

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

INSIDE INFORMATION

(1) THE AGREEMENT FOR VERY SUBSTANTIAL DISPOSAL AND VERY SUBSTANTIAL ACQUISITION NOT TAKING EFFECT

(2) THE AGREEMENT OF INTENT IN RELATION TO THE POSSIBLE DISPOSAL OF 100% EQUITY INTEREST IN POWERLEADER COMPUTING

This announcement is made by Powerleader Science & Technology Group Limited* (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to rules 17.10 and 19.36 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 23 December 2015, 5 January 2016, 13 January 2016, 11 May 2016 and the circular of the Company dated 11 May 2016 (the “**Circular**”) in relation to the disposal of 100% equity interest in Shenzhen Powerleader Computing System Limited* (深圳市宝德计算机系统有限公司) (“**Powerleader Computing**”) to Taiji Computer Corporation Limited. Unless otherwise stated, capitalized terms used herein shall have the same meaning as those defined in the Circular.

THE AGREEMENT FOR VERY SUBSTANTIAL DISPOSAL AND VERY SUBSTANTIAL ACQUISITION NOT TAKING EFFECT

On 4 January 2016, the Company, PC Research Institute and Taiji Computer entered into a conditional Agreement in relation to the disposal of Company Sale Interest and the PCR Sale Interest (together representing the entire equity interests in Powerleader Computing) by the Company and PC Research Institute to Taiji Computer and the subscription by the Company and PC Research Institute for the Total Consideration Shares to be issued pursuant to the Agreement. The Agreement would take effect subject to the fulfillment of conditions contained in the Agreement. As at the date of this announcement, certain conditions have not been

fulfilled and it is uncertain as to when such conditions can be fulfilled. After careful consideration of all the circumstances in relation to the Disposal and the Acquisition, the Board and Taiji Computer have determined that the Agreement has failed to take effect.

THE AGREEMENT OF INTENT

Although the Disposal and the Acquisition pursuant to the Agreement would not proceed, the Group has entered into an agreement of intent with Taiji Computer for the sale and purchase of the entire equity interest in Powerleader Computing.

On 8 January 2017, the Company, PC Research Institute and Taiji Computer entered into an agreement of intent (the “**Agreement of Intent**”), pursuant to which the Company and PC Research Institute intend to respectively sell, and Taiji Computer intends to purchase, the Company Sale Interest and the PCR Sale Interest (together representing the entire equity interests in Powerleader Computing) (the “**Possible Disposal**”).

Details of the Agreement of Intent

Parties

Vendors: 1. the Company

2. PC Research Institute, a wholly-owned subsidiary of the Company

Purchaser: Taiji Computer, the A shares of which are listed on the Shenzhen Stock Exchange (002368.SZ)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Taiji Computer and each of the controlling shareholders, directors, supervisors and substantial shareholders of Taiji Computer are third parties independent of the Company and its connected persons.

Assets to be disposed of

Pursuant the Agreement of Intent, the Company and PC Research Institute intend to respectively sell the Company Sale Interest and the PCR Sale Interest (together representing the entire equity interests of Powerleader Computing (which wholly-owns Powerleader Software, Powerleader Computer System (HK) and Shenzhen Powerleaders Cloud Systems Company Limited* (深圳市宝德雲系統有限公司)) to Taiji Computer.

Consideration

The consideration of the Possible Disposal will be based on the valuation of Powerleader Computing with the valuation date being 31 December 2016, to be confirmed in a report issued by a state-owned assets supervision and administration institution and to be agreed by the parties after negotiations and the entering into of a formal agreement.

The consideration of the Possible Disposal will be satisfied in cash. The payment details shall be determined by the parties through negotiations and the parties shall enter into a formal agreement.

Profit Guarantee

The Company and PC Research Institute would guarantee to Taiji Computer the net profit attributable to shareholders of Powerleader Computing after deducting extraordinary items for the financial years 2017, 2018 and 2019. The specific guarantee amounts for each year shall be determined by the parties through negotiations and the parties shall enter into a formal agreement.

Termination of the Agreement of Intent

The Agreement of Intent shall terminate if any of the following circumstances arises:

1. If the parties have not entered into a formal agreement within three months after the date of Agreement of Intent and the parties have not reached agreement on the postponement, the Agreement of Intent shall automatically lapse;
2. the Agreement of Intent is terminated by any of the parties pursuant to the terms in the Agreement of Intent;
3. In the event of any of the following circumstances, the party has the right to terminate the Agreement of Intent:
 - a. Any of the representations, warranties or undertakings under the Agreement of Intent become untrue or breach of any of the representations, warranties or undertakings under the Agreement of Intent such that the Possible Disposal cannot be completed;
 - b. Any breach of the Agreement of Intent such that the Possible Disposal cannot be completed.

If the parties fail to negotiate on the cooperation relating to the Possible Disposal, the parties will enter into a written termination agreement to terminate such cooperation.

Nature of the Agreement of Intent

The transaction Possible Disposal has not yet materialized and is subject to further negotiations and the entering into of a formal agreement by the parties to the Agreement of Intent. Provisions in the Agreement of Intent regarding the proposed terms of the Possible Disposal are non-binding.

GENERAL

The parties will determine the feasibility of the Possible Disposal according to the results of financial, legal and other related due diligence work. The Possible Disposal, should it materialise, may constitute a notifiable transaction of the Company subject to approval by its shareholders under Chapter 19 of the GEM Listing Rules. The Company will make further announcement(s) in relation to the Possible Disposal as and when appropriate and in compliance with applicable requirements under the GEM Listing Rules.

The shareholders of the Company and potential investors should note that the Possible Disposal may or may not proceed, and the final structure and terms of the Possible Disposal which are still subject to further negotiations among the parties have yet to be finalised and may deviate from those set out in the Agreement of Intent. The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
宝德科技集團股份有限公司
Powerleader Science & Technology Group Limited*
Zhang Yunxia (張雲霞)
Chairman

Shenzhen, the PRC
8 January 2017

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 document 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