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**FOUNDER HOLDINGS LIMITED**  
**方正控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00418)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **PROPERTY MANAGEMENT OF OFFICE PREMISES**

#### **PROPERTY MANAGEMENT OF OFFICE PREMISES**

We refer to the announcement of the Company on leasing of office premises dated 31 December 2021, according to which each of Founder Electronics and Founder EasiPrint entered into a management agreement with Beida Management. Given that the management agreements of office premises have expired on 31 December 2022, on 11 January 2023, each of Founder Electronics and Founder EasiPrint entered into a new management agreement with Beida Management, according to which Beida Management will provide each of Founder Electronics and Founder EasiPrint with property management services in relation to their respective office premises leased at Shangdi Founder Building. The 2023 Management Agreements will expire on 31 December 2023.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, New Founder is interested in 30.60% equity interest of the Company and therefore a controlling shareholder and a connected person of the Company for the purposes of the Listing Rules. Beida Management is an associate of New Founder by virtue of the fact that Beida Management is a subsidiary of New Founder. Meanwhile, Founder Electronics and Founder EasiPrint are wholly-owned subsidiaries of the Company. Therefore, the transactions contemplated under the 2023 Management Agreements will be continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the 2023 Management Agreements exceeds 0.1% and is less than 5%, the transactions contemplated under the 2023 Management Agreements are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

## 2023 MANAGEMENT AGREEMENTS

We refer to the announcement of the Company on leasing of office premises dated 31 December 2021, according to which each of Founder Electronics and Founder EasiPrint entered into a management agreement with Beida Management. Given that the management agreements of office premises have expired on 31 December 2022, on 11 January 2023, each of Founder Electronics and Founder EasiPrint entered into a new management agreement with Beida Management, according to which Beida Management will provide each of Founder Electronics and Founder EasiPrint with property management services in relation to their office premises leased at Shangdi Founder Building. The 2023 Management Agreements will expire on 31 December 2023.

### Principle Terms of Founder Electronics Management Agreement

<b>Parties</b>	(i) Founder Electronics; and  (ii) Beida Management
<b>Property managed</b>	1st floor (part) of Block 1, 2nd floor (entire) of Block 1, 3rd floor (entire) of Block 1, 4th floor (part) of Block 1 and 5th floor (entire) of Block 1 of Shangdi Founder Building
<b>Area</b>	7,594.55 square meters
<b>Contract period</b>	11 January 2023 to 31 December 2023
<b>Total annual management fee</b>	RMB2,772,010.8 (equivalent to approximately HK\$3,077,000)
<b>Other principal terms and Conditions</b>	The management fee is payable in cash monthly in advance.  Founder Electronics shall be responsible for the payment of certain other fees, including, among other things, water, electricity and other utility fees.  If the relevant lease agreement is terminated or the property management agreement entered between Beida Management and the landlord is terminated or released, both parties have the right to unilaterally terminate the agreement.

## **Principal Terms of Founder EasiPrint Management Agreement**

<b>Parties</b>	(i) Founder EasiPrint; and  (ii) Beida Management
<b>Property managed</b>	4th floor (part) of Block 1, 1st floor (part) of underground of Block 1 and 1st floor (part) of underground of Block 2 of Shangdi Founder Building
<b>Area</b>	5,680.04 square meters
<b>Contract period</b>	11 January 2023 to 31 December 2023
<b>Total annual management fee</b>	RMB1,791,134.64 (equivalent to approximately HK\$1,988,000)
<b>Other principal terms and Conditions</b>	<p>The management fee is payable in cash monthly in advance.</p> <p>Founder EasiPrint shall be responsible for the payment of certain other fees, including, among other things, water, electricity and other utility fees.</p> <p>If the relevant lease agreement is terminated or the property management agreement entered between Beida Management and the landlord is terminated or released, both parties have the right to unilaterally terminate the agreement.</p>

## **Reasons for and Benefits of the 2023 Management Agreements**

The Group has been leasing certain premises at Shangdi Founder Building as offices for over ten years. As the previous management agreements have expired on 31 December 2022, the Group entered into the 2023 Management Agreements to renew the property management service for a term ending on 31 December 2023.

The terms of the 2023 Management Agreements, including the management fees payable by the Group, are arrived at after arm's length negotiations between the parties taking account of (i) the management fees of properties in Shangdi area of Beijing, which have been obtained through the Company's enquiries with estate agents; (ii) the historical transaction amounts in respect of the property management service of office premises between the subsidiaries of the Company and Beida Management; and (iii) the estimated management fees in the coming year in Shangdi area of Beijing.

The Directors (including the independent non-executive Directors) are of the view that transactions under the 2023 Management Agreements are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in software development and provision of systems integration services relating to the media and non-media industries including financial institutions, enterprises and government departments. The Group purchases information hardware products for its customers in order to establish computer systems. It also provides software and hardware solutions to its customers as well as for use in its software development business.

## **INFORMATION OF THE NEW FOUNDER GROUP**

New Founder is a controlling shareholder of the Company indirectly holding approximately 30.60% of the issued share capital of the Company as at the date of this announcement.

New Founder Group is principally engaged in securities trading and brokerage; the information technology industry, including software and system development for the publishing sector and various government bureaus and financial institutions and hardware manufacturing for personal computers, chips, circuit boards and other terminal equipment; and healthcare and pharmaceutical industry, including hospitals, pharmaceuticals, logistics, equipment leasing and hospital management.

As at the date of this announcement, the ultimate majority shareholder of New Founder is Ping An which holds 66.51% equity interest in New Founder and is a controlling shareholder of the Company. It is principally engaged in the business of insurance, banking, investment and Internet finance products and services.

Zhuhai Huafa Group Co., Ltd. (on behalf of Zhuhai State-owned Assets) (珠海華發集團有限公司 (代表珠海國資)) indirectly held 28.5% equity interest in New Founder, and is principally engaged in development and operation of properties. The remaining equity interest of New Founder is directly held by Zhuhai Founder No. 1 Enterprise Management Partnership (Limited Partnership) (珠海市方正一號企業管理合夥企業 (有限合夥)) by 1.63% and Zhuhai Founder No. 2 Enterprise Management Partnership (Limited Partnership) (珠海市方正二號企業管理合夥企業 (有限合夥)) by 3.36%, both of which are shareholding platform companies of the creditors of the Five Companies including Peking Founder.

## **INFORMATION ON BEIDA MANAGEMENT**

Beida Management is an associate of New Founder by virtue of the fact that Beida Management is a subsidiary of New Founder. New Founder indirectly holds 99.95% shareholding of Beida Management as at the date of this announcement.

The remaining 0.05% shareholding of Beida Management is directly held by Beijing Gangtong Resources Enterprise Management Company Limited\* (北京港通資源企業管理有限公司). The Directors have no reliable information or knowledge on the ultimate beneficial owner(s) of Beijing Gangtong Resources Enterprise Management Company Limited.

Beida Management is principally engaged in property leasing business, providing various property management services and community cultural services covering commercial buildings, leased offices, residential buildings and industrial parks as well as the asset management and operation in real estate developed and owned by New Founder Group.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, New Founder is interested in 30.60% equity interest of the Company and therefore a controlling shareholder and a connected person of the Company under the Listing Rules. Beida Management is an associate of New Founder by virtue of the fact that Beida Management is a subsidiary of New Founder. Meanwhile, Founder Electronics and Founder EasiPrint are wholly-owned subsidiaries of the Company. Therefore, the transactions contemplated under the 2023 Management Agreements will be continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the 2023 Management Agreements exceeds 0.1% and is less than 5%, the transactions contemplated under the 2023 Management Agreements are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has material interest in the 2023 Management Agreements and will be required to abstain from voting on the relevant Board resolution approving the 2023 Management Agreements.

## DEFINITIONS

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

“2023 Management Agreements”	Founder Electronics Management Agreement and Founder EasiPrint Management Agreement
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Beida Management”	北京北大資源物業經營管理集團有限公司 (Beijing Peking University Resource Property Management Group Co., Ltd.*), a company incorporated in the PRC which is principally engaged in property leasing business and an associate of New Founder
“Board”	the board of Directors of the Company
“Company”	Founder Holdings Limited (方正控股有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange under the stock code 00418
“connected person(s)”	has the same meaning as ascribed thereto under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Five Companies including Peking Founder”	Peking University Founder Group Company Limited, Peking University Founder Information Industry Group Co., Ltd., Founder Industry Holdings Co., Ltd., PKU Healthcare Industry Group Co., Ltd., and Peking University Resource Group Limited
“Founder EasiPrint”	北京方正印捷數碼技術有限公司 (Beijing Founder EasiPrint Digital Technology Co., Ltd.*), a company incorporated in the PRC and a wholly-owned subsidiary of the Company which is principally engaged in software development and systems integration business

“Founder EasiPrint Management Agreement”	the management agreement dated 11 January 2023 and entered into between Founder EasiPrint and Beida Management, according to which Beida Management will provide Founder EasiPrint with property management services in relation to the office premises leased by Founder EasiPrint at Shangdi Founder Building for a term of a year/12 months ending on 31 December 2023
“Founder Electronics”	北京北大方正電子有限公司 (Beijing Founder Electronics Co., Ltd.*), a company incorporated in the PRC and a wholly-owned subsidiary of the Company which is principally engaged in software development and systems integration business
“Founder Electronics Management Agreement”	the management agreement dated 11 January 2023 and entered into between Founder Electronics and Beida Management, according to which Beida Management will provide Founder Electronics with property management services in relation to the office premises leased by Founder Electronics at Shangdi Founder Building for a term of a year/12 months ending on 31 December 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“New Founder”	New Founder Development Co., Ltd.* (新方正控股發展有限責任公司), a company incorporated in the PRC with limited liabilities, a controlling shareholder of the Company, which indirectly holds approximately 30.60% of the issued share capital of the Company through its wholly-owned subsidiary Founder Information Industry Company Limited (方正信息產業有限責任公司) as at the date of this announcement
“New Founder Group”	New Founder and its subsidiaries
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Shangdi Founder Building”	上地方正大厦 (Shangdi Founder Building) at No. 9, Shangdi 5th Street (also known as Shangdi Information Industry Base), Haidian District, Beijing, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 11 January 2023

*The exchange rate adopted in this announcement for illustration purpose only is RMB1.00 = HK\$1.11.*

*As at the date of this announcement, the Board comprises executive directors of Mr. Cheung Shuen Lung (Chairman), Mr. Shao Xing (President), Mr. Qi Zi Xin, Mr. Hu Bin, Mr. Zhang Jian Guo and Ms. Wu Jing, and the independent non-executive directors of Mr. Chan Chung Kik, Lewis, Mr. Lau Ka Wing and Mr. Lai Nga Ming, Edmund.*

\* *For identification purpose only*