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宝德科技集团股份有限公司

POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED*

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

(Stock code: 8236)

ANNOUNCEMENT

(1) PROPOSED SHARES CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

(2) PROPOSED CORRESPONDING AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 29 March 2012 and the circular of the Company dated 9 May 2012 in relation to Shares Consolidation and Transfer of Listing.

Given that the Transfer of Listing is still in progress, the Board considers it appropriate to implement the Shares Consolidation on the basis of every 10 Shares of RMB0.10 each be consolidated into one Consolidated Share of RMB1.00 each prior to the Transfer of Listing. The Shares Consolidation shall become effective upon the fulfillment of the conditions set out in this announcement.

The Board further proposes that, subject to the Shares Consolidation becoming effective, the board lot size of the H Shares for trading on the GEM will be changed from 10,000 H Shares to 1,000 Consolidated H Shares.

In view of the Shares Consolidation, special resolutions will be proposed at the EGM and the Class Meetings which will be held on 11 November 2013 for the Shareholders to approve the Articles Amendments (comprising consequential changes to relevant provisions in the Articles of Association) on a conditional basis.

A circular containing further details of the Shares Consolidation and the Articles Amendments, together with the notices to convene the EGM and Class Meetings will be dispatched to the Shareholders as soon as possible.

(1) PROPOSED SHARES CONSOLIDATION

Background

Reference is made to the announcement of the Company dated 29 March 2012 and the circular of the Company dated 9 May 2012 in relation to Shares Consolidation and Transfer of Listing.

It was previously intended that the Shares Consolidation would take effect subject to the Transfer of Listing having been approved by the Stock Exchange. Given that the Transfer of Listing is still in progress, the Board considers it appropriate to implement the Shares Consolidation on the basis of every 10 Shares of RMB0.10 each be consolidated into one Consolidated Share of RMB1.00 each prior to the Transfer of Listing.

Reasons for the Shares Consolidation

The Board believes that the Shares Consolidation will increase the nominal value of the Shares and the trading price of the H Shares on the Stock Exchange, and would attract more international institutional investors, thereby extending the Shareholders base. Therefore, the Shares Consolidation is in the best interest of the Company and the Shareholders as a whole. 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 “Conditions of the Shares Consolidation” 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 Stock Exchange 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\$0.72 per Share as quoted on the Stock Exchange on the date of this announcement, the board lot value is HK\$7,200. Theoretically, the change in board lot size to 1,000 Consolidated H Shares will keep the board lot value to HK\$7,200 (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.

Conditions of 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 EGM and Class Meetings to approve the Shares Consolidation and the Articles Amendments;
2. the granting of the approval listing of and permission to deal in the Consolidated H Shares by the Stock Exchange.

Expected effective date for the Shares Consolidation

The Shares Consolidation is subject to the conditions as set out in the section headed “Conditions of the Shares Consolidation” above. 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 announcement as soon as practicable.

(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reasons and conditions for the Articles Amendments

In view of the Shares Consolidation, special resolutions will be proposed at the EGM and the Class Meetings for the Shareholders to approve the Articles Amendments (comprising consequential changes to relevant provisions in the Articles of Association) on a conditional basis. The Articles Amendments are subject to the passing of the said special resolutions respectively at the EGM and the Class Meetings and approval by the relevant regulatory authority, and will become effective upon the Shares Consolidation becoming effective. 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 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.

DEFINITIONS

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

“Articles Amendments”	the amendments proposed to be made to the Articles of Association that corresponds to and for implementing the Shares Consolidation
“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 Meetings”	the respective class meetings of the holders of the H Shares and the Domestic Shares to be convened on 11 November 2013 and held for the purpose to approve, among other things, (i) the Shares Consolidation; (ii) the Articles Amendments; and (iii) 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
“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)
“Director(s)”	means 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
“EGM”	the extraordinary general meeting of the Company to be convened on 11 November 2013 and held for the Shareholders to consider and, if thought fit, approve, among other things, the Shares Consolidation and the Articles Amendments
“GEM”	the Growth Enterprise Market of the Stock Exchange
“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
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong SAR
“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
“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
“Shareholder(s)”	means holder(s) of the Shares
“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, 23 September 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 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 for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.powerleader.com.cn.

* *For identification purposes only*