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深圳市速必拓網絡科技有限公司
SHENZHEN SPEED TOP NETWORK TECHNOLOGY CO., LTD.*
(a company established in the People's Republic of China with limited liability)



宝德科技集團股份有限公司
POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED*
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8236)

JOINT ANNOUNCEMENT
(1) PROPOSED PRIVATISATION OF POWERLEADER
BY SPEED TOP BY WAY OF MERGER BY ABSORPTION
OF POWERLEADER
(2) PROPOSED WITHDRAWAL OF LISTING
AND
(3) RESUMPTION OF TRADING

Financial Adviser to Speed Top



1. Introduction

Speed Top and the Company jointly announce that Speed Top and the Company entered into the Merger Agreement on 25 September 2020 (as amended and supplemented by a supplemental agreement entered into between the same parties on 19 October 2020), pursuant to which Speed Top and the Company will implement the Merger subject to the terms and conditions thereunder.

After the Merger, the Company will be merged into and absorbed by Speed Top in accordance with the PRC Company Law, other applicable laws in the PRC and the Articles and all Shares will be cancelled. The Proposal is made by Speed Top to all the Shareholders (including Powerleader Investment).

2. Merger

Pursuant to the Merger Agreement, Speed Top and the Company agreed that subject to and conditional upon the fulfilment (or waiver, where applicable) of the Conditions as set out respectively in the sections headed “*Principal terms of the Merger Agreement — Conditions to effect the Merger Agreement*” and “*Principal terms of the Merger Agreement — Conditions to the implementation of the Merger*” below, Speed Top will pay the Cancellation Price in the amount of:

- (i) RMB3.38 per Domestic Share to the Domestic Shareholders (other than Powerleader Investment as described in the section headed “*Cancellation Price — Funding for the Proposal*” below); and
- (ii) such Hong Kong dollars per H Share, which is equivalent to the Cancellation Price of each Domestic Share based on the Exchange Rate of RMB1: HK\$1.16, to the H Shareholders, being HK\$3.92 per H Share.

The Cancellation Price represents a premium of approximately 14.6% over the closing price of HK\$3.42 per H Share as quoted on the Stock Exchange on the Last Trading Day. **Speed Top will not increase the Cancellation Price and does not reserve the right to do so.**

The aggregate amount of the Cancellation Price required to be paid by Speed Top to cancel (i) the H Shares held by the H Shareholders and (ii) the Domestic Shares held by the Domestic Shareholders (other than the Domestic Shares owned by Powerleader Investment) are approximately HK\$238,140,000 and RMB270,621,390 respectively based on 60,750,000 H Shares and 80,065,500 Domestic Shares (other than the Domestic Shares owned by Powerleader Investment) in issue and to be cancelled under the Merger Agreement as at the date of this joint announcement.

Subject to and upon the Merger becoming unconditional in all respects, the Company will make an application to the Stock Exchange for the listing of the H Shares on GEM to be voluntarily withdrawn on the Delisting Date. Following the de-registration of the Company, the Company will be merged into and absorbed by Speed Top in accordance with the PRC Company Law, other applicable laws in the PRC and the Articles, and will cease to exist as a separate legal entity in the PRC. Following the completion of the Merger, all assets, liabilities, businesses, employees, contracts and all other rights and obligations of the Company will be assumed and succeeded by Speed Top as the surviving entity. The registered capital of Speed Top will not be affected by and will remain unchanged following the Merger.

Pursuant to an agreement dated 25 September 2020 entered into between Powerleader Investment and Speed Top (as amended and supplemented by a supplemental agreement entered into between the same parties on 19 October 2020), Powerleader Investment irrevocably and unconditionally agreed to waive Speed Top's obligation to pay the Cancellation Price which Powerleader Investment was originally entitled to under the Merger Agreement by way of cash. Powerleader Investment and Speed Top confirmed that the payment of the Cancellation Price which Powerleader Investment was originally entitled to under the Merger Agreement shall be effected by way of accounting treatment (in the form of partial settlement of RMB345,383,610 (which is equivalent to the total amount of the Cancellation Price payable by Speed Top to Powerleader Investment as originally contemplated under the Merger Agreement based on the Cancellation Price of RMB3.38 per Domestic Share and 102,184,500 Domestic Shares owned by Powerleader Investment as at the date of this joint announcement) against the outstanding advance in the aggregate amount of approximately RMB571,722,470 from Speed Top to Powerleader Investment, which was incurred during the year ended 31 December 2019 and the nine months ended 30 September 2020 mainly for supporting the working capital needs and business operations of Powerleader Investment and its subsidiaries) instead of actual payment by cash from Speed Top to Powerleader Investment after all the Conditions have been fulfilled (or waived, where applicable) as originally contemplated under the Merger Agreement. Such accounting treatment would take place on the date on which Speed Top shall pay the Cancellation Price to the H Shareholders and the Independent Domestic Shareholders (i.e. within seven Business Days after the fulfilment (or waiver, where applicable) of all the Conditions and the Merger becomes unconditional). Following the date on which such accounting treatment is effected, Powerleader Investment shall cease to possess, and undertakes not to exercise, any rights attaching to the Domestic Shares held by it.

Upon fulfilment (or waiver, where applicable) of all the Conditions, the Merger will become unconditional and Speed Top shall pay to the H Shareholders and the Domestic Shareholders (other than Powerleader Investment) the Cancellation Price as soon as possible and in any event not later than seven Business Days after the date on which all the Conditions have been fulfilled (or waived, where applicable). Speed Top intends to use its internal financial resources to finance the total consideration for the Proposal (excluding the amount of the Cancellation Price in respect of the Domestic Shares owned by Powerleader Investment). The Cancellation Price in respect of the H Shares to the H Shareholders and the Domestic Shares to the Independent Domestic Shareholders shall be paid by Speed Top by way of cheque (or such other payment means as the SFC and/or other relevant regulatory body may agree or accept).

Following the payment of the Cancellation Price by Speed Top to the H Shareholders and the Domestic Shareholders (other than Powerleader Investment), all the relevant Shares shall be deemed to be cancelled and such Shareholders shall cease to possess any rights in respect of such Shares (other than the entitlements pursuant to the exercise of the Fair Price Acquisition Right). The relevant share certificates held by them shall cease to have effect as documents or evidences of title to such Shares.

3. Irrevocable Undertakings by five of the Independent Domestic Shareholders

On 19 October 2020, five of the Independent Domestic Shareholders, namely (i) Hengtong Dayuan, (ii) Yali'anda, (iii) Jinbo Litong, (iv) Jiachuang Partnership and (v) Zhizheng Partnership, gave Irrevocable Undertakings in favour of Speed Top and the Company, pursuant to which each of the relevant Independent Domestic Shareholders unconditionally and irrevocably undertook, confirmed and agreed to the following matters:

- (a) subject to and conditional upon the fulfilment (or waiver, where applicable) of all the Conditions and the Merger becoming unconditional, each relevant Independent Domestic Shareholder unconditionally and irrevocably accepts cancellation of the Domestic Shares held by such Independent Domestic Shareholder in consideration for the Cancellation Price in accordance with the terms and conditions of the Merger Agreement;
- (b) each relevant Independent Domestic Shareholder unconditionally and irrevocably agrees to vote (either in person or by proxy) in favour of the resolution(s) in relation to the Merger, the Merger Agreement and the respective transactions contemplated thereunder at the EGM and the Domestic Share Class Meeting respectively; and
- (c) (i) each relevant Independent Domestic Shareholder unconditionally and irrevocably undertakes not to sell, transfer, dispose or pledge, or otherwise impose any encumbrances on or grant to any third party any rights attaching to, those Domestic Share(s) held by such Independent Domestic Shareholder (other than those Charged Shares pledged by an Independent Domestic Shareholder in favour of a chargee) before the date on which Speed Top pays the Cancellation Price to such Independent Domestic Shareholder; and

- (ii) the relevant Independent Domestic Shareholder who pledged the Charged Shares as mentioned in sub-paragraph (i) immediately above unconditionally and irrevocably further undertakes not to sell, transfer, dispose or further pledge, or otherwise further impose any encumbrances on or grant to any third party any rights attaching to those Charged Shares held by such Independent Domestic Shareholder; not to do any act or omission which would constitute the security over the Charged Shares becoming enforceable or enable the chargee to exercise or dispose of the Charged Shares, together with the shareholder's rights attached thereto; and shall at all relevant times remain as a beneficial owner of the Charged Shares and continue to be entitled to the voting rights attaching to the Charged Shares, before the date on which Speed Top pays the Cancellation Price to such Independent Domestic Shareholder.

If the Merger has not become unconditional on or before the Long Stop Date, or for any reason is not approved or lapses or is terminated, the Irrevocable Undertakings shall forthwith terminate and cease to be legally binding upon the relevant Independent Domestic Shareholders.

4. Proposed Withdrawal of Listing of H Shares

Subject to and upon the Merger becoming unconditional in all respects, the Company will make an application to the Stock Exchange for the voluntary withdrawal of the listing of the H Shares on GEM in accordance with Rule 9.23 of the GEM Listing Rules. Shareholders will be notified by way of announcement(s) of the dates and relevant arrangements for the last day for dealing in the H Shares and on which the voluntary withdrawal of the listing of the H Shares on GEM will become effective.

5. Shareholdings in the Company

As at the date of this joint announcement, Speed Top does not own or have control or direction over any voting rights or rights over the Shares, and Powerleader Investment (the holding company of Speed Top and Speed Top's concert party) is interested in 102,184,500 Domestic Shares, representing approximately 56.07% of the total issued Domestic Shares and approximately 42.05% of the total issued Shares. The Independent Domestic Shareholders are interested in 80,065,500 Domestic Shares, representing approximately 43.93% of the total issued Domestic Shares and approximately 32.95% of the total issued Shares.

As at the date of this joint announcement, 60,750,000 H Shares are owned by the public, representing 100% of the total issued H Shares and 25% of the total issued Shares.

As at the date of this joint announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities convertible into the Shares.

6. Overseas Shareholders

The making of the Proposal to any Shareholders who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of each overseas Shareholder who wishes to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal or regulatory requirements and the payment of any issue, transfer or other taxes due by such overseas Shareholder in such jurisdiction.

Any acceptance of the Proposal by any Shareholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Shareholder to Speed Top and the Company that all local laws and requirements have been complied with and that the Proposal can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Such Shareholders should consult their professional advisers if in doubt.

7. Tax Advice

The Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Proposal or exercise of the Fair Price Acquisition Right. None of Speed Top, the Company and their respective parties acting in concert, ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or exercise of the Fair Price Acquisition Right.

8. Meetings and Despatch of the Composite Document

The Company will convene the EGM and the Class Meetings to consider and, if thought fit, approve the Proposal, the Merger Agreement, the Merger and the respective transactions contemplated thereunder. The composite document containing, among others, (i) further details of the Proposal (including the expected timetables), the Merger Agreement and other matters in relation to the Merger, (ii) the recommendations and advice from the Independent Board Committee to the Independent Shareholders, (iii) the letter of advice issued by the independent financial adviser of the Company, namely Altus Capital Limited, to the Independent Board Committee and the Independent Shareholders, and (iv) other particulars required by the Takeovers Code, together with notices for the EGM and the Class Meetings and the proxy forms, are expected to be despatched to the respective Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

9. Resumption of Trading

At the request of the Company, trading in the H Shares on GEM was suspended with effect from 1:00 p.m. on 25 September 2020 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on GEM with effect from 9:00 a.m. on 20 October 2020.

WARNING

The Merger Agreement is subject to and conditional upon, among others, the fulfilment of the conditions to effect the Merger Agreement set out in this joint announcement. Further, Shareholders and/or potential investors should be aware that the implementation of the Merger is subject to the conditions to the implementation of the Merger set out in this joint announcement being fulfilled (or waived, where applicable). Neither Speed Top nor the Company provides any assurance that any or all Conditions can be fulfilled or, where applicable, waived, and thus the Merger Agreement may or may not become effective or, if effective, the Merger may or may not be implemented or completed. Shareholders and/or potential investors should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

1. INTRODUCTION

Speed Top and the Company jointly announce that Speed Top and the Company entered into the Merger Agreement on 25 September 2020 (as amended and supplemented by a supplemental agreement entered into between the same parties on 19 October 2020), pursuant to which Speed Top and the Company will implement the Merger subject to the terms and conditions thereunder.

After the Merger, the Company will be merged into and absorbed by Speed Top in accordance with the PRC Company Law, other applicable laws in the PRC and the Articles and all Shares will be cancelled.

2. MERGER

Pursuant to the Merger Agreement, Speed Top and the Company agreed that subject to and conditional upon the fulfilment (or waiver, where applicable) of the Conditions as set out respectively in the sections headed “*Principal terms of the Merger Agreement — Conditions to effect the Merger Agreement*” and “*Principal terms of the Merger Agreement — Conditions to the implementation of the Merger*” below, Speed Top will pay the Cancellation Price in the amount of:

- (i) RMB3.38 per Domestic Share to the Domestic Shareholders (other than Powerleader Investment as described in the section headed “*Cancellation Price — Funding for the Proposal*” below); and
- (ii) such Hong Kong dollars per H Share, which is equivalent to the Cancellation Price of each Domestic Share based on the Exchange Rate of RMB1: HK\$1.16, to the H Shareholders, being HK\$3.92 per H Share.

The aggregate amount of the Cancellation Price required to be paid by Speed Top to cancel (i) the H Shares held by the H Shareholders and (ii) the Domestic Shares held by the Domestic Shareholders (other than the Domestic Shares owned by Powerleader Investment) are approximately HK\$238,140,000 and RMB270,621,390 respectively based on 60,750,000 H Shares and 80,065,500 Domestic Shares (other than the Domestic Shares owned by Powerleader Investment) in issue and to be cancelled under the Merger Agreement as at the date of this joint announcement.

Subject to and upon the Merger becoming unconditional in all respects, the Company will make an application to the Stock Exchange for the listing of the H Shares on GEM to be voluntarily withdrawn on the Delisting Date. Following the de-registration of the Company, the Company will be merged into and absorbed by Speed Top in accordance with the PRC Company Law, other applicable laws in the PRC and the Articles, and will cease to exist as a separate legal entity in the PRC. Following the completion of the Merger, all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company will be assumed and succeeded by Speed Top as the surviving entity. The registered capital of Speed Top will not be affected by and will remain unchanged following the Merger. The Proposal is made by Speed Top to all the Shareholders (including Powerleader Investment).

3. PRINCIPAL TERMS OF THE MERGER AGREEMENT

The principal terms and conditions of the Merger Agreement are summarised below:

Parties	(1) Speed Top; and (2) the Company.
Overview of the Merger	<p>Subject to the terms and conditions of the Merger Agreement, the Merger will be implemented by Speed Top merging with the Company by way of merger by absorption.</p> <p>Following the completion of the Merger, all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company will be assumed and succeeded by Speed Top as the surviving entity and the Company will be de-registered.</p>
Consideration	<p>Pursuant to the Merger Agreement, subject to and conditional upon the fulfilment (or waiver, where applicable) of the conditions to effect the Merger Agreement and the conditions to the implementation of the Merger as respectively set out in the paragraphs headed “<i>Conditions to effect the Merger Agreement</i>” and “<i>Conditions to the implementation of the Merger</i>” below, Speed Top will pay the Cancellation Price in the amount of (i) RMB3.38 per Domestic Share to the Domestic Shareholders (other than Powerleader Investment as set out in the section headed “<i>Cancellation Price — Funding for the Proposal</i>” below) and (ii) such Hong Kong dollars per H Share, which is equivalent to the Cancellation Price of each Domestic Share based on the Exchange Rate of RMB1: HK\$1.16, to the H Shareholders, being HK\$3.92 per H Share.</p>
Conditions to effect the Merger Agreement	<p>The Merger Agreement shall become effective subject to and immediately upon the fulfilment of all of the following conditions:</p> <p>(a) the Merger Agreement, the Merger and the respective transactions contemplated thereunder having been approved by the shareholders of Speed Top;</p>

- (b) the Merger Agreement, the Merger and the respective transactions contemplated thereunder having been approved by more than two-thirds of the Shareholders present and voting at the EGM in accordance with the laws in the PRC and the Articles;
- (c) resolution(s) regarding the Merger Agreement, the Merger and the respective transactions contemplated thereunder having been approved by the Independent H Shareholders at the H Share Class Meeting by way of poll provided that (i) approval by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders (cast either in person or by proxy) at the H Share Class Meeting approving the Merger Agreement, the Merger and the respective transactions contemplated thereunder have been obtained; and (ii) the number of votes cast against the resolution(s) to approve the Merger Agreement, the Merger and the respective transactions contemplated thereunder at the H Share Class Meeting is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (d) resolution(s) regarding the Merger Agreement, the Merger and the respective transactions contemplated thereunder having been approved by the Independent Domestic Shareholders at the Domestic Share Class Meeting by way of poll provided that (i) approval by at least 75% of the votes attaching to the Domestic Shares held by the Independent Domestic Shareholders (cast either in person or by proxy) at the Domestic Share Class Meeting approving the Merger Agreement, the Merger and the respective transactions contemplated thereunder have been obtained; and (ii) the number of votes cast against the resolution(s) to approve the Merger Agreement, the Merger and the respective transactions contemplated thereunder at the Domestic Share Class Meeting is not more than 10% of the votes attaching to all the Domestic Shares held by the Independent Domestic Shareholders; and

- (e) all necessary approval from all relevant regulatory bodies in the PRC and Hong Kong (if applicable) in respect of the Merger Agreement, the Merger and the respective transactions contemplated thereunder having been obtained.

If any of the aforesaid conditions to effect the Merger Agreement has not been fulfilled on or before the Long Stop Date, the Merger Agreement shall terminate.

Each party to the Merger Agreement shall use its best endeavours to adopt all necessary and appropriate action to procure the fulfilment of all the aforesaid conditions to effect the Merger Agreement. Upon signing of the Merger Agreement, neither Speed Top nor the Company shall delay or obstruct the fulfilment of the aforesaid conditions to effect the Merger Agreement. None of the aforesaid conditions to effect the Merger Agreement can be waived by any party to the Merger Agreement.

Condition (a) above has been fulfilled as at the date of this joint announcement.

As advised by the PRC legal advisers to Speed Top, approval in respect of the Merger is required from the Anti-monopoly Bureau of the State Administration for Market Regulation* (國家市場監督管理總局反壟斷局) in accordance with the relevant PRC laws and regulations which, based on communications with the aforesaid Bureau, is currently expected to be obtained in November 2020.

**Conditions to the
implementation of
the Merger**

Upon the Merger Agreement becoming effective following the fulfilment of all the conditions to effect the Merger Agreement, the implementation of the Merger shall be subject to and conditional upon the fulfilment (or waiver, where applicable) of all of the following conditions:

- (a) there being no representations and warranties given by Speed Top under the Merger Agreement containing any mistake or omission which would have a material adverse effect on the Merger on the Delisting Date, and the undertakings given by Speed Top as set out in the Merger Agreement having been complied with by Speed Top in all material respects and, in the situation where Speed Top fails to comply with any of its undertakings thereunder, such non-compliance not causing a material adverse impact on the Merger;
- (b) there being no representations and warranties given by the Company under the Merger Agreement containing any mistake or omission which would have a material adverse effect on the Merger on the Delisting Date, and the undertakings given by the Company as set out in the Merger Agreement having been complied with by the Company in all material respects and, in the situation where the Company fails to comply with any of its undertakings thereunder, such non-compliance not causing a material adverse impact on the Merger; and
- (c) on the Delisting Date, there being no law, injunctive order or decree promulgated or issued by any government body or any judgment, ruling or order made by a court restricting, prohibiting or cancelling the Merger.

Save for condition (c) above which cannot be waived, the Company is entitled to waive condition (a) above, whereas Speed Top is entitled to waive condition (b) above. If any of the aforesaid conditions to the implementation of the Merger has not been fulfilled (or waived, where applicable) on or before the Long Stop Date, the Merger Agreement shall terminate.

**Payment of
Cancellation Price**

Upon fulfilment (or waiver, where applicable) of all the Conditions (being the conditions to effect the Merger Agreement and the conditions to the implementation of the Merger), the Merger will become unconditional and Speed Top shall pay to the H Shareholders and the Domestic Shareholders (other than Powerleader Investment) the Cancellation Price as soon as possible and in any event not later than seven Business Days after the date on which all the Conditions have been fulfilled (or waived, where applicable).

The Cancellation Price in respect of the H Shares to the H Shareholders and the Domestic Shares to the Independent Domestic Shareholders shall be paid by Speed Top by way of cheque (or such other payment means as the SFC and/or other relevant regulatory body may agree or accept).

Following the payment of the Cancellation Price by Speed Top to the H Shareholders and the Domestic Shareholders (other than Powerleader Investment), all the relevant Shares shall be deemed to be cancelled and such Shareholders shall cease to possess any rights in respect of such Shares (other than the entitlements pursuant to the exercise of the Fair Price Acquisition Right). The relevant share certificates held by them shall cease to have effects as documents or evidences of title to such Shares.

De-registration of the Company

Upon fulfilment (or waiver, where applicable) of all the Conditions and payment of the Cancellation Price by Speed Top in accordance with the Merger Agreement, Speed Top and the Company shall negotiate and ascertain the date of implementation of the Merger (the “**Implementation Date**”) which shall in any event be no later than 60 days (or such other date as Speed Top and the Company may agree) from the date on which the Cancellation Price is paid to the Shareholders (other than Powerleader Investment) by Speed Top. Since the Implementation Date, all assets, liabilities, interests, employees, businesses, contracts and all other rights and obligations of the Company shall be enjoyed and borne by Speed Top. The Company shall, in accordance with the applicable laws, rules and regulations and upon Speed Top’s request, submit to applicable PRC governmental authorities all necessary documents for de-registration of the Company. The register of the Shareholders will be closed from the record date for determining entitlement to the Cancellation Price until the Company is de-registered.

Rights of Dissenting Shareholder(s)

Pursuant to the Merger Agreement, any Dissenting Shareholder who intends to exercise the Fair Price Acquisition Right may exercise such right by serving a written notice to the Company and/or any Consenting Shareholder requesting them to acquire the relevant Shares held by such Dissenting Shareholder at a “fair price”. Speed Top shall, at the request of Powerleader and/or the relevant Consenting Shareholders, bear and assume any possible liability owed by Powerleader and/or such Consenting Shareholders to the Dissenting Shareholder in relation to the exercise of the Fair Price Acquisition Right by such Dissenting Shareholder. In such event, Powerleader and/or such Consenting Shareholders (i) shall deliver to Speed Top the written notice showing the intention of the Dissenting Shareholder to exercise the Fair Price Acquisition Right and such other documents as required under the PRC Company Law and the Articles; (ii) shall ensure that Speed Top is entitled to take a lead in participating in all relevant negotiations and legal proceedings in determining the “fair price”; and (iii) except with the prior written consent from Speed Top, shall not pay any consideration in respect of any request made in determining the “fair price”, or settle or propose to settle with the relevant Dissenting Shareholder.

Pursuant to the Articles and as confirmed by the PRC legal advisers to Speed Top, any disputes or claims in relation to the Company's business which occurred based on rights and obligations provided in the Articles, the PRC Company Law and other laws and administrative laws and regulations among the Shareholders, the directors, supervisors, general managers or other senior managers of the Company shall be resolved through arbitration. Such disputes or claims shall be governed by the laws of the PRC unless otherwise provided in other laws and administrative laws and regulations.

As advised by the PRC legal advisers to Speed Top, provisions in relation to the Fair Price Acquisition Right are only set out in the Mandatory Provisions for Companies Listing Overseas 《到境外上市公司章程必備條款》 set forth in Zheng Wei Fa [1994] No. 21 (證委發 [1994] 21號) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System and are included in articles of association of PRC companies whose shares are listed on overseas markets. The PRC legal advisers to Speed Top confirmed that as at the date of this joint announcement, there are no existing valid PRC laws, rules, regulations and regulatory documents governing the “fair price” and the mechanism as to how the “fair price” shall be determined. As such, there is no assurance or warranty as to (i) the time required for determining the “fair price”; (ii) the cost which the Dissenting Shareholders may incur during the process of determining the “fair price”; and (iii) the final result of determining the “fair price” being favourable to the Dissenting Shareholders.

Any Dissenting Shareholder who has opposed the Merger and has requested the Company and/or any Consenting Shareholder to acquire its Shares at a “fair price” will continue to have such right against the Company and/or such Consenting Shareholders, or Speed Top (if requested by the Company and/or such Consenting Shareholders to assume their respective liabilities after receiving the request from the Dissenting Shareholder) upon and subject to the terms of the Merger Agreement.

A Dissenting Shareholder may exercise the Fair Price Acquisition Right provided that:

- (a) he/she/it has validly voted against the resolution(s) in relation to the Merger, the Merger Agreement and the respective transactions contemplated thereunder at each of (i) the EGM and (ii) the H Share Class Meeting or the Domestic Share Class Meeting (as the case may be);
- (b) his/her/its name has been validly registered on the register of members of the Company since the record date for the EGM and the Class Meetings, and he/she/it continues to hold the Shares in respect of which the Fair Price Acquisition Right is intended to be exercised up to the date of payment of the consideration for such Shares based on the “fair price” to such Dissenting Shareholder; and
- (c) he/she/it shall, in any event, exercise the Fair Price Acquisition Right within five Business Days from the Delisting Date.

A Dissenting Shareholder shall not be entitled to exercise the Fair Price Acquisition Right in respect of the Shares held by it if:

- (a) he/she/it has undertaken to the Company to waive his/her/its right to exercise the Fair Price Acquisition Right;
- (b) exercise of the Fair Price Acquisition Right by him/her/it is prohibited under any applicable laws, rules and regulations; or
- (c) the relevant Shares held by him/her/it is subject to pledge, other third party rights or judicial moratorium and no written consent or approval has been legally obtained from the relevant pledgee, third party or authority.

If the conditions to effect the Merger Agreement and the conditions to the implementation of the Merger are not fulfilled (or waived, where applicable) or for whatever reason the Merger is terminated, the Dissenting Shareholders (if any) shall not be entitled to the Fair Price Acquisition Right.

**Notification to
Creditors**

Pursuant to the Merger Agreement, Speed Top and the Company shall (i) after obtaining their internal approval on the Merger respectively (being (i) the approvals from the sole director and the shareholders of Speed Top, which have been obtained as at the date of this joint announcement; (ii) the approval from the board of directors of the Company, which has been obtained as at the date of this joint announcement; and (iii) the approval from the shareholders of the Company (as referred to in conditions (b) to (d) to effect the Merger Agreement as mentioned above)), perform all necessary procedures in relation to the notification to their respective creditors and announcement requirements in accordance with applicable laws, rules and regulations; and (ii) prepay all debts owed to, or otherwise provide guarantee in favour of, their respective creditors at such creditors' request made to Speed Top or the Company within the statutory period as prescribed under Article 173 of the PRC Company Law. If any creditor fails to request Speed Top or the Company to repay their debts within such statutory period, all relevant debts owed by Speed Top and/or the Company to such creditor shall be solely borne by Speed Top since the Implementation Date.

According to the Shareholders Registers, none of the creditors of the Company is a registered Shareholder.

Termination

Speed Top and/or the Company (as the case may be) shall be entitled to terminate the Merger Agreement prior to the implementation of the Merger as follows:

- (a) either Speed Top or the Company is entitled to terminate the Merger Agreement upon occurrence of the following events:
 - (i) the conditions to effect the Merger Agreement not having been fulfilled in full as at the Long Stop Date;
 - (ii) the conditions to the implementation of the Merger not having been fulfilled (or waived, where applicable) in full as at the Long Stop Date; or

- (iii) failure to obtain all the requisite votes for approving the resolution(s) regarding the Merger Agreement and the Merger at the EGM, the H Share Class Meeting or the Domestic Share Class Meeting;
- (b) Speed Top shall be entitled to terminate the Merger Agreement if the Company has breached any of its representations, warranties or undertakings under the Merger Agreement or such obligations as contemplated under other agreements executed in relation to the Merger which has material adverse impact on the Merger and such breach is not remedied within 30 days after the date on which a written notice has been served by Speed Top to the Company; or
- (c) the Company shall be entitled to terminate the Merger Agreement if Speed Top has breached any of its representations, warranties or undertakings under the Merger Agreement or such obligations as contemplated under other agreements executed in relation to the Merger which has material adverse impact on the Merger and such breach is not remedied within 30 days after the date on which a written notice has been served by the Company to Speed Top.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Speed Top should not invoke any or all of the Conditions set out in the paragraphs headed “*Conditions to effect the Merger Agreement*” and “*Conditions to the implementation of the Merger*” above or terminate the Merger Agreement in accordance with the paragraph headed “*Termination*” above as a basis for not proceeding with the Merger unless the circumstances which give rise to the right to invoke any such Condition or termination right are of material significance to Speed Top in the context of the Merger.

4. CANCELLATION PRICE

The Cancellation Price is RMB3.38 per Domestic Share and HK\$3.92 per H Share (equivalent to the Cancellation Price of RMB3.38 per Domestic Share based on the Exchange Rate of RMB1: HK\$1.16).

The Cancellation Price was determined with reference to the market trading price of the H Shares on GEM during the three years preceding the publication of this joint announcement. **Speed Top will not increase the Cancellation Price as set out above and does not reserve the right to do so.**

Comparison of Value

The Cancellation Price per H Share represents:

- (a) a premium of approximately 14.6% over the closing price of HK\$3.42 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 10.1% over the average closing price of approximately HK\$3.56 per H Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 10.1% over the average closing price of approximately HK\$3.56 per H Share based on the daily closing prices as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 10.1% over the average closing price of approximately HK\$3.56 per H Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 12.0% over the average closing price of approximately HK\$3.50 per H Share based on the daily closing prices as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 19.1% over the average closing price of approximately HK\$3.29 per H Share based on the daily closing prices as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;

- (g) a discount of approximately 50.9% to the NAV of approximately RMB6.89 (equivalent to approximately HK\$7.99) per Share as of 31 December 2019; and
- (h) a discount of approximately 51.5% to the NAV of approximately RMB6.97 (equivalent to approximately HK\$8.09) per Share as of 30 June 2020.

Highest and Lowest Prices

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$4.25 on 7 July 2020 and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$2.18 on 18 May 2020.

Funding for the Proposal

Pursuant to an agreement dated 25 September 2020 entered into between Powerleader Investment and Speed Top (as amended and supplemented by a supplemental agreement entered into between the same parties on 19 October 2020), Powerleader Investment irrevocably and unconditionally agreed to waive Speed Top's obligation to pay the Cancellation Price which Powerleader Investment was originally entitled to under the Merger Agreement by way of cash. Powerleader Investment and Speed Top confirmed that the payment of the Cancellation Price which Powerleader Investment was originally entitled to under the Merger Agreement shall be effected by way of accounting treatment (in the form of partial settlement of RMB345,383,610 (which is equivalent to the total amount of the Cancellation Price payable by Speed Top to Powerleader Investment as originally contemplated under the Merger Agreement based on the Cancellation Price of RMB3.38 per Domestic Share and 102,184,500 Domestic Shares owned by Powerleader Investment as at the date of this joint announcement) against the outstanding advance in the aggregate amount of approximately RMB571,722,470 from Speed Top to Powerleader Investment, which was incurred during the year ended 31 December 2019 and the nine months ended 30 September 2020 mainly for supporting the working capital needs and business operations of Powerleader Investment and its subsidiaries) instead of actual payment by cash from Speed Top to Powerleader Investment after all the Conditions have been fulfilled (or waived, where applicable) as originally contemplated under the Merger Agreement.

Based on (i) the Cancellation Price of HK\$3.92 per H Share and RMB3.38 per Domestic Share; (ii) 60,750,000 H Shares and 182,250,000 Domestic Shares in issue as at the date of this joint announcement; and (iii) the Cancellation Price for 102,184,500 Domestic Shares owned by Powerleader Investment as at the date of this joint announcement which is to be satisfied by way of accounting treatment as discussed above, the aggregate amount of the Cancellation Price required to be paid by Speed Top to the H Shareholders for cancellation of the H Shares and to the Domestic Shareholders (other than Powerleader Investment) for cancellation of the Domestic Shares are approximately HK\$238,140,000 and RMB270,621,390

respectively, which will be paid within seven Business Days after the date on which all the Conditions have been fulfilled (or waived, where applicable). The accounting treatment in respect of the Cancellation Price for the Domestic Shares owned by Powerleader Investment as discussed above would take place on the date on which Speed Top shall pay the Cancellation Price to the H Shareholders and the Independent Domestic Shareholders (i.e. within seven Business Days after the fulfilment (or waiver, where applicable) of all the Conditions and the Merger becomes unconditional). Following the date on which such accounting treatment is effected, Powerleader Investment shall cease to possess, and undertakes not to exercise, any rights attaching to the Domestic Shares held by it.

Upon fulfilment (or waiver, where applicable) of all the Conditions, the Merger will become unconditional and Speed Top shall pay to the H Shareholders and the Domestic Shareholders (other than Powerleader Investment) the Cancellation Price as soon as possible and in any event not later than seven Business Days after the date on which all the Conditions have been fulfilled (or waived, where applicable). Speed Top intends to use its internal financial resources to finance the total consideration for the Proposal (excluding the amount of the Cancellation Price in respect of the Domestic Shares owned by Powerleader Investment). The Cancellation Price in respect of the H Shares to the H Shareholders and the Domestic Shares to the Independent Domestic Shareholders shall be paid by Speed Top by way of cheque (or such other payment means as the SFC and/or other relevant regulatory body may agree or accept).

Guotai Junan Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the financial adviser to Speed Top in respect of the Proposal and is satisfied that sufficient financial resources are available to Speed Top to satisfy its obligations in respect of the full implementation of the Proposal (excluding the Cancellation Price in respect of the Domestic Shares owned by Powerleader Investment).

5. IRREVOCABLE UNDERTAKINGS BY FIVE OF THE INDEPENDENT DOMESTIC SHAREHOLDERS

On 19 October 2020, five of the Independent Domestic Shareholders, namely (i) 深圳市恒通達遠電子有限公司 (Shenzhen City Hengtong Dayuan Electronic Co., Ltd.*) (“**Hengtong Dayuan**”), (ii) 烏魯木齊雅利安達股權投資有限公司 (Wulumuqi Yali’anda Equity Investment Co., Ltd.*) (“**Yali’anda**”), (iii) 深圳市金博利通投資合夥企業(有限合夥) (Shenzhen City Jinbo Litong Investment Partnership Enterprise (Limited Partnership)*) (“**Jinbo Litong**”), (iv) 深圳市嘉創聯合投資合夥企業(有限合夥) (Shenzhen City Jiachuang Lianhe Investment Partnership Enterprise (Limited Partnership)*) (“**Jiachuang Partnership**”) and (v) 深圳市志正立達投資合夥企業(有限合夥) (Shenzhen City Zhizheng Lida Investment Partnership Enterprise (Limited Partnership)*) (“**Zhizheng Partnership**”), gave Irrevocable Undertakings in favour of

Speed Top and the Company, pursuant to which each of the relevant Independent Domestic Shareholders unconditionally and irrevocably undertook, confirmed and agreed to the following matters:

- (a) subject to and conditional upon the fulfilment (or waiver, where applicable) of all the Conditions and the Merger becoming unconditional, each relevant Independent Domestic Shareholder unconditionally and irrevocably accepts cancellation of the Domestic Shares held by such Independent Domestic Shareholder in consideration for the Cancellation Price in accordance with the terms and conditions of the Merger Agreement;
- (b) each relevant Independent Domestic Shareholder unconditionally and irrevocably agrees to vote (either in person or by proxy) in favour of the resolution(s) in relation to the Merger, the Merger Agreement and the respective transactions contemplated thereunder at the EGM and the Domestic Share Class Meeting respectively; and
- (c)
 - (i) each relevant Independent Domestic Shareholder unconditionally and irrevocably undertakes not to sell, transfer, dispose or pledge, or otherwise impose any encumbrances on or grant to any third party any rights attaching to, those Domestic Share(s) held by such Independent Domestic Shareholder (other than those Domestic Shares (the “**Charged Shares**”) pledged by an Independent Domestic Shareholder in favour of a chargee) before the date on which Speed Top pays the Cancellation Price to such Independent Domestic Shareholder; and
 - (ii) the relevant Independent Domestic Shareholder who pledged the Charged Shares as mentioned in sub-paragraph (i) immediately above unconditionally and irrevocably further undertakes not to sell, transfer, dispose or further pledge, or otherwise further impose any encumbrances on or grant to any third party any rights attaching to those Charged Shares held by such Independent Domestic Shareholder; not to do any act or omission which would constitute the security over the Charged Shares becoming enforceable or enable the chargee to exercise or dispose of the Charged Shares, together with the shareholder’s rights attached thereto; and shall at all relevant times remain as a beneficial owner of the Charged Shares and continue to be entitled to the voting rights attaching to the Charged Shares, before the date on which Speed Top pays the Cancellation Price to such Independent Domestic Shareholder.

If the Merger has not become unconditional on or before the Long Stop Date, or for any reason is not approved or lapses or is terminated, the Irrevocable Undertakings shall forthwith terminate and cease to be legally binding upon the relevant Independent Domestic Shareholders.

6. REASONS FOR AND BENEFITS OF THE PROPOSAL

Speed Top and the Company consider that the Proposal is beneficial to Speed Top, the Company and/or the Shareholders (as the case may be) for the following reasons:

(i) Enhance opportunities of the Group in the server market and improve the corporate value and financing ability of Speed Top

As dually driven by market demand and the support of government policies, the server industry is heading into a new stage of development bringing ample opportunities to the existing core business of the Company. The Company intends to expand its existing server, storage and solution provider businesses to clients from specialised industries such as military industry and information technology application innovation industry which are subject to foreign investment restrictions under the laws of the PRC. Prior to the Merger, the Company is owned as to 25% by the H Shareholders and is therefore prohibited from providing such server-related businesses to clients from military industry and information technology application innovation industry. The Merger, if materialised, will result in change in the capital structure of the Group and enable the Group to explore and capture opportunities in the server, storage and solution provider service markets that were originally restricted to service providers which are substantially owned by domestic shareholders. The Merger may also increase publicity of the Group which may further arouse brand awareness and recognition from its customers. Meanwhile, the absorption of the Company by Speed Top following the Merger may increase the size and scale as well as the overall corporate value of Speed Top, thereby enhance the ability of Speed Top to seek for additional external financing.

(ii) Lack of benefit from maintaining the listing status of the Company

The Company has not utilised its listing status for any material equity fund raising activities in recent years, nor has it been able to attract any prospective strategic or financial investors to further commit their resources. The listing status is not expected to provide any benefits to the Company in the near term but has brought administrative, compliance and other listing-related costs and expenses. The Proposal entails the privatisation and delisting of the Company, and is expected to substantially reduce the relevant costs and management resources of the Company to be committed for maintaining its listing status and compliance with regulatory requirements. Furthermore, following the implementation of the Proposal, the Company (after being merged into and absorbed by Speed Top) can be relieved from short-term market expectations and share price fluctuation as a publicly listed company and can focus on its long-term growth.

(iii) Low trading liquidity of the H Shares

The trading liquidity of the H Shares has been at a relatively low level over a prolonged period in recent years. The average daily trading volume of the H Shares for 12 months immediately prior to and including the Last Trading Day was approximately 77,332 H Shares per day, representing only approximately 0.13% of the issued H Shares as of the Last Trading Day and the average daily turnover of approximately HK\$256,000. The low trading liquidity of the H Shares has rendered it difficult for H Shareholders to execute substantial on-market disposals timely without adversely affecting the price of the H Shares. Furthermore, the low trading liquidity of H Shares hinders the Company's ability to raise further funds from the equity market for the Group's business developments.

(iv) An opportunity for the H Shareholders to realise their investment at premium to the trading price levels

The H Shares have historically been trading at a steep discount to the Group's NAV in a material time during the past 24 months. The monthly average unadjusted closing prices of the H Shares were traded at a discount ranging from 54.4% to 72.4% in the past two years up to and including the Last Trading Day to its NAV per Share (calculated by the lowest and the highest discount of the simple monthly average of the unadjusted closing prices for each of the months from September 2018 to September 2020 over the NAV per Share reported in the nearest published annual or interim financial results available at each of the months from September 2018 to September 2020). A significant discount of market value to the NAV of the Group is to the disadvantage of the Shareholders and implies that the market is in general bearish on the performance of Powerleader and the Shares. The Shareholders might not be able to realise their investments at a price that is close to the NAV per Share. The Proposal allows the Shareholders to realise part or all of their shareholding in Powerleader at a higher price-to-book ratio as compared to the historical price-to-book ratios during the past 24 months.

During the period from 25 September 2019 to 25 September 2020 (i.e. 12 months immediately prior to and including the Last Trading Day), the average closing price of the H Shares as quoted on the Stock Exchange was HK\$2.62. The Cancellation Price represents a premium of approximately 49.6% to the average closing price in the above period. Speed Top is of the view that the Merger, if implemented, offers all Shareholders a good opportunity to realise their investments in the Company at a cash consideration representing a premium over the current market price of the H Shares, which normally would not be available through the market, especially given the relatively low level of liquidity of the Shares as discussed in the above paragraph of this section.

(v) **Enhance efficiency and create synergy between Speed Top and the Group**

The Merger will help simplify the Group's organisation structure, enhance internal operational efficiency as well as reduce the time and cost for the internal decision-making process. Given that Speed Top currently does not conduct any business, Speed Top, scaled up by the Group after the Merger, may shift its management focus from short run to long run and devise longer term strategic and implementation plans for future implementations. The synergy created in resources, personnel and businesses of Speed Top and the Group following the Merger will help reduce market competition and mitigate macroeconomic, market and regulatory uncertainties.

7. GENERAL INFORMATION

Information on Speed Top

Speed Top is a company established in the PRC with limited liability on 3 June 2005. Speed Top was principally engaged in resale of server room, server racks and bandwidth, and provision of cloud services and content delivery networks (CDN) acceleration services. Speed Top has not conducted any business since July 2020 up to the date of this joint announcement.

The registered capital of Speed Top was approximately RMB571.43 million as at the date of this joint announcement. The total asset value of Speed Top as at 31 December 2019 amounted to approximately RMB361.4 million.

As at the date of this joint announcement, Speed Top was owned (i) as to approximately 66.50% by Powerleader Investment, (ii) as to approximately 5.357% by 陝西高端裝備製造產業投資基金合夥企業(有限合夥) (Shanxi High-end Equipment Manufacturing Chanye Investment Fund Partnership Enterprise (Limited Partnership)*) (“**Shanxi Partnership**”), (iii) as to approximately 5.143% by 中船感知海洋無錫產業基金(有限合夥) (Zhongchuan Ganzhi Ocean Wuxi Chanye Fund (Limited Partnership)*) (“**Zhongchuan Partnership**”), (iv) as to approximately 3.964% by 共青城臨聿股權投資合夥企業(有限合夥) (Gongqingcheng Linyu Equity Investment Partnership Enterprise (Limited Partnership)*) (“**Gongqingcheng Partnership**”), (v) as to approximately 3.50% by Ms. Zhang, (vi) as to approximately 3.214% by Mr. Zheng Xuedong (鄭學東) (“**Mr. Zheng**”), (vii) as to approximately 2.679% by 廣東寶創共贏科創股權投資合夥企業(有限合夥) (Guangdong Baochuang Gongying Kechuang Equity Investment Partnership Enterprise (Limited Partnership)*) (“**Guangdong Partnership**”), (viii) as to approximately 2.143% by 深圳前海紅土併購基金合夥企業(有限合夥) (Shenzhen Qianhai Hongtu Merger Fund Partnership Enterprise (Limited Partnership)*) (“**Shenzhen Qianhai Partnership**”), (ix) as to approximately 2.143% by 深圳市中天弘德創業投資合夥企業(有限合夥) (Shenzhen City Zhongtian Hongde Chuangye Investment Partnership Enterprise (Limited Partnership)*) (“**Shenzhen Zhongtian Partnership**”), (x) as to approximately 2.143% by 廈門興旺互聯二號投資

合夥企業(有限合夥) (Xiamen Xingwang Internet Investment Limited Partnership II (Limited Partnership)*) (“**Xingwang Partnership**”), (xi) as to approximately 1.607% by 深圳力合新一代信息技術創業投資合夥企業(有限合夥) (Shenzhen Lihe Xinyidai Information Technology Chuangye Investment Partnership Enterprise (Limited Partnership)*) (“**Shenzhen Lihe Partnership**”), (xii) as to approximately 1.071% by 民生證券投資有限公司 (Minsheng Securities Investment Co., Ltd.*) (“**Minsheng Securities**”), and (xiii) as to approximately 0.536% by 深圳市創新投資集團有限公司 (Shenzhen City Chuangxin Investment Group Co., Ltd.*) (“**Shenzhen Chuangxin**”) respectively.

Powerleader Investment was in turn owned as to approximately 37.34% by Mr. Li, as to approximately 57.33% by Powerleader Asset Management and as to approximately 5.33% by Ms. Zhang respectively. Powerleader Asset Management was owned as to 87.5% by Mr. Li and as to 12.5% by Ms. Zhang respectively.

The limited partners of Shanxi Partnership are 陝西金融控股集團有限公司 (Shanxi Finance Holdings Group Co., Ltd.*) and 陝西綠色發展基金合夥企業(有限合夥) (Shanxi Green Development Fund Partnership Enterprise (Limited Partnership)*), whereas the general partner of Shanxi Partnership is 陝西投資基金管理有限公司 (Shanxi Investment Fund Management Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partner of Zhongchuan Partnership is 中船投資發展有限公司 (Zhongchuan Investment Development Co., Ltd.*), whereas the general partner of Zhongchuan Partnership is 海盛產業投資基金管理(江蘇)有限公司(Haisheng Changye Investment Fund Management (Jiangshu) Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partners of Gongqingcheng Partnership are Wu Han (吳菡), Zhou Yun (周贇), 共青城蘭平二號股權投資合夥企業(有限合夥) (Gongqingcheng Lanping Equity Investment Partnership Enterprise II (Limited Partnership)*), Zhang Zeping (張澤平), Hou Hongliang (侯紅亮) (“**Mr. Hou**”), Ying Lixiang (應麗香), Li Hanying (龐韓英), Zhang Li (張莉) and Yang Bo (楊博), whereas the general partner of Gongqingcheng Partnership is 上海臨芯投資管理有限公司 (Shanghai Linxin Investment Management Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partners of Guangdong Partnership are 廣東鴻發投資集團有限公司 (Guangdong Hongfa Investment Group Co., Ltd.*), Chai Pengfei (柴鵬飛), Mai Jianwen (麥建文), Zhong Jianxin (鐘建新), Bao Fagen (鮑發根), Peng Zhiyong (彭志勇) and Xie Huiwei (謝會偉), whereas the general partner of Guangdong Partnership is 前海寶創投資管理(深圳)有限公司 (Qianhai Baochuang Investment Management (Shenzhen) Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partners of Shenzhen Qianhai Partnership are 深圳市引導基金投資有限公司 (Shenzhen City Yindao Fund Investment Co., Ltd.*) (“**Shenzhen Yindao**”), Shenzhen Chuangxin, 廣東粵財產業投資基金合夥企業(有限合夥) (Guangdong Yuecai Chanye Investment Fund Partnership Enterprise (Limited Partnership)*), 深圳市紅土海川創新產業股權投資基金合夥企業(有限合夥) (Shenzhen City Hongtu Haichuan Chuangxin Chanye Equity Investment Fund Partnership Enterprise (Limited Partnership)*), 深圳市寶安區產業投資引導基金有限公司 (Shenzhen City Baoanqu Chanye Investment Yindao Fund Co., Ltd.*), 珠海格力創業投資有限公司 (Zhuhai Geli Chuangye Investment Co., Ltd.*), 深圳市匯通金控基金投資有限公司 (Shenzhen City Huitong Jinkong Fund Investment Co., Ltd.*), 深創投鴻瑞(珠海)產業投資基金(有限合夥) (Shenchuangtou Hongduan (Zhuhai) Chanye Investment Fund (Limited Partnership)*) and Shanghai Dazhong (as defined below), whereas the general partner of Shenzhen Qianhai Partnership is 深創投併購基金管理(深圳)有限公司 (Shenchuangtou Merger and Acquisition Fund Management (Shenzhen) Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partners of Shenzhen Zhongtian Partnership are Mr. Zheng, Xu Ming (徐銘), Pan Yao (潘瑤), Mr. Hou, Lu Juwa (盧菊娃), Tang Jianxiong (唐建雄), Wang Qian (王倩), Shao Shilong (肖世龍), Lu Weimin (陸偉民) and Zhang Junwei (張俊禕), whereas the general partner of Shenzhen Zhongtian Partnership is 深圳健和投資管理有限公司 (Shenzhen Jianhe Investment Management Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partners of Xingwang Partnership are 上海喜馬拉雅科技有限公司 (Shanghai Ximalaya Technology Co., Ltd.*), 廈門瓏耀投資有限公司 (Xiamen Longyao Investment Co., Ltd.*), 廈門金圓投資集團有限公司 (Xiamen Jin Yuan Investment Group Co., Ltd.*), 廈門市集美區產業投資有限公司 (Xiamen Jimei Industrial Investment Co., Ltd.*), 青島出版集團有限公司 (Qingdao Publishing Group Co., Ltd.*), 湖南光控星辰股權投資合夥企業(有限合夥) (Hunan Everbright Xingchen Equity Investment Partnership Enterprise (Limited Partnership)*), 寧波梅山保稅港區贏平投資合夥企業(有限合夥) (Ningbo Meishan Bonded Port Area Yingping Investment Partnership Enterprise (Limited Partnership)*), 上海盛維東方嘉睿股權投資基金合夥企業(有限合夥) (Shanghai SVB Orient Jiarui Equity Investment Fund Partnership Enterprise (Limited Partnership)*) and 江蘇溧陽光控股權投資合夥企業(有限合夥) (Jiangsu Liyang Everbright Equity Investment Partnership Enterprise (Limited Partnership)*), whereas the general partner of Xiamen Partnership is 廈門興旺至誠投資管理有限公司 (Xiamen Xingwang Zhicheng Investment Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

The limited partners of Shenzhen Lihe Partnership are 工銀(深圳)股權投資基金合夥企業(有限合夥) (Gongyin (Shenzhen) Equity Investment Fund Partnership Enterprise (Limited Partnership)*), 深圳市龍華區引導基金投資管理有限公司 (Shenzhen City Longhuaqu Yindao Fund Investment Management Co., Ltd.*) and Shenzhen Yindao, whereas the general partner of Shenzhen Lihe Partnership is 深圳市力合科創創業投資有限公司 (Shenzhen City Lihe Kechuang Chuangye Investment Co., Ltd.*). According to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

Minsheng Securities is wholly-owned by Minsheng Securities Co., Ltd. (民生證券股份有限公司) which is in turn owned, among others, as to approximately 87.64% by Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司) (“**Oceanwide**”), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000046). As at the date of this joint announcement, the controlling shareholder of Oceanwide is Lu Zhiqiang (盧志強) and, according to the Shareholders Registers, none of the aforesaid parties are registered Shareholders.

Shenzhen Chuangxin is owned, among others, as to approximately 28.2% by 深圳市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People’s Government*) (“**Shenzhen SASAC**”), as to approximately 20% by Shenzhen Xinghe Real Estate Development Co., Ltd. (深圳市星河房地產開發有限公司), as to approximately 16.36% by Shenzhen Capital Holdings Co., Ltd. (深圳市資本運營集團有限公司), as to approximately 10.8% by 上海大眾公用事務(集團)股份有限公司 (Shanghai Dazhong Public Utilities (Group) Co., Ltd*) (“**Shanghai Dazhong**”), whose shares are respectively listed on the Shanghai Stock Exchange (stock code: 600635) and the Stock Exchange (stock code: 1635), and as to approximately 5.03% by Shenzhen Energy Group Co., Ltd. (深圳能源集團股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000027), respectively. Shenzhen SASAC is the ultimate beneficial owner of Shenzhen Chuangxin and, according to the Shareholders Register, none of the aforesaid parties are registered Shareholders.

Accordingly, Mr. Li, Ms. Zhang, Powerleader Asset Management and Powerleader Investment are parties acting in concert with Speed Top.

Information on Powerleader Investment and Powerleader Asset Management

Powerleader Investment is a company established in the PRC with limited liability on 14 March 2005 and is principally engaged in investment-holding, while Powerleader Asset Management is a company established in the PRC with limited liability on 21 March 2014 and is principally engaged in investment-holding. For details of the shareholding structure of Powerleader Investment and Powerleader Asset Management, please refer to the section headed “*Information on Speed Top*” above.

Information on the Company

The Company was a limited liability company established in Shenzhen, the PRC in 1997 and was reformed to a joint stock company in 2001. With the approval from the China Securities Regulatory Commission on 13 May 2002 via Zhengjianguohezi [2002] No.10 “Reply of the agreement to issue of overseas listed shares by Shenzhen Powerleader Science & Technology Co., Limited” (證監國合字[2002] 10號文《同意深圳市寶德科技股份有限公司發行境外上市外資股的批復》), the H Shares subsequently became listed on GEM.

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

Shareholding Structure of the Company

As at the date of this joint announcement, the issued share capital of the Company comprises 60,750,000 H Shares and 182,250,000 Domestic Shares.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement:

Shareholders	Number of Shares	Approximate % of Domestic Shares/H Shares (Note 2)	Approximate % of total issued share capital (Note 2)
Domestic Shares			
<i>Speed Top and parties acting in concert with it</i>			
Powerleader Investment (Note 1)	102,184,500	56.07%	42.05%
<i>Other Shareholders</i>			
Independent Domestic Shareholders (Note 3)	<u>80,065,500</u>	<u>43.93%</u>	<u>32.95%</u>
Sub-total	<u>182,250,000</u>	<u>100.00%</u>	<u>75.00%</u>

Shareholders	Number of Shares	Approximate % of Domestic Shares/H Shares (Note 2)	Approximate % of total issued share capital (Note 2)
H Shares			
<i>Speed Top and parties acting in concert with it</i>	—	—	—
<i>Other Shareholders</i>			
Independent H Shareholders	<u>60,750,000</u>	<u>100.00%</u>	<u>25.00%</u>
Sub-total	<u>60,750,000</u>	<u>100.00%</u>	<u>25.00%</u>
Total	<u><u>243,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

Notes:

1. Powerleader Investment is owned as to approximately 37.34%, 57.33% and 5.33% by Mr. Li, Powerleader Asset Management and Ms. Zhang respectively. Powerleader Asset Management is in turn wholly owned by Mr. Li and Ms. Zhang as to 87.5% and 12.5% respectively. Speed Top is held by, among others, Powerleader Investment and Ms. Zhang as to approximately 66.50% and approximately 3.50% respectively.
2. The percentage figures may not add up to 100% due to rounding.
3. As at the date of this joint announcement, there are a total of 6 Independent Domestic Shareholders, namely (i) Hengtong Dayuan, (ii) 曲水世紀龍翔科技開發有限公司 (Qushui Shiji Longxiang Technology Development Co., Ltd.*) (“**Qushui Shiji**”), (iii) Yali’anda, (iv) Jinbo Litong, (v) Jiachuang Partnership and (vi) Zhizheng Partnership. Hengtong Dayuan, Qushui Shiji, Yali’anda, Jinbo Litong, Jiachuang Partnership and Zhizheng Partnership own 31,851,750, 15,963,750, 15,000,000, 7,250,000, 5,000,000 and 5,000,000 Domestic Shares respectively.

As at the date of this joint announcement, Speed Top does not own or have control or direction over any voting rights or rights over the Shares, while Powerleader Investment (the holding company of Speed Top and a concert party of Speed Top) is interested in 102,184,500 Domestic Shares, representing approximately 56.07% of the total issued Domestic Shares and approximately 42.05% of the total issued Shares. The Independent Domestic Shareholders are interested in 80,065,500 Domestic Shares, representing approximately 43.93% of the total issued Domestic Shares and approximately 32.95% of the total issued Shares.

As at the date of this joint announcement, 60,750,000 H Shares are owned by the public, representing 100% of the total issued H Shares and 25% of the total issued Shares.

As at the date of this joint announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities convertible into Shares.

Save as disclosed above, Speed Top and parties acting in concert with it do not hold, own or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares as at the date of this joint announcement.

Speed Top and parties acting in concert with it have not dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares during the period beginning six months prior to the date of this joint announcement and ending on the date of this joint announcement.

Save as disclosed in this joint announcement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder and (ii)(a) Speed Top and any person acting in concert with it or (b) the Company, its subsidiaries or associated companies.

Other Arrangements

As at the date of this joint announcement:

- (a) Save for the Irrevocable Undertakings, none of Speed Top or parties acting in concert with it has received any irrevocable commitment to accept the Proposal.
- (b) None of Speed Top and parties acting in concert with it has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company.
- (c) There are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of Speed Top which might be material to the Proposal.
- (d) There are no agreements or arrangements to which Speed Top is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.
- (e) There are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any of Speed Top or parties acting in concert with it has borrowed or lent.

8. PROPOSED WITHDRAWAL OF LISTING OF H SHARES

Subject to and upon the Merger becoming unconditional in all respects, the Company will make an application to the Stock Exchange for the voluntary withdrawal of the listing of the H Shares on GEM in accordance with Rule 9.23 of the GEM Listing Rules. The Shareholders will be notified by way of announcement(s) of the dates and relevant arrangements for the last day for dealing in the H Shares and on which the voluntary withdrawal of the listing of the H Shares on GEM will become effective.

The listing of the H Shares on GEM will not be withdrawn if the Merger is not approved or lapses or is terminated or does not become unconditional for any reason on or before the Long Stop Date.

9. OVERSEAS SHAREHOLDERS

The making of the Proposal to Shareholders who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of each overseas Shareholder who wishes to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal or regulatory requirements and the payment of any issue, transfer or other taxes due by such overseas Shareholder in such jurisdiction.

Any acceptance of the Proposal by any Shareholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Shareholder to Speed Top and the Company that all local laws and requirements have been complied with and that the Proposal can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Such Shareholders should consult their professional advisers if in doubt.

In the event receipt of the composite document by overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that would be unduly burdensome in such overseas jurisdictions, the composite document, subject to the Executive's consent, will not be despatched to such overseas Shareholders. For that purpose, Speed Top will apply for waiver from the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. The Executive may or may not grant such a waiver.

10. TAX ADVICE

The Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Proposal or exercising of the Fair Price Acquisition Right. None of Speed Top, the Company and their respective parties acting in concert, ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or exercise of the Fair Price Acquisition Right.

11. BOARD APPROVAL, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board (except for Ms. Zhang and Mr. Li who had abstained from voting) approved the Proposal and its related matters at its Board meeting on 25 September 2020.

The Board has established the Independent Board Committee, consisting of all the independent non-executive directors of the Company who have no direct or indirect interest in the Proposal, being Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun. The Independent Board Committee will make recommendations to the Independent Shareholders as to: (i) whether the terms of the Proposal are fair and reasonable; and (ii) whether to vote in favour of the Proposal at the EGM and the Class Meetings. Mr. Li, being a non-executive director of the Company, is also a controlling shareholder of Powerleader Investment (the holding company of Speed Top) and therefore has material interest in the Proposal. Accordingly, Mr. Li has not been appointed as a member of the Independent Board Committee.

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 SFO, has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposal. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice of Altus Capital Limited in respect of the Proposal will be included in the composite document.

12. MEETINGS AND DESPATCH OF THE COMPOSITE DOCUMENT

The Company will convene the EGM and the Class Meetings to consider and, if thought fit, approve the Proposal, the Merger Agreement, the Merger and the respective transactions contemplated thereunder. The composite document containing, among others, (i) further details of the Proposal (including the expected timetables), the Merger Agreement and other matters in relation to the Merger, (ii) the recommendations and advice from the Independent Board Committee to the Independent Shareholders, (iii) the letter of advice issued by the independent financial adviser of the Company, namely Altus Capital Limited, to the Independent Board Committee and the Independent Shareholders and (iv) other particulars required by the Takeovers Code, together with notices for the EGM and the Class Meetings and the proxy forms are expected to be despatched to the respective Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

13. DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates of Speed Top and the Company (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) are hereby reminded to disclose their dealings in any shares, securities, option and derivatives of the Company pursuant to the requirements of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

14. RESUMPTION OF TRADING OF H SHARES

At the request of the Company, trading in the H Shares on GEM was suspended with effect from 1:00 p.m. on 25 September 2020 pending the publication of this joint announcement.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on GEM with effect from 9:00 a.m. on 20 October 2020.

WARNING

The Merger Agreement is subject to and conditional upon, among others, the fulfilment of the conditions to effect the Merger Agreement set out in this joint announcement. Further, Shareholders and/or potential investors should be aware that the implementation of the Merger is subject to the conditions to the implementation of the Merger set out in this joint announcement being fulfilled (or waived, where applicable). Neither Speed Top nor the Company provides any assurance that any or all Conditions can be fulfilled or, where applicable, waived, and thus the Merger Agreement may or may not become effective or, if effective, the Merger may or may not be implemented or completed. Shareholders and/or potential investors should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

DEFINITIONS

In this joint announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning as ascribed to it under the Takeovers Code
“Articles”	the articles of association of the Company
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of RMB3.38 per Domestic Share and HK\$3.92 per H Share (equivalent to the cancellation price of each Domestic Share based on the Exchange Rate of RMB1:HK\$1.16) payable in cash by Speed Top to the Shareholders (other than Powerleader Investment)

“Charged Shares”	has the meaning ascribed to it in the section headed “ <i>Irrevocable Undertakings by five of the Independent Domestic Shareholders</i> ” above
“Class Meetings”	collectively, the Domestic Share Class Meeting and the H Share Class Meeting
“Company” or “Powerleader”	宝德科技集团股份有限公司 (Powerleader Science & Technology Group Limited*), a joint stock company incorporated in the PRC with limited liability, whose H Shares are currently listed and traded on GEM (Stock Code: 8236)
“Condition(s)”	the conditions to which the Proposal is subject, being the conditions to effect the Merger Agreement and the conditions to the implementation of the Merger
“Consenting Shareholder(s)”	Shareholder(s) who has/have voted for the Proposal at (i) the EGM and (ii) the H Share Class Meeting or the Domestic Share Class Meeting (as the case may be)
“controlling shareholder(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Delisting Date”	the date on which the listing of the H Shares on GEM is withdrawn
“Dissenting Shareholder(s)”	Shareholder(s) who has/have cast effective vote(s) against the resolutions in relation to the Merger and the Merger Agreement at (i) the EGM and (ii) the H Share Class Meeting or the Domestic Share Class Meeting (as the case may be)
“Domestic Share(s)”	the ordinary share(s) of RMB1.00 each issued by the Company, which are subscribed for or credited as fully paid up in RMB, and all of such shares are not listed on the Stock Exchange
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares
“Domestic Share Class Meeting”	the extraordinary class meeting of the Independent Domestic Shareholders to be convened and held (and any adjournment thereof) for the purpose of approving the Proposal, the Merger, the Merger Agreement and the respective transactions contemplated thereunder

“EGM”	an extraordinary general meeting of the Shareholders to be held to consider, if thought fit, approving the Proposal, the Merger Agreement, the Merger and the respective transactions contemplated thereunder
“Exchange Rate”	the exchange rate of RMB1 to HK\$1.16, being the central parity rate of RMB to Hong Kong dollar as at the date of this joint announcement as announced by the People’s Bank of China
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegates
“Fair Price Acquisition Right”	a Dissenting Shareholder’s right to request the Company and/or the Consenting Shareholders to acquire the Shares held by it at a “fair price” in accordance with Article 174 of the Articles
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign invested ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on GEM and are subscribed for and traded in Hong Kong dollars
“H Share Class Meeting”	the extraordinary class meeting of the Independent H Shareholders to be convened and held (and any adjournment thereof) for the purpose of approving the Proposal, the Merger, the Merger Agreement and the respective transactions contemplated thereunder
“H Shareholder(s)”	the holder(s) of the H Shares
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Date”	has the meaning ascribed to it in the section headed “ <i>Principal Terms of the Merger Agreement — De-registration of the Company</i> ” above
“Independent Board Committee”	an independent board committee of the Company established to make recommendations to the Independent Shareholders in relation to the Proposal

“Independent Domestic Shareholders”	Domestic Shareholder(s) other than Speed Top and parties acting in concert with it, details of which are set out in the sections headed “ <i>Irrevocable Undertakings by five of the Independent Domestic Shareholders</i> ” and “ <i>General Information — Shareholding Structure of the Company</i> ”
“Independent H Shareholders”	H Shareholder(s) other than Speed Top and parties acting in concert with it
“Independent Shareholders”	collectively, the Independent Domestic Shareholders and the Independent H Shareholders
“Irrevocable Undertaking(s)”	irrevocable undertaking(s) given by five of the Independent Domestic Shareholders, namely (i) Hengtong Dayuan, (ii) Yali’anda, (iii) Jinbo Litong, (iv) Jiachuang Partnership and (v) Zhizheng Partnership, in favour of Speed Top and the Company on 19 October 2020 to undertake to, among others, vote in favour of the resolutions relating to the Proposal, the Merger Agreement, the Merger and the respective transactions contemplated thereunder at the EGM and the Domestic Share Class Meeting respectively in respect of the Domestic Shares held by each of them
“Last Trading Day”	25 September 2020, the last trading day immediately before the trading suspension in the H Shares on GEM pending publication of this joint announcement
“Long Stop Date”	31 July 2021 (or such other date as Speed Top and the Company may otherwise agree)
“Merger”	the proposed merger by way of merger by absorption of the Company by Speed Top in accordance with the PRC Company Law, other applicable laws in the PRC and the Articles as contemplated under the Merger Agreement
“Merger Agreement”	the merger agreement entered into between Speed Top and the Company dated 25 September 2020 (as amended and supplemented from time to time) in relation to the Merger
“Mr. Li”	Mr. Li Ruijie, a non-executive director of the Company, vice-chairman of the Board and the husband of Ms. Zhang
“Ms. Zhang”	Ms. Zhang Yunxia, an executive director of the Company, chairman of the Board and the wife of Mr. Li
“NAV”	the net asset value attributable to the Shareholders

“Powerleader Asset Management”	深圳前海宝德資產管理有限公司 (Shenzhen Qianhai Powerleader Asset Management Co., Ltd.*), a limited liability company established in the PRC and owned as to 87.5% and 12.5% by Mr. Li and Ms. Zhang respectively
“Powerleader Investment”	深圳市宝德投資控股有限公司 (Shenzhen Powerleader Investment Holding Company Limited*), a limited liability company established in the PRC and owned as to approximately 37.34% by Mr. Li, as to approximately 57.33% by Powerleader Asset Management and as to approximately 5.33% by Ms. Zhang respectively
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the PRC, as revised, supplemented or otherwise modified from time to time
“Proposal”	the proposal for the privatisation of the Company by Speed Top by way of merger by absorption including the Merger, the Merger Agreement and the relevant arrangements which involve, among others, the cancellation of all Shares and the de-registration of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as revised, supplemented or otherwise modified from time to time
“Share(s)”	collectively, the H Shares and the Domestic Shares
“Shareholder(s)”	holder(s) of the Shares
“Shareholders Registers”	the register of Domestic Shareholders maintained by the Company and the list of H Shareholders provided by the H Share registrar of the Company, as at the date of this joint announcement respectively

“Speed Top”	深圳市速必拓網絡科技有限公司 (Shenzhen Speed Top Network Technology Co., Ltd.*), a limited liability company established in the PRC and held by, among others, Powerleader Investment and Ms. Zhang as to approximately 66.50% and approximately 3.50% respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC (as revised, supplemented or otherwise modified from time to time)
“%”	per cent

By Order of the board of directors of
深圳市速必拓網絡科技有限公司
(Shenzhen Speed Top Network
Technology Co., Ltd.*)
Zhang Yunxia
Director

By Order of the Board of
宝德科技集團股份有限公司
(Powerleader Science & Technology Group
Limited*)
Dong Weiping
Director

Shenzhen, the PRC, 19 October 2020

This joint announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Company. The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than those relating to Speed Top, Powerleader Investment and Powerleader Asset Management, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this joint announcement, other than those expressed by the directors of Speed Top, Powerleader Investment and Powerleader Asset Management in their capacity as their respective directors, have been arrived at after due and careful consideration and there are no facts not contained in this joint announcement, the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement, for which the director of Speed Top accepts full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code for the purpose of giving information with regard to Speed Top. The director of Speed Top accepts full responsibility for the accuracy of the information contained in this joint announcement, other than those relating to the Company, Powerleader Investment and Powerleader Asset Management, and confirm, having made all reasonable enquiries, that to the best of her knowledge and belief, opinions expressed in this joint announcement, other than those expressed by the directors of the Company, Powerleader Investment and Powerleader Asset Management in their capacity as their respective directors, have been

arrived at after due and careful consideration and there are no facts not contained in this joint announcement, the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement, for which the directors of Powerleader Investment collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code for the purpose of giving information with regard to Powerleader Investment. The directors of Powerleader Investment jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than those relating to the Company, Speed Top and Powerleader Asset Management, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this joint announcement, other than those expressed by the directors of the Company, Speed Top and Powerleader Asset Management in their capacity as their respective directors, have been arrived at after due and careful consideration and there are no facts not contained in this joint announcement, the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement, for which the director of Powerleader Asset Management accepts full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code for the purpose of giving information with regard to Powerleader Asset Management. The director of Powerleader Asset Management accepts full responsibility for the accuracy of the information contained in this joint announcement, other than those relating to the Company, Speed Top and Powerleader Investment, and confirm, having made all reasonable enquiries, that to the best of her knowledge and belief, opinions expressed in this joint announcement, other than those expressed by the directors of the Company, Speed Top and Powerleader Investment in their capacity as their respective directors, have been arrived at after due and careful consideration and there are no facts not contained in this joint announcement, the omission of which would make any statement herein or this joint announcement misleading.

As at the date of this joint announcement, the Board comprises 6 directors, including Ms. Zhang Yunxia and Mr. Dong Weiping as executive directors, Mr. Li Ruijie as non-executive director and Mr. Chan Shiu Yuen Sammy, Dr. Guo Wanda and Mr. Jiang Baijun as independent non-executive directors.

As at the date of this joint announcement, the board of Speed Top comprises Ms. Zhang Yunxia.

As at the date of this joint announcement, the board of Powerleader Investment comprises Ms. Zhang Yunxia, Mr. Li Ruijie and Mr. Wang Li.

As at the date of this joint announcement, the board of Powerleader Asset Management comprises Ms. Zhang Yunxia.

This joint announcement will remain on the “Latest Listed Company Information” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://www.powerleader.com.cn>.

** For identification purposes only*