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KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

**POSITIVE PROFIT ALERT
EXPECTED SIGNIFICANT DECREASE IN LOSS**

This announcement is made by KuangChi Science Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the Board and the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2023 (“**FY2023**”), the Group expects that it may record a significant decrease in net loss for FY2023 with a net loss ranging from approximately HK\$6,000,000 to HK\$8,000,000 for FY2023 as compared to a net loss of approximately HK\$67,912,000 for the year ended 31 December 2022 (“**FY2022**”). The expected decrease in the unaudited net loss of the Group is primarily attributable to:

- (i) During the year, the Group disposed of its equity in Irisity AB, an overseas listed company, and recognised a loss on changes in fair value of approximately HK\$600,000 (FY2022: a loss on changes in fair value of approximately HK\$19,500,000);
- (ii) During FY2023, the Group improved its marketing strategy and further reduced its operating expenses through effective control, with a significant decrease in selling and marketing expenses of approximately HK\$19,700,000; and

- (iii) During FY2023, the Group continuously enhanced its internal control, strictly cut costs and increased efficiency, resulting in a significant decrease in administrative expenses of approximately HK\$10,000,000.

The Company is still in the process of finalising the audited consolidated results of the Group for FY2023. The information contained in this announcement is only based on the information currently available to the Board and the Board's preliminary assessment of the Group's latest unaudited consolidated management accounts for FY2023 and is not based on any figures or information that has been audited or reviewed by the auditor or the audit committee of the Company. Therefore, the information contained in this announcement may be subject to adjustments after further internal review by the Board and the audit committee of the Company, and audit of the Group's consolidated financial information by the Company's auditor. The audited annual results of the Group for FY2023 may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the details of the financial information and performance of the Group for FY2023 that will be included in the annual results announcement of the Company for FY2023, which is expected to be published in late March 2024.

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
Cheng Chi Chung Kevin
Company Secretary

Hong Kong, 20 March 2024

As at the date of this announcement, the Board comprises four executive Directors, namely Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Dr. Ji Chunlin; one non-executive Director namely Mr. Li Chiu Ho; and three independent non-executive Directors, namely Dr. Wong Kai Kit, Mr. Choi Wing Koon and Dr. Wu Zhili.