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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

**If you have sold** all your shares in **Powerleader Science & Technology Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**深圳市宝德科技股份有限公司**

**POWERLEADER SCIENCE & TECHNOLOGY COMPANY LIMITED\***

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

**(Stock Code: 8236)**

## **PROPOSED ISSUANCE OF DEBENTURES**

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A letter from the board of directors of the Company is set out on pages 2 to 3 of this circular.

A notice convening an Extraordinary General Meeting of the Company to be held at 11:00 a.m. on Monday, 18 June 2007 at Room 43A, 43/F, Block C, Electronic Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, PRC is set out on pages 4 to 5 of this circular.

If you intend to attend the Extraordinary General Meeting, please complete and return the reply slip enclosed herewith in accordance with the instructions printed thereon as soon as possible and in any event by 29 May 2007.

Whether or not you are able to attend the Extraordinary General Meeting, please complete and return the proxy form enclosed herewith in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time scheduled for holding such meeting (or any adjourned meeting thereof). Completion and delivery of the proxy form shall not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof should you so wish.

\* *For identification purpose only*

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at *www.hkgem.com* in order to obtain up-to-date information on GEM-listed issuers.

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## LETTER FROM THE BOARD

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深圳市宝德科技股份有限公司

**POWERLEADER SCIENCE & TECHNOLOGY COMPANY LIMITED\***

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

**(Stock Code: 8236)**

**Directors:**

*Executive Directors*

Mr. Li Ruijie

Mr. Dong Weiping

Ms Zhang Yunxia

Mr. Ma Zhumao

*Non-executive Directors*

Mr. Li Hefan

Mr. Wang Lixin

Mr. Fang Zhen

*Independent non-executive Directors*

Mr. Jiang Baijun

Mr. Lo Yu Tseng, Robert

Mr. Yim Hing Wah

**Registered Address:**

Room 43A, 43rd Floor,

Block C,

Electronics Science & Technology Building,

Shennan Road Central,

Futian District,

Shenzhen, PRC

3 May 2007

*To the shareholders (the "Shareholders") of  
Powerleader Science & Technology Company Limited (the "Company")*

Dear Sir or Madam,

### **PROPOSED ISSUANCE OF DEBENTURES**

#### **INTRODUCTION**

The board of directors is pleased to report that the Company has successfully applied for approval from the State Development and Reform Commission on the issuance of debentures of up to RMB70,000,000. This is part of a scheme devised by the State Development and Reform Commission, under which the Company, along with other high technology medium-small enterprises in Shenzhen, becomes eligible to issue debentures.

As set out in the document Fa Gai Cai Jin [2007] No. 602 (發改財金[2007]602號), when debentures are issued by high technology medium-small enterprises as a single batch, guarantee shall be provided by the guarantor on the whole batch of debentures. The potential issuance of such debenture is currently coordinated by the Shenzhen Service Centre of Medium-Small Enterprises\* (深圳市中小企業服務中心). It is currently understood that the State Development Bank (國家開發銀行) will act as a guarantor.

\* For identification purpose only

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## LETTER FROM THE BOARD

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Pursuant to article 75 of the articles of association of the Company, a special resolution of the shareholders of the Company is required before the Company could issue debentures.

The purpose of this circular is to provide you with the EGM notice and further information regarding the special resolution that will be proposed at the EGM for the Shareholders to consider and, if thought fit, to approve the issuance by the Company of debentures of up to the amount of RMB70,000,000.

### **PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL**

Article 70 of the articles of association of the Company sets out the procedure by which Shareholders may demand a poll as follows:

A resolution put to the vote of a meeting shall be decided on a show of hands unless voting is required by the listing rules of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited or (before or on the declaration of the result of the show of hands) a poll is demanded. A poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least two members present for the time being or by proxy entitled to vote at the meeting; or
- (c) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is duly demanded and the demand is not withdrawn, if the chairman of the meeting has declared the result of the show of hands and has recorded the results in the minutes of the meeting, such declaration and record shall be the final and conclusive evidence of the results and there is no need to prove the respective percentages voting for or against a motion.

Any demand for a poll could be withdrawn.

### **RECOMMENDATION**

The directors of the Company believe that the Company's issuance of debentures is in the best interests of the Company and the Shareholders and recommend you to vote in favour of the special resolution to be proposed at the extraordinary general meeting.

Yours sincerely,  
**Powerleader Science & Technology Company Limited**  
**Li Ruijie**  
*Chairman*

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## NOTICE OF EGM

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深圳市宝德科技股份有限公司

**POWERLEADER SCIENCE & TECHNOLOGY COMPANY LIMITED\***

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

(Stock Code: 8236)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "EGM") of Powerleader Science & Technology Company Limited (the "Company") will be held at Room 43A, 43/F, Block C, Electronic Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, PRC on Monday, 18 June 2007 at 11:00 a.m. for the following matter:

To consider and approve the issuance by the Company of debentures of up to the amount of RMB70,000,000. Within twelve months from the date on which approval is obtained at the EGM, the Company may issue debentures of not more than 5-year maturity period of an aggregate principal amount up to RMB70,000,000 in the People's Republic of China. The board of directors shall be authorized at the EGM to determine, within the regulatory framework, the specific terms and other relevant matters with respect to the actual issuance of such debentures in accordance with the needs of the Company and market circumstances.

By order of the Board of Directors of  
**Powerleader Science & Technology Company Limited**  
**Li Ruijie**  
*Chairman*

Shenzhen, the PRC, 3 May 2007

#### Notes:

1. The register of the members of the Company will be closed from 19 May 2007 to 18 June 2007 (both days inclusive) during which no transfer of shares will be registered during this period. Holders of domestic shares and H shares whose names appeared on the register of the Company on or before 4:00 p.m. 18 May 2007 are entitled to attend and vote at the EGM and may appoint one or more proxies to attend and, in the event of a poll, vote on their behalf. A proxy need not be a shareholder of the Company.
2. In order to be valid, the proxy form, under which it is signed, must be deposited by hand or post, for holders of H shares of the Company to the H shares registrar of the Company at Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares, to the registered address of the Company not less than 24 hours before the time for holding the EGM or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.

\* For identification purpose only

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## NOTICE OF EGM

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3. Shareholders or their proxies who intend to attend the EGM should complete and return the enclosed reply slip and return it by hand or post to the H shares registrar of the Company (for holders of H shares) or to the registered address of the Company (for holders of domestic shares) on or before 29 May 2007.
4. Shareholders or their proxies shall produce their identity documents when attending the EGM. Shareholders or their proxies attending the EGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. Abstention votes will not be regarded by the Company as having voting rights for the purpose of vote counts.
5. The EGM is expected to take half day. Shareholders or their proxies attending the meeting shall be responsible for their own travel and accommodation expenses.
6. Details of the registered address of the Company are as follows:

Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, The PRC

Tel: (86755) 8328 7692

Fax: (86755) 8327 3380

Postal Code: 518031

Contact person: Ms. Nancy Zheng.

*As at the date hereof, the Board comprises Mr. Li Ruijie, Mr. Dong Weiping, Ms Zhang Yunxia and Mr. Ma Zhumao as executive directors, Mr. Li Hefan, Mr. Wang Lixin and Mr. Fang Zhen as non-executive directors and Mr. Jiang Baijun, Mr. Lo Yu Tseng, Robert and Mr. Yim Hing Wah as independent non-executive directors.*

*This circular, for which the directors of the Company collectively and individually accept 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 ("GEM") 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:- (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*