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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 People's Republic of China with limited liability)

(Stock Code: 8236)

CLARIFICATION ANNOUNCEMENT

IN RESPECT OF

**DISCLOSEABLE AND CONTINUING CONNECTED
TRANSACTIONS IN RESPECT OF FUND COOPERATION
FRAMEWORK AGREEMENT**

AND

**MAJOR AND CONNECTED TRANSACTIONS IN RESPECT OF
HISTORICAL PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of the Company dated 2 July 2020 (the “**Announcement**”) in relation to, among other things, continuing connected transactions under the Fund Cooperation Framework Agreement and historical provision of financial assistance by the Company to the Parent Group. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context herein otherwise requires.

FUND COOPERATION FRAMEWORK AGREEMENT

Proposed annual caps and Basis of annual caps for the Fund Cooperation Framework Agreement

The Company would like to make clarification in relation to the continuing connected transactions under the Fund Cooperation Framework Agreement entered into between the Company and Powerleader Holdings. In place of the proposed annual caps on the maximum aggregate amount of the Advances for the Annual Cap Periods as stated on page 7 of the Announcement, the Company proposes the annual caps for the maximum outstanding daily balance (including the corresponding interests accrued thereon) of the Advances to be provided by the Company to Powerleader Holdings under the Fund Cooperation Framework Agreement for each of the Annual Cap Periods are as follows:

| Proposed annual cap | | |
|--|---|---|
| <i>(in RMB)</i> | | |
| For the period from 2 July 2020 to 31 December 2020 | For the year ending 31 December 2021 | For the year ending 31 December 2022 |
| 1,200,000,000 | 1,200,000,000 | 1,200,000,000 |

The aforesaid proposed annual caps in respect of the Fund Cooperation Framework Agreement are determined with reference to (i) the historical amount of financial assistance provided by the Company to the Parent Group; and (ii) the long-term stable cooperation relationship between the Company and Powerleader Holdings.

HISTORICAL PROVISION OF FINANCIAL ASSISTANCE

The Company would like to supplement the Announcement with the following information:

During each of the two years ended 31 December 2018 and 31 December 2019 and the period from 1 January 2020 to 30 June 2020, the maximum outstanding daily balance (including the corresponding interests accrued thereon) of the Advances provided by the Company to the Parent Group was RMB531,416,940.03, RMB1,107,949,940.96 and RMB661,333,041.96 respectively.

GEM LISTING RULES IMPLICATIONS

In respect of the provision of the Advances

As the highest ratio of the applicable percentage ratios in respect of the Advances, for each of the two years ended 31 December 2018 and 31 December 2019 and for the period from 1 January 2020 to 30 June 2020, exceed 25%, the historical provision of the Advances for each of the two years ended 31 December 2018 and 31 December 2019 and for the period from 1 January 2020 to 30 June 2020 constituted major transactions and connected transactions under Chapter 19 and under Chapter 20 of the GEM Listing Rules respectively and were therefore subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

As the highest ratio of the applicable percentage ratios in respect of the transactions contemplated under the Fund Cooperation Framework Agreement exceed 5% but all applicable percentage ratios are less than 25%, the provision of the Advances under the Fund Cooperation Framework Agreement constitute discloseable transactions and continuing connected transactions under Chapter 19 and Chapter 20 of the GEM Listing Rules respectively. The provision of the Advances under the Fund Cooperation Framework Agreement is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules and the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

EGM

As disclosed in the Announcement, the Company will seek the approval of, among other things, the Fund Cooperation Framework Agreement and the transactions contemplated thereunder, and approval and ratification of, among other things, the historical provision of financial assistance by the Company to the Parent Group by the Independent Shareholders at the EGM. The Company also clarifies that a circular of the Company containing, among other things, further details of the Fund Cooperation Framework Agreement and the historical provision of financial assistance by the Company to the Parent Group is expected to be despatched to the Shareholders on or before 23 July 2020.

Save as disclosed above, the Board confirms that all information in the Announcement remains unchanged.

By order of the Board
Powerleader Science & Technology Group Limited*
Zhang Yunxia
(張雲霞)
Chairman

Shenzhen, the PRC
10 July 2020

As at the date of this announcement, the Board comprises 6 Directors, including executive Directors Ms. Zhang Yunxia and Mr. Dong Weiping; non-executive director Mr. Li Ruijie and independent non-executive directors 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 for at least 7 days from its date of publication and the Company’s website at www.powerleader.com.cn.

* For identification purposes only