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**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 TRANSACTION  
CAPITAL CONTRIBUTION OF  
SHENZHEN POWERLEADER COMPUTING SYSTEM LIMITED  
AND DEEMED DISPOSAL**

On 27 December 2017, the Company, Powerleader VC (a wholly-owned subsidiary of the Company), Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang entered into the Capital Contribution Agreement with Powerleader Computing, pursuant to which Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang agreed to make capital contributions of RMB11,145,000, RMB10,170,000, RMB8,355,000 and RMB6,780,000 respectively to Powerleader Computing. The total Capital Contribution amounts to RMB36,450,000, of which RMB3,076,600 will be applied to the registered capital of Powerleader Computing, while the remainder of RMB33,373,400 will be applied to the capital reserve of Powerleader Computing.

As at the date of this announcement, the Company owns 30% of the equity interest in Powerleader Computing, while Powerleader VC owns 70% of the equity interest in Powerleader Computing. Upon the completion of the Capital Contribution, the Company, Powerleader VC, Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang will own as to approximately 27.75%, 64.76%, 2.29%, 2.09%, 1.72% and 1.39% of the equity interest in Powerleader Computing respectively. The registered capital of Powerleader Computing will increase from RMB38,000,000 to RMB41,076,600. Powerleader Computing will change from being an indirect wholly-owned subsidiary of the Company to an indirect non-wholly-owned subsidiary of the Company.

## **GEM LISTING RULES IMPLICATIONS**

Immediately prior to the Capital Contribution, the Group owns as to 100% interest in Powerleader Computing. The Capital Contribution will result in the Group's interest in Powerleader Computing being diluted from 100% to approximately 92.51%. Pursuant to Rule 19.29 of the GEM Listing Rules, the relevant dilution will be a deemed disposal of the Company's interest in a subsidiary. As one or more of the percentage ratios of the deemed disposal under the Capital Contribution is more than 5% but less than 25%, the Capital Contribution constitutes a discloseable transaction of the Company subject to the announcement requirement under Chapter 19 of the GEM Listing Rules.

The Board announces that the Capital Contribution Agreement has been entered into for contribution of new capital to Powerleader Computing on December 27, 2017, an indirect wholly-owned subsidiary of the Group engaged in server related businesses.

## **THE CAPITAL CONTRIBUTION AGREEMENT**

Date: 27 December 2017

Parties:

- (1) the Company;
- (2) Powerleader VC (a wholly-owned subsidiary of the Company);
- (3) Baojie Hechuang;
- (4) Baoyun Gongchuang;
- (5) Baolun Jiechuang;
- (6) Baolong Huichuang; and
- (7) Powerleader Computing.

Baojie Hechuang, a limited partnership incorporated in the PRC, is owned as to approximately 29.61% by Mr. Ma Zhumao, a former executive Director. Baoyun Gongchuang, a limited partnership incorporated in the PRC, is owned as to approximately 22.12% by Mr. Xu Yueming, a former non-executive Director. Save as aforesaid, to the best of the Directors' knowledge, information and belief, after having made reasonable inquiries, Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang and their ultimate beneficial owners are all third parties independent of the Company and connected persons of the Company.

## **SUBJECT MATTER**

Pursuant to the Capital Contribution Agreement, Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang have agreed to make capital contributions of RMB11,145,000, RMB10,170,000, RMB8,355,000 and RMB6,780,000 respectively to Powerleader Computing. The total capital contributions amount to RMB36,450,000, of which RMB3,076,600 will be applied to the registered capital of Powerleader Computing, while the remainder of RMB33,373,400 will be applied to the capital reserve of Powerleader Computing.

Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang shall pay their respective entire amounts of capital contributions to Powerleader Computing within five working days from the date of signing of the Capital Contribution Agreement.

As at the date of this announcement, the Company owns 30% of the equity interest in Powerleader Computing, while Powerleader VC (a wholly-owned subsidiary of the Company) owns 70% of the equity interest in Powerleader Computing. Upon the completion of the Capital Contribution, the Company, Powerleader VC, Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang will own approximately 27.75%, 64.76%, 2.29%, 2.09%, 1.72% and 1.39% of the equity interest in Powerleader Computing respectively. The registered capital of Powerleader Computing will increase from RMB38,000,000 to RMB41,076,600. Powerleader Computing will change from being an indirect wholly-owned subsidiary of the Company to an indirect non-wholly-owned subsidiary of the Company.

The aggregate contribution amount of RMB36,450,000 (comprising RMB3,076,600 as registered capital of Powerleader Computing, and the remainder of RMB33,373,400 as capital reserve of Powerleader Computing) of Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang was determined after arm's length negotiations among the parties to the Capital Contribution Agreement. In the process of determining such amount, the Board has made reference to the net asset value of Powerleader Computing (based on unaudited consolidated net asset value of RMB261,440,889.91 as at 30 September 2017, calculated according to the proportionate ownership percentages in Powerleader Computing of Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang upon completion of the Capital Contribution, the consideration for the contribution to the capital of Powerleader Computing is approximately 1.86 times of its net asset value.).

## **INFORMATION ON THE PARTIES TO THE CAPITAL CONTRIBUTION AGREEMENT**

The Company mainly provides cloud computing solutions and services, including (i) Infrastructure as a Service (IaaS), which includes the provision of equipment such as cloud servers and cloud storage and related solutions; (ii) Cloud Module as a Service (MaaS), which includes the research and development, design, manufacturing, sales, and

distribution of cloud computing-related components and the provision of related add-value services; and (iii) Software and Platform as a Service (SaaS and PaaS), which include the research and development of cloud computing related software and platform.

Powerleader VC is a company incorporated in the PRC, and is an indirect wholly-owned subsidiary of the Company. Its business scope is venture capital operations; venture capital consultation operations; advising other organisations such as venture capital firms or individuals in venture capital operations, providing startup management services for startup firms.

Baojie Hechuang is a limited partnership incorporated in the PRC and its business scope is corporate management advisory and business information advisory (projects requiring statutory approval may only commence business activity upon receiving approval from the authorities). It has a total of 49 shareholders, all of whom are employees of Powerleader Computing and/or its subsidiaries.

Baojie Gongchuang is a limited partnership incorporated in the PRC and its business scope is corporate management advisory and business information advisory (projects requiring statutory approval may only commence business activity upon receiving approval from the authorities). It has a total of 49 shareholders, all of whom are employees of Powerleader Computing and/or its subsidiaries.

Baolun Jiechuang is a limited partnership incorporated in the PRC and its business scope is corporate management advisory and business information advisory (projects requiring statutory approval may only commence business activity upon receiving approval from the authorities). It has a total of 34 shareholders, all of whom are employees of Powerleader Computing and/or its subsidiaries.

Baolong Huichuang is a limited partnership incorporated in the PRC and its business scope is corporate management advisory and business information advisory (projects requiring statutory approval may only commence business activity upon receiving approval from the authorities). It has a total of 34 shareholders, all of whom are employees of Powerleader Computing and/or its subsidiaries.

Powerleader Computing is a company incorporated in the PRC. It and its subsidiaries are principally engaged in manufacturing, research and development, and sales of servers, and the provision of related solutions.

The following table sets out the audited consolidated financial information of Powerleader Computing and its subsidiaries for the two financial years ended 31 December 2015 and 31 December 2016:

	As of 31 December 2015 (RMB)	As of 31 December 2016 (RMB)
Net profit before tax	40,954,367.55	128,256,958.35
Net profit after tax	35,498,689.96	110,615,387.73

The unaudited consolidated net asset value of Powerleader Computing and its subsidiaries as at 30 September 2017 was RMB261,440,889.91.

### **REASON AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT**

The *de facto* controllers of Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang and Baolong Huichuang are employees of Powerleader Computing and its subsidiaries, and the Capital Contribution to Powerleader Computing is conducted as the employees are optimistic about the future business development of Powerleader Computing. The Company believes that employees becoming shareholders of Powerleader Computing signifies that the interests of employees and enterprise are aligned, and can further enhance the cohesion of Powerleader Computing, thus benefitting the business development of Powerleader Computing.

The Directors consider that the Capital Contribution Agreement and the transactions contemplated thereunder are on terms which are fair and reasonable and in the interests of the Company and Shareholders as a whole.

The proceeds from the capital contribution are intended for replenishing the working capital of Powerleader Computing.

### **GEM LISTING RULES IMPLICATIONS**

Immediately prior to the Capital Contribution, the Group owns 100% of the equity interest in Powerleader Computing. The Capital Contribution will result in the Group's interest in Powerleader Computing being diluted from 100% to approximately 92.51%. Pursuant to Rule 19.29 of the GEM Listing Rules, the relevant dilution will be a deemed disposal of the Company's interest in a subsidiary. As one or more of the percentage ratios of the deemed disposal under the Capital Contribution is more than 5% but less than 25%, the proposed Capital Contribution constitutes a discloseable transaction of the Company subject to the announcement requirement under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the meanings as set forth below:

“Baojie Hechuang”	Tianjin Baojie Hechuang Business Management Partners (LP)* (天津宝傑合創企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC
“Baolong Huichuang”	Tianjin Baolong Huichuang Business Management Partners (LP)* (天津宝龍慧創企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC
“Baolun Jiechuang”	Tianjin Baolun Jiechuang Business Management Partners (LP)* (天津宝倫捷創企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC
“Baoyun Gongchuang”	Tianjin Baoyun Gongchuang Business Management Partners (LP)* (天津宝雲共創企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC
“Board”	the board of Director(s)
“Capital Contribution”	the capital contribution to Powerleader Computing pursuant to the Capital Contribution Agreement
“Capital Contribution Agreement”	the agreement in relation to the Capital Contribution dated 27 December 2017 entered into by the Company, Powerleader VC (a wholly-owned subsidiary of the Company), Baojie Hechuang, Baoyun Gongchuang, Baolun Jiechuang, Baolong Huichuang and Powerleader Computing
“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 PRC with limited liability whose H Shares are listed on GEM (Stock Code: 8236)
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Powerleader Computing”	Shenzhen Powerleader Computing System Limited* (深圳市宝德計算機系統有限公司), a company incorporated in the PRC with limited liability



“Powerleader VC”	Khorgas Powerleader Venture Capital Limited* (霍爾果斯宝德創業投資有限公司), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

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*

Shenzhen, the PRC  
27 December 2017

*As at the date of this announcement, the executive Directors are Ms. Zhang Yunxia and Mr. Dong Weiping; the non-executive Director is Mr. Li Ruijie and the independent non-executive Directors are Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun.*

*This announcement, for which the Directors 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 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 announcement 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).*

\* For identification purpose only