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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)**

**CONTINUING CONNECTED TRANSACTIONS WITH G-SPEED  
INDUSTRIAL DEVELOPMENT CO., LTD**

**CONTINUING CONNECTED TRANSACTIONS**

On 21 November 2016, the Company entered into the Import Agency Framework Agreement with G-Speed, in relation to the engagement by the Group of G-Speed as the import agent to provide services for the import of the Materials from suppliers outside the PRC (including Hong Kong) from the period commencing from the date of the Import Agency Framework Agreement to 31 October 2019. G-Speed has become beneficially owned as to 50% by Powerleader Investment, a substantial Shareholder of the Company, and has thus become an associate of Powerleader Investment and a connected person of the Company. The transactions under the Import Agency Framework Agreement constitute continuing connected transactions for the Company.

**GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratios for the transactions contemplated under the Import Agency Framework Agreement are more than 0.1% and less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

**THE IMPORT AGENCY FRAMEWORK AGREEMENT**

**Date**

21 November 2016

**Parties**

- (i) the Company; and
- (ii) G-Speed

G-Speed has become beneficially owned as to 50% by Powerleader Investment, a substantial Shareholder of the Company, since 18 November 2016 and has therefore become an associate of Powerleader Investment and a connected person of the Company. The transactions under the Import Agency Framework Agreement constitute continuing connected transactions for the Company.

The remaining 50% equity interest in G-Speed is owned by individuals who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are third parties independent of the Company and its connected persons apart from holding interest in G-Speed.

### **Subject Matter**

Pursuant to the Import Agency Framework Agreement, members of the Group may engage G-Speed from time to time as the import agent for the import and delivery of the Materials from outside the PRC (including Hong Kong) to designated locations in Shenzhen, the PRC. The logistics and customs declaration services provided by G-Speed include payment of price for the purchased Materials to the suppliers outside the PRC, transportation of the Materials across the border, customs declaration and clearance, handling of government applications, payment of value-added tax, tariffs and other customs duties and taxes to the PRC customs and handling of transit insurance for the Materials on behalf of the relevant members of the Group.

The relevant members of the Group shall pay G-Speed the Agency Fee incurred in acting as their import and logistics agent (as defined below) and G-Speed shall pay the import prices of the Materials to the specified suppliers, and import duties and value-added taxes to the PRC customs on their behalf.

### **Term**

The Import Agency Framework Agreement is for a term commencing from the date of execution and ending on 31 October 2019.

### **Consideration**

For its provision of the import agency services, G-Speed will charge an agency fee equal to 0.5% of the after-tax import price (the "Agency Fee") calculated by the following formula:

Agency Fee = import price x exchange rate x (1 + tariff rate) x (1 + value-added tax rate) x 0.5%

The minimum amount of the Agency Fee for each import agency transaction shall be RMB150.

The Agency Fee is inclusive of the loading charges, freight charges, transit insurance, Hong Kong export declaration charges, Shenzhen import declaration charges, equipment interchange receipt fee, vehicle inspection fee, bank charges (Hong Kong) and delivery charges within Shenzhen incurred by G-Speed in association with the importation and delivery of the Materials from Hong Kong to the designated locations in Shenzhen.

The rate of the Agency Fee was determined after arm's length negotiations by the Company and G-Speed with reference to the market rates of comparable companies engaging in similar services.

## Historical transaction amount

The historical import agency service fees paid by the Group to G-Speed under import agency transactions similar to those under the Import Agency Framework Agreement were as follows:

<b>Period</b>	<b>Amount</b>
From 1 January 2014 to 31 December 2014	RMB1,958,740
From 1 January 2015 to 31 December 2015	RMB2,289,731
From 1 January 2016 to 31 October 2016	RMB2,231,505

## Annual Caps

The respective aggregate Agency Fees to be paid by the Group to G-Speed during each of the following periods are expected not to exceed the following:

<b>Period</b>	<b>Amount</b>
From 1 November 2016 to 31 December 2016	RMB800,000
From 1 January 2017 to 31 December 2017	RMB4,000,000
From 1 January 2018 to 31 December 2018	RMB5,000,000
From 1 January 2019 to 31 October 2019	RMB6,000,000

The above proposed annual caps have been determined by the Directors with reference to, among others, (i) the amount of past transactions between the Group and G-Speed; (ii) the expected increase of 20% in the sales revenue from MaaS business of the Company for the three years ending 31 October 2019; and (iii) the expected growth rate of 20%–30% of the Agency Fee payable to G-speed by the Group during the above periods.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Import Agency Framework Agreement and the above proposed annual caps are fair and reasonable, the Import Agency Framework Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

Mr. Li and Ms. Zhang, being Directors, are materially interested in the Import Agency Framework Agreement by virtue of their shareholding interest in Powerleader Investment. They have abstained from voting on the Board resolution to approve the Import Agency Framework Agreement and the transactions contemplated thereunder and the above proposed annual caps.

## INFORMATION ON G-SPEED

G-Speed is a company established in the PRC in 2002 and is principally engaged in the businesses of import and export clearance, storage, logistics, assisting in international sourcing and settlement, supply chain finance and cross border electronic commerce. G-Speed is headquartered in Shenzhen with branches in Beijing, Shanghai and Hong Kong.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Group is principally engaged in the sale of cloud servers, cloud storage and other related equipment and solutions, the agency distribution of key components of cloud computing equipment, and the development of cloud computing related softwares and platforms and other related services. As such, the Group is required to purchase server raw materials and products from outside the PRC for agency distribution. The Group has been engaging G-speed to provide services for import clearance and settlement of amounts payable to suppliers outside the PRC. As the Company understands, G-speed is rated class AA by the Shenzhen customs which is the highest rating recognized by the PRC customs for enterprises engaging in import and export businesses.

The Directors consider that the continuing connected transaction will confer benefits on the Group during the import and export clearance procedure, including lower cargo inspection rate, simplified examination and verification of customs documents and permits, and higher priority in import and export clearance handling. The Directors also believe that the continuing connected transaction will facilitate the timely supply of server raw materials and products for agency distribution by the Group, hence facilitating the business operations of the Group.

## **INFORMATION ON THE GROUP**

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; (ii) Cloud Module as a Service (MaaS) — comprising research and development, design, manufacturing and sale of cloud computing equipment related components, agency distribution of key components of cloud computing equipment and provision of related value-added services; 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.

## **GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratios for the transactions contemplated under the Import Agency Framework Agreement are more than 0.1% and less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

## **DEFINITIONS**

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

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|-------------|--|
| “associate” | has the meaning ascribed thereto under the GEM Listing Rules;  |
| “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;
“G-Speed”	深圳市英捷迅實業發展有限公司 (G-Speed Industrial Development Co., Ltd), a limited liability company established in the PRC and beneficially owned by Powerleader Investment as to 50%;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Import Agency Framework Agreement”	the import agency framework agreement dated 21 November 2016 made between the Company and G-Speed relating to the provision of import agency services;
“Materials”	certain materials, including but not limited to server raw materials, server component products and cloud computing equipment such as network interface card storage products, purchased by the Company and imported from suppliers outside the PRC (including Hong Kong) with the assistance of G-Speed (as its import agent) pursuant to the Import Agency Framework Agreement;
“Mr. Li”	Mr. Li Ruijie, a non-executive Director and vice chairman of the Board;
“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 (directly or indirectly) by Mr. Li and Ms. Zhang as to 87.5% and 12.5% respectively;
“PRC”	the People’s Republic of China (for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules;

“%”

per cent.

By order of the Board  
**Powerleader Science & Technology Group Limited\***  
**Dong Weiping**  
*Company Secretary*

Shenzhen, the PRC

21 November 2016

*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. Xu Yueming as non-executive Directors and Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun 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 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 7 days from the date of its posting. This announcement will also be posted on the Company’s website at [www.powerleader.com.cn](http://www.powerleader.com.cn).*

\* *For identification purposes only*

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