general meeting.

AGM

The notice of the AGM is set out on pages 12 to 16 of this circular. At the AGM, resolutions will be proposed for the Shareholders to consider and, if thought fit, among other things, to approve (i) the grant of general mandates to Directors to issue and repurchase Shares; (ii) the re-election of the retiring Directors; and (iii) the refreshment of specific mandate to issue Shares under the Restricted Share Award Scheme.

A form of proxy for use at the AGM is sent to the Shareholders together with this circular.

Whether or not the Shareholders are able to attend the AGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding of the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the AGM or any adjourned meeting thereof should the Shareholders so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all resolutions put to the vote at the AGM will be taken by way of poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board believes that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue new securities and adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate, the re-election of Directors and the refreshment of the specific mandate to issue Shares under the Restricted Share Award Scheme to be put before the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
KuangChi Science Limited
Dr. Liu Ruopeng
Chairman and Executive Director

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

REPURCHASE MANDATE

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules relating to an ordinary resolution to be proposed at the AGM to approve a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to purchase, at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, shares of HK\$0.01 each in the capital of the Company, up to a maximum of 10% of the aggregate nominal amount of issued Shares as at the date of passing the resolution.

The Directors believe the Repurchase Mandate is in the interests of the Company and the Shareholders and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 3,406,067,793 Shares. Subject to the passing of an ordinary resolution for the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 340,606,779 Shares.

REASONS FOR REPURCHASES

The Directors consider that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases of Shares will be funded entirely from funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Hong Kong. It is presently proposed that any Shares repurchased under the Repurchase Mandate would be repurchased out of the capital paid up on the repurchased Shares, profits of the Company which would otherwise be available for distribution or the Company's share premium account.

IMPACT ON WORKING CAPITAL

There might be a material adverse impact on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in its audited financial statements contained in the annual report of the Company for the nine months ended 31 December 2014) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their respective associates, having any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is granted.

No core Connected Persons (as defined in the Listing Rules) have notified the Company that he has a present intention to sell to the Company or its subsidiaries any of his Shares, or has undertaken not to do so, in the event that the Repurchase Mandate is granted.

TAKEOVERS CODE AND SHARE REPURCHASES

In the event that the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the substantial shareholders of the Company, New Horizon Wireless Technology Limited and World Treasure Global Limited, were beneficially interested in 1,133,333,334 Ordinary Shares and 638,981,013 Ordinary Shares, representing approximately 33.27% and approximately 18.76% of the issued Ordinary Shares respectively. The aggregate shareholding of New Horizon Wireless Technology Limited, Starbliss Holdings Limited, Grand Consulting Management S.A., Lucky Time Global Limited, Cutting Edge Global Limited and REORIENT Global Limited (the "Concert Party Group", being parties acting in concert in respect of the subscription completed on 22 August 2014) amount to approximately 48.93%.

If the Repurchase Mandate is exercised in full, New Horizon Wireless Technology Limited and World Treasure Global Limited will increase their shareholding in the Company to approximately 36.97% and approximately 20.84% respectively. Such increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

If the Repurchase Mandate is exercised in full, Concert Party Group will increase their shareholding in the Company to approximately 54.37%. Such increase will give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such extent that the aggregate amount of Shares in public hands would reduce below 25%.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2014		
April	0.450	0.250
May	0.355	0.265
June	1.290	0.400
July	3.850	1.100
August	5.980	3.020
September	6.380	4.100
October	6.090	5.160
November	5.780	4.820
December	5.960	4.700
2015		
January	5.410	4.910
February	5.660	4.830
March	5.490	2.780
April (up to the Latest Practicable Date)	4.870	3.220

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

Pursuant to the Listing Rules, details of the Director who will retire at the conclusion of the AGM according to the Bye-laws and will be proposed to be re-elected at the AGM are provided below:

EXECUTIVE DIRECTOR

Dr. Zhang Yangyang, aged 35, is the Chief Executive Officer and an executive Director of the Company. Dr. Zhang is an executive director of Martin Aircraft Company Limited, a company listed on Australia Stock Exchange, with effect from 24 February 2015. Dr. Zhang has been the executive vice president of Kuang-Chi Institute of Advanced Technology since 2009. Dr. Zhang has been the vice president of Shenzhen Young Science and Technology Talents Association since 2012. Dr. Zhang obtained a doctorate degree from the University of Oxford, the United Kingdom in 2009, and graduated as Master Research Student from Northeastern University, the PRC in 2004.

Dr. Zhang has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. The remuneration of Dr. Zhang as an executive Director is recommended by the Remuneration Committee and determined by the Board with reference to his experience and prevailing market rate. Dr. Zhang is entitled to a basic remuneration of RMB750,000 per annum.

As at the Latest Practicable Date, Dr. Zhang was interested in 15,000,000 underlying Shares in respect of the share options granted to him.

Save as disclosed above, Dr. Zhang has not held any other directorships in any public listed companies in the past three years and, is not connected with any directors, senior management or substantial or controlling shareholders of the Company. Dr. Zhang confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Liu Jun, aged 50, is an independent non-executive Director of the Company. Dr. Liu was appointed a professor of statistics at Harvard University in 2000 and has written research papers and publications about Markov chain Monte Carlo algorithms. Dr. Liu received a number of awards including The Committee of Presidents of Statistical Societies 2002 Presidents' Award in 2002 and the Morningside Gold Medal in Mathematics in 2010. Dr. Liu was elected as a fellow of the Institute of Mathematical Statistics in 2004 and the American Statistical Association in 2005. Dr. Liu obtained a doctorate degree from The University of Chicago, the United States of America in 1991.

Dr. Liu has entered into a letter of appointment between the Company. The term of service of Dr. Liu is a period of one year commencing on 1 January 2015 and he will be subject to retirement by rotation and re-election at the following general meeting of the Company in accordance with the articles of association of the Company. Dr. Liu is entitled to receive an annual director's fee of HK\$250,000 as an independent non-executive Director which is recommended by the Remuneration Committee and determined by the Board with reference to his experience and prevailing market rate.

As at the Latest Practicable Date, Dr. Liu was not interested in any Shares for the purposes of the SFO.

Save as disclosed above, Dr. Liu has not held any other directorships in any public listed companies in the past three years and, is not connected with any directors, senior management or substantial or controlling shareholders of the Company. Dr. Liu confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

NOTICE OF ANNUAL GENERAL MEETING



KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of KuangChi Science Limited (the “Company”) will be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on 22 May 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following resolutions:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Director(s)”) and of the auditor for the nine months ended 31 December 2014.
- 2A. To re-elect the following retiring Directors:
 - (i) Dr. Zhang Yangyang as an executive Director; and
 - (ii) Dr. Liu Jun as an independent non-executive Director;
- 2B. To authorise the board of Directors to fix the remuneration of the Directors.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the board of Directors to fix his remuneration.
- 4A. **“THAT**
 - (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with the additional ordinary shares in the share capital of the Company and to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into ordinary shares (“Shares”) of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into Shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the Shares in the share capital allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any existing warrants, bonds, debentures, notes and other securities of the Company;
 - (iii) the exercise of option granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or other eligible persons of the Company and/or any of subsidiaries of shares or rights to acquire Shares of the Company;
 - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares of the Company in lieu of the whole or part of a dividend on the Shares of the Company in accordance with the bye-laws of the Company in force from time to time;
 - (v) the exercise of any conversion rights attaching to any convertible notes issued or to be issued by the Company; and
 - (vi) a specified authority granted by the shareholders of the Company in general meeting; shall not exceed 20% of the aggregate nominal amount of the Shares in the share capital of the Company in issue on the date of passing this resolution; and the said approval shall be limited accordingly.
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (e) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

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- (iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares in the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for Shares of the Company, open for a period fixed by the Directors to holders of the Shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in, any territories applicable to the Company).”

4B. “THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Director during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase the Shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchanges on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with the applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchanges as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Share of the Company which the Company is authorised to purchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the Shares in the shares capital of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution be limited accordingly;
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- 4C. “**THAT** subject to the passing of the above resolutions 4A and 4B, the aggregate nominal amount of Share which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in resolution 4B shall be added to the aggregate nominal amount of Shares in the share capital that may be allotted or agreed to be allotted by the Directors pursuant to resolution 4A.”
5. “**THAT**
- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue, procure the transfer of and otherwise deal with new Shares underlying any RS Awards granted under the Restricted Share Award Scheme as and when the RS Awards vest be and is hereby approved;
 - (b) no RS Awards shall be granted by the Directors if as a result of such grant the aggregate number of new Shares underlying all RS Awards granted by the Directors (excluding RS Awards that have lapsed or been cancelled in accordance with the rules of the Restricted Share Award Scheme) shall exceed 2.5% of the number of Shares in the Company in issue as at the date on which the Board adopted the Restricted Share Award Scheme, i.e. 10 December 2014; and
 - (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of the approval given by this resolution by a resolution of members of the Company in general meeting.”

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

Hong Kong, 20 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Every member of the Company entitled to attend and vote at the above Meeting is entitled to appoint more than one proxy (if a member who is holder of two or more shares) to attend and vote for him/her on his/her behalf of the Meeting. A proxy need not be a member of the Company but must attend the Meeting in person to represent you.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or any adjourned meeting thereof.
4. As at the date of this notice, the Board comprises four executive Directors, namely Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Ko Chun Shun, Johnson; and three independent non-executive Directors, namely Dr. Liu Jun, Dr. Wong Kai Kit and Mr. Lau Man Tak.