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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 BUSINESS COOPERATION FRAMEWORK AGREEMENT WITH
CHINA UNITED NETWORK COMMUNICATIONS CORPORATION
LIMITED**

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

BUSINESS COOPERATION FRAMEWORK AGREEMENT

The Company is pleased to announce that, on 25 December 2017, the Company entered into a business cooperation framework agreement (the “**Framework Agreement**”) with China United Network Communications Corporation Limited (“**China Unicom**”).

Pursuant to the Framework Agreement, the parties shall cooperate in various ways, including (but not limited to):

- (i) jointly develop solutions for public security, and cooperate in the area regarding the “policing technology sharing platform”.
- (ii) jointly pursue and develop smart city related projects.
- (iii) jointly integrate artificial intelligence, communication service and intelligent operation, and cooperate in the area regarding the smart transportation.
- (iv) explore the cooperation opportunities in various ways in other vertical areas, including (but not limited to), smart homes, smart communities, industrial smart production and technology tours.

INFORMATION ON CHINA UNICOM

China Unicom is a wholly-owned subsidiary of China Unicom (Hong Kong) Limited (Hong Kong Stock Exchange stock code: 0762; New York Stock Exchange stock code: CHU), which is a controlling subsidiary of China United Network Communications Limited (Shanghai Stock Exchange stock code: 600050). Currently, China Unicom provides a full range of telecommunications services in the PRC, including mobile broadband (WCDMA, LTE FDD, TD-LTE), fixed-line broadband, GSM, fixed-line local access, Information Communications Technology, data communications and other related value-added services. As at the end of November, number of China Unicom's fixed-line local access subscribers, fixed-line broadband subscribers and mobile billing subscribers amounted to 60.61 million, 77.50 million and 281 million respectively.

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries, China Unicom and its ultimate beneficial owners are independent to the Company and its connected persons.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The Company considers that entering into the Framework agreement and the consensus thereunder shall fully capitalise on the edges of both parties and closely address market demands, which is in the mutual interests of both parties, facilitates the complementation of each other's advantage and realises a win-win situation through cooperation.

GENERAL

The Framework 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 Framework 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 Framework 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, 27 December 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.