
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this document, you should consult either your stockbroker, or a securities dealer, bank manager, solicitor, professional accountant or any other professional adviser.

If you have sold or transferred all your shares in Powerleader Science & Technology Group Limited* (宝德科技集團股份有限公司), you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or any other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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宝德科技集團股份有限公司

POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED*

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

(Stock Code: 8236)

**PROPOSED REMOVAL OF DIRECTOR
AND
AMENDMENT OF ARTICLES OF ASSOCIATION**

The EGM will be held at the Main Conference Room, 11th Floor, Tower C, Shenzhen International Innovation Centre, No. 1006 Shennan Road, Futian District, Shenzhen, the PRC on Tuesday, 29 August 2017 at 3:00 p.m. Further details of the EGM are set out in the notice issued by the Company dated 14 July 2017.

A form of proxy in respect of the EGM was despatched by the Company on 14 July 2017. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy for use at the EGM in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the registered office of the Company at Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, the PRC (in case of holders of Domestic Shares), no later than 24 hours before the time fixed for holding the EGM or at any adjournment thereof.

The completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

* *for identification purposes only*

18 July 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This circular, for which the Directors of the issuer 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 circular 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 circular misleading.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com and the Company’s website at www.powerleader.com.cn for at least 7 days from its date of publication.

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DEFINITIONS

Unless otherwise defined herein, the following terms shall have the following meanings in this circular:

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“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 People’s Republic of China with limited liability, and whose H shares are currently listed on the GEM
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary Share(s) issued by the Company with a nominal value of RMB1.00 each, subscribed for or fully paid in Renminbi, which are not listed on the Stock Exchange
“EGM”	the extraordinary general meeting to be convened by the Company at the Main Conference Room, 11th Floor, Tower C, Shenzhen International Innovation Centre, No. 1006 Shennan Boulevard, Futian District, Shenzhen, the PRC on Tuesday, 29 August 2017 at 3:00 p.m., to consider the proposals concerning the removal of Mr. Sun Wei as a non-executive Director and the amendment to the Articles of Association as stated in the Written Requests
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM (as amended from time to time)
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed ordinary Share(s) in the share capital of the company with a nominal value of RMB1.00 each, which are listed on the GEM and subscribed for and traded in Hong Kong dollars
“Powerleader Investment”	Powerleader Investment Holding Company Limited* (深圳市宝德投資控股有限公司), incorporated in the PRC, who holds approximately 42.05% of shares of the Company, and is directly and indirectly held as to 87.5% and 12.5% by Mr. Li Ruijie and Madam Zhang Yunxia respectively

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“Requisitioning Shareholders”	Powerleader Investment and Zhizheng Lida
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Share(s) of the Company, including, unless otherwise stated, holders of Domestic Shares and H Shares
“Share(s)”	the share(s) in the share capital of the Company with a nominal value of RMB1.00 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Written Requests”	the written requests received by the Board from the Requisitioning Shareholders on Tuesday, 11 July 2017
“Zhizheng Lida”	Shenzhen Zhizhenglida Investment Partnership (limited partnership)* (深圳市志正立達投資合夥企業), incorporated in the PRC, who holds approximately 2.06% of shares of the Company, and is directly held as to 60% and 40% by Ms. Liang Xiaolei and Ms. He Li respectively

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POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED*

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(Stock Code: 8236)

Executive Directors

Madam Zhang Yunxia, *Chairman*
Mr. Dong Weiping, *Chief Executive*
Mr. Ma Zhumao

Non-Executive Directors

Mr. Li Ruijie
Mr. Sun Wei
Mr. Xu Yueming

Independent Non-Executive Directors

Mr. Jiang Baijun
Dr. Guo Wanda
Mr. Chan Shiu Yuen Sammy

Registered Office

Room 43A, 43rd Floor
Block C, Electronics Science &
Technology Building
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The PRC

Hong Kong Office

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Sunbeam Centre
27 Shing Yip Street
Kwun Tong
Kowloon, Hong Kong

18 July 2017

To the shareholders

Dear Sir or Madam,

**PROPOSED REMOVAL OF DIRECTOR
AND
AMENDMENT OF ARTICLES OF ASSOCIATION**

I. FOREWORD

The purpose of this circular is to provide you with information in relation to the resolutions that will be put forward at the EGM, which includes the proposed removal of Mr. Sun Wei as a non-executive Director and the proposed amendment of the Articles of Association, and to seek your approval of the aforementioned matters.

* *for identification purposes only*

LETTER FROM THE BOARD

II. PROPOSED REMOVAL OF DIRECTOR

Reference is made to the announcement of the Company dated 14 July 2017 in relation to the proposed removal of director and proposed amendment of Articles of Association.

The Board received the Written Requests on 11 July 2017 from the Requisitioning Shareholders. In the Written Requests, the Requisitioning Shareholders requested the Board to convene an extraordinary general meeting in accordance with the Company Law and the Articles of Association for considering the following proposals:

1. To remove Mr. Sun Wei as a non-executive Director; and
2. To amend the Articles of Association to reduce the number of members of the Board from nine directors to eight directors.

Pursuant to article 76 of the Articles of Association, two or more Shareholders as at the date of submission of the written request holding 10% or above of the shares of the Company carrying the right of voting at the general meetings of the Company have the right, by written request to the Board, to require the Board to convene an extraordinary general meeting for the matter specified in such written request. The Board is then required to convene an extraordinary general meeting as soon as possible upon receipt of such written request.

As of the date of receipt of the Written Requests, Powerleader Investment held approximately 42.05% of all issued shares of the Company, while Zhizheng Lida held approximately 2.06% of all issued shares of the Company.

The reason for the issue of the Written Requests by the Requisitioning Shareholders were stated in the Written Requests as follows:

Mr. Sun Wei holds an 85% equity interest in Longxiang Ruiwei (Beijing) Technology Development Limited* (龍翔瑞維(北京)科技發展有限公司) (“Longxiang Ruiwei”), and part of Longxiang Ruiwei’s scope of business overlaps with the Company’s scope of business. Further, after conducting a search on the successful bidding announcements relating to Longxiang Ruiwei and tax information of Longxiang Ruiwei retrieved from the website of the State Administration of Taxation of the PRC, it is revealed that Longxiang Ruiwei is engaged in the sales of hosts, servers, and server racks, which are the same types of businesses that the Company is engaged in. Mr. Sun Wei is in breach of Article 147 and Clause V of Paragraph 1 of Article 148 of the Company Law of the PRC and Article 125(10) of the Articles of Association. Therefore, Mr. Sun Wei has breached his duty of loyalty to the Company, and so the Requisitioning Shareholders propose to remove Mr. Sun Wei from his position as a non-executive Director.

LETTER FROM THE BOARD

III. PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION

In the Written Requests, the Requisitioning Shareholders proposed to amend the Articles of Association to reduce the number of members of the Board from nine Directors to eight Directors. The details of the amendments are as follows:

Article 90 of the existing Articles of Association shall be deleted in its entirety and be replaced by the following paragraph:

“The Company shall set up a Board of Directors. The Board of Directors shall be composed of eight directors, including a chairman, a vice chairman, and six directors (three of whom shall be independent non-executive directors).”

IV. EXTRAORDINARY GENERAL MEETING

The EGM will be held at main conference room, 11/F, Town C, Shenzhen International Innovation Centre, No. 1006 Shennan Road, Futian District, Shenzhen, the PRC on Tuesday, 29 August 2017 at 3: 00 p.m.. At the EGM, resolutions will be proposed to the Shareholders to consider, and if thought fit, to approve the proposed removal of Director and proposed amendment of Articles of Association.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, the vote of the Shareholders at the EGM shall be taken by poll. Accordingly, the resolutions put to vote at the EGM will be taken by way of poll. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy in respect of the EGM was despatched by the Company on 14 July 2017. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the registered office of the Company at Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, the PRC (in case of holders of Domestic Shares), no later than 24 hours before the time fixed for holding the relevant meeting or at any adjournment thereof. Completion and delivery of the proxy will not prevent you from attending, and voting at, the meeting or any adjournment thereof if you so wish.

Should the replies in writing received from Shareholders indicating their intention to attend the EGM represent less than one half of the total voting rights of all Shareholders, the Company shall once again inform its shareholders of the matters to be considered at the EGM and the date and time of that meeting within 5 days. The EGM may be convened after the publication of such notice.

LETTER FROM THE BOARD

Closure of Register of Members

The register of the members of the Company will be closed from Monday, 31 July 2017 to Tuesday, 29 August 2017 (both dates inclusive). During this period, no transfer of the H Shares will be registered. In order to ensure that H Share Shareholders are entitled to attend and vote at the EGM, all H Share transfer documents, together with the relevant share certificates, should be lodged no later than 4:30 p.m. on Friday, 28 July 2017 with the Company's H Share registrar office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queens Road East, Wan Chai, Hong Kong. All Domestic Share transfer documents, together with the relevant share certificates, should be lodged no later than 4:30 p.m. on Friday, 28 July 2017 with the Company's registered office at Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, the PRC.

V. RECOMMENDATIONS

The Board expresses no opinion on how the Shareholders should vote on the resolutions in relation to the proposed removal of Mr. Sun Wei as a non-executive Director and the proposed amendment of the Articles of Association.

Yours faithfully,
By Order of the Board
Powerleader Science & Technology Group Limited*
(宝德科技集團股份有限公司)
Zhang Yunxia
Chairman

* *for identification purposes only*