

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 (the “Company”), 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

**PROPOSED SHARE CONSOLIDATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting (the “SGM”) of the Company to be held at 2nd Floor, Software Building, No. 9 Gaoxin Middle 1st Road, Nanshan District, Shenzhen, China on Monday, 29 January 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy for use at the SGM 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof should you so wish. If you attend and vote at the SGM, the authority of your proxy will be revoked.

12 January 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	4
LETTER FROM THE BOARD	6
NOTICE OF SGM	SGM-1

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme conditions” caused by super typhoons or on which a “black” rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Bye-laws”	the bye-laws of the Company, as supplemented or amended or substituted from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 2,000 Consolidated Shares upon Share Consolidation becoming effective
“Company”	KuangChi Science Limited (光啟科學有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange, with stock code 439
“Consolidated Preferred Share(s)”	the limited voting convertible preferred share(s) of par value HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective, whether issued or unissued
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective, whether issued or unissued
“Director(s)”	director(s) of the Company

DEFINITIONS

“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	9 January 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Preferred Share(s)”	the limited voting convertible preferred share(s) of par value HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“SGM”	the special general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
“Share Consolidation”	the proposed consolidation of (i) every ten (10) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company; and (ii) every ten (10) Preferred Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Preferred Share

DEFINITIONS

“Share Consolidation Announcement”	the announcement of the Company dated 21 December 2023 in respect of the proposed Share Consolidation and Change in Board Lot Size
“Share(s)”	the Existing Share(s) and/or the Preferred Share(s) and/or the Consolidated Share(s) and/or the Consolidated Preferred Share(s), as the context may require
“Shareholder(s)”	registered holder(s) of the issued Shares of the Company
“Share Option(s)”	share option(s) granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 31 July 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Latest time for lodging transfers of shares in order to
qualify for attendance and voting at the SGM 4:30 p.m. on
Tuesday, 23 January 2024

Register of members closes (both days inclusive) Wednesday, 24 January 2024 to
Monday, 29 January 2024

Latest time for lodging forms of proxy for the SGM 11:00 a.m. on
Saturday, 27 January 2024

Date and time of the SGM 11:00 a.m. on
Monday, 29 January 2024

Publication of the announcement of the results of the SGM . . . Monday, 29 January 2024

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation as set out in this circular.

Effective date of the Share Consolidation Wednesday, 31 January 2024

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares Wednesday, 31 January 2024

Dealing in the Consolidated Shares commences 9:00 a.m. on
Wednesday, 31 January 2024

Original counter for trading in the Existing Shares in board
lots of 1,000 Existing Shares (in the form of existing share
certificates) temporarily closes 9:00 a.m. on
Wednesday, 31 January 2024

Temporary counter for trading in the Consolidated Shares
in board lots of 100 Consolidated Shares (in the form of
existing share certificates) opens 9:00 a.m. on
Wednesday, 31 January 2024

Original counter for trading in the Consolidated Shares in board
lots of 2,000 Consolidated Shares (in the form of new share
certificates for the Consolidation Shares) re-opens 9:00 a.m. on
Friday, 16 February 2024

EXPECTED TIMETABLE

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences 9:00 a.m. on Friday, 16 February 2024

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Friday, 16 February 2024

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on Thursday, 7 March 2024

Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on Thursday, 7 March 2024

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends 4:10 p.m. on Thursday, 7 March 2024

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares 4:30 p.m. on Monday, 11 March 2024



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. Luan Lin

Dr. Zhang Yangyang

Dr. Ji Chunlin

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Non-executive Directors:

Mr. Li Chiu Ho

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 1104, 11/F

Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

Independent non-executive Directors:

Dr. Wong Kai Kit

Mr. Choi Wing Koon

Dr. Wu Zhili

12 January 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 21 December 2023 in relation to, among other matters, the proposed Share Consolidation and Change in Board Lot Size. The purpose of this circular is to provide you with more information regarding the proposed Share Consolidation, proposed Change in Board Lot Size and the notice of SGM.

LETTER FROM THE BOARD

2. PROPOSED SHARE CONSOLIDATION

The Board proposes that (i) every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share; and (ii) every ten (10) Preferred Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Preferred Share (if any).

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 7,316,666,668 Existing Shares of par value HK\$0.01 each and 2,683,333,332 Preferred Shares of par value HK\$0.01 each, of which 6,156,928,860 Existing Shares have been issued and are fully paid or credited as fully paid and no Preferred Shares have been issued.

Assuming no further Existing Shares and no Preferred Shares will be issued or repurchased from the Latest Practicable Date up to the date of the SGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company shall be HK\$99,999,999.90 divided into 731,666,666 Consolidated Shares of par value HK\$0.10 each and 268,333,333 Consolidated Preferred Shares of par value of HK\$0.10 each, of which 615,692,886 Consolidated Shares will have been issued and will be fully paid or credited as fully paid and no Consolidated Preferred Shares will have been issued. The Company has 18,750,000 outstanding Share Options and no warrants or other securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and all the Consolidated Preferred Shares will rank *pari passu* in all respects with each other each in accordance with the Bye-laws.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;

LETTER FROM THE BOARD

- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Bermuda and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Wednesday, 31 January 2024 subject to the fulfilment of the above conditions.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Listing Application

An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are outstanding Share Options for subscription of an aggregate amount of 18,750,000 Existing Shares under the Share Option Scheme. Pursuant to the terms of the Share Option Scheme and the Listing Rules, the Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the outstanding Share Options.

Adjustments to Outstanding Share Options

Upon the Share Consolidation become effective, pursuant to the terms and conditions of the Share Option Scheme, the exercise price and the number of the outstanding Share Options granted under the Share Option Scheme will be adjusted in the following manner:

Date of grant	Before Adjustments		After Adjustments	
	Exercise price per outstanding Share Option granted <i>HK\$</i>	Number of Existing Shares to be allotted and issued upon full exercise of the outstanding Share Options granted	Exercise price per outstanding Share Option granted <i>HK\$</i>	Number of Consolidated Shares to be allotted and issued upon full exercise of the outstanding Share Options granted
22 April 2021	0.229	18,750,000	2.290	1,875,000
Total	0.229	18,750,000	2.290	1,875,000

The Company has appointed auditor to review and certify the basis of such adjustment to the exercise price of the outstanding Share Options and the number of Consolidated Shares to be issued upon the exercise of the outstanding Share Options in accordance with the requirements of the Listing Rules and the terms of the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

LETTER FROM THE BOARD

3. PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lots of 1,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 1,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.127 per Existing Share (equivalent to the theoretical closing price of HK\$1.27 per Consolidated Share) as quoted on the Stock Exchange as at the date of the Share Consolidation Announcement (i.e. 21 December 2023), the value of each board lot of the Existing Shares is HK\$127 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had already been effective, would be HK\$2,540.

4. REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

For the past six months, the share price of the Company has been trading at the range of HK\$0.091 to HK\$0.169, and the closing price per Existing Shares as at the Latest Practicable Date was HK\$0.091. In view that the Share had been traded at around or below HK\$0.1 at certain times in the past 12 months (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation and the Change in Board Lot Size.

The proposed Share Consolidation will increase the board lot value of the Existing Shares and bring a corresponding upward adjustment in the trading price of the Company per board lot of the Consolidated Shares. Further, the proposed Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. The Change in Board Lot Size will support trading and liquidity of the Shares upon Share Consolidation becoming effective by maintaining trading amount for each board lot at a

LETTER FROM THE BOARD

reasonable level. Taking into account the combined effect of the Share Consolidation and the Change in Board Lot Size, it is expected that the implementation will (i) result in an overall increase in the board lot value of the Shares, and (ii) attract more investors and extend the shareholder base of the Company by making investment in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

As at the Latest Practicable Date, there has been a drop in share price since the date of the Share Consolidation Announcement from the closing price of HK\$0.127 per Share on 21 December 2023 to the closing price of HK\$0.091 per Share on the Latest Practicable Date. As at the date of the Share Consolidation Announcement, the value of each board lot of the Existing Shares is HK\$127. As of the Latest Practicable Date, assuming the Share Consolidation and Change in Board Lot Size had already been effective, the value of each board lot of the Consolidated Shares would be HK\$1,820 (the “**Assumed LPD Board Lot Value**”). The Board is of the view that, upon the effectiveness of the Share Consolidation and Change in Board Lot Size, the board lot value of the Shares will be closer to HK\$2,000. Notwithstanding that the Assumed LPD Board Lot Value is slightly below HK\$2,000, the Board still takes the view that the current proposed arrangement in relation to the board lot size and consolidation ratio is the best option to the Company for the time being due to the following reasons:

1. the Board believes that the recent drop in the Company’s share price as stated above is due to the market’s reaction to the announcement of the proposed Share Consolidation, therefore the Board believes that such fluctuation is only temporary. The Board is of the view that there is no need to alter the current proposed share consolidation ratio and/or board lot size merely due to the recent temporary fluctuation in the Company's share price; and
2. a higher consolidation ratio and/or change in board lot size may lead to the increase of additional fractional shares and odd lots which in turn may not be beneficial to the Shareholders.

Save for the necessary professional expenses for the implementation of the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation and the Change in Board Lot Size will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

LETTER FROM THE BOARD

In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size is necessary to achieve the above-mentioned purposes, in particular to ensure the Company's compliance with the trading requirements under the Listing Rules and the Guide. Taking into account of the potential benefits and the insubstantial amount of costs expected to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no concrete plan to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and Change in Board Lot Size, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

5. OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company appointed a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Shareholders who wish to take advantage of this facility should contact Mr. Li of Lego Securities Limited at telephone number (+852) 2128 9433 during office hours (9:00 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m.) on working days (excluding Saturdays, Sundays and public holidays) for the period from Friday, 16 February 2024 to Thursday, 7 March 2024 (both days inclusive).

LETTER FROM THE BOARD

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 31 January 2024, being one clear Business Day immediately after the date of the SGM, Shareholders may between 9:00 a.m. and 4:30 p.m. on any Business Day during the period from Wednesday, 31 January 2024 to Monday, 11 March 2024 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates in orange colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on Thursday, 7 March 2024, trading will only be in Consolidated Shares which share certificates will be issued in orange colour. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

6. SGM

Set out on pages SGM-1 to SGM-3 of this circular is a notice convening the SGM to be held at 2nd Floor, Software Building, No.9 Gaoxin Middle 1st Road, Nanshan District, Shenzhen, China on Monday, 29 January 2024 at 11:00 a.m..

At the SGM, ordinary resolution for approving the Share Consolidation and Change in Board Lot Size will be proposed for the Shareholder's approval. To the best knowledge, belief and information of the Directors, none of the Shareholders is required to abstain from voting at the SGM in respect of the Share Consolidation and the Change in Board Lot Size.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is sent to the Shareholders together with this circular. Whether or not the Shareholders are able to attend the SGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 11:00 a.m. on Saturday, 27 January 2024 or not less than 48 hours before the time for holding of any adjournment of the SGM. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the SGM or any adjournment thereof should the Shareholders so wish. If the Shareholders attend and vote at the SGM, the authority of the Shareholders' proxy shall be deemed to be revoked.

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 SGM will be taken by way of poll. An announcement on the results of the poll will be published by the Company after the SGM in the manner prescribed under the Listing Rules.

7. 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.

8. RECOMMENDATION

The Directors are of the view that the proposed Share Consolidation and Change in Board Lot Size are in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Share Consolidation and Change in Board Lot Size as set out in the notice of the SGM.

LETTER FROM THE BOARD

9. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24 January 2024 to Monday, 29 January 2024 (both days inclusive) in order to determine the entitlement of the Shareholders to attend the SGM, during which period no transfer of the Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 January 2024.

10. WARNING

Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Yours faithfully,
For and on behalf of the Board
Kuangchi Science Limited
Cheng Chi Chung Kevin
Company Secretary

NOTICE OF SGM



KUANGCHI SCIENCE LIMITED

光啟科學有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that that a special general meeting (the “**Meeting**”) of KuangChi Science Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at 11:00 a.m. on Monday, 29 January 2024 at 2nd Floor, Software Building, No.9 Gaoxin Middle 1st Road, Nanshan District, Shenzhen, China for the purposes of considering and, if thought fit, passing (with or without modifications), the following resolution (the “**Resolution**”) as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon, among other things, the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below), and the compliance with the relevant procedures and requirements under the applicable laws of the Bermuda and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to effect the Share Consolidation, with effect from the second business day immediately following the day of passing of this resolution:
 - (a) (i) every ten (10) issued and unissued ordinary shares with a par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) ordinary share with a par value of HK\$0.10 each (the “**Consolidated Share(s)**”); and (ii) every ten (10) issued and unissued limited voting convertible preferred shares with a par value of HK\$0.01 each in share capital of the Company be consolidated into one (1) limited voting convertible preferred share(s) of par value HK\$0.10 each (if any) (the “**Consolidated Preferred Share(s)**”) (the “**Share Consolidation**”); and (iii) such Consolidated Shares shall rank pari passu in all respects with each other and such Consolidated Preferred Shares will rank pari passu in all respects with each other in accordance with the bye-laws of the Company;

NOTICE OF SGM

- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (the “**Directors**”) of the Company may think fit; and
- (c) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

On behalf of the Board
KuangChi Science Limited
Cheng Chi Chung Kevin
Company Secretary

Hong Kong, 12 January 2024

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Unit 1104, 11/F
Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the Meeting. A proxy need not be a member of the Company but must attend the Meeting in person to represent you.
- (2) In the case of joint registered holders of shares of the Company (“**Shares**”), any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint registered holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Shares, or his/her/its proxy, shall alone be entitled to vote in respect thereof.
- (3) 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 deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in accordance with the instructions printed thereon by 11:00 a.m. (Hong Kong time) on Saturday, 27 January 2024 or not later than 48 hours before the time for holding the adjourned meeting (if any).

NOTICE OF SGM

- (4) In order to determine the right to attend the Meeting, the register of members of the Company will be closed from Wednesday, 24 January 2024 to Monday, 29 January 2024 (both days inclusive), during which period no transfer of the Shares will be effected. In order to be qualified for the attendance of the Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Tuesday, 23 January 2024.
- (5) A form of proxy for use at the Meeting is enclosed with the circular of the Company dated 12 January 2024. Completion and return of the form of proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.
- (6) The Resolution will be voted by way of poll as required by the Listing Rules.

As at the date of this notice, the board of directors 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.