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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)

**VERY SUBSTANTIAL DISPOSAL AND
VERY SUBSTANTIAL ACQUISITION**

**THE REVISED AGREEMENT AND
THE REVISED PROFIT GUARANTEE COMPENSATION AGREEMENT**

RESUMPTION OF TRADING

Reference is made to the Announcement published by the Company regarding the transaction for the disposal of the entire equity interest in Powerleader Computing to Taiji Computer.

THE REVISED AGREEMENT

On 4 January 2016, the Company, PC Research Institute and Taiji Computer entered into the Revised Agreement, pursuant to which the parties made certain amendments to the Agreement, including revising the issue price of the Total Consideration Shares from RMB36.00 to RMB36.02 per Taiji Computer Share leading to changes to the number of Taiji Computer Shares comprised in the Total Consideration Shares. The Revised Total Consideration Shares represent approximately 8.64% of the issued share capital of Taiji Computer as enlarged by the issue of such Taiji Computer Shares.

The conditions to which the taking effect of the Agreement is subject has been revised to include approval by the Board of the Disposal, the Acquisition and the grant of the Buy-back Option.

The Revised Agreement also contains an adjustment mechanism for the issue price of the Total Consideration Shares which is triggered by events including fall in the weighted arithmetic average trading price of each of the Taiji Computer Shares and the shares of four other companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange which are in the same industry, and fall in the closing point of the software and services index (軟件與服務指數) (882119.WI) during the period from the date of announcement of the shareholders' resolution of Taiji Computer approving the Taiji Computer Transactions to the date of approval of the Taiji Computer Transactions by CSRC.

THE REVISED PROFIT GUARANTEE COMPENSATION AGREEMENT

On 4 January 2016, the Company, PC Research Institute and Taiji Computer also entered into the Revised Profit Guarantee Compensation Agreement, pursuant to which the parties amended the issue price of the Total Consideration Shares from RMB36.00 to RMB36.02 per Taiji Computer Share for the purpose of calculation of the Profit Guarantee Compensation and the Asset Impairment Compensation.

RESUMPTION OF TRADING

At the request of the Company, the trading in the H Shares of the Company on GEM has been halted on the Stock Exchange with effect from 9:00 a.m. on 5 January 2016 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the H Shares of the Company on GEM with effect from 9:00 a.m. on 6 January 2016.

Reference is made to the Announcement published by the Company regarding the transaction for the disposal of the entire equity interest in Powerleader Computing to Taiji Computer. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company, PC Research Institute and Taiji Computer entered into the Revised Agreement and the Revised Profit Guarantee Compensation Agreement to make certain amendments to the terms of the Disposal.

I. THE REVISED AGREEMENT

Date

4 January 2016

Parties

Vendors : the Company and PC Research Institute

Purchaser : Taiji Computer

The revised issue price

Under the Revised Agreement, the issue price of the Total Consideration Shares has been revised from RMB36.00 per Taiji Computer Share to RMB36.02 per Taiji Computer Share.

The revised issue price of the Total Consideration Shares is calculated based on the following:

1. The average traded price of the Taiji Computer Shares as quoted on the Shenzhen Stock Exchange over the 120 trading days preceding the Reference Day was RMB60.237 per Taiji Computer Share.

2. During the period from the Suspension Day until the Reference Day, Taiji Computer implemented its distribution of a cash dividend of RMB2.2 (including tax) for every 10 shares and an increase of 5 shares for every 10 shares converted from its capital reserve. After such distribution of dividends and conversion of capital reserve into share capital by Taiji Computer, the issue price of the Total Consideration Shares is adjusted by the formula of $(60.237 - 0.22)/(1 + 0.5)$ to become RMB40.011 per Taiji Computer Share.
3. After applying a 10% discount, the issue price is adjusted to RMB36.010 per Taiji Computer Share.
4. After negotiations between the Group and Taiji Computer, the issue price of the Total Consideration Shares is determined to be RMB36.02 per Taiji Computer Share.

The Revised Company Consideration Shares and the Revised PC Consideration Shares

The issue price of the Total Consideration Shares is still subject to adjustment in case of ex-dividend and ex-rights events of Taiji Computer such as distribution of dividend, bonus issue or conversion of capital reserve into share capital from the Reference Day up to the date of issue of the Total Consideration Shares. However, based on the above revised issue price of the Total Consideration Shares and the consideration of the Disposal of RMB1,666,000,000, the number of new Taiji Computer Shares to be allotted and issued to the Company and PC Research Institutes as consideration for the Disposal is respectively revised as follows:

1. Taiji Computer will allot and issue 35,382,843 new Taiji Computer Shares (subject to final approval by CSRC), credited as fully paid, to the Company for the settlement of RMB1,274,490,000, being part of the consideration for the Disposal; and
2. Taiji Computer will allot and issue 3,931,427 new Taiji Computer Shares (subject to final approval by CSRC), credited as fully paid, to the PC Research Institute for the settlement of RMB141,610,000, being part of the consideration for the Disposal.

The Revised Total Consideration Shares represent approximately 9.46% of the issued share capital of Taiji Computer as at the date of the Announcement and approximately 8.64% of the issued share capital of Taiji Computer as enlarged by the issue and allotment of the Revised Total Consideration Shares, assuming there is no other issue or repurchase of shares by Taiji Computer prior to the Completion.

The percentage of issued share capital of Taiji Computer represented by the Revised Total Consideration Shares will be reduced to approximately 8.47% after the issue of the new Taiji Computer Shares as consideration for the Liangzi Weiyi Acquisition, and further reduced to approximately 7.77% after the issue of the maximum number of new Taiji Computer Shares under the Taiji Computer Non-public Issuance, assuming there is no other issue or repurchase of shares by Taiji Computer prior to completion of the Taiji Computer Transactions.

Taking effect of the Agreement

Condition (b) (as disclosed on page 6 of the Announcement) for taking effect of the Agreement has been amended to cover the approval by the Board of the Disposal, the Acquisition and the grant of the Buy-back Option.

Issue price adjustment mechanism

The Revised Agreement also contains a mechanism for adjustment to the issue price of the Total Consideration Shares, which is subject to approval by the SASAC and approval by the shareholders in general meeting of Taiji Computer, as described below.

If during the period from the date of announcement of the resolutions at the shareholders' meeting of Taiji Computer to approve the Taiji Computer Transactions up to the date the Taiji Computer Transactions are approved by the CSRC, one of the following triggering events for the price adjustment occurs:

- (a) the weighted arithmetic average of the trading price of each of Taiji Computer and four other companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange in the same industry, namely China National Software & Service Company Limited (中國軟件) (600536.SH), Neusoft Corporation (東軟集團) (600718.SH), DHC Software Co., Ltd (東華軟件) (002065.SZ) and Shanghai East-China Computer Co., Ltd (華東電腦) (600850.SH) for 20 trading days immediately preceding any trading day is lower than the respective weighted arithmetic average of the trading price of such companies for the 20 trading days immediately preceding the Suspension Day by more than 10%; or
- (b) the closing point of the software and services index (軟件與服務指數) (882119.WI) for at least 20 trading days in a period of 30 consecutive trading days immediately preceding any trading day falls more than 10% compared to the closing point (12,013.04 points) on the trading day immediately preceding the Suspension Day, i.e. 13 May 2015,

the trading day on which at least one of the above triggering events occurs becomes the "reference day for price adjustment".

Taiji Computer will then be entitled to convene a meeting of its board of directors within 7 working days after the reference day for price adjustment to consider whether the issue price of the Revised Total Consideration Shares should be adjusted to 90% of the average traded price of Taiji Computer Shares for the 20 trading days immediately preceding the reference day for price adjustment (excluding the reference day for price adjustment).

The Revised Agreement, which also sets out other terms in the Agreement entered into on 22 December 2015 that have not changed, replaces and supersedes the Agreement.

II. THE REVISED PROFIT GUARANTEE COMPENSATION AGREEMENT

Date

4 January 2016

Parties

- (1) The Company and PC Research Institute
- (2) Taiji Computer

The issue price of the Total Consideration Shares for calculation of the number of Taiji Computer Shares to be paid as compensation under the Profit Guarantee Compensation and the Asset Impairment Compensation has been revised from RMB36.00 per Taiji Computer Share to RMB36.02 per Taiji Computer Share.

Based on such revised issue price of RMB36.02 per Taiji Computer Share (subject to adjustment) and the consideration of the Disposal of RMB1,666,000,000, the maximum number of Taiji Computer Shares to be given up by the Company and PC Research Institute under the Profit Guarantee Compensation and the Asset Impairment Compensation becomes 46,252,082 Taiji Computer Shares according to the following formula:

$$\begin{array}{l} \text{the total consideration of the Disposal} \\ \text{(being RMB1,666,000,000)} \end{array} \div \begin{array}{l} \text{the revised issue price of the Revised} \\ \text{Total Consideration Shares (being} \\ \text{RMB36.02 per share of Taiji Computer)} \end{array}$$

The Revised Profit Guarantee Compensation Agreement, which also sets out other terms in the Profit Guarantee Compensation Agreement entered into on 22 December 2015 that have not changed, replaces and supersedes the Profit Guarantee Compensation Agreement.

The Disposal, the Acquisition and the Buy-back Option remain subject to, among others, approval by the Shareholders. Further details of these transactions will be contained in the circular to be issued by the Company to the Shareholders.

RESUMPTION OF TRADING

At the request of the Company, the trading in the H Shares of the Company on GEM has been halted on the Stock Exchange with effect from 9:00 a.m. on 5 January 2016, pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the H Shares of the Company on GEM with effect from 9:00 a.m. on 6 January 2016.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 23 December 2015 on very substantial disposal and very substantial acquisition and resumption of trading
“Revised Agreement”	the revised conditional agreement dated 4 January 2016 entered into between the Company, PC Research Institute and Taiji Computer in relation to the Disposal and the Acquisition
“Revised Company Consideration Shares”	35,382,843 new ordinary shares in the capital of the Taiji Computer to be allotted and issued, credited as fully paid, to the Company for the settlement of the part of consideration of the Disposal in accordance with the terms of the Revised Agreement

“Revised PC Consideration Shares”	3,931,427 new ordinary shares in the capital of the Taiji Computer to be allotted and issued, credited as fully paid, to PC Research Institute for the settlement of the part of consideration of the Disposal in accordance with the terms of the Revised Agreement
“Revised Profit Guarantee Compensation Agreement”	the revised profit guarantee compensation agreement dated 4 January 2016 entered into by the Company, PC Research Institute and Taiji Computer
“Revised Total Consideration Shares”	the Revised Company Consideration Shares and the Revised PC Consideration Shares
“Suspension Day”	14 May 2015, being the date of suspension of trading of the Taiji Computer Shares on the Shenzhen Stock Exchange for planning of the Taiji Computer Transactions

By order of the Board
Zhang Yunxia
(張雲霞)
Chairman

Shenzhen, the PRC, 5 January 2016

As at the date of this announcement, the executive directors of the Company are Ms. Zhang Yunxia, Mr. Dong Weiping and Mr. Ma Zhumao; the non-executive directors are Mr. Li Ruijie, Mr. Sun Wei and Mr. Xu Yueming and independent non-executive directors are Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun.

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 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.

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

* For identification purpose only