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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, or as to the action to be taken, you should consult a stockbroker, or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Powerleader Science & Technology Group Limited**, you should at once hand this circular together with the enclosed forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of **Powerleader Science & Technology Group Limited**.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**深圳宝德科技集团股份有限公司**

**POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED\***

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

**(Stock Code: 8236)**

**PROPOSED RESOLUTIONS FOR SHAREHOLDERS  
TO APPROVE THE PROPOSED MAIN BOARD TRANSFER,  
THE APPLICATION TO THE CSRC  
FOR THE PROPOSED MAIN BOARD TRANSFER  
AND THE PROPOSED ARTICLES AMENDMENT**

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A notice convening the special general meeting of the Company to be convened and held on Monday, 22 December 2008 at 11:00 a.m. at Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, The PRC, is set out on pages 9 to 15 of this circular. Whether or not you are able to attend the above meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or at any adjourned meeting(s) (as the case may be) should you so wish.

This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for a minimum period of 7 days from the date of its posting.

\* *for identification purpose only*

6 November 2008

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM listed issuers.

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## DEFINITIONS

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

|                           |  |
|---------------------------|--|
| “Amended Articles”        | the new articles of association of the Company proposed to be adopted at the SGM   |
| “Articles of Association” | the articles of association of the Company as amended from time to time  |
| “Articles Amendment”      | amendment of the Articles of Association to comply with the relevant requirements of the Main Board Listing Rules, which will become effective since the date of listing of the H Shares on the Main Board |
| “Board”                   | the board of Directors   |
| “Company”                 | 深圳宝德科技集团股份有限公司 (Powerleader Science & Technology Group Limited*), a foreign joint stock limited company incorporated in the PRC, the H Shares of which are listed on GEM                                   |
| “CSRC”                    | 中國證券監督管理委員會 (China Securities Regulatory Commission)   |
| “CSRC Application”        | the application to the CSRC for the Main Board Transfer  |
| “Directors”               | the directors of the Company   |
| “Domestic Share(s)”       | domestic invested share(s) issued by the Company, of nominal value of RMB0.10 each, which are subscribed for and paid up in Renminbi and are not tradable on the Stock Exchange                            |
| “GEM”                     | The Growth Enterprise Market of the Stock Exchange   |
| “GEM Listing Rules”       | the Rules Governing the Listing of Securities on the GEM, as amended from time to time   |
| “Group”                   | the Company and its subsidiaries   |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC   |
| “H Share(s)”              | overseas listed foreign invested share(s) of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in Hong Kong dollars                 |

\* *for identification purpose only*

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## DEFINITIONS

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| “Main Board”                   | the securities market operated by the Stock Exchange prior to the establishment of the GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the GEM. For the avoidance of doubt, the Main Board excludes the GEM |
| “Main Board Listing Committee” | the listing sub-committee of the directors of the Stock Exchange responsible for Main Board listing matters   |
| “Main Board Listing Rules”     | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time   |
| “Main Board Transfer”          | the transfer of listing status of the H Shares from the GEM to the Main Board pursuant to the Main Board Listing Rules  |
| “PRC”                          | the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan  |
| “SGM”                          | the special general meeting of the Company to be held on 22 December 2008 for the purpose of approving, inter alia, the proposed Main Board Transfer and the proposed Articles Amendment  |
| “Shares”                       | shares of the Company, including the Domestic Shares and the H Shares, unless specified otherwise   |
| “Shareholders”                 | holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise  |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “RMB”                          | Renminbi, the lawful currency of the PRC  |



深圳宝德科技集团股份有限公司

**POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED\***

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

(Stock Code: 8236)

*Executive Directors*

Mr. Li Ruijie (*Chairman*)  
Mr. Dong Weiping  
Ms. Zhang Yunxia  
Mr. Ma Zhumao

*Non-executive Directors*

Mr. Sun Wei  
Mr. Wang Lixin  
Mr. Li Donglei

*Independent Non-executive Directors*

Mr. Jiang Baijun  
Mr. Yim Hing Wah  
Dr. Guo Wanda

*Registered office*

Room 43A, 43rd Floor, Block C  
Electronics Science &  
Technology Building  
Shennan Road Central  
Futian District  
Shenzhen  
The PRC

*Principal place of business  
in Hong Kong*

Flat 904C, 9/F, Sunbeam Centre,  
27 Shing Yip Street,  
Kwun Tong  
Kowloon  
Hong Kong

6 November 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED RESOLUTIONS FOR SHAREHOLDERS  
TO APPROVE THE PROPOSED MAIN BOARD TRANSFER,  
THE APPLICATION TO THE CSRC  
FOR THE PROPOSED MAIN BOARD TRANSFER  
AND THE PROPOSED ARTICLES AMENDMENT**

**INTRODUCTION**

In the announcement of the Company dated 11 September 2008, the Directors announced that they intend to convene the SGM for the purpose of considering and approving, if thought fit, among other things, (i) the proposed Main Board Transfer; (ii) the CRSC Application; (iii) the proposed Articles Amendment; and (iv) the authorization of the Directors to take such steps as they consider necessary, desirable and expedient to make the

\* *for identification purpose only*

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## LETTER FROM THE BOARD

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CSRC Application and any other application to the relevant PRC authorities in connection with the Main Board Transfer (if necessary). The SGM will be convened on 22 December 2008.

The proposed Main Board Transfer and the proposed Articles Amendment are the intention of the Directors and no applications relating thereto have been made to the Stock Exchange or the CSRC. Shareholders should note that the special resolutions to be proposed at the SGM are for the sole purpose of obtaining approval from the Shareholders to enable the Company to make the CSRC Application and any other application to the relevant PRC authorities in connection with the Main Board Transfer (if necessary).

### **REASONS FOR THE MAIN BOARD TRANSFER**

The Group is principally engaged in the design, manufacture and sales of computer servers and related products, trading of platform and accessory products, and leasing and provision of maintenance services on computer servers. Since the listing of the H Shares on the GEM on 12 December 2002, the business of the Group has grown steadily and the Group has improved its public profile. The Directors are of the view that the listing of the H Shares on the Main Board will facilitate an increase in the liquidity of the H Shares, further enhance the public profile of the Group and recognition from the investing public, including the institutional investors, which will be beneficial and complementary to the future growth and development of the Group. The Directors thus consider that the listing of the H Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group.

### **REQUIREMENTS UNDER PRC REGULATIONS**

Under the existing Articles of Association of the Company and the relevant current PRC rules and regulations, shareholders' approval is required for, among others, the proposed Main Board Transfer, the proposed Articles Amendment and the CSRC Application.

It is the intention of the Company that upon obtaining the CSRC's notice of acceptance of application, the Company will make a formal application to the Stock Exchange in relation to the proposed Main Board Transfer. The Company shall fulfill all necessary requirements as stipulated in the relevant PRC rules and regulations.

### **PROPOSED ARTICLES AMENDMENT**

For the purpose of making application to the CSRC for the proposed Main Board Transfer, a proposed amended version of the Articles of Association of the Company which complies with the Main Board Listing Rules and the relevant rules and regulations in the PRC and Hong Kong in relation to a Main Board H-shares listed issuer has to be submitted to the CSRC, hence, a special resolution shall also be proposed at the SGM to approve the proposed Articles Amendment. Subject to the conditions set out in the paragraph headed "Conditions for the Main Board Transfer and Articles Amendment" below, the Amended Articles (subject to further amendments being made to the Articles of Association by the Directors as authorized by the Shareholders) will become effective on the date of listing of

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## LETTER FROM THE BOARD

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the H Shares on the Main Board. The proposed Articles Amendment will not become effective if the Company fails to proceed with the proposed Main Board Transfer and the existing Articles of Association will continue to be in force. Should there be any discrepancies between the Chinese and English versions of the proposed Articles Amendment contained in the notice of SGM in this circular, the Chinese version shall prevail.

### THE SGM

Shareholders should note that the approval of (i) the proposed Main Board Transfer; and (ii) the proposed Articles Amendment at the SGM are conditions precedent to the CSRC Application.

Therefore, for the purpose of enabling the Company to make the CSRC Application and any other application to the relevant PRC authorities in connection with the Main Board Transfer (if necessary), the Directors intend to convene the SGM on 22 December 2008 for the Shareholders to consider and approve, if thought fit, among other things, (i) the proposed Main Board Transfer; (ii) the proposed Articles Amendment; and (iii) the authorisation of the Directors to take such steps as they consider necessary, desirable and expedient to make the CSRC Application and any other application to the relevant PRC authorities in connection with the Main Board Transfer (if necessary), including but not limited to the setting up of a board committee consisting of any two Directors responsible for the above.

Shareholders should note that the Shareholders' approval in connection with the proposed Main Board Transfer and the proposed Articles Amendment as obtained from the SGM is for the purpose of enabling the Company to make the relevant CSRC Application and any other application to the relevant PRC authorities in connection with the Main Board Transfer (if necessary). The proposed Main Board Transfer will also be subject to the conditions set out in the paragraph headed "Conditions for the Main Board Transfer and Articles Amendment" below.

### CONDITIONS FOR THE MAIN BOARD TRANSFER AND ARTICLES AMENDMENT

The Main Board Transfer and the Articles Amendment are inter-conditional. The proposed Main Board Transfer and the proposed Articles Amendment, however, will be conditional on, among other things, the following:

- (i) the fulfillment of all requirements as may be required or imposed by the CSRC or other relevant PRC authorities or as may be required by applicable rules and regulations by the Company;
- (ii) the granting of the relevant approvals by the CSRC and other relevant PRC authorities in connection with the proposed Main Board Transfer (where necessary and applicable);

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## LETTER FROM THE BOARD

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- (iii) the Main Board Listing Committee granting approval to the Main Board Transfer and for the listing of and permission to deal in the existing H Shares on the Main Board (where applicable); and
- (iv) the obtaining of approval from the Shareholders at the SGM for the proposed Main Board Transfer, the proposed Articles Amendment and the CSRC Application.

Preparation relating to the proposed Main Board Transfer is at a preliminary stage and no applications relating thereto have been made to the Stock Exchange or the CSRC. The Company will make further announcements, as and when it deems necessary or appropriate, to keep the Shareholders informed on the latest progress of the proposed Main Board Transfer.

### **Warning:**

**The proposed Main Board Transfer and the proposed Articles Amendment are the intention of the Directors and no applications relating thereto have been made to the Stock Exchange or the CSRC. Shareholders should note that the special resolutions to be proposed at the SGM are for the purpose of obtaining approval from the Shareholders to enable the Company to make the CSRC Application and any other application to the relevant PRC authorities in connection with the Main Board Transfer (if necessary). It is the intention of the Company that upon obtaining the CSRC's notice of acceptance of application, the Company will make a formal application to the Stock Exchange in relation to the proposed Main Board Transfer. The Company shall fulfill all necessary requirements as stipulated in the relevant PRC rules and regulations.**

**Shareholders and potential investors should be aware that the implementation of the proposed Main Board Transfer is subject to, among others, the fulfillment of the requirements as may be required or imposed by the CSRC or other relevant PRC authorities or as may be required by applicable rules and regulations by the Company, the market sentiment and the granting of relevant approvals by the CSRC and/or other relevant PRC authorities (where necessary and applicable) and the Stock Exchange, and thus may or may not become effective. Consequently, the proposed Main Board Transfer may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the H Shares.**

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 22 November 2008 to 22 December 2008, both days inclusive, during which time no transfer of Shares will be effected. In order to be eligible to attend the SGM and to vote thereat as Shareholders, all transfers of H Shares together with the relevant share certificates must be delivered at the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 21 November 2008. All transfers of Domestic Shares together with the relevant share certificates must be delivered at the Company's registered

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## LETTER FROM THE BOARD

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office at Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, PRC, no later than 4:00 p.m. on 21 November 2008.

### RIGHT TO DEMAND POLL

Pursuant to Article 70 of the Articles of Association, subject to the requirements under the GEM Listing Rules or any other applicable laws and regulations, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the chairman of such meeting; or
- (b) by at least two members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting.

The demand for the poll may be withdrawn.

### RECOMMENDATIONS

The Board is of the view that the Main Board Transfer and the adoption of the Amended Articles are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the special resolutions to be proposed at the SGM.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

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**LETTER FROM THE BOARD**

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**GENERAL**

Should there be any discrepancies between the Chinese and English versions of this circular, the Chinese version shall prevail.

Yours faithfully,  
For and on behalf of  
**Powerleader Science & Technology Group Limited**  
**Li Ruijie**  
*Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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深圳宝德科技集团股份有限公司

**POWERLEADER SCIENCE & TECHNOLOGY GROUP LIMITED\***

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

(Stock Code: 8236)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Powerleader Science & Technology Group Limited (the “**Company**”) will be convened and held on Monday, 22 December 2008 at 11:00 a.m. at Room 43A, 43rd Floor, Block C, Electronics Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, The PRC, for the purpose of considering and, if thought fit, approving the following special resolutions:

1. “**THAT** the proposed transfer of listing status of the H shares of the Company (the “**H Shares**”) from The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to the Main Board (the “**Main Board**”) of the Stock Exchange (the “**Main Board Transfer**”) be and is hereby approved.”
2. “**THAT** the amended articles of association of the Company (the “**Amended Articles**”) (a copy of which is produced to the meeting marked “A” and initialed by the chairman of this meeting for the purpose of identification) which reflect the consequential amendments to the existing articles of association of the Company (the “**Existing Articles**”) as a result of the proposed Main Board Transfer (subject to further amendments (if any) being made to the same articles of association by the directors of the Company (the “**Directors**”) as authorized by the shareholders of the Company), be and are hereby adopted as the articles of association of the Company in substitution for and to the exclusion of the Existing Articles, with effect from the date of listing of the H Shares on the Main Board. The details of the amendments set out in the Amended Articles are as follows:
  - (i) the first sentence of Article 6 of the Existing Articles of the Company shall be deleted in its entirety and replaced by the following:

“The Articles will take effect upon the obtaining of the approval from the relevant authority in charge after the approval by the special resolutions at the shareholders’ meeting of the Company and the registration at the Shenzhen Industrial and Commercial Administrative Management Bureau; and on the date of listing of the H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).”;

\* *for identification purpose only*

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## NOTICE OF SPECIAL GENERAL MEETING

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- (ii) the second sentence of paragraph 3 of Article 16 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“Overseas listed foreign shares can be listed on the Main Board of the Hong Kong Stock Exchange.”;

- (iii) paragraph 2 of Article 23 of the Existing Articles shall be deleted in its entirety;

- (iv) the following Article 27A shall be inserted after Article 27 of the Existing Articles:

“That, where the Company has the power to purchase for redemption a redeemable share:

(1) purchases not made through the market or by tender shall be limited to a maximum price; and

(2) if purchases are by tender, tenders shall be available to all shareholders alike.”;

- (v) the first sentence and the second sentence of paragraph 1 of Article 40 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“All transfer of overseas listed foreign shares which are listed in Hong Kong shall be effected by written instruments of transfer in any usual or common form or standard form of transfer as prescribed by the Hong Kong Stock Exchange or in any other form acceptable to the board of directors. Such instrument of transfer shall be executed under hand or by machine imprinted signature by the transferor and the transferee.”;

- (vi) the words “GEM” in sub-paragraph (1) of paragraph 2 of Article 40 of the Existing Articles shall be deleted and replaced by the words “Hong Kong Stock Exchange”;

- (vii) sub-paragraph (7) of paragraph 2 of Article 40 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“(7) the relevant instrument of transfer shall be in the form as prescribed above.”;

- (viii) the following sub-paragraph (5) shall be inserted after sub-paragraph (4) of paragraph 2 of Article 56 of the Existing Articles:

“(5) when the accountant’s firm as engaged by the Company requests to convene a special general meeting in accordance with Article 168 of the Articles.”;

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## NOTICE OF SPECIAL GENERAL MEETING

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- (ix) the following sub-paragraph (4) shall be inserted after sub-paragraph (3) of Article 70 of the Existing Articles:

“(4) chairman of the meeting and/or the directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at that meeting (and if on a show of hands a meeting votes in the opposite manner to that instructed in those proxies).”;

- (x) the following Article 70A shall be inserted after Article 70 of the Existing Articles:

“According to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, any vote of shareholders taken at a general meeting to approve the following transactions or arrangement must be taken on a poll:

- (1) connected transactions pursuant to Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
- (2) transactions that are subject to independent shareholders’ approval pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

*Note:* “Independent shareholders” means any shareholders other than controlling shareholders of the Company and their associates or, where there are no controlling shareholders, any shareholders other than the directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates.

- (3) granting of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, as required under Rule 17.04(1) of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange; and
- (4) any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.”;

- (xi) the following paragraph shall be inserted after paragraph 2 of Article 92 of the Existing Articles:

“That the period for lodgment of the notices referred to in the immediately preceding paragraph will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.”;

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## NOTICE OF SPECIAL GENERAL MEETING

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- (xii) paragraph 1 of Article 96 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“Meetings of the board of directors shall be convened at least four times every year. Such meetings shall be convened by the chairman of the board of directors.”;

- (xiii) the words “ten days” in paragraph 1 of Article 97 of the Existing Articles shall be deleted and replaced with the words “fourteen days”;

- (xiv) paragraph 4 of Article 98 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“That, subject to such exceptions specified in the Articles, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange) has a material interest nor shall he be counted in the quorum present at the meeting.

In this Article, “material interest” of a director or his associate means any contract, arrangement or proposal in which the director or his associate is interested in 5% or more.”;

- (xv) the following shall be inserted after paragraph 3 of Article 129 of the Existing Articles:

“In addition to the above requirements, a director shall not vote on any board resolution in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting, provided that such prohibition shall not be applicable to the matters as stated below:

- (1) any contract or arrangement for the giving of any security or indemnity to the director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (2) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (3) any contract or arrangement for the proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the issuer may promote or be interested in for

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## NOTICE OF SPECIAL GENERAL MEETING

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subscription or purchase where the director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (4) any contract or arrangement in which the director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (5) any contract or arrangement concerning any other company in which the director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his associate(s) is/are beneficially interested in shares of that company or of any third company through which his interest or that of his associates is derived, provided that the director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights; or
- (6) any contract or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of any share option scheme, pension fund or retirement, death or disability benefits scheme or other arrangements which relates both to directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.

In this Article, “associate” has the same meaning as prescribed by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.”;

- (xvi) Article 146 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“The Company shall despatch the directors’ report and its annual accounts and the auditors’ report for the purpose of its annual accounts to the shareholders at least 21 days before the date of the annual general meeting and within 120 days after the end of the accounting year.

The Company shall prepare its interim report for the first 6 months of each accounting year which complies with the required information set out in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and publish the same within 60 days after the end of the first 6 months of the accounting year.”;

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## NOTICE OF SPECIAL GENERAL MEETING

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- (xvii) the last sentence of paragraph 3 of Article 155 of the Existing Articles shall be deleted in its entirety and replaced by the following:
- “Where power is taken to forfeit unclaimed dividends, that power shall not be exercised until the expiry of the applicable effective period.”;
- (xviii) the definition for “GEM” in Article 197 of the Existing Articles shall be deleted; and
- (xix) the consequential amendments to the effect that all references to the “GEM Listing Rules” in the Existing Articles shall be deleted and replaced with the “the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange”.
3. **“THAT** the Directors be and are hereby authorized to do such other acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or expedient to implement the proposed Main Board Transfer, and the transactions contemplated thereunder, with such changes as the Directors may consider necessary, desirable or expedient, which include but are not limited to:
- (i) setting up a board committee comprising of any two Directors to handle and decide on matters relating to the proposed Main Board Transfer;
  - (ii) amending the Amended Articles further, as the Directors may deem appropriate and necessary;
  - (iii) filing or registering the Amended Articles (subject to further amendments (if any) being made to the same by the Directors as authorized by the shareholders of the Company) with the relevant approval authorities of the People’s Republic of China and Hong Kong, if required; and
  - (iv) attending to and handling all other necessary procedures and registrations relating to or as a result of the proposed Main Board Transfer.”

By Order of the Board  
**Powerleader Science & Technology Group Limited**  
**Li Ruijie**  
*Chairman*

6 November 2008  
Shenzhen, the PRC

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## NOTICE OF SPECIAL GENERAL MEETING

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**Notes:**

- (A) Any shareholders of the Company entitled to attend and to vote at the SGM shall be entitled to appoint a proxy who need not be a shareholder of the Company, to attend and to vote on his behalf. A member who is the holder of two or more shares may appoint more than one proxy.
- (B) Where a shareholder of the Company appoints more than one proxy, his proxy may only vote in a poll.
- (C) To be valid, the proxy forms for the use of shareholders of the Company and, if such proxy is signed by a person on behalf of the appointer pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority must be delivered to the Company not less than 24 hours before the time scheduled for holding the SGM or its adjourned meetings of the Company. Please refer to the proxy form for details of instructions.
- (D) Shareholders of the Company who intend to attend the SGM are required to return the reply slip to the Company on or before Tuesday, 2 December 2008. Please refer to the reply slip for details of instructions.
- (E) Completion and return of the proxy form and the reply slip will not affect the right of the shareholders of the Company to attend and to vote at the SGM. In such event, the form of proxy will be deemed to have been revoked.
- (F) Holders of domestic shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority and the reply slip to the Company's registered office address.
- (G) Holders of H shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority and the reply slip to the Company's H Share Registrar in Hong Kong.
- (H) The SGM is expected to last for half an hour. Shareholders of the Company and their proxies attending the SGM shall be responsible for the transportation and accommodation expenses on their own.