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(Incorporated in Bermuda with limited liability)
(Stock code: 00418)

**(1) MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF THE ENTIRE SHAREHOLDING IN
EC-FOUNDER (HOLDINGS) COMPANY LIMITED; AND
(2) CONTINUING CONNECTED TRANSACTIONS:
THE MASTER HP AGREEMENT AND
THE MASTER IT AGREEMENT**

DISPOSAL AGREEMENT

The Board is pleased to announce that on 29 August 2011, the Company entered into the Disposal Agreement with Founder Information, pursuant to which (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase, the Company's entire shareholding interests in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell and Founder Information conditionally agrees to purchase, the Loan for an aggregate consideration of approximately HK\$114.1 million. Upon Completion, the Group will cease to hold any shareholding interests in EC-Founder.

IMPLICATION OF THE LISTING RULES

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are 25% or more but less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules and consequently is subject to notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as at the date of this announcement, Peking Founder is the controlling shareholder of the Company with a shareholding interest of approximately 32.49% in the Company. Founder Information is a subsidiary of Peking Founder and therefore is a connected person of the Company under the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

After Completion, EC-Founder will become an associate of Peking Founder and therefore, a connected person of the Company under the Listing Rules. As the Group has been supplying HP Products to EC-Founder Group and purchasing the Information Products from EC-Founder Group in the ordinary and usual course of business and on normal commercial terms, such ongoing sales and purchases will, after Completion, constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In light of the above, the Master HP Agreement and the Master IT Agreement have been entered into between the Company and EC-Founder on 29 August 2011 in order to govern and specify the terms adopted and the annual caps for the total amount of the aforesaid ongoing transactions for the three years ending 31 December 2013. The Master IT Agreement is effective upon signing whereas the Master HP Agreement is effective upon the occurrence of certain events.

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules for the Master HP Agreement are 5% or more and the annual caps exceed HK\$10,000,000, the entering into the Master HP Agreement and the transactions contemplated thereunder by the Company constitute non-exempt continuing connected transactions for the Company under Rules 14A.16(5) and 14A.17 of the Listing Rules and are subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.41, 14A.45 to 14A.47 of the Listing Rules. In addition, the Master HP Agreement and its annual caps are subject to the approval by the Independent Shareholders pursuant to Rules 14A.17 and 14A.52 of the Listing Rules.

On the other hand, as the applicable ratios pursuant to Rule 14.07 of the Listing Rules for the Master IT Agreement are more than 0.1% but less than 5%, the entering into the Master IT Agreement and the transactions contemplated thereunder by the Company constitute continuing connected transactions for the Company which are exempt from the independent shareholders' approval requirements under Rule 14A.16(4) of the Listing Rules but are subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.41, 14A.45 to 14A.47 of the Listing Rules.

SGM

The SGM will be convened at which resolutions will be proposed to seek the Independent Shareholders' approval by way of poll in relation to (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps. Peking Founder, together with its associates, and all parties involved in or interested in the Disposal Agreement and/or the Master HP Agreement are required to abstain from voting with respect to the resolutions for approving (i) the Disposal Agreement; and/or (ii) the Master HP Agreement and its annual caps.

GENERAL

As Mr Li Fat Chung and Ms Wong Lam Kit Yee, being two independent non-executive Directors, are also the independent non-executive directors of EC-Founder, it was decided that they should not be appointed as members of the independent board committee in order to avoid any perceived conflict of interest.

Mr Fung Man Yin Sammy, being the remaining independent non-executive Director, has been appointed as the Independent Director to consider the terms of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps and to advise the Independent Shareholders as to whether the terms of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Except that he and his spouse are together holding 450,000 shares in EC-Founder, representing approximately 0.04% of the issued share capital of EC-Founder, as at the date of this announcement, Mr Fung has no other material interest in the Disposal Agreement and the Master HP Agreement.

China Everbright Capital Limited has been appointed as the independent financial adviser to advise the Independent Director and the Independent Shareholders in respect of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps.

A circular containing, among other things, (i) details of the Disposal Agreement; (ii) details of the Master HP Agreement and its annual caps; (iii) a letter of recommendations from the Independent Director to the Independent Shareholders in respect of the Disposal Agreement, the Master HP Agreement and its annual caps; (iv) a letter of advice from China Everbright Capital Limited to the Independent Director and the Independent Shareholders in respect of the Disposal Agreement, the Master HP Agreement and its annual caps; and (v) a notice convening the SGM, will be dispatched to the shareholders of the Company on or before 20 September 2011 in accordance with the Listing Rules.

(I) THE DISPOSAL OF EC-FOUNDER AND A LOAN

A. BACKGROUND

The Board is pleased to announce that on 29 August 2011, the Company entered into the Disposal Agreement with Founder Information, pursuant to which (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase, the Company's entire shareholding interests in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell, and Founder Information conditionally agrees to purchase, the Loan for an aggregate consideration of approximately HK\$114.1 million.

B. PRINCIPAL TERMS OF THE DISPOSAL AGREEMENT

Date:

29 August 2011

Parties:

- (1) the Company as vendor; and
- (2) Founder Information as purchaser.

As at the date of this announcement, Peking Founder, the controlling shareholder of the Company, holds 367,179,610 ordinary shares of the Company, representing approximately 32.49% of the total issued share capital of the Company. As Founder Information is a subsidiary of Peking Founder, Founder Information is a connected person of the Company under the Listing Rules.

Assets to be disposed:

Pursuant to the Disposal Agreement, (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase the Company's entire shareholding interests in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell, and Founder Information conditionally agrees to purchase the Loan. The aggregate Consideration is approximately HK\$114.1 million.

Conditions Precedent as contemplated under the Disposal Agreement:

Completion of the Disposal as contemplated under the Disposal Agreement is subject to and conditional upon the fulfillment or otherwise waiver of, among other things, the following Conditions Precedent on or before 31 December 2011 (or such other date as the parties to the Disposal Agreement may agree in writing):

- (a) the passing of a resolution of the board of directors of Peking Founder approving the Disposal and all other documents and transactions incidental to and as contemplated under the Disposal Agreement;
- (b) the passing of a resolution of the board of directors of Founder Information approving the Disposal and all other documents and transactions incidental to and as contemplated under the Disposal Agreement;
- (c) the passing of a resolution of the board of directors of Founder HK approving the disposal of the Loan and all other documents and transactions incidental thereto; and
- (d) to the extent required by the Listing Rules, the passing of all necessary resolutions by the Independent Shareholders at the SGM by poll, approving the transactions contemplated under the Disposal Agreement.

Founder Information and the Company may, together in writing, at any time relinquish or waive the fulfillment of (all or part of) the Conditions Precedent set out in paragraphs (a) to (c) above. The Conditions Precedent set out in paragraph (d) above shall not be relinquished or waived in any event.

In the event that not all of the Conditions Precedent have been fulfilled or waived on or before 31 December 2011 (or such later date as agreed in writing between the parties to the Disposal Agreement), the Disposal Agreement and the transactions as contemplated thereunder shall be forthwith terminated and be of no effect.

Completion:

Subject to fulfillment or waiver (if applicable) of the Conditions Precedent to the Disposal Agreement, Completion shall take place on Completion Date.

Consideration:

The Consideration for the Disposal is approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for disposal of the Company's shareholding interests in EC-Founder and HK\$5.4 million is the consideration for the disposal of the Loan. The Consideration has been arrived at after arm's length negotiations between the Company and Founder Information after taking into account various relevant factors including (i) the closing

price of the shares of EC-Founder on the date of signing the Disposal Agreement; (ii) the average closing price of the shares in EC-Founder on the Stock Exchange in the five trading days immediately prior to the signing of the Disposal Agreement; and (iii) the amount of the Loan.

The Consideration payable by Founder Information to the Company for the Disposal shall be satisfied entirely by cash, which shall be payable upon Completion.

C. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in software development and the provision of systems integration services relating to the media and non-media industries including financial institutions, enterprises and government departments.

EC-Founder Group is principally engaged in distribution of information products in Hong Kong and in the PRC.

As the profit margin attributable to the software development business of the Group is higher than the profit margin attributable to the distribution of information products business of EC-Founder Group, the Directors consider that the Group should focus on its expertise in software development and provision of systems integration services relating to the media and non-media industries whereas EC-Founder Group should continue to focus on its distribution of information products in Hong Kong and the PRC. The Directors believe that the current market price of the Company's shares does not fully reflect the intrinsic value of the Group's interest in EC-Founder and that EC-Founder's financial results may have an adverse effect on the Group's financial results due to the existing vertical corporate shareholding structure. By unlocking this existing structure, the undesirable effect on the Company's share price will be eliminated. More importantly, the Board believe that the simplified horizontal corporate shareholding structure will provide greater clarity to the shareholders and the market with regard to the principal business of each of the Company and EC-Founder and will potentially enhance investors' interest in the Company and/or EC-Founder and as a result, may improve liquidity in the Company's shares. Through reorganizing the existing vertical shareholding structure, the Directors believe that the Company may find it easier to attract strategic investors' attention in the Group's business.

As a result of the Disposal, the Directors expect that the Group will record an unaudited gain from the Disposal of approximately HK\$7.7 million. The gain from the Disposal is calculated by taking into account the net asset value of EC-Founder and goodwill on acquisition of EC-Founder in the Company's audited financial statements as at 31 December 2010. Proceeds from the Disposal will be used by the Group for the general working capital purposes.

Currently, the Company owns 363,265,000 shares in EC-Founder, representing approximately 32.84% of the total issued shares of EC-Founder. After Completion, the Company will no longer have any shareholding interests in EC-Founder.

In view of the above and having considered the terms of the Disposal Agreement, the Directors (excluding the Independent Director whose view will be based on the opinion of an independent financial adviser) consider that the Disposal is (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and its shareholders as a whole.

D. INFORMATION ON FOUNDER INFORMATION AND PEKING FOUNDER GROUP

As at the date of this announcement, Founder Information is a subsidiary of Peking Founder, which is the controlling shareholder of the Company with a shareholding interest of approximately 32.49% in the Company. Peking 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.

E. INFORMATION ON EC-FOUNDER

EC-Founder is an investment holding company whose subsidiaries are principally engaged in the distribution of information products in Hong Kong and the PRC.

The summary financial information of EC-Founder Group for the two years ended 31 December 2010, prepared in accordance with Hong Kong Financial Reporting Standards, is set out as follows:

	Year ended 31 December 2010 Audited HK\$'000	Year ended 31 December 2009 Audited HK\$'000
Net profit before taxation	16,661	34,753
Net profit after taxation	15,763	33,325

EC-Founder's audited net asset value amounted to approximately HK\$348 million as at 31 December 2010.

F. LISTING RULES IMPLICATIONS FOR THE DISPOSAL

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are 25% or more but less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules and consequently is subject to notification, publication, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as at the date of this announcement, Peking Founder is the controlling shareholder of the Company with a shareholding interest of approximately 32.49% in the Company. As Founder Information is a subsidiary of Peking Founder, Founder Information is a connected person of the Company under the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

G. TAKEOVERS CODE IMPLICATIONS FOR THE DISPOSAL

The Executive has granted a waiver to waive any obligation to make a mandatory general offer for all the shares in EC-Founder which may otherwise arise as a result of the Disposal under Rule 26 of the Takeovers Code. In connection with the application of such waiver, Peking Founder has provided a voluntary undertaking to the Executive that during a period of twelve months commencing from Completion, Peking Founder shall not:

- (1) and shall procure that its associates (as defined in the Takeovers Code) shall not, acquire any further interest in the Company to the extent that such acquisition of interests shall trigger off a general offer obligation on the part of Peking Founder under Rule 26.1 of the Takeovers Code; or
- (2) dispose of, nor enter into any agreement to dispose of any of its interests in the Company to any independent third party if, immediately following such disposal, the independent third party or any party acting in concert with it (as defined in the Takeovers Code) shall trigger off a general offer obligation under Rule 26.1 of the Takeovers Code.

The non-disposal undertaking in paragraph (2) above shall not apply to any disposal of interest in the Company by Peking Founder to any of the directly or indirectly wholly-owned subsidiaries of Peking Founder.

(II) CONTINUING CONNECTED TRANSACTIONS

A. INTRODUCTION

The Directors noted that the Group has been supplying the HP Products to EC-Founder Group and purchasing the Information Products from EC-Founder Group in the ordinary course of business and on normal commercial terms on an ongoing basis.

After Completion, EC-Founder will become an associate of Peking Founder and therefore, a connected person of the Company. Therefore, the ongoing sales and purchases of the HP Products and the Information Products between the Group and EC-Founder Group will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In light of the above, the Master HP Agreement and the Master IT Agreement have been entered into between the Company and EC-Founder on 29 August 2011 in order to govern and specify the terms adopted and the annual caps for the total amount of the aforesaid ongoing transactions for the three years ending 31 December 2013.

The proposed annual caps for the Master HP Agreement is determined based on the Company's estimation of the sales for the three years ending 31 December 2013 with reference to the historical sales pattern for the two financial years ended 31 December 2010 and the sales for the six months ended 30 June 2011, whereas the proposed annual caps for the Master IT Agreement is determined based on the Company's estimation of the purchases for the three years ending 31 December 2013 with reference to the historical purchase pattern for the two financial years ended 31 December 2010 and the sales for the six months ended 30 June 2011. The Master IT Agreement is effective upon signing, whereas the Master HP Agreement is effective upon the occurrence of any one of the following events:

- (1) (i) Completion and (ii) the approval of the Master HP Agreement and its annual caps by the Independent Shareholders at the SGM and the approval of the Master HP Agreement and its annual caps by EC-Founder's independent shareholders at the special general meeting of EC-Founder; or
- (2) if Completion does not take place on or before 31 December 2011 (or such later date as agreed in writing between the parties to the Disposal Agreement), the approval of the Master HP Agreement and its annual caps by EC-Founder's independent shareholders at the special general meeting of EC-Founder.

B. THE MASTER HP AGREEMENT

Pursuant to the Master HP Agreement, the Group shall sell the HP Products to EC-Founder Group at the price based on the rack rate payable by the Group to HP, exclusive of any freight charges and tax payable, plus a commission at 0.3% which is determined with reference to the level of administrative expenses and financial costs incurred. Further, EC-Founder Group should bear all the freight charges, taxes and other relevant expenses in relation to the HP Products which the Group purchased from HP.

Historical values and annual caps:

	Year ended 31 December 2010 <i>USD million</i>	Six months ended 30 June 2011 <i>USD million</i>	Year ending 31 December 2011 <i>USD million</i>	Year ending 31 December 2012 <i>USD million</i>	Year ending 31 December 2013 <i>USD million</i>
Actual sales	53	17	N/A	N/A	N/A
Proposed annual cap	N/A	N/A	44	48	53

EC-Founder Group has been purchasing the HP Products from the Group for use in its operation and business.

C. THE MASTER IT AGREEMENT

Pursuant to the Master IT Agreement, the Group shall purchase the Information Products from EC-Founder Group at the prevailing market price of the relevant Information Products.

Historical values and annual caps:

	Year ended 31 December 2010 <i>RMB million</i>	Six months ended 30 June 2011 <i>RMB million</i>	Year ending 31 December 2011 <i>RMB million</i>	Year ending 31 December 2012 <i>RMB million</i>	Year ending 31 December 2013 <i>RMB million</i>
Actual purchase	153	5	N/A	N/A	N/A
Proposed annual cap	N/A	N/A	12.8	12.8	12.8

The Group has been purchasing the Information Products from EC-Founder Group for use in its operation and business.

D. REASONS FOR AND BENEFITS OF THE MASTER HP AGREEMENT AND THE MASTER IT AGREEMENT

As a result of negotiations among HP, the Company and EC-Founder, the Company entered into an agreement with HP pursuant to which the Company is appointed as an authorized, non-exclusive reseller for the HP Products in the PRC. The EC-Founder Group will continue to purchase the HP Products from the Group under the Master HP Agreement.

The Group is principally engaged in software development and systems integration relating to the media industry and non-media industries including financial institutions, enterprises and government departments in the PRC. The Group has also been purchasing information hardware products for use in its software development business. EC-Founder Group is principally engaged in the distribution of information hardware products in Hong Kong and in the PRC. The Board considers that it is beneficial to the Group to continue to maintain members of EC-Founder Group as its suppliers and to continue to purchase information hardware products from EC-Founder Group on normal commercial terms.

The Directors believe that having a long-term customer and supplier such as EC-Founder can effectively enhance the Group's financial performance. The Directors (in respect of the Master HP Agreement, excluding the Independent Director whose views will be based on the opinion of the independent financial adviser, and in respect of the Master IT Agreement including the Independent Director) also consider that the entering into the Master HP Agreement and the Master IT Agreement is (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and its shareholders as a whole.

E. LISTING RULES IMPLICATIONS FOR THE MASTER HP AGREEMENT AND THE MASTER IT AGREEMENT

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules for the Master HP Agreement are 5% or more and the annual caps exceed HK\$10,000,000, the entering into the Master HP Agreement and the transactions contemplated thereunder by the Company constitute non-exempt continuing connected transactions for the Company under Rules 14A.16(5) and 14A.17 of the Listing Rules and are subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.41 and 14A.45 to 14A.47 of the Listing Rules. In addition, the Master HP Agreement and its annual caps are subject to the approval by the Independent Shareholders by way of poll at the SGM pursuant to Rules 14A.17 and 14A.52 of the Listing Rules. Peking Founder and its associates shall abstain from voting at the SGM in respect of the resolution to approve the Master HP Agreement and its annual caps.

On the other hand, as the applicable ratios pursuant to Rule 14.07 of the Listing Rules for the Master IT Agreement are more than 0.1% but less than 5%, the entering into the Master IT Agreement and the transactions contemplated thereunder by the Company constitute continuing connected transactions for the Company which are exempt from the independent shareholders'

approval requirements under Rule 14A.16(4) of the Listing Rules but are subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.41 and 14A.45 to 14A.47 of the Listing Rules.

SGM

The SGM will be convened at which resolutions will be proposed to seek the Independent Shareholders' approval by way of poll in relation to (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps. Peking Founder, together with its associates, and all parties involved in or interested in the Disposal Agreement and/or the Master HP Agreement are required to abstain from voting with respect to the resolutions for approving (i) the Disposal Agreement; and/or (ii) the Master HP Agreement and its annual caps.

GENERAL

As Mr Li Fat Chung and Ms Wong Lam Kit Yee, being two independent non-executive Directors, are also the independent non-executive directors of EC-Founder, it was decided that they should not be appointed as members of the independent board committee in order to avoid any perceived conflict of interest.

Mr Fung Man Yin Sammy, being the remaining independent non-executive Director, has been appointed as the Independent Director to consider the terms of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps and to advise the Independent Shareholders as to whether the terms of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Except that he and his spouse are together holding 450,000 shares of EC-Founder, representing approximately 0.04% of the issued share capital of EC-Founder as at the date of this announcement, Mr Fung has no other material interest in the Disposal Agreement and the Master HP Agreement.

China Everbright Capital Limited has been appointed as the independent financial adviser to advise the Independent Director and the Independent Shareholders in respect of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps.

A circular containing, among other things, (i) details of the Disposal Agreement; (ii) details of the Master HP Agreement and its annual caps; (iii) a letter of recommendations from the Independent Director to the Independent Shareholders in respect of the Disposal Agreement, the Master HP Agreement and its annual caps; (iv) a letter of advice from China Everbright Capital Limited to the Independent Director and the Independent Shareholders in respect of the Disposal Agreement, the Master HP Agreement and its annual caps; and (v) a notice convening the SGM, will be dispatched to the shareholders of the Company on or before 20 September 2011, in accordance with the Listing Rules.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	means a day when banks are open for business in Hong Kong which excludes Saturdays;
“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 (Stock Code: 00418);
“Completion”	Completion of the Disposal;
“Completion Date”	the first Business Day immediately after two calendar months from the date that all Conditions Precedent are fulfilled or waived pursuant to the Agreement or such later date as the Company and Founder Information may agree in writing;
“Conditions Precedent”	the conditions precedent to the Disposal as provided under the Disposal Agreement;
“Consideration”	the aggregate consideration for the Disposal under the Disposal Agreement, being approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for disposal of the Company’s shareholding interests in EC-Founder and HK\$5.4 million is the consideration for disposal of the Loan;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	means (i) the disposal by the Company and the purchase by Founder Information of the Company’s entire shareholding interests in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the disposal by Founder HK and the purchase by Founder Information of the Loan pursuant to the Disposal Agreement;

“Disposal Agreement”	the conditional sale and purchase agreement entered into between the Company and Founder Information dated 29 August 2011 in relation to the Disposal;
“EC-Founder”	EC-Founder (Holdings) Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00618);
“EC-Founder Group”	EC-Founder and its subsidiaries;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (or any delegate of the Executive Director);
“Founder HK”	Founder (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Founder Information”	Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Peking Founder;
“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;
“HP”	Hewlett-Packard AP (Hong Kong) Limited;
“HP Products”	the products which HP has authorized the Group to distribute (including but not limited to hardware, software, upgrade service, renewal program, supporting program, maintenance program and custom made products) and the service provided by HP (such as hardware maintenance and warranty, software upgrade and warranty, installation and training);
“Independent Director”	Mr Fung Man Yin Sammy, an independent non-executive Director, who was appointed for the purpose of considering the terms of (i) the Disposal Agreement; and (ii) the Master HP Agreement and its annual caps and advising and making recommendations to the Independent Shareholders as to how to vote at the SGM;

“Independent Shareholders”	the shareholders of the Company other than Peking Founder and its associates;
“Information Products”	the information products, including but not limited to desktop computers, laptop computers, servers, networking tools, monitors and software;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the amount of loan of HK\$5.4 million due and owing by EC-Founder to Founder HK as at the date hereof which is unpaid, unsecured, interest-free and repayable on demand;
“Master HP Agreement”	the agreement entered between the Company and EC-Founder on 29 August 2011 in relation to the sales of the HP Products by the Group to EC-Founder Group;
“Master IT Agreement”	the agreement entered between the Company and EC-Founder on 29 August 2011 in relation to the purchases of the Information Products by the Group from EC-Founder Group;
“Peking Founder”	北大方正集團有限公司 (Peking University Founder Group Company Limited*), a company established in the PRC with limited liabilities, the controlling shareholder of the Company, which holds approximately 32.49% of the issued share capital of the Company;
“Peking Founder Group”	Peking Founder and its subsidiaries;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve (among other things), if thought fit, the Disposal Agreement, the Master HP Agreement and its annual caps;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;

“Takeovers Code” the Code on Takeovers and Mergers of Hong Kong; and

“USD” United States dollars, the lawful currency of the United States of America.

By Order of the Board
Founder Holdings Limited
Zhang Zhao Dong
Chairman

Hong Kong, 29 August 2011

As at the date of this announcement, the board of directors of the Company comprises the executive directors of Mr Zhang Zhao Dong (Chairman), Professor Xiao Jian Guo (Deputy Chairman), Mr Liu Xiao Kun (President), Professor Wei Xin, Mr Chen Geng and Mr Xie Ke Hai, and the independent non-executive directors of Mr Li Fat Chung, Ms Wong Lam Kit Yee and Mr Fung Man Yin Sammy.

* *For identification purpose only*