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**宝德科技集团股份有限公司**

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

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

**(Stock Code: 8236)**

**CONNECTED TRANSACTION  
THE SHENZHEN SHENYUE SHARE TRANSFER AGREEMENT**

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On 1 March 2013, the Company entered into the Shenzhen Shenyue Share Transfer Agreement with Powerleader Investment pursuant to which the Company agreed to sell, and Powerleader Investment agreed to purchase, 18% equity interests in Shenzhen Shenyue for a consideration of RMB20 million.

**GEM LISTING RULES IMPLICATIONS**

Powerleader Investment is a substantial Shareholder and is owned by Mr. Li and Ms. Zhang as to 87.5% and 12.5% respectively, both of whom are directors of Company. Accordingly, Powerleader Investment is a connected person of the Company and the Transactions constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As each of the applicable percentage ratios as defined in the GEM Listing Rules in respect of the Transactions is more than 0.1% but less than 5%, the Transactions are exempt from the independent shareholders' approval requirement and are only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

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The principal terms of the Shenzhen Shenyue Share Transfer Agreement are summarised below:

**Date**

1 March 2013

**Parties**

Vendor: the Company

Purchaser: Powerleader Investment

**Assets to be disposed of**

18% equity interests in Shenzhen Shenyue

**Conditions precedent**

Completion of the Shenzhen Shenyue Share Transfer Agreement is conditional upon (i) the Company having obtained approval from the relevant regulatory authorities and statutory authorisation (if required) and (ii) the Transactions having complied with the relevant provisions of the GEM Listing Rules in the relation to connected transactions.

**Consideration**

The consideration is RMB20 million and shall be payable by Powerleader Investment to the Company within 3 business days upon the signing of the Shenzhen Shenyue Share Transfer Agreement.

Within 3 business days upon the Company's receipt of the consideration, the Company (or its nominee) shall assist Powerleader Investment to effect the registration of the change in equity interests in Shenzhen Shenyue with the relevant business registration department (工商登記部門) in the PRC and in completing the transfer of such equity interests.

**Basis of the consideration**

The consideration of RMB20 million was arrived at by the Company and Powerleader Investment after arm's length negotiations with reference to the net asset value of Shenzhen Shenyue as at 31 December 2012 and its business operations during the year of 2012.

The original purchase cost of the 18% equity interests in Shenzhen Shenyue to the Company was RMB18 million.

**Termination**

The Shenzhen Shenyue Share Transfer Agreement may be terminated by mutual agreement between Powerleader Investment and the Company. In addition, if the consideration is not paid by Powerleader Investment to the Company within 14 days after the due date, the Company shall be entitled to terminate the Shenzhen Shenyue Share Transfer Agreement and seek compensation from Powerleader Investment for the losses suffered by it as a result.

## Information on Shenzhen Shenyue

Shenzhen Shenyue is a company established in the PRC with limited liability and has a registered share capital of RMB100 million. Shenzhen Shenyue is owned as to 18% by the Company.

Shenzhen Shenyue is principally engaged in investment, development and establishment, and operation and management of “The China — Vietnam (Shenzhen-Haiphong) Economic and Trade Cooperation Zone” (中國 — 越南(深圳 — 海防)經濟貿易合作區) in An Duong District, Hai Phong, Vietnam.

The following is the audited consolidated financial information of Shenzhen Shenyue for the year ended 31 December 2011 and the unaudited consolidated financial information of Shenzhen Shenyue for the year ended 31 December 2012, which were prepared in accordance with the applicable accounting standards in the PRC:

	<b>For the year ended 31 December 2012</b>	<b>For the year ended 31 December 2011</b>
	<i>RMB'000<sup>#</sup></i>	<i>RMB'000<sup>#</sup></i>
Net profits before taxation	0	0
Net profits after taxation	0	0
Net asset value	82,150	82,456

## Reasons for and benefits of the Sale

The Directors considered that the Sale would provide additional cash flow to the Group to implement the Group's overall development strategy of focusing its resources and energy on cloud computing.

The Directors estimated that upon completion of the Shenzhen Shenyue Share Transfer Agreement, the Company is expected to record a gain from the Sale of approximately RMB1,900,000, such gain having been arrived at by reference to the terms of the Sale and the estimated book carrying value of Shenzhen Shenyue in the Company's accounts at completion.

The estimated net proceeds from the Sale are intended to be used as general working capital of the Group.

The Directors (including the independent non-executive Directors) considered that the Shenzhen Shenyue Share Transfer Agreement and the Transactions are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Li and Ms. Zhang are Directors and Powerleader Investment is owned by Mr. Li and Ms. Zhang as to 87.5% and 12.5% respectively, they had abstained from voting on the Board resolutions in respect of the Shenzhen Shenyue Share Transfer Agreement.

## **GEM LISTING RULES IMPLICATIONS**

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As each of the applicable percentage ratios as defined in the GEM Listing Rules in respect of the Transactions is more than 0.1% but less than 5%, the Transactions are exempt from the independent shareholders' approval requirement and are only subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

## **INFORMATION ON THE GROUP AND POWERLEADER INVESTMENT**

The principal business of the Group is the provision of cloud computing products and related solutions and services, which mainly includes (i) Cloud Infrastructure as a Service (IaaS) — comprising provision of equipment such as cloud servers and cloud storage and their related solutions (such as research and development and production of differentiated cloud equipment, overall solutions design of cloud infrastructure in relation to systems integration in cloud projects and its implementation, after sales and technical support services) under the Company's own brand name “宝德 Powerleader”; (ii) Cloud Module as a Service (MaaS) — comprising research and development, design, manufacturing and sale of cloud computing equipment related components under the Company's own brand name “宝德 Powerleader”, agency distribution of key components of cloud computing equipment and provision of related value added services (such as components combination solution design (i.e. providing optimised component options when clients select key components of cloud computing equipments) and compatibility test); and (iii) Software as a Service and Platform as a Service (SaaS and PaaS) — comprising development of cloud computing software and platforms and provision of related services (such as system maintenance and software update services).

Powerleader Investment is principally engaged in the business of investment in industrial projects.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Company”	宝德科技集团股份有限公司 (Powerleader Science & Technology Group Limited*), a joint stock company incorporated in the PRC with limited liability whose H Shares are currently listed on GEM;
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Directors”	the directors of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;

“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Mr. Li”	Mr. Li Ruijie, a non-executive Director;
“Ms. Zhang”	Ms. Zhang Yunxia, an executive Director and the chairman of the Board;
“Powerleader Investment”	深圳市宝德投資控股有限公司 (Powerleader Investment Holding Company Limited*), a limited liability company established in the PRC and wholly owned by Mr. Li and Ms. Zhang as to 87.5% and 12.5% respectively;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale”	the sale of 18% equity interests in Shenzhen Shenyue from the Company to Powerleader Investment pursuant to the Shenzhen Shenyue Share Transfer Agreement;
“Shareholder(s)”	the shareholder(s) of the Company;
“Shenzhen Shenyue”	深圳市深越聯合投資有限公司 (Shenzhen Shenyue Joint Investment Co., Ltd.*), a limited liability company established in the PRC;
“Shenzhen Shenyue Share Transfer Agreement”	the share transfer agreement dated 1 March 2013 entered into between Powerleader Investment and the Company in respect of the Sale;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules;
“Transactions”	the transactions contemplated under the Shenzhen Shenyue Share Transfer Agreement; and
“%”	per cent.

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

Shenzhen, the PRC, 1 March 2013

*As at the date hereof, the Board comprises a total of 9 Directors, including Ms. Zhang Yunxia, Mr. Dong Weiping and Mr. Ma Zhumao as executive Directors, Mr. Li Ruijie, Mr. Sun Wei 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 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 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 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 announcement misleading.*

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*\* For identification purposes only*

*# all figures have been rounded to the nearest thousand.*