
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 does not constitute or form part of, an offer or invitation or inducement of an offer, to subscribe for or purchase any shares or other securities of **Powerleader Science & Technology Group Limited**, nor is this circular calculated to invite offers for any shares or other securities of **Powerleader Science & Technology Group Limited**.

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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 ISSUE OF
SHORT TERM FINANCING BILLS IN THE PRC**

A notice convening the extraordinary general meeting of the Company to be convened and held on Monday, 27 September 2010 at 3:00 p.m. at 4th Floor, Research and Development Building, Powerleader Technology Research and Production Base, Guanlan Hi-Tech Industrial Park, Bao'an District, Shenzhen, the PRC, is set out on pages 8 to 9 of this circular. Whether or not you are able to attend the above meeting or adjournment thereof, 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(s) 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, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

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

* For identification purposes only

12 August 2010

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. 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.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 9 August 2010 in relation to the proposed issue of the Bills in the PRC
“Articles of Association”	the articles of association of the Company as amended from time to time
“Bills”	short term financing bills with an aggregate principal amount of not exceeding RMB40 million proposed to be issued by the Company
“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
“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
“EGM”	the extraordinary general meeting of the Company to be held at 4th Floor, Research and Development Building, Powerleader Technology Research and Production Base, Guanlan Hi-Tech Industrial Park, Bao’an District, Shenzhen, the PRC on Monday, 27 September 2010 at 3:00 p.m. for the purpose of approving, amongst others, the proposed issue of the Bills in the PRC
“EGM Notice”	the notice dated 12 August 2010 for convening the EGM as set out on pages 8 to 9 of this circular
“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
“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

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DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“NAFMII”	National Association of Financial Market Institutional Investors (中國銀行間交易商協會) of the PRC
“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
“Registration Date”	the date of the Notice of Receiving of Registration (接受註冊通知書) to be issued by NAFMII
“Shareholders”	holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise
“Shares”	shares of the Company, including 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. Chan Shiu Yuen, Sammy
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

12 August 2010

To the Shareholders

Dear Sir or Madam,

PROPOSED ISSUE OF SHORT TERM FINANCING BILLS IN THE PRC

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed issue of the Bills in the PRC, and to seek your approval by way of special resolutions for the matters at the EGM to be held on 27 September 2010.

2. PROPOSED ISSUE OF SHORT TERM FINANCING BILLS

The Board has on 9 August 2010 approved to seek the Shareholders' approval by way of special resolution at the EGM for the proposed issue of the Bills in the PRC with an aggregate principal amount of not exceeding RMB40 million.

* *For identification purposes only*

LETTER FROM THE BOARD

Particulars of the proposed issue of the Bills are as follows:

Aggregate principal amount: Not exceeding RMB40 million

Term: Not exceeding 365 days

Interest rate: The interest rate shall be fixed; and on the basis of a fixed upper and lower limit, to be determined through book building process. The interest rate shall remain unchanged during the term of the Bills, there shall be no compound interest, and there shall be no additional interest in the event of overdue payment

Target: To institutional investors in the PRC inter-bank bond market only, save for those prohibited by PRC laws or regulations from subscription

Issue method: An underwriting syndicate shall be organized by the lead underwriter to place the Bills on the PRC inter-bank bond market through the book building process

Use of proceeds: It is proposed that the proceeds of the issue of the Bills will be applied towards the operational needs of the Group, including but not limited to the financing of capital expenditure, to supplement working capital and the repayment of existing bank loans

Conditions

According to the PRC law and the Articles of Association, the proposed issue of the Bills shall be subject to the Shareholders' approval by way of special resolution at the EGM and shall be conditional upon obtaining necessary approvals for the registration of the proposed issue of the Bills from the NAFMII.

Under the relevant PRC laws and regulations, the validity period of the registration is 2 years from the Registration Date. Within the validity period, the Bills may be issued in lump sum or in several tranches, provided that the initial issue of the Bills shall be completed within two months from the Registration Date, and the issuer shall file the proposed issue with the NAFMII two days prior to any subsequent issues for their record.

Warning:

As the proposed issue of the Bills may or may not occur, Shareholders and investors are reminded to exercise caution in dealing in the Shares.

LETTER FROM THE BOARD

Proposed granting of authorization to the Board

In order to ensure that the proposed issue of the Bills will duly comply with the applicable legal and regulatory requirements, and to enable the Board to carry out the proposed issue of the Bills smoothly, it is proposed that the authorisation to be granted to the Board or any one Director by the Shareholders at the EGM shall include but not limited to the following:

- (a) to determine the terms of the issue of the Bills, including but not limited to the size of issue, issue price, terms of the Bills, timing of issuance, maturity, method(s) of issue, interest rate(s) and method to determine the interest rate(s), security matters, etc.;
- (b) to select and engage qualified professional intermediaries, including but not limited to selecting and engaging underwriting institution(s), credit rating authority(ies) and legal representative(s);
- (c) to undergo all necessary negotiations, amend and execute all relevant contracts, agreements and other necessary documents (including but not limited to the applications for approvals of the issue of the Bills, registration report(s), offering document(s), underwriting agreement(s), announcement(s) and document(s) for disclosures as required under applicable legal and/or regulatory requirement(s);
- (d) to apply for all necessary approvals and conduct all necessary filings and registrations in connection with the proposed issue of the Bills, including but not limited to submitting relevant application(s) for registration to the relevant PRC authorities and making all necessary amendments to the application(s) and document(s) and making submission to the relevant PRC authorities on any queries which they may have in relation to the issue of the Bills; and
- (e) to take all necessary actions and steps for and to deal with or make decisions on all matters relevant to the issue of the Bills.

Reasons for the proposed issue

The Board believes that the proposed issue of the Bills will provide the Company with additional source of funds for the operational needs of the Group. Currently, the cost of obtaining short term funding through bank loans is relatively high. Through the issue of the Bills, the Company can enhance its financial strength and reduce its funding costs.

Therefore, the Board considers that the proposed issue of the Bills is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

3. EGM

The EGM Notice is set out on pages 8 to 9 of this circular. The EGM will be held at 4th Floor, Research and Development Building, Powerleader Technology Research and Production Base, Guanlan Hi-Tech Industrial Park, Bao'an District, Shenzhen, the PRC on 27 September 2010 at 3:00 p.m.. At the EGM, special resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the proposed issue of the Bills in the PRC.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, the vote of the Shareholders at the EGM shall be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

4. ACTION TO BE TAKEN

The form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM or any adjournment thereof, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return them to the registered address of the Company at Room 43A, 43rd Floor, Block C, Electronic Science & Technology Building, Shennan Road Central, Futian District, Shenzhen, the PRC (for holders of Domestic Shares), or the office of the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen Road East, Wanchai, Hong Kong (for holders of H Shares) as soon as possible and in any event not less than 24 hours before the time for holding of EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting (or any adjournment thereof) should you so wish.

A reply slip for the purpose of informing the Company whether you will be attending in person or by proxy) the EGM is also despatched to you with this circular. Shareholders who intend to attend the EGM are requested to complete and return the reply slip to the Company not later than 20 days before the date of the EGM (i.e. on or before 7 September 2010) in accordance with the Articles of Association. In the event that the written replies received from the Shareholders indicating that they intend to attend the EGM represent less than half of the total number of Shares with voting rights of that relevant meeting, the Company shall within 5 days thereafter inform its Shareholders by way of an announcement the proposed matters for consideration at the relevant meeting and the date and venue of the relevant meeting. The relevant meeting may be convened after such announcement has been published.

5. RECOMMENDATION

The Directors believe that the proposed issue of the Bills is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that you should vote in favour of the resolutions set out in the notice of EGM.

LETTER FROM THE BOARD

6. 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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Powerleader Science & Technology Group Limited* (the “Company”) will be convened and held on Monday, 27 September 2010 at 3:00 p.m. at 4th Floor, Research and Development Building, Powerleader Technology Research and Production Base, Guanlan Hi-Tech Industrial Park, Bao’an District, Shenzhen, the PRC for the purpose of considering and, if thought fit, approving the following special resolution:

Special Resolution

1. THAT:

The Company be and is hereby approved and authorized to issue short-term financing bills (the “Bills”) in the aggregate principal amount not exceeding RMB40 million in the PRC, details of which are set out in the circular of the Company dated 12 August 2010, and to authorize the directors of the Company to generally and unconditionally deal with all matters to and/or in connection with the issue of the Bills.

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

12 August 2010
Shenzhen, the PRC

Notes:

1. Any shareholder entitled to attend and vote at the meeting mentioned above is entitled to appoint one or more proxies to attend and vote on his/her behalf in accordance with the Articles of Association. A proxy need not be a shareholder of the Company.

* For identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. To be valid, the form of proxy must be deposited by hand or by post, at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen Road East, Wanchai, Hong Kong (for holders of H Shares), or at the registered address of the Company (for holders of Domestic Shares) not less than 24 hours before the time for holding the EGM or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
3. Shareholders or their proxies who intend to attend the EGM should complete the enclosed reply slip and return it by hand or by post to the H share registrar of the Company (for holder of H Shares) or to the registered address of the Company (for holders of Domestic Shares) on or before 7 September 2010. Please refer to the reply slip for details of instructions.
4. The register of members of the Company will be closed from 28 August 2010 to 27 September 2010, both days inclusive, during which no transfer of shares will be effected. Shareholders whose name appears on the register of members of the Company at 4:00 p.m. on 27 August 2010 will be entitled to attend and vote at the meeting. All transfers accompanied by relevant share certificates must be lodged with Company's H share registrar and transfer office in Hong Kong not later than 4:00 p.m. on 26 August 2010.
5. Completion and return of the proxy form and reply slip will not affect the right of the shareholders of the Company to attend and vote at the EGM. In such event, the proxy form will be deemed to have been revoked.
6. Shareholders or their proxies shall produce their identity documents when attending the meeting.
7. The EGM is expected to last for half an hour. Shareholders of the Company and their proxies attending the EGM shall be responsible for the transportation and accommodation expenses on their own.
8. The special resolution as set out above will be determined by way of poll.

As at the date hereof, the Board comprises a total of 10 Directors, including Mr. Li Ruijie, Mr. Dong Weiping, Ms. Zhang Yunxia and Mr. Ma Zhumao as executive Directors, Mr. Sun Wei, Mr. Wang Lixin and Mr. Li Donglei as non-executive Directors and Mr. Jiang Baijun, Mr. Chan Shiu Yuen, Sammy and Dr. Guo Wanda as independent non-executive Directors.