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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)**

- (1) CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF  
THE SALES AND PURCHASES FRAMEWORK AGREEMENT  
(2) CONNECTED TRANSACTIONS IN RESPECT OF  
HISTORICAL PURCHASE OF SERVER CHASSIS AND  
COMPONENTS FROM POWERLEADER NETWORK SECURITY  
(SHENZHEN) LIMITED  
(3) CONNECTED TRANSACTIONS IN RESPECT OF  
HISTORICAL SALES OF SERVER HARDWARE, OPERATING  
SYSTEMS, ELECTRONIC ACCESSORIES AND COMPONENTS TO  
POWERLEADER NETWORK SECURITY (SHENZHEN) LIMITED  
AND  
(4) SUPPLEMENTAL INFORMATION  
IN RELATION TO 2019 ANNUAL REPORT**

**FRAMEWORK AGREEMENT**

On 24 September 2020, the Company and Powerleader Network Security entered into the Framework Agreement pursuant to which (i) the Company (or its subsidiaries) may from time to time purchase certain server chassis and components from Powerleader Network Security and (ii) Powerleader Network Security may from time to time purchase certain server hardware, operating systems and electronic accessories and components from the Company (or its subsidiaries) for a term commencing on 1 January 2020 and ending on 31 December 2021.

## **HISTORICAL TRANSACTIONS**

During the year ended 31 December 2019, Powerleader Computing System, Powerleader Software Development and Baotong Information, each being a non-wholly owned subsidiary of the Company, purchased certain amount of server chassis and components from Powerleader Network Security at an aggregate consideration of RMB3,731,373.29.

During (i) the year ended 31 December 2019, (ii) the year ended 31 December 2018 and (iii) the year ended 31 December 2017, Powerleader Computing System, Powerleader Software Development, Baotong Group Limited (also a non-wholly owned subsidiary of the Company) and Baotong Information sold certain amount of server hardware, operating systems and electronic accessories and components to Powerleader Network Security at an aggregate consideration of (i) RMB28,752,601.72, (ii) RMB8,760,586.09 and (iii) RMB8,657,048.04 respectively.

## **GEM LISTING RULES IMPLICATIONS**

Powerleader Network Security is owned as to 90% by Powerleader Holdings (a substantial shareholder of the Company holding approximately 42.05% of the total issued share capital of the Company). Powerleader Network Security is an associate of Powerleader Holdings and is therefore a connected person of the Company under the GEM Listing Rules, and the transactions contemplated under the Framework Agreement constitute continuing connected transactions and the Historical Transactions constituted connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Since the highest ratio of the applicable percentage ratios in respect of (i) the proposed annual caps for the Framework Agreement, (ii) the historical purchase of server chassis and components by the Group from Powerleader Network Security for the year ended 31 December 2019, (iii) the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2018 and (iv) the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2017 exceeds 0.1% but is less than 5%, each of aforesaid connected transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

As the highest ratio of the applicable percentage ratios in respect of the historical sales of server hardware, operating systems, electronic accessories and components to Powerleader Network Security for the year ended 31 December 2019 exceed 5%, such connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **EGM**

An EGM will be convened to obtain the Independent Shareholders' approval and ratification of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security in the year ended 31 December 2019 by the Independent Shareholders at the EGM.

A circular of the Company containing further details of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019, a letter of advice from Altus Capital Limited, the recommendation of the Independent Board Committee, the notice convening the EGM together with proxy form and any other information as required by the GEM Listing Rules is expected to be despatched to the Shareholders on or before 16 October 2020.

## **SUPPLEMENTAL INFORMATION IN RELATION TO 2019 ANNUAL REPORT**

Certain information in the 2019 Annual Report, including the sections headed "Continuing Connected Transactions" and "Related Party Transactions" in the Directors' Report therein are supplemented as set out in this announcement.

## **INTRODUCTION**

The Board hereby announces that on 24 September 2020, the Company and Powerleader Network Security entered into the Framework Agreement pursuant to which (i) the Company (or its subsidiaries) may from time to time purchase certain server chassis and components from Powerleader Network Security and (ii) Powerleader Network Security may from time to time purchase certain server hardware, operating systems and electronic accessories and components from the Company (or its subsidiaries) for a term commencing on 1 January 2020 and ending on 31 December 2021. The principal terms of the Framework Agreement are set out below:

## THE FRAMEWORK AGREEMENT

### Principal terms of the Framework Agreement are as follows:

- Date : 24 September 2020
- Parties : (1) the Company; and  
(2) Powerleader Network Security
- Term : 1 January 2020 to 31 December 2021 (both dates inclusive)
- Subject matter : (1) the Company (or its subsidiaries) may from time to time purchase certain server chassis and components from Powerleader Network Security; and  
(2) Powerleader Network Security may from time to time purchase certain server hardware, operating systems and electronic accessories and components from the Company (or its subsidiaries)
- Consideration : (1) In respect of the purchases of server chassis and components by the Group from Powerleader Network Security, the consideration of each of the orders shall be paid in cash in full by the Company or its subsidiaries (as the case may be) to Powerleader Network Security within 30 days after the relevant products passed the quality check of the Company or its subsidiary (as the case may be).  
(2) In respect of the sales of server hardware, operating systems and electronic accessories and components by the Group to Powerleader Network Security, the consideration of each of the orders shall be paid in cash in full by Powerleader Network Security to the Company or its subsidiary (as the case may be) within 30 days after the relevant products were delivered or 30 days after the order was made and the balance shall be paid in cash within 60 days after the relevant products passed the quality check of Powerleader Network Security (as the case may be).

The consideration for each of the orders under the Framework Agreement shall be determined by the parties upon arm's length negotiation taking into account the costs of the server chassis and components, electronic accessories and components and server hardware and operating systems (as the case may be) and profit comparable to the profit margin of the transactions with independent third parties.

### **Proposed annual caps and Basis of annual caps for the Framework Agreement**

In each of the two years ending 31 December 2020 and 31 December 2021 (the "Annual Cap Periods"), (i) the maximum aggregate amount of the consideration to be paid by the Group to Powerleader Network Security in respect of the purchases of server chassis and components from Powerleader Network Security and (ii) the maximum aggregate amount of the consideration to be received by the Group from Powerleader Network Security in respect of the sales of server hardware, operating systems and electronic accessories and components to Powerleader Network Security respectively pursuant to the Framework Agreement shall not exceed the following respective proposed annual cap:

	<b>Proposed annual cap</b> <i>(in RMB)</i>	
	<b>For the year ending 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
(i) the maximum aggregate amount of the consideration to be paid by the Group to Powerleader Network Security in respect of the purchases of server chassis and components from Powerleader Network Security	21,500,000.00	21,500,000.00
(ii) the maximum aggregate amount of the consideration to be received by the Group from Powerleader Network Security in respect of the sales of server hardware, operating systems and electronic accessories and components to Powerleader Network Security	21,500,000.00	21,500,000.00

The aforesaid proposed annual caps in respect of the Framework Agreement are determined with reference to (i) the historical amount of sales and purchases of similar products between the Group and Powerleader Network Security; and (ii) the long-term stable cooperation relationship between the Group and Powerleader Network Security.

### **Transactions under the Framework Agreement**

The total consideration paid by the Group to Powerleader Network Security in respect of the purchases of server chassis and components from Powerleader Network Security under the Framework Agreement from 1 January 2020 to 31 August 2020 is RMB7,275,749.10.

The total consideration received by the Group from Powerleader Network Security in respect of the sales of server hardware, operating systems and electronic accessories and components to Powerleader Network Security under the Framework Agreement from 1 January 2020 to 31 August 2020 is RMB13,544,774.17.

### **HISTORICAL PURCHASE OF SERVER CHASSIS AND COMPONENTS FROM POWERLEADER NETWORK SECURITY**

During the year ended 31 December 2019, Powerleader Computing System, Powerleader Software Development and Baotong Information, each being a non-wholly owned subsidiary of the Company, purchased certain amount of server chassis and components from Powerleader Network Security, details of which are as follows:

<b>Purchaser</b>	<b>During the year ended 31 December 2019</b>
Powerleader Computing System	RMB2,916,676.13
Powerleader Software Development	RMB794,095.40
Baotong Information	<u>RMB20,601.76</u>
<b>Total</b>	<u><u>RMB3,731,373.29</u></u>

Each of the orders required that the consideration shall be paid in cash in full by Powerleader Computing System, Powerleader Software Development and Baotong Information (as the case may be) to Powerleader Network Security within 30 days after the relevant products passed the quality check of the relevant parties. The aggregate original acquisition cost of the server chassis and components purchased by Powerleader Computing System, Powerleader Software Development and Baotong Information from Powerleader Network Security during the year ended 31 December 2019 was RMB3,371,525.10.

**HISTORICAL SALES OF SERVER HARDWARE, OPERATING SYSTEMS, ELECTRONIC ACCESSORIES AND COMPONENTS TO POWERLEADER NETWORK SECURITY**

During (i) the year ended 31 December 2019, (ii) the year ended 31 December 2018 and (iii) the year ended 31 December 2017, Powerleader Computing System, Powerleader Software Development, Baotong Group Limited (also a non-wholly owned subsidiary of the Company) and Baotong Information sold certain amount of server hardware, operating systems and electronic accessories and components to Powerleader Network Security, details of which are as follows:

<b>Purchaser</b>	<b>(i) During the year ended 31 December 2019</b>	<b>(ii) During the year ended 31 December 2018</b>	<b>(iii) During the year ended 31 December 2017</b>
Powerleader Computing System	RMB2,529,876.10	RMB54,716.98	RMB3,010,032.54
Powerleader Software Development	RMB26,205,565.62	RMB8,705,869.11	RMB5,648,123.1
Baotong Group Limited	RMB17,160.00	—	RMB-1,107.6 (Note)
Baotong Information	—	—	—
<b>Total</b>	<b><u>RMB28,752,601.72</u></b>	<b><u>RMB8,760,586.09</u></b>	<b><u>RMB8,657,048.04</u></b>

*Note:* This figure represents the amount of server hardware, operating systems and electronic accessories and components returned by Powerleader Network Security to Baotong Group Limited during the year ended 31 December 2017.

Each of the orders required that the consideration shall be paid in cash in full by Powerleader Network Security to Powerleader Computing System, Powerleader Software Development, Baotong Group Limited or Baotong Information (as the case may be) within 30 days after the relevant products were delivered or 30 days after the order was made and the balance shall be paid in cash within 60 days after the relevant products passed the quality check of Powerleader Network Security (as the case may be). The aggregate book value of the server hardware and operating systems sold by Powerleader Computing System, Powerleader Software Development, Baotong Group Limited and Baotong Information to Powerleader Network Security (i) the year ended 31 December 2019, (ii) the year ended 31 December 2018 and (iii) the year ended 31 December 2017 was (i) RMB25,712,642.88, (ii) RMB8,250,147.64 and (iii) RMB7,965,734.86 respectively.

## **BASIS OF THE CONSIDERATION OF HISTORICAL TRANSACTIONS**

The consideration for each of the Historical Transactions was determined by Powerleader Computing System, Powerleader Software Development, Baotong Information and Baotong Group (as the case may be) and Powerleader Network Security upon arm's length negotiation taking into account the costs of the server chassis and components, electronic accessories and components and server hardware and operating systems (as the case may be) and profit comparable to the profit margin of the transactions with independent third parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENTS AND THE HISTORICAL TRANSACTIONS**

### **Purchase of Server chassis and Components under the Framework Agreement and Historical Purchase of Server chassis and Components from Powerleader Network Security**

Powerleader Network Security is capable of handling small-quantity orders of sampling, manufacturing and producing server chassis. Therefore, Powerleader Network Security can independently provide tailor-made samples, design and produce tailor-made server chassis in small-quantity orders according to the Group's specific requests at a relatively short delivery time.

Very few independent third-party manufacturers of server chassis are able to meet the Group's demand for sampling of server chassis in small-quantity orders. The price at which the Group purchased the server chassis from Powerleader Network Security is comparable to the price of the server chassis purchased from independent suppliers.

### **Sales of Server Hardware, Operating Systems, Electronic Accessories and Components under the Framework Agreement and Historical Sales of Server Hardware, Operating Systems, Electronic Accessories and Components to Powerleader Network Security**

The clients of the Group for server hardware and operating systems include the military force and military industrial technology research institutes. The Group does not possess the necessary qualifications to directly sell products to the clients concerned, while Powerleader Network Security possesses the necessary qualifications. The server hardware and operating systems can only be sold through Powerleader Network Security to the clients with military background.

Due to the uniqueness of the accessories developed by the Group, Powerleader Network Security purchases the accessories from the Group based on the needs for research and development and small-scale purchasing. In addition, the purchasing volumes of Powerleader Network Security does not meet the minimum order quantities requirement of the third-party suppliers. The price at which the Group sells the electronic accessories and components to Powerleader Network Security is comparable to the price of similar products sold to independent clients.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement and the Historical Transactions are fair and reasonable, such connected transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

Powerleader Network Security is owned as to 90% by Powerleader Holdings (a substantial shareholder of the Company holding approximately 42.05% of the total issued share capital of the Company). Powerleader Network Security is an associate of Powerleader Holdings and is therefore a connected person of the Company under the GEM Listing Rules, and the transactions contemplated under the Framework Agreement constitute continuing connected transactions and the Historical Transactions constituted connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Since the highest ratio of the applicable percentage ratios in respect of (i) the proposed annual caps for the Framework Agreement, (ii) the historical purchase of server chassis and components by the Group from Powerleader Network Security for the year ended 31 December 2019, (iii) the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2018 and (iv) the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2017 exceeds 0.1% but is less than 5%, each of aforesaid connected transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

As the highest ratio of the applicable percentage ratios in respect of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019 exceed 5%, such connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Madam Zhang Yunxia owns 10% of Powerleader Network Security and 12.5% of Powerleader Holdings and Mr. Li Ruijie owns 87.5% of Powerleader Holdings, and are regarded to have material interest in the Historical Transactions. Madam Zhang Yunxia and and Mr. Li Ruijie have abstained from voting on the resolutions of the Board approving the Historical Transactions.

Due to deviations in the understanding of the GEM Listing Rules by the relevant management personnel of the Company, the Company failed to be in timely compliance with the relevant requirements under the GEM Listing Rules in respect of the Historical Transactions. The Company hereby re-complies the relevant requirements under the GEM Listing Rules.

## **EGM**

The Company proposes to seek the approval and ratification of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019 by the Independent Shareholders at the EGM. An Independent Board Committee has been established to advise the Independent Shareholders in relation to the terms of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019. Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun have been appointed by the Board to serve as members of the Independent Board Committee. Altus Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders as to, among other things, whether the terms of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019 are fair and reasonable and in the interest of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolution to be proposed at the EGM.

A circular of the Company containing further details of the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019, a letter of advice from Altus Capital Limited, the recommendation of the Independent Board Committee, the notice convening the EGM together with proxy form and any other information as required by the GEM Listing Rules is expected to be despatched to the Shareholders on or before 16 October 2020.

## **INTERNAL CONTROL PROCEDURES TO BE CONDUCTED FOR FUTURE COMPLIANCE WITH THE GEM LISTING RULES**

With a view to ensuring the timely compliance with the relevant requirements of the GEM Listing Rules and preventing any recurrence of any event similar to the above non-compliance in the future, the Company will enhance its internal control systems by adopting the following measures:

- (1) the audit committee of the Company consisting of all the three independent non-executive Directors will be entrusted with the responsibility to review and modify the internal control system and update the internal procedures with reference to the Listing Rules as and when necessary;

- (2) the Group's finance department will periodically provide the management of the Company with a list of the connected persons of the Company and their corresponding relationships with the Group, and will request such connected persons to notify the Company and the audit committee of the Company immediately in respect of any proposed transactions to be entered into by the Group with any of such connected persons;
- (3) the Board has reviewed and will continue to periodically review the Company's internal control and financial reporting systems and their effectiveness;
- (4) Mr. Li Ruijie (a non-executive Director) and Mr. Dong Weiping (the company secretary of the Company) are designated to be responsible for monitoring transactions of the Group for compliance with Chapter 20 as well as other requirements under the GEM Listing Rules, and the Company will seek legal advice and/or other professional advice from time to time, as and when necessary, to ensure future transactions are conducted in compliance with the relevant requirements of the GEM Listing Rules.

## **INFORMATION ON THE GROUP**

The Group is a cloud computing solutions provider in the PRC with proprietary innovation capability, and operates in the PRC and Hong Kong. The Group's principal businesses are (i) server, storage and solution provider business; (ii) electronic equipment and accessories (non-server and storage) distribution business; (iii) Guangzhou Internet Data Centre business; (iv) industrial park development, operation and property management business; and (v) industrial investment business (non-server and storage).

## **INFORMATION ON POWERLEADER NETWORK SECURITY**

Powerleader Network Security is a company incorporated in the PRC and is principally engaged in research and development and sales of software and hardware for electronic products and information products; design and building of network security projects; design and development of big data and network security systems. Manufacturing of licensed business products including software and hardware for electronic products and information products. Powerleader Network Security is owned as to 90% by Powerleader Holdings (a substantial shareholder of the Company holding approximately 42.05% of the total issued share capital of the Company and is directly and indirectly (through Powerleader Asset Management) held as to 87.5% and 12.5% by Mr. Li Ruijie and Madam Zhang Yunxia respectively) and 10% by Madam Zhang Yunxia (a Director).

## SUPPLEMENTAL INFORMATION IN RELATION TO 2019 ANNUAL REPORT

Reference is made to the 2019 Annual Report.

The Company would like to supplement the section headed “*Continuing Connected Transactions*” in the Directors’ Report in the 2019 Annual Report with the following information:

“(i) Import agency framework agreement with G-Speed

For the year ended 31 December 2019, the total amount of agency fee charged by G-Speed to the Group under the Import Agency Framework Agreement amounted to RMB195,782.36.

(ii) Tenancy agreement with Baoteng Internet

- (1) For the year ended 31 December 2019, the total amount of rent payable by Baoteng Internet to the Company under the Baoteng Internet IDC Phase 1 Tenancy Agreement amounted to RMB1,644,685.70.
- (2) For the year ended 31 December 2019, the total amount of rent payable by Baoteng Internet to the Company under the Baoteng Internet IDC Phase 2 Tenancy Agreement amounted to RMB1,199,142.85.
- (3) For the year ended 31 December 2019, the total amount of rent payable by Baoteng Internet to the Company under the Baoteng Internet IDC Phase 3 Tenancy Agreement amounted to RMB565,714.28.”

The Company would also like to supplement the section headed “*Related Party Transactions*” in the Directors’ Report in the 2019 Annual Report with the following information:

“The historical capital transactions of the Group referred to in “3. Guarantee with related parties” and “4. Capital transactions with immediate company and its subsidiaries” under Note XI.(II) to the Company’s 2019 financial statements constituted connected transactions as defined in Chapter 20 of the GEM Listing Rules.

The following related party transactions referred to in “1. Related party transactions regarding the purchase and sale of good and provision and receipt of services” and “2. Lease with related parties” under Note XI. (II) to the Company’s 2019 financial statements also constituted continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules and the Board confirms that the Company has complied with the disclosure requirements as required by the GEM Listing Rules in relation to such continuing connected transactions.:

<b>Name of related party</b>	<b>Type of transaction</b>	<b>Amount for the year</b> <i>(in RMB)</i>
G-Speed	Agency fee	195,782.36
Baoteng Internet	Tenancy	3,409,542.83

The following related party transactions referred to in “1. Related party transactions regarding the purchase and sale of good and provision and receipt of services” and “2. Lease with related parties” under Note XI. (II) and in the remuneration of directors and supervisors under Note XI.(IV) 1. To the Company’s 2019 financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules but are fully exempt from the connected transaction requirements pursuant to Rule 20.74(1) or Rule 20.93 (as the case may be) of the GEM Listing Rules:

<b>Name of related party</b>	<b>Type of transaction</b>	<b>Amount for the year</b> <i>(in RMB)</i>
G-Speed	Agency fee	186,879.97
Baoteng Internet	Purchase of goods	138,261.03
Baoteng Internet Big Data	Purchase of goods	22,123.89
Zqgame	Sale of goods/Provision of services	110,617.04
Baoteng Internet	Sale of goods/Provision of services	1,606,880.55
Baoteng Internet	Lease (the Group as lessor)	1,513,657.26
Zqgame	Lease (the Group as lessor)	37,714.29
Zqgame	Lease (the Group as lessee)	2,487,167.69
Remuneration of directors and supervisors	(Please refer to Note XI. (IV) 1. To the Company’s 2019 financial statements for details)	

The following related party transactions referred to in “1. Related party transactions regarding the purchase and sale of good and provision and receipt of services” under Note XI. (II) to the Company’s 2019 financial statements constituted connected transactions subject to announcement/independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules, but the Company has failed to comply with the relevant requirements under Chapter 20 of the GEM Listing Rules in relation to such connected transactions:

<b>Name of related party</b>	<b>Type of transaction</b>	<b>Amount for the year</b> <i>(in RMB)</i>
Powerleader Network Security	Purchase of goods	3,731,373.29
Powerleader Network Security	Sales of goods	28,752,601.72

Save as disclosed in this announcement and the announcements of the Company dated 22 June 2020 and 2 July 2020, all other information in the 2019 Annual Report remain unchanged.

## **DEFINITIONS**

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

“2019 Annual Report”	the annual report of the Company for the year ended 31 December 2019
“Altus Capital Limited”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders as to the historical sales of server hardware, operating systems, electronic accessories and components to Powerleader Network Security for the year ended 31 December 2019
“Baoteng Internet”	Shenzhen Baoteng Internet Technology Limited* (深圳市宝騰互聯科技有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Zqgame
“Baoteng Internet Big Data”	Shenzhen Baoteng Internet Big Data Technology Service Company Limited (深圳市宝騰互聯大數據技術服務有限公司)

“Baoteng Internet IDC Phase 1 Tenancy Agreement”	the tenancy agreement dated 1 July 2016 entered into between the Company as landlord and Baoteng Internet as tenant, the details of which were disclosed in the announcement of the Company dated 22 August 2017
“Baoteng Internet IDC Phase 2 Tenancy Agreement”	the tenancy agreement dated 1 July 2016 entered into between the Company as landlord and Baoteng Internet as tenant, the details of which were disclosed in the announcement of the Company dated 22 August 2017
“Baoteng Internet IDC Phase 3 Tenancy Agreement”	the tenancy agreement dated 30 September 2019 entered into between the Company as landlord and Baoteng Internet as tenant, the details of which were disclosed in the announcement of the Company dated 30 September 2019
“Baotong Group Limited”	Baotong Group Limited (宝通集团有限公司), a company incorporated in Hong Kong with limited liability
“Baotong Information”	Shenzhen Baotong Information Technology Development Co., Ltd.* (深圳市宝通信息科技发展有限公司), a company incorporated in the PRC with limited liability
“Board”	the board of Directors
“Company”	Powerleader Science & Technology Limited* (宝德科技集团股份有限公司), 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
“EGM”	an extraordinary general meeting of the Company proposed to be convened and held for the Independent Shareholders to consider and, if thought fit, among other things, approve and ratify the historical sales of server hardware, operating systems, electronic accessories and components by the Group to Powerleader Network Security for the year ended 31 December 2019
“Framework Agreement”	the sales and purchases framework agreement entered into between the Company and Powerleader Network Security on 24 September 2020
“GEM”	GEM of the Hong Kong Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“G-Speed”	深圳市英捷迅實業發展有限公司 (G-Speed Industrial Development Co., Ltd), a limited liability company established in the PRC and beneficially owned by Powerleader Investment as to 50%
“Historical Transactions”	collectively, purchase of server chassis and components by Powerleader Computing System, Powerleader Software Development and Baotong Information from Powerleader Network Security during year ended 31 December 2019, and sales of server hardware, operating systems, electronic accessories and components by Powerleader Computing System, Powerleader Software Development, Baotong Group Limited and Baotong Information to Powerleader Network Security during the three years ended 31 December 2019, 31 December 2018 and 31 December 2017
“Import Agency Framework Agreement”	the import agency framework agreement dated 21 November 2016 made between the Company and G-Speed relating to the provision of import agency services, the details of which were disclosed in the announcement of the Company dated 21 November 2016
“Independent Shareholders”	Shareholders other than Powerleader Holdings
“Powerleader Computing System”	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 Holdings”	Shenzhen Powerleader Investment Holdings Limited* (深圳市宝德投資控股有限公司), a company incorporated in the PRC holding approximately 42.05% of all of the Company’s issued share capital, and is directly and indirectly held as to 87.5% and 12.5% by Mr. Li Ruijie and Madam Zhang Yunxia respectively
“Powerleader Network Security”	Powerleader Network Security (Shenzhen) Limited* (宝德網絡安全系統(深圳)有限公司), a company incorporated in the PRC with limited liability
“Powerleader Software Development”	Shenzhen Powerleader Software Development Limited* (深圳市宝德軟件開發有限公司), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Zqgame”	Shenzhen ZQGAME Co Ltd* (深圳中青宝互動網絡股份有限公司), a company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 300052)
“%”	per cent

By order of the Board  
**Powerleader Science & Technology Group Limited\***  
**Zhang Yunxia**  
*President*

Shenzhen, the PRC  
24 September 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, 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