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深圳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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITIONS OF EQUITY INTERESTS IN EX-CHANNEL
AND
DISPOSAL OF EQUITY INTERESTS IN MINI CREDIT**

THE EX-CHANNEL ACQUISITIONS

The Board is pleased to announce that on 17 February 2011, Powerleader HK, a wholly-owned subsidiary of the Company, entered into the Ex-Channel Share Transfer Agreement A with Mr. Dong Weiping, a director of the Company, pursuant to which Mr. Dong Weiping agreed to sell and Powerleader HK agreed to purchase a 10% equity interest in Ex-Channel for a consideration of HK\$8,800,000 subject to the terms of the agreement.

On 17 February 2011, Powerleader HK entered into the Ex-Channel Share Transfer Agreement B with the TPL, pursuant to which TPL agreed to sell and Powerleader HK agreed to purchase a 10% equity interest in Ex-Channel for a consideration of HK\$8,800,000 subject to the terms of the agreement.

Upon completion of the Ex-Channel Share Transfer Agreements, Ex-Channel will be wholly-owned by Powerleader HK.

THE MINI CREDIT DISPOSAL

On 17 February 2011, the Company and Powerleader Investment entered into the Mini Credit Share Transfer Agreement pursuant to which the Company agreed to sell and Powerleader Investment agreed to purchase approximately 30.07% equity interest in Mini Credit for a consideration of RMB56,880,000 subject to the terms of the agreement.

Upon completion of the Mini Credit Share Transfer Agreement, the Group will cease to have any shareholding interest in Mini Credit.

REQUIREMENT UNDER THE GEM LISTING RULES

Mr. Dong Weiping is a director of the Company and hence is a connected person of the Company. Accordingly, the Ex-Channel Share Transfer Agreement A constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. TPL is wholly-owned by Mr. Li Ruijie, who is a director of the Company. TPL is therefore a connected person of the Company under the GEM Listing Rules and the Ex-Channel Share Transfer Agreement B constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios calculated in accordance with Rule 19.07 of the GEM Listing Rules exceed 5%, the transactions under the Ex-Channel Share Transfer Agreement A and the Ex-Channel Share Transfer Agreement B as aggregated are subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

Powerleader Investment is a substantial shareholder of the Company holding approximately 45.26% in the Company and hence is a connected person of the Company. Accordingly, the Mini Credit Share Transfer Agreement constitutes a connected transaction of the Company under the GEM Listing Rules. As the applicable percentage ratios calculated in accordance with Rule 19.07 of the GEM Listing Rules exceed 5%, the transaction under the Mini Credit Share Transfer Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

A circular containing, among others, details of the Ex-Channel Share Transfer Agreements and the Mini Credit Share Transfer Agreement, a letter from the Independent Board Committee and a letter of advice from the independent financial adviser together with the notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules, no later than the 15th business day after the date of this announcement (i.e. on or before 10 March 2011).

THE EX-CHANNEL ACQUISITIONS

The Ex-Channel Share Transfer Agreement A

Date:

17 February 2011

Parties: *Vendor:* Dong Weiping

Purchaser: Powerleader HK

Interest to be acquired by Powerleader HK:

10% equity interest in Ex-Channel

Condition Precedent:

The transfer of equity interests under the Ex-Channel Share Transfer Agreement A is conditional upon the passing of a resolution at a general meeting of the Company by the independent shareholders of the Company (if required) and approvals from the relevant authority(ies).

Consideration:

The consideration is HK\$8,800,000, which shall be payable by Powerleader HK to Mr. Dong Weiping in cash within 15 business days after the fulfillment of the condition precedent.

Basis of the Consideration

The consideration was determined by the parties to the Ex-Channel Share Transfer Agreement A after arm's length negotiations with reference to the net asset value of Ex-Channel as of 31 December 2010.

The Ex-Channel Share Transfer Agreement B

Date:

17 February 2011

Parties: *Vendor:* TPL

Purchaser: Powerleader HK

Interest to be acquired by Powerleader HK:

10% of equity interests in Ex-Channel

Condition Precedent:

The transfer of equity interests under the Ex-Channel Share Transfer Agreement B is conditional upon passing of a resolution at a general meeting of the Company by the independent shareholders of the Company (if required) and approvals from the relevant authority(ies).

Consideration:

The consideration is HK\$8,800,000, which shall be payable by Powerleader HK to TPL in cash within 15 business days after the fulfillment of the condition precedent.

Basis of the Consideration

The consideration was determined by the parties to the Ex-Channel Share Transfer Agreement B after arm's length negotiations with reference to the net asset value of Ex-Channel as of 31 December 2010.

INFORMATION ON EX-CHANNEL

Ex-Channel is a limited company incorporated in Hong Kong in 2003 and has an authorized share capital of HK\$30,000,000 divided into 30,000,000 shares of HK\$1.00 each. The principal scope of business of Ex-Channel includes trading of platform and accessory products and distribution of value added products.

As at the date of this announcement, Ex-Channel is owned by Powerleader HK as to 80%, Mr. Dong Weiping as to 10% and TPL as to 10%. Upon completion of the Ex-Channel Acquisitions, the Group will own 100% equity interests in Ex-Channel.

The net asset value of Ex-Channel is approximately RMB74,723,000 as of 31 December 2010.

Set out below is a summary of the profit before and after taxation of Ex-Channel prepared in accordance with the generally accepted accounting principles in Hong Kong for the two financial years ended 31 December 2009 and 31 December 2010:

	For the year ended 31 December 2010 (unaudited) RMB'000	For the year ended 31 December 2009 (audited) RMB'000
Profit before taxation	22,397	12,796
Profit after taxation	<u>18,701</u>	<u>10,788</u>

Reasons for and benefits of entering into the Ex-Channel Share Transfer Agreements

The Board considers that the entering into the Ex-Channel Share Transfer Agreements will allow the Group to own the entire equity interests in Ex-Channel, and hence enhancing the Group's management ability.

The Directors are of the view that the Ex-Channel Share Transfer Agreements and the transaction contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE MINI CREDIT DISPOSAL

Date:

17 February 2011

Parties: *Vendor:* the Company

Purchaser: Powerleader Investment

Interest to be disposed of by the Company:

Approximately 30.07% of equity interests in Mini Credit

Conditions Precedent:

The disposal of equity interests under the Mini Credit Share Transfer Agreement is conditional upon and subject to the following conditions: -

- (a) the other joint venture parties of Mini Credit have accepted and agreed in writing to the Mini Credit Disposal and have waived their respective pre-emption rights;
- (b) all relevant consents or regulatory approvals for the Mini Credit Share Transfer Agreement and the transaction contemplated thereunder have been obtained; and
- (c) the approval from the independent shareholders of the Company in a general meeting be obtained.

Consideration:

The consideration is RMB56,880,000, which shall be payable by Powerleader Investment in cash within 15 business days after the fulfillment of the conditions precedent.

Basis of the Consideration

The consideration was determined by the parties to the Mini Credit Share Transfer Agreement after arm's length negotiations with reference to the operation conditions of Mini Credit after 2010 and its net asset value as of 31 December 2010.

INFORMATION ON MINI CREDIT

Reference is made to the announcement of the Company dated 13 January 2010 in relation to the establishment of Mini Credit. Mini Credit is a company established in the PRC with limited liability by the Company and by other joint venture parties on 4 February 2010 and is principally engaged in small loan business. Mini Credit has a registered capital of RMB155,880,000 in which the Company has invested RMB46,880,000, representing approximately 30.07% of the total share capital of Mini Credit.

The net asset value of Mini Credit is approximately RMB162,823,000 as of 31 December 2010.

Set out below is a summary of the unaudited profit before and after taxation of Mini Credit prepared in accordance with the generally accepted accounting principles in PRC for the financial year ended 31 December 2010:

	For the year ended 31 December 2010 RMB'000
Profit before taxation	9,277
Profit after taxation	<u>6,943</u>

Reasons for and benefits of entering into the Mini Credit Share Transfer Agreement

The Board considers that the entering into of the Mini Credit Share Transfer Agreement will effectively allow the Group to focus its financial resources and provide sufficient funding for the strategic development of cloud computing.

The Directors are of the view that the Mini Credit Share Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors estimate that upon completion of the Mini Credit Share Transfer Agreement, the Company is expected to record a gain of approximately RMB7,919,000, which is arrived at by reference to the transfer price of the subject equity interests and the book value of the Company's investments in Mini Credit.

Use of proceeds from the Mini Credit Disposal

The estimated net proceeds from the Mini Credit Disposal are intended to be used for general working capital purposes of the Group.

REQUIREMENT UNDER THE GEM LISTING RULES

Mr. Dong Weiping is a director of the Company and hence is a connected person of the Company. Accordingly, the Ex-Channel Share Transfer Agreement A constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. TPL is wholly-owned by Mr. Li Ruijie, who is a director of the Company. TPL is therefore a connected person of the Company under the GEM Listing Rules and the Ex-Channel Share Transfer Agreement B constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios calculated in accordance with Rule 19.07 of the GEM Listing Rules exceed 5%, the transactions under the Ex-Channel Share Transfer Agreement A and the Ex-Channel Share Transfer Agreement B as aggregated are subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

Powerleader Investment is a substantial shareholder of the Company holding approximately 45.26% in the Company and hence is a connected person of the Company. Accordingly, the Mini Credit Share Transfer Agreement constitutes a connected transaction of the Company under the GEM Listing Rules. As the applicable percentage ratios calculated in accordance with Rule 19.07 of the GEM Listing Rules exceed 5%, the transaction under Mini Credit Share Transfer Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

A circular containing, among others, details of the Ex-Channel Share Transfer Agreements and the Mini Credit Share Transfer Agreement, a letter from the Independent Board Committee and a letter of advice from the independent financial adviser together with the notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules, no later than the 15th business day after the date of this announcement (i.e. on or before 10 March 2011).

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.

TPL is principally engaged in investment business.

Powerleader Investment is principally engaged in industrial investment business.

DEFINITIONS

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

“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 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
“EGM”	an extraordinary general meeting of the Company to be convened to consider, among other things, the ordinary resolutions to be proposed to approve the Ex-Channel Share Transfer Agreements, the Mini Credit Share Transfer Agreement and the transactions contemplated thereunder
“Ex-Channel”	Ex-Channel Group Limited (宝通集团有限公司), a company incorporated in Hong Kong with limited liability and an 80% indirectly owned subsidiary of the Company prior to the completion of Ex-Channel Share Transfer Agreements
“Ex-Channel Acquisitions”	the acquisitions of an aggregate of 20% equity interests in the registered capital of Ex-Channel by Powerleader HK under the Ex-Channel Share Transfer Agreements
“Ex-Channel Share Transfer Agreements”	the Ex-Channel Share Transfer Agreement A and the Ex-Channel Share Transfer Agreement B
“Ex-Channel Share Transfer Agreement A”	the share transfer agreement dated 17 February 2011 entered into between Powerleader HK and Mr. Dong Weiping for the acquisition of 10% equity interest in Ex-Channel
“Ex-Channel Share Transfer Agreement B”	the share transfer agreement dated 17 February 2011 entered into between Powerleader HK and TPL for the acquisition of 10% equity interest in Ex-Channel
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board established for the purpose of reviewing the transactions under the Ex-Channel Share Transfer Agreements and the Mini Credit Share Transfer Agreement
“Mini Credit”	深圳市潮商小額貸款公司 (Mini Credit of Shenzhen Chaoshang Commerce Chamber Co., Ltd.*), a company established in the PRC with limited liability
“Mini Credit Disposal”	the disposal of approximately 30.07% equity interest in the registered capital of Mini Credit by the Company to Powerleader Investment under the Mini Credit Share Transfer Agreement
“Mini Credit Share Transfer Agreement”	the share transfer agreement dated 17 February 2011 entered into between the Company and Powerleader Investment for the disposal of approximately 30.07% equity interest in Mini Credit
“Powerleader HK”	Powerleader Science & Technology (H.K.) Limited (宝德科技(香港)有限公司), a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Powerleader Investment”	深圳市宝德投資控股有限公司 (Powerleader Investment Holding Company Limited*), a limited liability company established in the PRC and a substantial shareholder of the Company holding approximately 45.26% shareholding interest in the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TPL”	Top Pioneer Limited, a limited company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

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

Hong Kong, 17 February 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 or 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.

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.

** for identification purpose only*