

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 limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8236)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF CERTAIN LISTED SHARES IN
SHENZHEN ZQGAME CO. LTD.***

The Board announces that on 11 December 2019, the Company has reduced its shareholding in Zqgame by disposing of 5,270,000 Zqgame A Shares (representing approximately 2% of the total issued shares of Zqgame) for an aggregate consideration of RMB74,412,400.00 (approximately HK\$82,739,000.00) through the Shenzhen Stock Exchange block trading system after normal trading hours at an average selling price of approximately RMB14.12 (approximately HK\$15.70) per Zqgame Sale Share.

Immediately upon completion of the Disposal, the Company will be interested in 34,510,000 Zqgame A Shares (representing approximately 13.09% of the total issued shares of Zqgame).

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE DISPOSAL

The Board announces that on 11 December 2019, the Company has reduced its shareholding in Zqgame by disposing of 5,270,000 Zqgame A Shares (representing approximately 2% of the total issued shares of Zqgame) through the Shenzhen Stock Exchange block trading system after normal trading hours.

The aggregate consideration for the Disposal is RMB74,412,400.00 (equivalent to approximately HK\$82,739,000.00), which is equivalent to an average selling price of RMB14.12 (equivalent to approximately HK\$15.70) per Zqgame Sale Share, and shall be received in cash on the settlement date. Such consideration was determined after arm's length negotiation with reference to the closing prices of the Zqgame A Shares as quoted on the Shenzhen Stock Exchange at the time of the Disposal.

The Zqgame Sale Shares were disposed of through the Shenzhen Stock Exchange block trading system. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the purchasers of the Zqgame Sale Shares and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON ZQGAME

Zqgame is a joint stock company incorporated in the PRC with limited liability. Powerleader Investment holds approximately 27.58% of the total issued shares of Zqgame, and the Company holds approximately 15.09% of the total issued shares of Zqgame prior to the Disposal. The A shares of Zqgame are listed on the Shenzhen Stock Exchange (Stock Code: 300052). Zqgame is mainly engaged in the development and operation of network games.

Based on PRC accounting standards, the audited net profits of Zqgame (before and after tax) attributable to the Zqgame Sale Shares for the two financial years ended 31 December 2018 were as follows:

	For the year ended	
	31 December	
	2017	2018
	(Audited)	(Audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profits before tax	1,098,075.43	932,045.77
Net profits after tax	983,506.88	760,440.38

As at 30 September 2019, the unaudited net asset value of Zqgame attributable to the Zqgame Sale Shares was approximately RMB15,990,266.65.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the aggregate consideration of the Disposal of RMB74,412,400.00 and the corresponding carrying cost of the Zqgame Sale Shares of approximately RMB16,293,000 as at 30 September 2019, the Company is expected to recognize a gain before tax of approximately RMB58,119,400 for the year ending 31 December 2019 from the Disposal.

The proceeds from the Disposal will be used for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal provides a good opportunity for the Group to strengthen its financial position and increase its working capital. The Directors are of the view that through the Disposal, the allocation of resources with the Group can be optimized. The net proceeds from the Disposal can also enhance the Group's liquidity and enable the group to explore and expand other investment opportunities.

The Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is a cloud computing solutions provider in the PRC with proprietary innovation capability, and operates in the PRC and Hong Kong. The Group's principal businesses are (i) server, storage and solution provider business; (ii) electronic equipment and accessories (non-server and storage) distribution business; (iii) Guangzhou Internet Data Centre business; (iv) industrial park development, operation and property management business; and (v) industrial investment business (non-server and storage).

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Powerleader Science & Technology Group Limited* (宝德科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H shares are listed on GEM (Stock Code: 8236)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company

“Disposal”	the disposal of 5,270,000 Zqgame A Shares by the Company on 11 December 2019
“GEM”	GEM of The Hong Kong Stock Exchange Limited
“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
“Powerleader Investment”	Powerleader Investment Holding Company Limited* (深圳市宝德投資控股有限公司), which holds approximately 42.05% of the Company’s shares, and is directly and indirectly held as to 87.5% and 12.5% by Mr. Li Ruijie and Madam Zhang Yunxia respectively
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) in the Company
“Zqgame”	Shenzhen ZQGAME Co. Ltd.* (深圳中青寶互動網絡股份有限公司), a company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 300052). Zqgame is an associated company of the Group, of which the Company held approximately 15.09% of its total issued shares prior to the Disposal
“Zqgame A Shares”	domestic shares of Zqgame with a nominal value of RMB1 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
“Zqgame Sale Shares”	5,270,000 Zqgame A Shares, being the A shares of Zqgame that the Company disposed of under the Disposal, and “Zqgame Sale Share” shall mean any one of the Zqgame Sale Shares
“%”	per cent

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.89936 = HK\$1 for illustration purpose only. No representation is made that any amount in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Powerleader Science & Technology Group Limited*
Zhang Yunxia
(張雲霞)
Chairman

Shenzhen, the PRC
11 December 2019

As at the date of this announcement, the Board comprises 6 directors, including executive directors Ms. Zhang Yunxia and Mr. Dong Weiping; non-executive director Mr. Li Ruijie and independent non-executive directors Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 purposes only