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FOUNDER HOLDINGS LIMITED

方正控股有限公司 *

(incorporated in Bermuda with limited liability)

ONGOING CONNECTED TRANSACTIONS

Following completion of the Acquisition on 1 July 2003, EC-Founder has become a non-wholly owned subsidiary of the Company. The ongoing connected transactions of EC-Founder in respect of the EC-Founder Lease Agreement have become ongoing connected transactions of the Company following completion of the Acquisition.

As the aggregate annual and total rental and management fees payable by EC-Founder to Peking Founder under the EC-Founder Lease Agreement are expected to exceed the higher of HK\$1 million or 0.03% of the latest published consolidated net tangible asset value of the Company but not exceed the higher of HK\$10 million or 3% of the latest published consolidated net tangible asset value of the Company, the transactions under the EC-Founder Lease Agreement are subject to the disclosure requirements under Rule 14.25 of the Listing Rules only. Details of the transactions will be included in the annual reports of the Company to be published until expiry of the EC-Founder Lease Agreement.

THE TRANSACTIONS

The board of directors (the "Board") of Founder Holdings Limited (the "Company") refers to an announcement (the "EC-Founder Announcement") of EC-Founder (Holdings) Company Limited ("EC-Founder") dated 29 April 2003 regarding the lease agreement (the "EC-Founder Lease Agreement") entered into between EC-Founder Co., Ltd., a wholly-owned subsidiary of EC-Founder, and Peking University Founder Group Corporation ("Peking Founder"), the controlling shareholder of the Company holding approximately 32.67% of the Company's issued share capital as at the date of this announcement. The transactions under the EC-Founder Lease Agreement constitute ongoing connected transactions for EC-Founder.

The table below sets out a summary of the principal terms of the EC-Founder Lease Agreement:

Lessor	:	Peking Founder
Lessee	:	EC-Founder Co., Ltd., a wholly-owned subsidiary of EC-Founder
Property leased	:	3rd floor to 5th floor of Founder Building (方正大樓) at No.204, Chengfu Road, Haidian District, Beijing, the PRC
Area	:	Approximately 2,300 square metres (including approximately 1,800 square metres for 3rd and 4th floors and approximately 500 square metres for 5th floor)
Unit rental and management fee	:	RMB3.1 per square metre per day for 3rd and 4th floors RMB2.7 per square metre per day for 5th floor
Annual rental and management fees	:	RMB2,529,450 (equivalent to approximately HK\$2,386,300)
Period	:	From 1 May 2003 to 31 December 2005

Shareholders of the Company should refer to the EC-Founder Announcement for further details of the transactions.

The directors (including independent non-executive directors) of the Company consider that the terms of the EC-Founder Lease Agreement are fair and reasonable.

CONNECTED TRANSACTIONS

The Board refers to the joint announcements of the Company and EC-Founder dated 19 March and 2 July 2003 (the "Joint Announcements"), the Acquisition (as defined in the Joint Announcements) was completed on 1 July 2003 ("Completion"). Since then, EC-Founder has become a non-wholly owned subsidiary of the Company. As Peking Founder is the controlling shareholder of the Company, following Completion, the transactions under the EC-Founder Lease Agreement constitute connected transactions for the Company.

As the aggregate annual and total rental and management fees payable by EC-Founder to Peking Founder under the EC-Founder Lease Agreement are expected to exceed the higher of HK\$1 million or 0.03% of the latest published consolidated net tangible asset value of the Company but not exceed the higher of HK\$10 million or 3% of the latest published consolidated net tangible asset value of the Company, the transactions under the EC-Founder Lease Agreement are subject to the disclosure requirements under Rule 14.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") only. As at the date of this announcement, the latest published consolidated net tangible asset value of the Company was approximately HK\$324.4 million as at 31 December 2002. Details of the transactions will be included in the annual reports of the Company to be published until expiry of the EC-Founder Lease Agreement.

GENERAL

The Company, through its subsidiaries, is principally engaged in software development and systems integration relating to the media industry and certain other industries, provision of software solutions and services, the distribution of information products and the design, manufacture and sale of electronic weighing scales.

By Order of the Board
Founder Holdings Limited
Cheung Shuen Lung
Chairman

Hong Kong, 5 August 2003

* for identification purpose only

*Please also refer to the published version of this announcement in
The Standard and Sing Tao Daily.*