

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



- (1) ADVANCE TO AN ENTITY, MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS: ENTRUSTED LOAN MASTER AGREEMENT;**
- (2) CONTINUING CONNECTED TRANSACTIONS: LEASING OF OFFICE PREMISES; AND**
- (3) CONTINUING CONNECTED TRANSACTIONS: MASTER PURCHASE AGREEMENT**

ENTRUSTED LOAN MASTER AGREEMENT

On 1 November 2011, the Company entered into the Entrusted Loan Master Agreement with Peking Founder pursuant to which the Group would, subject to certain conditions, provide short-term loans through a financial institution (to be designated by the parties and being an independent third party to the Company and its connected persons) to Peking Founder Group.

LEASING OF OFFICE PREMISES

On 1 November 2011, Founder Electronics, a wholly-owned subsidiary of the Company, entered into the First Lease Agreement and the First Management Agreement with Beida Management to lease certain premises at Shangdi Founder Building from Beida Management for a term of three years from 1 January 2012 to 31 December 2014. Further, on the same date, Founder EasiPrint, another wholly-owned subsidiary of the Company, entered into the Second Lease Agreement and the Second Management Agreement with Beida Management to lease certain other premises at Shangdi Founder Building from Beida Management for a term of three years from 1 January 2012 to 31 December 2014.

PURCHASE OF INFORMATION PRODUCTS AND RESEARCH AND DEVELOPMENT SERVICES FROM PEKING FOUNDER GROUP

On 1 November 2011, the Company entered into the Master Purchase Agreement with Peking Founder pursuant to which the Group will purchase information products and research and development services from Peking Founder Group. The Master Purchase Agreement will commence on 1 January 2012 for a term of three years and expire on 31 December 2014.

LISTING RULES REQUIREMENTS

Peking Founder is the controlling shareholder of the Company holding approximately 32.49% of the issued share capital of the Company, and thus a connected person of the Company for the purposes of the Listing Rules. Beida Management is an associate of Peking Founder by virtue of the fact that Beida Management is a subsidiary of a company in which Peking Founder and its holding company together own more than 30% equity interest. Accordingly, each of the transactions contemplated under the Entrusted Loan Master Agreement, the Lease and Management Agreements, and the Master Purchase Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

Further, provision of the entrusted loans under the Entrusted Loan Master Agreement may also constitute (i) advance to an entity under Rule 13.13 of the Listing Rules, (ii) financial assistance provided by the Company not in the ordinary and usual course of business and a major transaction under Chapter 14 of the Listing Rules. Since one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Entrusted Loan Master Agreement exceeds 25%, the transactions contemplated under the Entrusted Loan Master Agreement shall be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the other hand, as the applicable ratios pursuant to Rule 14.07 of the Listing Rules for each of (i) the Lease and Management Agreements and (ii) the Master Purchase Agreement are more than 0.1% but less than 5%, the entering into each of (i) the Lease and Management Agreements and (ii) Master Purchase Agreement and the transactions contemplated thereunder by the Group constitute continuing connected transactions for the Company which are exempt from the Independent Shareholders' approval but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

GENERAL

The independent board committee (comprising all three independent non-executive Directors) will be established to advise the Independent Shareholders in connection with the Entrusted Loan Master Agreement (including the proposed annual caps for the three years ending 31 December 2014). The Company has appointed China Everbright Capital Limited, as the independent financial adviser, to advise the independent board committee in this regard. The Company will despatch to its shareholders a circular containing further details of the Entrusted Loan Master Agreement, letters from the independent board committee and the Independent Financial Adviser, and a notice convening the SGM on or before 17 November 2011 in accordance with the Listing Rules. Peking Founder and its associates will abstain from voting at the SGM in respect of the relevant resolution.

1. ENTRUSTED LOAN MASTER AGREEMENT

Date

1 November 2011

Parties

- (1) The Company, as the lender; and
- (2) Peking Founder, as the borrower.

Entrusted loans to be provided by the Company

The Company entered into an entrusted loan master agreement on 15 July 2009 with Peking Founder which will expire on 31 December 2011. Accordingly, the Company has entered into the Entrusted Loan Master Agreement with Peking Founder pursuant to which the Group would provide subject to certain conditions short-term loans through a financial institution (to be designated by the parties and being an independent third party to the Company and its connected persons) to Peking Founder Group. Such loans will be unsecured and interest-bearing at the prevailing benchmark RMB lending interest rate for loan period of six months offered by The People's Bank of China ("PBOC") plus 15% of such rate. For example, if the prevailing benchmark RMB lending interest rate as quoted by the PBOC is 5% per annum, the interest rate for the entrusted loans would be 5.75% per annum. Under the Entrusted Loan Master Agreement, no collateral was provided by Peking Founder to the Company. Separate entrusted loan agreements will be entered into between the Group, Peking Founder Group and the designated financial institution upon request by Peking Founder pursuant to the terms and conditions of the Entrusted Loan Master Agreement.

Period

The Entrusted Loan Master Agreement will, subject to satisfaction of the conditions precedent set out below, commence on 1 January 2012 for a term of three years and expire on 31 December 2014.

Historical figures and annual caps for the entrusted loans

The following table sets out the historical figures of the average entrusted loans (representing the average balance of the principal and interests of the relevant entrusted loans) for each of the two years ended 31 December 2010 and nine months ended 30 September 2011, historical annual caps for each of the three years ending 31 December 2011, and the proposed annual caps for the entrusted loans under the Entrusted Loan Master Agreement (representing the maximum balance of the principal and interests of the relevant entrusted loans) for the each of three years ending 31 December 2014:

	Year ended 31 December 2009 <i>RMB</i> '000	Year ended 31 December 2010 <i>RMB</i> '000	Nine months ended 30 September 2011 <i>RMB</i> '000	Year ending 31 December 2011 <i>RMB</i> '000	Year ending 31 December 2012 <i>RMB</i> '000	Year ending 31 December 2013 <i>RMB</i> '000	Year ending 31 December 2014 <i>RMB</i> '000
Historical figures	132,978	112,796	80,460	N/A	N/A	N/A	N/A
Historical annual caps	175,000	181,125	N/A	187,464	N/A	N/A	N/A
Proposed annual caps	N/A	N/A	N/A	N/A	199,000	205,965	213,174

The annual cap amounts for the Entrusted Loan Master Agreement are determined based on average cash and bank balance available of a subsidiary of the Group and its average total monthly net profit/loss for the nine months ended 30 September 2011. It is expected that there will be a 3.5% annual increase in the subsidiary's cash and bank balance from 2012 to 2014. Based on the above, the relevant annual caps are set in the amount of RMB199 million, RMB205.965 million and RMB213.174 million respectively for the three years ending 31 December 2014.

Repayment term

The entrusted loans are repayable within six months from the date of drawing of the relevant entrusted loan. If Peking Founder Group fails to repay the outstanding amount under the relevant entrusted loan agreements, Peking Founder Group shall be liable to pay, on a daily basis, a default interest at the rate of 0.02% of the total outstanding loan amount, until all of the principal amount, the interests together with other applicable charges and/or fees are fully repaid.

Events of default

If any of the following matters arises, the entrusted loans are repayable forthwith, unless otherwise waived by the Company in writing:

- (1) Peking Founder Group provides false balance sheets, profit and loss statements and other financial statements or provides such statements which withhold material facts;

- (2) The representations and warranties and undertakings made and given by Peking Founder under the Entrusted Loan Master Agreement or those made and given by the borrower pursuant to the relevant entrusted loan agreement proves to be untrue or misleading;
- (3) In the reasonable opinion of the Company, there has been a serious deterioration in the operating and financial position of Peking Founder or of the borrower pursuant to the relevant entrusted loan agreement;
- (4) Peking Founder or the borrower pursuant to the relevant entrusted loan agreement is in breach of its obligations as borrower or guarantor under any other loan agreements;
- (5) Peking Founder or the borrower pursuant to the relevant entrusted loan agreement fails to make a repayment arrangement or debt restructuring plan to the satisfaction of the trustee when it is undergoing a merger, split or share reform;
- (6) Peking Founder or the borrower pursuant to the relevant entrusted loan agreement is insolvent, dissolved, closed down, revoked, suspended and deregistered;
- (7) Peking Founder ceases to be a controlling shareholder (as defined in the Listing Rules) of the Company; or
- (8) Peking Founder fails to honour its undertaking or other obligations under the Entrusted Loan Master Agreement.

Conditions

The Entrusted Loan Master Agreement is conditional upon the fulfillment of the following conditions:

- (1) the passing of the resolution by the Independent Shareholders at the SGM and by the Board for approving the terms of the Entrusted Loan Master Agreement as required under the Listing Rules and in accordance with the Company's bye-laws; and
- (2) the board of directors of Peking Founder having approved the terms of the Entrusted Loan Master Agreement in accordance with Peking Founder's articles of association.

Reasons and benefit to the Group

Peking Founder Group is principally engaged in the securities trading and brokerage and 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 the healthcare and pharmaceutical industry, including hospitals, pharmaceuticals, logistics, equipment leasing and hospital management.

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.

Since no member of the Group is a licensed financial institution, the Group is not authorized to carry out banking related businesses in the PRC. As the Group may have surplus cash and unutilized banking facilities from time to time, in order to fully utilize the Group's surplus cash and unutilized banking facilities in the PRC and enhance the monetary return of such surplus fund, the Company has made proposals for loan arrangements in the form of entrusted loans through a financial institution designated by the Group and Peking Founder Group. The entrusted loans are granted by the designated financial institution to Peking Founder Group on behalf of the Group, from time to time, on a short-term basis and on normal and commercial terms.

The terms of the Entrusted Loan Master Agreement, including the interest rate applicable, were agreed by the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices. The Directors (excluding all independent non-executive Directors whose views will be based on the opinion of the Independent Financial Adviser) consider that the interest rate under the Entrusted Loan Master Agreement is favourable to the Group and the provision of the entrusted loans to Peking Founder Group could generate a higher return for the idle surplus cash of the Group. Taken into consideration the creditworthiness of Peking Founder Group and its sound financial performance in the past, the Directors (excluding all independent non-executive Directors whose views will be based on the opinion of the Independent Financial Adviser) consider that the entrusted loan arrangement will definitely bring in more value to the shareholders of the Company as a whole by enhancing the monetary return of the Group's surplus funds generated from operations. Based on the above, the Directors (excluding all independent non-executive Directors whose views will be based on the opinion of the Independent Financial Adviser) consider that the terms of the Entrusted Loan Master Agreement and the transactions contemplated therein are on normal commercial terms and are fair and reasonable though not in the ordinary and usual course of business of the Group but are in the interests of the Company and its shareholders as a whole.

2. LEASING OF OFFICE PREMISES

The Group has been leasing certain premises at Shangdi Founder Building from Peking Founder Group as offices, canteens and staff quarters. Due to the soon expiry of such leases on 31 December 2011, Founder Electronics, a wholly-owned subsidiary of the Company, entered into the First Lease Agreement and the First Management Agreement with Beida Management on 1 November 2011 to lease certain premises at Shangdi Founder Building from Peking Founder Group for a term of three years from 1 January 2012 to 31 December 2014. Further, on the same date, Founder EasiPrint, another wholly-owned subsidiary of the Company, entered into the Second Lease Agreement and the Second Management Agreement with Beida Management to lease certain other premises at Shangdi Founder Building from Peking Founder Group for a term of three years from 1 January 2012 to 31 December 2014.

Principal terms of the First Lease Agreement and the First Management Agreement

Area	16,055.82 sq. m.
Lease term	1 January 2012 to 31 December 2014
Lessee	Founder Electronics, a wholly-owned subsidiary of the Company, which is principally engaged in software development and systems integration business
Lessor	Beida Management, an associate of Peking Founder, which is principally engaged in property leasing business
Other terms and conditions	<p>The rental and management fee are payable in cash quarterly in advance. Subject to compliance with the Listing Rules, the lessee may give at least three-month written notice before the expiry of the agreement to the lessor in order to continue to lease the relevant premises from the lessor.</p> <p>The lessor will have the right to terminate the lease if the lessee fails to comply with the terms and conditions of the agreement.</p> <p>The lessee shall also be responsible for the payment of certain other fees, including water, electricity and telephone network, carpark usage and other utility fees.</p>

Property leased	(a) 1st to 5th floor and basement of the main tower of Shangdi Founder Building (b) 3rd floor, 4th floor and part of the basement of the ancillary tower of Shangdi Founder Building
Total annual rental	RMB6,299,970.81 (equivalent to approximately HK\$7,560,000)
Total annual management fee	RMB4,470,636.20 (equivalent to approximately HK\$5,365,000)

Principal terms of the Second Lease Agreement and the Second Management Agreement

Area	1,310.54 sq.m.
Lease term	1 January 2012 to 31 December 2014
Lessee	Founder EasiPrint, a wholly-owned subsidiary of the Company, which is principally engaged in software development and systems integration business
Lessor	Beida Management, an associate of Peking Founder, which is principally engaged in property leasing business
Other terms and conditions	<p>The rental and management fee are payable in cash quarterly in advance. Subject to compliance with the Listing Rules, the lessee may give at least three-month written notice before the expiry of the agreement to the lessor in order to continue to lease the relevant premises from the lessor.</p> <p>The lessor will have the right to terminate the lease if the lessee fails to comply with the terms and conditions of the agreement.</p> <p>The lessee shall also be responsible for the payment of certain other fees, including water, electricity and telephone network, carpark usage and other utility fees.</p>
Property leased	2nd floor and part of basement of the ancillary tower of Shangdi Founder Building

Total annual rental RMB599,678.94 (equivalent to approximately HK\$720,000)

Total annual management fee RMB374,676.88 (equivalent to approximately HK\$450,000)

Historical values and annual caps

The amount of the rental and management fees payable by the Group under similar lease transactions were approximately RMB9.1 million, RMB10.2 million and RMB10.2 million respectively for each of the three years ended 31 December 2010.

The annual caps for all the transactions under the Lease and Management Agreements for each of the three years ending 31 December 2014 is RMB11.8 million (equivalent to approximately HK\$14.1 million) which is calculated based on the rental and management fees payable by the Group under the Lease and Management Agreements and other payables by the Group thereunder. The Directors (including the independent non-executive Directors) consider such annual caps are fair and reasonable.

Reasons for and benefits of the Lease and Management Agreements

The Group has been leasing certain premises at Shangdi Founder Building from Peking Founder Group as offices, canteens and staff quarters. Due to the soon expiry of such leases on 31 December 2011, the Group entered into the Lease and Management Agreements to renew the leases for another term of three years from 1 January 2012 to 31 December 2014.

The terms of the Lease and Management Agreements, including the rental and management fees payable by the Group, are arrived at after arm's length negotiations between the parties involved with reference to the prevailing market rent and management fees of comparable properties in Beijing.

The Directors (including the independent non-executive Directors) are of the view that transactions under the Lease and 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.

3. PURCHASE OF INFORMATION PRODUCTS AND RESEARCH AND DEVELOPMENT SERVICES FROM PEKING FOUNDER GROUP

On 1 November 2011, the Company entered into the Master Purchase Agreement with Peking Founder pursuant to which the Group will purchase from Peking Founder Group information products and services such as software and hardware products, systems integration products, software development services products, hardware/systems integration development services. The term of the Master Purchase Agreement will commence on 1 January 2012 for a term of three years and expire on 31 December 2014.

Peking Founder Group will provide information products and research and development services to the Group at market prices determined at the relevant time: (i) with reference to the prices and credit terms at which such products and services are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the local market and/or adjacent regions; or (ii) where no comparables as stated in (i) are available, with reference to the prices and credit terms at which such products and services are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the PRC; or (iii) where none of the above comparables is available, with reference to the prices and credit terms agreed between the parties on arm's length basis and which are fair and reasonable in the interests of the shareholders of the Company as a whole.

Actual purchases and annual caps

The following table sets out the actual purchase figures of the information products and research and development services by the Group from Peking Founder Group for each of the two years ended 31 December 2010 and the nine months ended 30 September 2011, historical annual caps for each of the three years ended 31 December 2011 as well as the proposed annual caps for each of the three years ending 31 December 2014:

	Year ended 31 December 2009 <i>RMB million</i>	Year ended 31 December 2010 <i>RMB million</i>	Nine months ended 30 September 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>	Year ending 31 December 2014 <i>RMB million</i>
Actual purchases	4.3	7.1	1.2	N/A	N/A	N/A	N/A
Historical annual caps	12	20	N/A	24	N/A	N/A	N/A
Proposed annual caps	N/A	N/A	N/A	N/A	12	12	12

The proposed annual caps contemplated under the Master Purchase Agreement are determined with reference to the estimated sales of the information products and research and development services by the Group for each of the three years ending 31 December 2014.

Reasons for and benefits of the Master Purchase Agreement

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 the healthcare and pharmaceutical industry, including hospitals, pharmaceuticals, logistics, equipment leasing and hospital management. One of the businesses engaged by Peking Founder Group is the provision of software solutions and services.

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.

Compared with recruiting more research and development staff and acquiring the relevant equipment, the Board considers it more cost effective to leverage on the research and development capability of Peking Founder Group so that the Group could maximize its profit margin.

The Board considers that the terms of the Master Purchase Agreement were arrived at after arm's length negotiations between the parties involved and entered into in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) consider that the transactions under the Master Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole and that the proposed annual caps for the transactions thereon are fair and reasonable.

4. LISTING RULES REQUIREMENTS

Peking Founder is the controlling shareholder of the Company holding approximately 32.49% of the issued share capital of the Company, and thus a connected person of the Company for the purposes of the Listing Rules. Beida Management is an associate of Peking Founder by virtue of the fact that Beida Management is a subsidiary of a company in which Peking Founder and its holding company together own more than 30% equity interest. Accordingly, each of the transactions contemplated under the Entrusted Loan Master Agreement, the Lease and Management Agreements, and the Master Purchase Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

Further, provision of the entrusted loans under the Entrusted Loan Master Agreement may also constitute (i) advance to an entity under Rule 13.13 of the Listing Rules, (ii) financial assistance provided by the Company not in the ordinary and usual course of business and a major transaction under Chapter 14 of the Listing Rules. Since one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Entrusted Loan Master Agreement exceeds 25%, the transactions contemplated under the Entrusted Loan Master Agreement shall be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the other hand, as the applicable ratios pursuant to Rule 14.07 of the Listing Rules for each of (i) the Lease and Management Agreements and (ii) the Master Purchase Agreement are more than 0.1% but less than 5%, the entering into each of (i) the Lease and Management Agreements and (ii) the Master Purchase Agreement and the transactions contemplated thereunder by the Company constitute continuing connected transactions for the Company which are exempt from the Independent Shareholders' approval but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

5. GENERAL

As (i) Professor Wei Xin is the chairman of Peking Founder, (ii) Mr Zhang Zhao Dong is a director and the president of Peking Founder, and (iii) Professor Xiao Jian Guo is a director and the chief technical officer of Peking Founder, each of Professor Wei Xin, Mr Zhang Zhao Dong and Professor Xiao Jian Guo have abstained from voting on the Board's resolutions approving the transactions contemplated under the Entrusted Loan Master Agreement, the Lease and Management Agreements, and the Master Purchase Agreement. Except for the aforesaid, no other Director is considered to have material interest in the transactions contemplated under the Entrusted Loan Master Agreement, the Lease and Management Agreements, and the Master Purchase Agreement.

The independent board committee (comprising all three independent non-executive Directors) will be established to advise the Independent Shareholders in connection with the Entrusted Loan Master Agreement (including the proposed annual caps for the three years ending 31 December 2014). The Company has appointed China Everbright Capital Limited, as the independent financial adviser, to advise the independent board committee in this regard. The Company will despatch to its shareholders a circular containing further details of the Entrusted Loan Master Agreement, letters from the independent board committee and the Independent Financial Adviser, and a notice convening the SGM on or before 17 November 2011 in accordance with the Listing Rules. Peking Founder and its associates will abstain from voting at the SGM in respect of the relevant resolution.

DEFINITIONS

“associate(s)”	has the meaning as ascribed to it in 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 established in the PRC and an associate of Peking Founder;
“Board”	the board of Directors;

“Company”	Founder Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“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;
“Entrusted Loan Master Agreement”	the master agreement dated 1 November 2011 entered into between the Company and Peking Founder, pursuant to which the Group would, subject to certain conditions, provide short-term loans through a financial institution (to be designated by the parties and being an independent third party to the Company and the connected persons) to Peking Founder Group;
“First Lease Agreement”	the lease agreement entered into between Founder Electronics and Beida Management on 1 November 2011 for leasing of certain premises located at Shangdi Founder Building by the Group from Peking Founder Group for a term of three years ending 31 December 2014;
“First Management Agreement”	the property management service agreement entered into between Founder Electronics and Beida Management on 1 November 2011 in relation to the management of the leased property under the First Lease Agreement;
“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 established in the PRC and a wholly-owned subsidiary of the Company;
“Founder Electronics”	北京北大方正電子有限公司 (Beijing Founder Electronics Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Independent Financial Adviser”	China Everbright Capital Limited, which has been appointed to advise the independent board committee in connection with the Entrusted Loan Master Agreement (including the proposed annual caps for the three years ending 31 December 2014);
“Independent Shareholders”	Shareholders other than Peking Founder and its associates;
“Lease and Management Agreements”	collectively, the First Lease Agreement, the Second Lease Agreement, the First Management Agreement and the Second Management Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Purchase Agreement”	the master agreement entered into between Peking Founder and the Company on 1 November 2011 in relation to the provision of information products and services such as software products, hardware products, systems integration products, software development services, and hardware/systems integration development services to the Group by Peking Founder Group for a term of three years from 1 January 2012 to 31 December 2014;
“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 liability, 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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Lease Agreement”	the lease agreement entered into between Founder EasiPrint and Beida Management on 1 November 2011 for leasing of certain premises located at Shangdi Founder Building by the Group from Peking Founder Group for a term of three years ending 31 December 2014;

“Second Management Agreement”	the property management service agreement entered into between Founder EasiPrint and Beida Management on 1 November 2011 in relation to the management of the leased property under the Second Lease Agreement;
“SGM”	the special general meeting of the Company to be held by the Company for approving the transactions contemplated under the Entrusted Loan Master Agreement;
“Shangdi Founder Building”	上地方正大廈 (Shangdi Founder Building) at No.9, Shangdi 5th Street (also known as Shangdi Information Industry Base), Haidian District, Beijing, the PRC;
“Shareholders”	holder(s) of ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	percent

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

Hong Kong, 1 November 2011

As at the date of this announcement, the Board 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 illustrative purpose only, HK\$ is converted into RMB at an exchange rate of HK\$1 = RMB0.833 in this announcement.

* *For identification purpose only*