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深圳宝德科技集團股份有限公司
POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED*

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

(Stock Code: 8236)

DISCLOSEABLE TRANSACTION

FORMATION OF JOINT VENTURE

The Board announces that on 2 July 2010, Powerleader HK, Chengdu Investment and Sichuan Industrial entered into the Agreement in relation to the establishment of the JV Company for carrying out finance leasing business in the PRC. According to the Agreement, the JV Company will be owned by Powerleader HK as to 30%, by Chengdu Investment as to 60% and by Sichuan Industrial as to 10%. Powerleader HK shall pay in aggregate RMB60,000,000 for the subscription of 30% equity capital in the JV Company.

Based on the capital contribution by Powerleader HK to the JV Company under the Agreement, the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the establishment of the JV Company are more than 5% but less than 25%, the transaction under the Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. Therefore, the transaction under the Agreement is only subject to the notification and announcement requirements and is exempt from the independent shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

Date

2 July 2010

Parties

- (1) Chengdu Investment
- (2) Powerleader HK
- (3) Sichuan Industrial

Scope of Business of the JV Company

Finance leasing business, leasing, purchasing properties directly in or outside the PRC for carrying out the aforementioned leasing business, selling and disposing the leased property, and consultation and guarantee services in connection with leasing.

Information on the JV Company

The JV Company is a company established in the PRC with limited liability. It has a registered share capital of RMB200,000,000. As at the date of the announcement, the JV Company has yet to receive any paid share capital. According to the terms of the Agreement, Powerleader HK will hold 30% of the equity capital of the JV Company and Chengdu Investment and Sichuan Industrial will respectively hold 60% and 10% of the equity capital of the JV Company. It is agreed by the parties that Chengdu Investment will maintain a controlling shareholding interest in the JV Company. The JV Company is yet to commence business.

Consideration

The total capital investment by Chengdu Investment, Powerleader HK and Sichuan Industrial in the JV Company pursuant to the Agreement are respectively RMB120,000,000, a sum denominated in foreign currency equivalent to RMB60,000,000 and RMB20,000,000, which shall be paid by the parties in cash by way of 2 instalments as follows:

1. first instalment representing 50% of their respective capital commitment shall be paid on or before 9 July 2010.
2. the balance representing 50% of their respective capital commitment shall be paid within 1 year after payment of the first instalment.

The above consideration payable by Powerleader HK was determined by reference to its corresponding shareholding in the JV Company.

It is expected that the above capital investment by Powerleader HK would be funded by internal resources of the Group.

Composition of the board of directors

The board of directors of the JV Company shall consist of 6 directors, of which 3 directors shall be appointed by Chengdu Investment, 2 directors shall be appointed by Powerleader HK and 1 director shall be appointed by Sichuan Industrial.

Profit sharing

The profit and loss of the JV Company shall be shared among Chengdu Investment, Powerleader HK and Sichuan Industrial in accordance with their respective proportion of capital injection into the JV Company.

Pre-emption Rights

Any parties to the Agreement who wish to transfer all or part of its equity interest in the JV Company shall be subject to pre-emption rights of the other parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The setting up of the JV Company is due to the consideration of the overall operation strategy of the Group as one of the means to extend its operation to finance services business. The aim is to further enhance the effectiveness of the operation of the Group.

The Directors (including the independent non-executive Directors) believe that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Agreement is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the formation of the JV Company are more than 5% but less than 25%, the contribution of capital by Powerleader HK pursuant to the Agreement constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules. Therefore, the transaction under the Agreement is only subject to the notification and announcement requirements and is exempt from the independent shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The Group is principally engaged in the design, manufacture and sales of computer servers, sales and distribution of platform and accessories products and leasing of computer servers in Hong Kong and the PRC.

Powerleader HK is principally engaged in investment in establishing entities, development of computer software and hardware systems, purchase and sale of electronic products, computer softwares, hardwares and peripheral devices and import and export of products and technology.

Chengdu Investment is principally engaged in financial investment institutions and non-financial institutions, capital management, risk investment, asset management, consultation on investment and social economy, financial research and innovation.

Sichuan Industrial is principally engaged in operation of property development, wholesale and retail of products, training on vocational skills, commercial services industry, computer services industry and investment in software industry.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Chengdu Investment and Sichuan Industrial and the their ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Agreement”	the joint venture agreement dated 2 July 2010 entered into by Chengdu Investment, the Company and Sichuan Industrial, details of which are set out in the section headed “Principal Terms of the Agreement” of this announcement
“Board”	the board of Directors
“Chengdu Investment”	成都投資控股集團有限公司 (Chengdu Investment Holding Company Limited), a limited company established in the PRC
“Company”	深圳寶德科技集團股份有限公司 (Powerleader Science & Technology Group Limited*), a foreign joint stock limited company incorporated in the PRC, the H Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM and amendments thereto from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	成都金控融資租賃有限公司 (Chengdu Jinkong Financial Leasing Co. Ltd.), an equity joint venture company established in the PRC with limited liability for the purpose of carrying out finance lease services business
“Powerleader HK”	Powerleader Science & Technology (H.K.) Limited, a limited company incorporated in Hong Kong which is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sichuan Industrial”	四川大地實業集團有限公司 (Sichuan Daidi Industrial Group Limited), a limited company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Shenzhen, the PRC, 2 July 2010

As at the date hereof, the Board comprises a total of 10 directors, including Mr. Li Ruijie, Mr. Dong Weiping, Ms. Zhang Yunxia and Mr. Ma Zhumao as executive directors, Mr. Sun Wei, Mr. Wang Lixin and Mr. Li Donglei as non-executive directors and Mr. Jiang Baijun, Dr. Guo Wanda and Mr. Chan Shiu Yuen, Sammy as independent non-executive directors.

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 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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*

English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.