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## 深圳宝德科技集团股份有限公司

### 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)

#### ISSUE OF NEW DOMESTIC SHARES UNDER GENERAL MANDATE

The Directors are pleased to announce that on 28 January 2011, the Company and the Subscribers entered into the Subscription Agreement pursuant to which the Subscribers agreed to subscribe an aggregate of 172,500,000 new Domestic Shares at the subscription price of RMB0.25 per Subscription Share and subject to Adjustment.

The Subscription Shares represent approximately 7.64% of the existing issued share capital of the Company and approximately 7.10% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

#### THE SUBSCRIPTION AGREEMENT

On 28 January 2011, the Company and the Subscribers entered into the Subscription Agreement pursuant to which the Subscribers agreed to subscribe an aggregate of 172,500,000 new Domestic Shares at the subscription price of RMB0.25 per Subscription Share and subject to Adjustment.

Summarised below are the principal terms of the Subscription Agreement:

##### **Date**

28 January 2011

##### **Parties**

Issuer: the Company

Subscribers: (1) Jinbo Litong;  
(2) Jiachuang Lianhe; and  
(3) Zhizheng Lida.

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

## **Subscription Shares**

An aggregate of 172,500,000 new Domestic Shares, in which Jinbo Litong agreed to subscribe for 72,500,000 new Domestic Shares and each of Jiachuang Lianhe and Zhizheng Lida agreed to subscribe for 50,000,000 new Domestic Shares.

The Subscription Shares to be issued by the Company pursuant to the Subscription Agreement represent:

- (a) approximately 7.64% of the existing issued share capital of the Company;
- (b) approximately 10.45% of the existing Domestic Shares in issue;
- (c) approximately 9.47% of the total Domestic Shares in issue as enlarged by the issue of the Subscription Shares; and
- (d) approximately 7.10% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is RMB17,250,000.

As the Company will bear the costs and expenses (including legal expenses and other fees involved) in connection with the Subscription and the net proceeds from the Subscription is estimated to be approximately RMB42,625,000 (assuming all Subscription Shares are fully issued and no adjustment is to be made to the Subscription Price), the net price to the Company of each Subscription Share is approximately RMB0.247.

## **Subscription Price and Adjustment**

The subscription price was RMB0.25 per Subscription Share and subject to Adjustment. Subject to Adjustment, the aggregate consideration which shall be paid by the Subscribers to the Company is RMB43,125,000, in which Jinbo Litong, Jiachuang Lianhe and Zhizheng Lida shall respectively pay RMB18,125,000, RMB12,500,000 and RMB12,500,000 to the Company.

If the Company's net asset value per Share as shown in its consolidated audited accounts for the year ending 31 December 2010 shall be greater than RMB0.25, then each of Jinbo Litong, Jiachuang Lianhe and Zhizheng Lida shall pay to the Company the difference between such net asset value per Share and the subscription price of RMB0.25 per Subscription Share, multiplied by the number of Subscription Shares issued to it.

If the Company's net asset value per Share as shown in its consolidated audited accounts for the year ending 31 December 2010 shall be equal to or less than RMB0.25, then no adjustment shall be made to the Subscription Price and RMB0.25 shall remain as the subscription price for each Subscription Share.

The Subscription Price and the Adjustment were arrived at after arm's length negotiations between the Company and the Subscribers, which was determined with reference to:

- (i) the audited net asset value of each Share;
- (ii) the closing price of the H Shares on the date the Subscription Agreement was entered into; and

- (iii) the average closing price in the 5 trading days immediately prior to 28 January 2011, being the date the Subscription Agreement was entered into, the date the subscription price was fixed and the date of this announcement.

The Subscription Price represents:

- (i) a discount of approximately 14.38% to the closing price of HK\$0.345 (approximately RMB0.292) per H Share as quoted on the Stock Exchange on 28 January 2011, being the closing price on the date of this announcement; and
- (ii) a discount of approximately 13.64% to the average closing price of approximately HK\$0.342 (approximately RMB0.290) per H Share as quoted on the Stock Exchange for the last five trading days immediately prior to 28 January 2011.

### **Ranking**

The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with all other Domestic Shares presently in issue and at the time of issue and allotment of the Subscription Shares.

### **Conditions to the Subscription Agreement**

The Subscription Agreement is conditional upon the satisfaction (or waiver, where applicable) of the following conditions:

- (a) the obtaining of approvals from the relevant regulatory authorities (if required) in relation to the Subscription Agreement and the transactions contemplated thereunder having complied with the relevant provisions of the GEM Listing Rules;
- (b) the obtaining of approvals and consents from the relevant authorities (審批機關) in relation to the Subscription, where such approvals and consents shall remain valid as at completion of the Subscription;
- (c) the signing of all relevant documents in relation to the Subscription;
- (d) the obtaining of all internal approvals by the parties to the Subscription Agreement; and
- (e) the Company having informed the Subscribers of the designated bank account for payment of the consideration under the Subscription Agreement.

### **Completion of the Subscription**

On the 5th day after fulfillment of all the conditions to the Subscription Agreement, the Subscribers shall pay the consideration for the Subscription Shares to the Company. Within 5 business days after receiving such consideration from the Subscribers, the Company shall instruct a qualified accountant to issue a verification report (驗資報告) in relation to the Subscription. Within 3 business days after the issuance of such verification report, the Company shall issue the Subscription Shares to the Subscribers.

## **Amendment/Termination**

The Subscription Agreement may be amended or terminated by agreement in writing between the parties to the Subscription Agreement on the occurrence of any of the following events:

- (a) the Subscription Agreement can no longer be performed due to force majeure;
- (b) a party to the Subscription Agreement loses its ability to perform its obligations under the Subscription Agreement;
- (c) one or more parties to the Subscription Agreement having breached its/their obligations under the Subscription Agreement and causing serious effect to the economic interests of the non-defaulting parties; or
- (d) a change in circumstances and all parties to the Subscription Agreement agree to amend or terminate the Subscription Agreement.

If a party to the Subscription Agreement has breached the Subscription Agreement and resulting in the Subscription not being able to complete, such defaulting party shall pay to the Company an amount equal to 1% of the consideration payable by it under the Subscription Agreement as liquidated damages.

## **GENERAL MANDATE TO ISSUE SUBSCRIPTION SHARES**

The Subscription Shares will be issued under the general mandate granted to the Directors pursuant to a special resolution passed by the Shareholders at the Company's annual general meeting held on 20 May 2010. Upon completion of the Subscription, the relevant articles in the articles of association of the Company will accordingly be amended pursuant to the same special resolution passed by the Shareholders at the Company's annual general meeting held on 20 May 2010 to reflect the issue of the Subscription Shares pursuant to the Subscription Agreement.

As at the date of this announcement, no Shares have been issued under such general mandate. The maximum number of Shares allowed to be issued under such general mandate is 451,500,000 Shares, representing 20% of the total issued share capital of the Company as at 20 May 2010. Upon completion of the Subscription, the outstanding number of Shares that may be issued under such general mandate is 279,000,000 Shares, representing approximately 12.36% of the existing total issued share capital of the Company or 11.48% of the total issued share capital of the Company as enlarged by the issue of the Subscription Shares.

## EFFECTS OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company immediately before and after the Subscription are approximately set out as follows:

Name of Shareholders and class of Shares	Immediately before the Subscription		Immediately after the Subscription	
	Number of Shares held (ten thousand Shares)	Percentage of shareholding (%)	Number of Shares held (ten thousand Shares)	Percentage of shareholding (%)
Powerleader Investment (Domestic Shares) (Note 1)	102,184.50	45.26	102,184.50	42.05
Luheng Technology (Domestic Shares)	10,329.50	4.58	10,329.50	4.25
Murry Venture Limited (Non-listed Foreign Investment Shares) (Note 2)	11,979	5.31	11,979	4.93
Crosby China Chips Holdings (2) (BVI) Limited (Non-listed Foreign Investment Shares) (Note 2)	8,225	3.64	8,225	3.38
Front Trend Investment Limited (Non-listed Foreign Investment Shares) (Note 2)	3,754	1.66	3,754	1.55
Harbin Century Technology (Domestic Shares)	15,963.75	7.07	15,963.75	6.57
Yali Anda (Domestic Shares)	12,564.25	5.57	12,564.25	5.17
Jinbo Litong (Domestic Shares)	—	—	7,250	2.98
Zhizheng Lida (Domestic Shares)	—	—	5,000	2.06
Jiachuang Lianhe (Domestic Shares)	—	—	5,000	2.06
H Shares Shareholders	60,750	26.91	60,750	25.00
<b>Total:</b>	<b>225,750</b>	<b>100</b>	<b>243,000</b>	<b>100</b>

Notes:

- (1) Powerleader Investment is wholly-owned by Mr. Li Ruijie and Ms. Zhang Yunxia, who are both executive Directors.
- (2) Reference is made to the announcements of the Company dated 21 May 2009, 5 June 2009 and 26 March 2010. As disclosed in these announcements, Murry Venture Limited, Crosby China Chips Holdings (2) (BVI) Limited and Front Trend Investment Limited proposed to transfer all of their respective Non-listed Foreign Investment Shares to Shenzhen Electronics. As at the date of this announcement, certain approvals from the relevant PRC regulatory authorities are still pending and completion has not yet taken place as a result. Upon completion, these Non-listed Foreign Investment Shares will be redesignated into Domestic Shares held by Shenzhen Electronics.

## CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

During the 12 months immediately before the date of this announcement, there has not been any capital raising activity of the Company involving the issue of equity securities.

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the entering into of the Subscription Agreement will strengthen the Group's liquidity and provide support for the Group's gradual shift of its business to cloud computing.

The net proceeds from the Subscription of approximately RMB42,625,000 will be used for the Group's working capital.

## 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.

## DEFINITIONS

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

“Adjustment”	the adjustment to be made to the Subscription Price in the manner as described under the section headed “Subscription Price and Adjustment” in this announcement;
“Board”	the board of Directors;
“Company”	深圳宝德科技集团股份有限公司 (Powerleader Science & Technology Group Limited*), a foreign joint stock limited company incorporated in the PRC, the H Shares of which are listed on GEM;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“Domestic Shares”	the domestic shares of nominal value of RMB0.1 each in the share capital of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“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 from time to time;
“H Shares”	overseas listed foreign shares of nominal value of RMB0.1 each in the share capital of the Company and are listed on GEM;
“Harbin Century Technology”	哈爾濱世紀龍翔科技開發有限公司 (Harbin Century Technology Limited*), a limited liability company established in the PRC;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Jiachuang Lianhe”	深圳市嘉創聯合投資合夥企業 (Shenzhen Jiachuang Lianhe Investment Partnership*), a limited liability partnership established in the PRC;
“Jinbo Litong”	深圳市金博利通投資合夥企業 (Shenzhen Jinbo Litong Investment Partnership*), a limited liability partnership established in the PRC;
“Luheng Technology”	深圳市綠恒科技有限公司 (Shenzhen Luheng Technology Limited*), a limited liability company established in the PRC;
“Non-listed Foreign Investment Shares”	non-listed foreign investment shares of nominal value of RMB0.1 each in the share capital of the Company, which are subscribed for in RMB and held by foreign investors, and for the avoidance of doubt, Non-listed Foreign Investment Shares exclude H Shares;
“Powerleader Investment”	深圳市寶德投資控股有限公司 (Powerleader Investment Holding Company Limited*), a limited liability company established in the PRC;
“PRC”	People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	share(s) of nominal value of RMB0.1 each in the capital of the Company, and as the context may require, includes H Shares, Domestic Shares and Non-listed Foreign Investment Shares;
“Shareholders”	the shareholders of the Company;
“Shenzhen Electronics”	深圳市恒通達遠電子有限公司 (Shenzhen Hengtong Dayuan Electronics Company Limited*), a limited liability company established in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	collectively, Jinbo Litong, Jiachuang Lianhe and Zhizheng Lida;
“Subscription”	the subscription of the Subscription Shares by Subscribers pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 28 January 2011 and entered into between the Company and the Subscribers in relation to the Subscription;
“Subscription Price”	the price of RMB0.25 per Subscription Share and subject to Adjustment;
“Subscription Shares”	a total of 172,500,000 new Domestic Shares to be subscribed for by the Subscribers pursuant to the Subscription Agreement;
“Yali Anda”	北京雅利安達科技發展有限公司 (Beijing Yali Anda Technology Development Limited*), a limited liability company established in the PRC;

“Zhizheng Lida” 深圳市志正立達投資合夥企業 (Shenzhen Zhizheng Lida Investment Partnership\*), a limited liability partnership established in the PRC; and

“%” per cent.

By order of the Board  
**Powerleader Science & Technology Group Limited\***  
**Xu Yueming**  
Company Secretary

Hong Kong, 28 January 2011

*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, Mr. Chan Shiu Yuen, Sammy and Dr. Guo Wanda 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 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 at least 7 days from its date of publication and the Company’s website at [www.powerleader.com.cn](http://www.powerleader.com.cn).*

*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.*

*In this announcement, RMB and HK\$ are converted at the rate of RMB0.8465 = HK\$1 for illustration purpose only. No representation is made that any amounts 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.*

\* for identification purpose only