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**宝德科技集團股份有限公司**

**POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 8236)**

**(I) PROPOSED SHARES CONSOLIDATION;**

**(II) PROPOSED TRANSFER OF LISTING FROM THE GROWTH  
ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK  
EXCHANGE OF HONG KONG LIMITED;**

**AND**

**(III) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

## **INTRODUCTION**

The Board is pleased to announce that it was resolved at the meeting of the Board held on 29 March 2012 that the Company plans to (i) implement the Shares Consolidation and apply to the CSRC and the Stock Exchange respectively for the Transfer of Listing pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules subject to the conditions as set out in the section headed “(IV) CONDITIONS FOR SHARES CONSOLIDATION, TRANSFER OF LISTING AND ARTICLES AMENDMENTS” below.

In view of the Shares Consolidation, the Transfer of Listing and for the purpose of complying with the GEM Listing Rules and/or the Main Board Listing Rules (as the case may be) and the relevant laws and regulations of the PRC and Hong Kong, special resolutions will be proposed at the AGM and the Class Meetings for the Shareholders to approve the Articles Amendments on a conditional basis.

In connection with the Shares Consolidation and the Transfer of Listing, the Company will propose to seek the approval of its Shareholders in the AGM and the Class Meetings for, among other things, (i) the implementation of the Shares Consolidation, (ii) the Transfer of Listing; (iii) the Articles Amendments; and (iv) authorising the Directors to do such acts or things and to take such steps as they consider necessary, desirable or expedient to carry out the above matters, including but not limited to the making of relevant applications to the CSRC and the Stock Exchange for the Transfer of Listing.

A circular containing, among other things, further details in respect of the Shares Consolidation, the Transfer of Listing, the Articles Amendments, and the notices to convene the AGM and the Class Meetings will be despatched to the Shareholders as soon as practicable.

**The Company would like to emphasise that (i) preparations relating to the Shares Consolidation and the Transfer of Listing are at a preliminary stage and a definite timetable has not yet been finalised; (ii) no applications relating thereto have been made to the CSRC and/or the Stock Exchange; (iii) there is no assurance that the Company will be able to obtain the relevant approvals for the Shares Consolidation and the Transfer of Listing from, among others, the CSRC, the Stock Exchange and the Shareholders in the AGM and the Class Meetings. Shareholders and potential investors should be aware that the Company may or may not proceed with the Shares Consolidation and the Transfer of Listing and are therefore advised to exercise caution when dealing in the H Shares.**

**Further announcement(s) will be made in compliance with the GEM Listing Rules by the Company to keep the Shareholders and potential investors informed of the progress of the Shares Consolidation and the Transfer of Listing.**

## **(I) SHARES CONSOLIDATION**

### **Reasons for the Shares Consolidation**

To facilitate the possible issue of A shares by the Company and pursuant to the general practice in the PRC securities market that A shares listed on the Domestic Stock Exchange are generally of a nominal value of RMB1.00 each, the Board proposes to implement the Shares Consolidation on the following terms and make amendments to the Articles of Association as a result of the implementation of the Shares Consolidation, subject to the conditions as set out in the section headed “(IV) CONDITIONS FOR SHARES CONSOLIDATION, TRANSFER OF LISTING AND ARTICLES AMENDMENTS” below.

### **Proposed Shares Consolidation**

As at the date of this announcement, the registered share capital of the Company is RMB243,000,000, comprising 1,822,500,000 Domestic Shares and 607,500,000 H Shares of RMB0.10 each, all of which are in issue and fully paid.

The Company has no outstanding options, warrants, convertible notes, derivatives or other securities convertible into or exchangeable for the Shares.

For the purpose of the Shares Consolidation, (i) every ten issued Domestic Shares of RMB0.10 each will be consolidated into one Consolidated Domestic Share of RMB1.00 and (ii) every ten issued H Shares of RMB0.10 each will be consolidated into one Consolidated H Share of RMB1.00. As a result, every ten issued Shares of RMB0.10 each will be consolidated into one Consolidated Share of RMB1.00 on the Effective Date.

Based on the number of Shares in issue of the Company and on the assumption that there will be no further Shares issued by the Company prior to the Effective Date, the registered share capital of the Company shall comprise of 182,250,000 Consolidated Domestic Shares and 60,750,000 Consolidated H Shares of RMB1.00 each, all of which are in issue and fully paid on the Effective Date.

### **Effects of the Shares Consolidation**

The Consolidated Shares shall rank *pari passu* in all respects with each other.

The Board expects that other than the relevant expenses incurred, the implementation of the Shares Consolidation will have no impact on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operation, management or financial position of the Company or the interests and relative rights of the Shareholders. The Directors believe that the Shares Consolidation would not have any material adverse effect on the financial position of the Group and that the Shares Consolidation is in the interest of the Company and the Shareholders as a whole.

### **Application for Listing**

An application will be made by the Company to the GEM Listing Committee and/or the Main Board Listing Committee (as the case may be) for the listing of, and permission to deal in, the Consolidated H Shares in issue upon the Shares Consolidation becoming effective. All necessary arrangements will be made for the Consolidated H Shares to be admitted into CCASS. The Consolidated H Shares will then be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Change in board lot size**

As at the date of this announcement, the H Shares are currently traded on the GEM in board lots of 10,000 Shares. Upon the Shares Consolidation becoming effective, the Board proposes that the Consolidated Shares will be traded in board lots of 1,000 Consolidated H Shares. Based on the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the date of this announcement, the board lot value is HK\$3,050. Theoretically, the change in board lot size to 1,000 Consolidated H Shares will keep the board lot value to HK\$3,050 (calculated based on the closing price of the H Shares as at the date of this announcement and adjusted for the effect of the Shares Consolidation).

The change in the board lot size will not result in any change in the relative rights of the Shareholders. The Directors consider that the change in board lot size together with the Shares Consolidation is in the interests of the Company and the Shareholders as a whole.

## **Expected Effective Date for the Shares Consolidation**

The Shares Consolidation is subject to the conditions as set out in the section headed “(IV) CONDITIONS FOR SHARES CONSOLIDATION, TRANSFER OF LISTING AND ARTICLES AMENDMENTS” below. At the current stage, the Company is unable to ascertain the exact date on which the above conditions would be satisfied. Therefore, the Effective Date of the Shares Consolidation cannot be determined as at the date of this announcement.

Once the details of the arrangement and the expected timetable with regard to the parallel trading arrangement, the free exchange of Consolidated Share certificates and other matters regarding the Shares Consolidation are finalised, the Company will make further announcements as soon as practicable.

## **(II) TRANSFER OF LISTING**

Reference is made to the announcement of the Company on 28 March 2012 in which the Board announced that the Group’s profit for the year ended 31 December 2011 attributable to the owners of the Company was approximately RMB74,256,000. Upon preliminary review of the audited financial statements of the Group for the three financial years ended 31 December 2011, the Board is of the view that the Company should be able to meet all the qualifications for listing on the Main Board and an application for a transfer of listing from the GEM to the Main Board is contemplated. To expedite such application, it was resolved at the meeting of the Board held on 29 March 2012 that the Company plans to apply to the CSRC and the Stock Exchange respectively for the Transfer of Listing pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules.

### **Reasons for the Transfer of Listing**

The Group is a cloud computing products, solutions and service provider in the PRC. It engages in (i) Cloud Infrastructure as a Service (IaaS) — the design and development, manufacturing and sales of server system solutions related hardware; (ii) Cloud Module as a Service (MaaS) — cloud computing equipment related components value added agency distribution; (iii) Software and Platform as a Service (SaaS and PaaS) — the development and services of cloud computing related software and platform businesses, in the PRC and Hong Kong. Since the listing of the H Shares on the GEM on 12 December 2002, the business of the Group has grown steadily and the Group has improved its public profile. The Directors are of the view that a listing of the H Shares on the Main Board will facilitate an increase in the liquidity of the H Shares, further enhance the public profile of the Group and recognition from the investing public, including the institutional investors, which will be beneficial to the future growth, business development and financing flexibility of the Group.

The Directors do not contemplate any material change in the nature of business activities of the Company immediately following the Transfer of Listing. The Transfer of Listing will not involve any placing of H Shares by the Company.

## **Requirements under the PRC Regulations**

Under the existing Articles of Association and the relevant PRC laws and regulations, Shareholders' approval is required for the Transfer of Listing, the Articles Amendments (Transfer of Listing) and the Company's application to the CSRC. Subject to the passing of the special resolutions by the Shareholders in each of the AGM and the Class Meetings to approve the Transfer of Listing and the Articles Amendments (Transfer of Listing), the Company will make a formal application to the CSRC for the approval of the Transfer of Listing, and at appropriate time, the Company will make a formal application to the Stock Exchange in relation to the Transfer of Listing.

## **(III) THE ARTICLES AMENDMENTS**

### **Reasons and conditions for the Articles Amendments**

In view of the Shares Consolidation, the Transfer of Listing and for the purpose of complying with the GEM Listing Rules and/or the Main Board Listing Rules (as the case may be) and the relevant laws and regulations of the PRC and Hong Kong, special resolutions will be proposed at the AGM and the Class Meetings for the Shareholders to approve the Articles Amendments on a conditional basis. The Articles Amendments are subject to the passing of the said special resolutions respectively at the AGM and the Class Meetings. Prior to the Articles Amendments becoming effective, the current Articles of Association (subject to any subsequent amendment(s) approved by the Shareholders) will continue to be in force. The Articles Amendments (Shares Consolidation) will not take effect and the current Articles of Association (subject to any subsequent amendment(s) approved by the Shareholders) shall continue to be effective if the Company fails to proceed with the Shares Consolidation and Transfer of Listing. The Articles Amendments (Transfer of Listing) will not take effect and the current Articles of Association (subject to any subsequent amendment(s) approved by the Shareholders) shall continue to be effective if the Company fails to proceed with the Transfer of Listing.

### **Proposed amendments to the Articles of Association**

The Articles Amendments will give the effect of complying with the relevant regulations in the PRC and Hong Kong.

Changes will be made to the Articles of Association, where appropriate, to reflect the Company's implementation of the Shares Consolidation and the Transfer of Listing.

Set out below are the details of the significant amendments to be incorporated into the Articles of Association in respect of the Shares Consolidation and the Transfer of Listing:

- (1) the Articles Amendments will become effective on the date of completion of the Transfer of Listing and the commencement in dealing of the H Shares on the Main Board in compliance with the requirements of the Main Board Listing Rules in replacement of the GEM Listing Rules;
- (2) changes will be made, where appropriate, in order to comply with the requirements of Appendix 3 to the Main Board Listing Rules;
- (3) changes will be made, where appropriate, in order to comply with the requirements of the Main Board Listing Rules relating to financial reporting;

- (4) reference to any provisions of the GEM Listing Rules will be replaced by that to the corresponding provisions of the Main Board Listing Rules as far as applicable; and
- (5) any consequential amendments to the Articles of Association as a result of the Shares Consolidation and Transfer of Listing and/or any other amendments to the Articles of Association as the Directors may consider necessary to comply with the requirements of the Main Board Listing Rules.

#### **(IV) CONDITIONS FOR SHARES CONSOLIDATION, TRANSFER OF LISTING AND ARTICLES AMENDMENTS**

##### **Conditions for the Shares Consolidation**

The Shares Consolidation is subject to, among others things, the following conditions:

1. the passing of special resolutions by the Shareholders at the AGM to approve the Shares Consolidation, the Transfer of Listing and the Articles Amendments;
2. the passing of special resolutions by the holders of Domestic Shares and the H Shares at the respective Class Meetings to approve the Shares Consolidation, the Transfer of Listing and the Articles Amendments;
3. the granting of the relevant approval by the CSRC in connection with the Articles Amendments (if necessary); and
4. the granting of the approval by the GEM Listing Committee or the Main Board Listing Committee (as the case may be) for the Transfer of Listing and the listing of and permission to deal in the Consolidated H Shares.

##### **Conditions for the Transfer of Listing**

The Transfer of Listing is subject to, among others things, the following conditions:

1. the fulfillment of all the applicable listing requirements on the Main Board as stipulated in the relevant rules and regulations of the PRC and the Main Board Listing Rules by the Company;
2. the passing of special resolutions by the Shareholders at the AGM to approve the Transfer of Listing, the Articles Amendments (Transfer of Listing) and the Company's application to the CSRC and the Stock Exchange for the Transfer of Listing;
3. the passing of special resolutions by the holders of Domestic Shares and the H Shares at the respective Class Meetings to approve the Transfer of Listing, the Articles Amendments (Transfer of Listing) and the Company's application to the CSRC and the Stock Exchange for the Transfer of Listing;
4. the granting of the relevant approval by the CSRC in connection with the Transfer of Listing and the Articles Amendments (Transfer of Listing);
5. the granting of the approval by the Main Board Listing Committee for the listing of and permission to deal in the existing H Shares or the Consolidated H Shares (as the case may be) on the Main Board; and

6. the obtaining of all other relevant consent or approval (if any) which are required in connection with the Transfer of Listing and the fulfillment of all conditions which may be attached to such consents or approvals.

A circular containing, among other things, further details in respect of the Shares Consolidation, the Transfer of Listing, the Articles Amendments, and the notices to convene the AGM and the Class Meetings will be despatched to the Shareholders as soon as practicable.

**Warning:**

**The Company would like to emphasize that (i) preparations relating to the Shares Consolidation and the Transfer of Listing are at a preliminary stage and a definite timetable for the Shares Consolidation and the Transfer of Listing has not yet been finalised; (ii) no applications relating thereto have been made to the CSRC and/or the Stock Exchange; (iii) there is no assurance that the Company will be able to obtain the relevant approvals for the Shares Consolidation and the Transfer of Listing from, among others, the CSRC, the Stock Exchange and the Shareholders in the AGM and the Class Meetings. Shareholders and potential investors should be aware that the Company may or may not proceed with the Transfer of Listing and are therefore advised to exercise caution when dealing in the H Shares.**

**Further announcement(s) will be made in compliance with the GEM Listing Rules by the Company to keep the Shareholders and potential investors informed of the progress of the Shares Consolidation and the Transfer of Listing.**

**DEFINITION**

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

“AGM”	the annual general meeting of the Company to be convened in year 2012
“Articles Amendments”	the Articles Amendments (Shares Consolidation) and the Articles Amendments (Transfer of Listing)
“Articles Amendments (Shares Consolidation)”	the amendments proposed to be made to the Articles of Association for implementing the Shares Consolidation
“Articles Amendments (Transfer of Listing)”	the amendments proposed to be made to the Articles of Association for implementing the Transfer of Listing and complying with the relevant requirements of the Main Board Listing Rules, which will become effective on the date of completion of the Transfer of Listing and the commencement in dealing of the H Shares on the Main Board in compliance with the requirements of the Main Board Listing Rules in replacement of the GEM Listing Rules
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors

“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Class Meeting(s)”	the respective class meetings of the holders of the H Shares and the Domestic Shares to be convened and held for the purpose to approve, among other things, (i) the Shares Consolidation; (ii) the Transfer of Listing; (iii) the Articles Amendments and (iv) authorising the Directors to do such acts or things and to take such steps as they consider necessary, desirable or expedient to carry out the above matters, including but not limited to the making of relevant applications to the CSRC and the Stock Exchange for the Transfer of Listing
“Company”	宝德科技集團股份有限公司 (Powerleader Science & Technology Group Limited*), a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are currently listed on the GEM
“Consolidated Domestic Share(s)”	ordinary domestic share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company after the proposed Shares Consolidation becoming effective
“Consolidated H Share(s)”	ordinary H share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company after the proposed Shares Consolidation becoming effective
“Consolidated Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company after the proposed Shares Consolidation becoming effective, including Consolidated Domestic Share(s) and Consolidated H Share(s)
“CSRC”	中國證券監督管理委員會(China Securities Regulatory Commission)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary shares of RMB0.10 each issued by the Company, which are subscribed for or credited as fully paid up in RMB, and all of such shares are not listed on the Stock Exchange
“Domestic Stock Exchange”	the Shenzhen Stock Exchange and/or the Shanghai Stock Exchange
“Effective Date”	the effective date of the proposed Shares Consolidation
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing committee of the GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange, as amended from time to time
“Group”	the Company and its subsidiaries



“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	the overseas listed foreign invested ordinary shares of RMB0.10 each in the share capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong Dollars
“Main Board”	the main board of the Stock Exchange
“Main Board Listing Committee”	the listing committee of the Main Board
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares of RMB0.10 each in the capital of the Company
“Shares Consolidation”	the consolidation of every 10 Shares in the registered share capital of the Company into one Consolidated Share in the registered share capital of the Company
“Shareholders”	holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the proposed transfer of listing of the existing H shares of the Company from the GEM to the Main Board

By order of the Board  
**Powerleader Science & Technology Group Limited\***  
 Xu Yueming  
*Company Secretary*

Shenzhen, the PRC  
 29 March 2012

*As at the date hereof, the Board comprises a total of 10 directors, including Mr. Li Ruijie, Mr. Dong Weiping, Ms. Zhang Yunxia and Mr. Ma Zhumao as executive directors, Mr. Sun Wei, Mr. Wang Lixin and Mr. Li Donglei as non-executive directors and Mr. Jiang Baijun, Dr. Guo Wanda and Mr. Chan Shiu Yuen Sammy as independent non-executive directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or 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 announcement 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 document misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from its date of publication and the Company’s website at [www.powerleader.com.cn](http://www.powerleader.com.cn).*

*\* for identification purpose only*