
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, 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 **EC-Founder (Holdings) Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**SUPPLEMENTAL AGREEMENT
TO THE MASTER SALES AGREEMENT AND
REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A letter from the board of directors of EC-Founder (Holdings) Company Limited is set out on pages 4 to 8 of this circular. A letter from the Independent Board Committee (as defined herein) of the Company is set out on pages 9 to 10 of this circular. A letter from KGI Capital Asia Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 17 of this circular.

A notice convening the special general meeting to be held at 3:00 p.m. on 26 August 2010 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 24 to 25 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the principal place of business of EC-Founder (Holdings) Company Limited at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong and in any event not later than 48 hours before the time of the special general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting should you so wish.

10 August 2010

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	4
2. The Supplemental Agreement	5
3. Listing Rules Requirements	7
4. SGM	7
5. Recommendation	8
Letter from the Independent Board Committee	9
Letter from KGI Capital	11
Appendix – General Information	18
Notice of SGM	24

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	means day(s) when banks are open for business in Hong Kong which includes Saturdays;
“Company”	EC-Founder (Holdings) Company Limited (方正數碼(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 and as to approximately 32.84% owned by Founder;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Continuing Connected Transactions”	the transactions contemplated under the Master Sales Agreement and the Supplemental Agreement;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Founder”	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, and is a controlling shareholder of the Company holding approximately 32.84% of the issued share capital of the Company;
“Founder Group”	Founder and its subsidiaries;
“Founder Order”	北京方正奧德計算機系統有限公司 (Beijing Founder Order Computer Systems Co. Ltd.*), a wholly foreign-owned enterprise established in the PRC and an indirect wholly-owned subsidiary of Founder;
“Group”	the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Independent Board Committee”	the independent board committee comprising all of the three independent non-executive Directors, namely, Mr Li Fat Chung, Ms Wong Lam Kit Yee and Ms Cao Qian, formed for the purpose of considering the terms of the Supplemental 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 Founder and its associates;
“KGI Capital”	KGI Capital Asia Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the annual caps;
“Latest Practicable Date”	5 August 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Sales Agreement”	means the agreement dated 15 December 2008 between the Company and Peking Founder pursuant to which the Company agreed to supply certain information products to Peking Founder for a three years term until 31 December 2011;
“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 Founder, which holds approximately 32.49% of the issued share capital of Founder;
“Peking Founder Group”	Peking Founder and its subsidiaries;
“Peking Founder Sales”	the transactions contemplated under the Master Sales Agreement and Supplemental Agreement in relation to the sales of information products to the Peking Founder Group by the Group;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular;

DEFINITIONS

“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 Supplemental Agreement and its annual caps;
“Shareholder(s)”	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;
“subsidiary”	has the meaning ascribed to it under the Listing Rules; and
“Supplemental Agreement”	the supplemental agreement to the Master Sales Agreement entered into between the Company and Peking Founder and dated 27 July 2010 to revise the annual caps for the two years ending 31 December 2011.

For illustrative purpose only, HK\$ is converted into RMB at an exchange rate of HK\$1 = RMB0.8760 in this circular.

** For identification purposes only*

LETTER FROM THE BOARD



Executive Directors:

Mr Zhang Zhao Dong (*Chairman*)
Mr Chen Geng (*President*)
Mr Xia Yang Jun
Mr Xie Ke Hai
Mr Zheng Fu Shuang

Independent non-executive Directors:

Mr Li Fat Chung
Ms Wong Lam Kit Yee
Ms Cao Qian

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business in Hong Kong:

Unit 1408, 14th Floor
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

10 August 2010

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL AGREEMENT
TO THE MASTER SALES AGREEMENT AND
REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

1. INTRODUCTION

Reference is made to the announcement dated 13 November 2008 and the circular of the Company dated 28 November 2008 in relation to the Master Sales Agreement pursuant to which the Company agreed to supply certain information products to Peking Founder on normal commercial terms in the ordinary and usual course of business.

LETTER FROM THE BOARD

Reference is also made to the recent announcement dated 24 June 2010, the circular dated 14 July 2010 and the results announcement of special general meeting of Founder dated 3 August 2010 in relation to the proposed disposal of the entire equity interest in Founder Order by the Founder Group to the Peking Founder Group, the Directors anticipate that Peking Founder Group will have increasing demands for information products upon completion of the disposal. As the Directors consider that the annual caps under the Master Sales Agreement will be insufficient for the anticipated growth in business volume, the Company and Peking Founder have on 27 July 2010 entered into the Supplemental Agreement in order to continue the transactions for the supply of information products to the Peking Founder Group and to revise the annual caps for the two years ending 31 December 2011. The terms of the Supplemental Agreement will become effective from the date of execution upon obtaining approval of the Independent Shareholders at the SGM until 31 December 2011.

The Company is owned as to approximately 32.84% by Founder which in turn is owned as to approximately 32.49% by Peking Founder. As such, Founder is a connected person of the Company for the purposes of the Listing Rules, and Peking Founder is an associate of a connected person of the Company for the purposes of Chapter 14A of the Listing Rules.

2. THE SUPPLEMENTAL AGREEMENT

Date: 27 July 2010

Supplier: The Company

Purchaser: Peking Founder

The Group has been supplying information products to the Peking Founder Group on normal commercial terms in the ordinary and usual course of business pursuant to the Master Sales Agreement which will expire on 31 December 2011. In view of the anticipated growth in business volume between the Group and the Peking Founder Group, the Directors consider that the existing caps as set out in the Master Sales Agreement will become insufficient for the two years ending 31 December 2011. Hence, the Supplemental Agreement has been entered into on 27 July 2010 between the Company and Peking Founder in order to continue the transactions for the supply of information products to the Peking Founder Group and to revise the annual caps for the two years ending 31 December 2011.

Pursuant to the Supplemental Agreement, the Group shall provide information products at market prices determined at the relevant time (i) with reference to the prices and credit terms at which such products 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 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.

The terms of the Supplemental Agreement shall become effective from the date of execution upon obtaining approval of the Independent Shareholders in the SGM until 31 December 2011.

LETTER FROM THE BOARD

Original and revised annual caps

The following table sets out the original and revised annual caps for the two years ending 31 December 2011:

	Year ending 31 December 2010 RMB'000	Year ending 31 December 2011 RMB'000
Original annual caps	73,640	103,096
Revised annual caps	509,073	712,702

The revised annual caps are determined based on the Company's estimation of the sales for the two years ending 31 December 2011 with reference to the historical sales pattern of the Group to the Founder Group for the three years ended 31 December 2009, the sales of information products to Founder Order for the three years ended 31 December 2009 and six months ended 30 June 2010 of approximately RMB38 million, RMB136 million, RMB206 million and RMB72 million, respectively, and the annual caps of the sales of information products to the Founder Group and the Peking Founder Group for the two years ending 31 December 2011.

Up to the Latest Practicable Date, since Founder Order is still a wholly-owned subsidiary of the Founder Group, the actual transaction amount has not exceeded the original annual cap. However, after the completion of the proposed disposal of Founder Order, the Directors anticipate that there will be an increase in demand for information products by the Peking Founder Group. Therefore, the Supplemental Agreement has been entered into to revise the annual caps for the sales of information products by the Group to the Peking Founder Group for the two years ending 31 December 2011.

Reasons for and benefits of the Supplement Agreement:

The Group is principally engaged in the distribution of information products in the PRC.

The Peking Founder Group is principally engaged in software development and system integration relating to the media industry and non-media industries relating to financial institutions, commercial enterprises and government departments in the PRC. The Peking Founder Group has been purchasing information products from the Group for its customers under the Master Sales Agreement. According to the recent announcement dated 24 June 2010, the circular dated 14 July 2010 and the results announcement of special general meeting of Founder dated 3 August 2010 in relation to the proposed disposal of the entire equity interest in Founder Order (an indirect wholly-owned subsidiary of Founder) by the Founder Group to the Peking Founder Group, the Directors anticipate Peking Founder Group to have increasing demands for information products upon completion of the disposal.

In the light of the above, the Board considers it is beneficial to the Group to continue supplying information products to the Peking Founder Group on normal commercial terms.

LETTER FROM THE BOARD

As the Directors consider that the annual caps under the Master Sales Agreement will be insufficient for the anticipated growth in business volume, the Supplemental Agreement has been entered into on 27 July 2010 between the Company and Peking Founder in order to continue the transactions for the supply of information products to the Peking Founder Group and to revise the annual caps for the two years ending 31 December 2011.

The Directors (excluding the independent non-executive Directors whose views will be based on the opinion of an independent financial adviser) consider that the terms of the Supplemental 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 revised annual caps as contemplated therein for the two years ending 31 December 2011 are fair and reasonable.

3. LISTING RULES REQUIREMENTS

The Company is owned as to approximately 32.84% by Founder which in turn is owned as to approximately 32.49% by Peking Founder. Founder is a connected person of the Company for the purposes of the Listing Rules. Peking Founder is an associate of a connected person of the Company for the purposes of Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the revised annual caps exceed 5%, the transactions contemplated under the Supplemental Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

4. SGM

A notice convening the SGM to be held at 3:00 p.m., on 26 August 2010 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 24 to 25 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the Supplemental Agreement and its annual caps. Founder, being the controlling shareholder of the Company, together with its associates, and all parties involved in or interested in the Supplemental Agreement are required to abstain from voting with respect to the resolution for approving the Supplemental Agreement and its annual caps.

The ordinary resolution to be proposed at the SGM will be determined by way of poll by the Independent Shareholders. Founder and its associates who altogether held 416,770,400 issued shares of the Company and controlled the voting rights of such shares, representing approximately 37.68% of the issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting at the SGM in respect of the ordinary resolution.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same as soon as possible to the principal place of business of the Company at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong and in any event not less than 48 hours before the time scheduled for the holding of the SGM or any adjournments thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournments thereof should you so desire.

5. RECOMMENDATION

The Independent Board Committee, which comprises all of the three independent non-executive Directors, namely Mr Li Fat Chung, Ms Wong Lam Kit Yee and Ms Cao Qian, has been established to advise the Independent Shareholders in connection with the terms of the transactions contemplated under the Supplemental Agreement and its annual caps.

KGI Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Supplemental Agreement and its annual caps.

The Independent Board Committee, having taken into account the advice of KGI Capital, is of the view that the transactions contemplated under the Supplemental Agreement are on normal commercial terms, and its annual caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of SGM enclosed to this circular.

GENERAL

Your attention is also drawn to the letter from the Independent Board Committee, the letter from KGI Capital and the additional information set out in the Appendix to this circular and the notice of SGM.

Yours faithfully,
For and on behalf of the Board
EC-Founder (Holdings) Company Limited
Zhang Zhao Dong
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



10 August 2010

To the Independent Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL AGREEMENT
TO THE MASTER SALES AGREEMENT AND
REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 10 August 2010 issued by the Company (the “Circular”) of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the Supplemental Agreement and the revised annual caps for the two years ending 31 December 2011 which require approval by the Independent Shareholders and to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the transactions contemplated under the Supplemental Agreement and to recommend how the Independent Shareholders should vote at the SGM. KGI Capital has been appointed to advise us, the Independent Board Committee in relation to the Supplemental Agreement and its annual caps.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 8 of the Circular, and the letter from KGI Capital to the Independent Board Committee containing its advice in respect of the Supplemental Agreement and its annual caps, as set out on pages 11 to 17 of the Circular.

Having taken into account of the principal factors and reasons considered by KGI Capital and its advice, we consider that transactions contemplated under the Supplemental Agreement are on normal commercial terms, the terms of the transactions contemplated under the Supplemental Agreement, and the revised annual caps for the two years ending 31 December 2011 are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the transactions contemplated under the Supplemental Agreement and its annual caps.

Yours faithfully,
Independent Board Committee

Li Fat Chung
*Independent non-executive
Director*

Wong Lam Kit Yee
*Independent non-executive
Director*

Cao Qian
*Independent non-executive
Director*

LETTER FROM KGI CAPITAL

Set out below is the text of the letter of advice from KGI Capital Asia Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders of EC-Founder (Holdings) Company Limited, prepared for inclusion in this circular.



KGI Capital Asia Limited

41/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Tel: 2878 6888

Fax: 2970 0080

10 August 2010

To the Independent Board Committee and the Independent Shareholders
EC-Founder (Holdings) Company Limited
Unit 1408, 14th Floor, Cable TV Tower
9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

Dear Sirs or Madams,

SUPPLEMENTAL AGREEMENT TO THE MASTER SALES AGREEMENT AND REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Agreement and the proposed revised annual caps for the transactions under the Master Sales Agreement and the Supplemental Agreement for the two years ending 31 December 2011 (the “**Revised Annual Caps**”), particulars of which are set out in the “Letter from the Board” (the “**Letter**”) contained in the circular to the Shareholders dated 10 August 2010 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular. Unless otherwise specified, translation of RMB into HK\$ in this letter is based on the exchange rate of RMB0.8760 to HK\$1.

The Supplemental Agreement

Reference is made to the announcement of the Company dated 13 November 2008 and the circular of the Company dated 28 November 2008 in relation to the Master Sales Agreement pursuant to which the Company agreed to supply certain information products to Peking Founder on normal commercial terms

LETTER FROM KGI CAPITAL

and in its ordinary and usual course of business. Reference is also made to the recent announcement and circular of Founder dated 24 June 2010 and 14 July 2010 respectively in relation to the proposed disposal of the entire equity interest in Founder Order (an indirect wholly-owned subsidiary of Founder) by the Founder Group to the Peking Founder Group. The Directors anticipate that the Peking Founder Group will have increasing demand for information products upon completion of such disposal. As the Directors consider that the existing annual caps under the Master Sales Agreement for the two years ending 31 December 2011 (the “**Existing Annual Caps**”) will be insufficient for the anticipated growth in business volume, the Company and Peking Founder have entered into the Supplemental Agreement in order to continue the transactions for the supply of information products to the Peking Founder Group and to revise the annual caps for the two years ending 31 December 2011.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Revised Annual Caps exceed 5%, the transactions contemplated under the Supplemental Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Ms. Cao Qian, has been established to advise the Independent Shareholders as to whether the terms of the Supplemental Agreement and the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

We, KGI Capital Asia Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Supplemental Agreement and the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information, financial information and facts supplied, and the opinions and representations expressed to us by the Company, the Directors and management of the Company. We have also assumed that all such information, financial information, facts, statements of belief, opinion and intention and representation made to us by the Directors or referred to in the Circular were reasonably made after due and careful enquiry and are based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations referred to in the Circular and provided to us by the Company, the Directors and management of the Company. We have been advised by the Directors that no material facts have been omitted from the information provided to us and referred to in the Circular. We have also assumed that all statements of intention of the Company, the Directors and management of the Company as set out in the Circular will be implemented. We have assumed that all information and representations made or referred to in the Circular and provided to us by the Company, the Directors and management of the Company, for which they were solely and wholly responsible, were true, complete and accurate at the time they were made and shall continue to be true, complete and accurate at the date of the SGM.

LETTER FROM KGI CAPITAL

In formulating our opinion, we have obtained and reviewed relevant information and documents provided by the Company, the Directors and management of the Company in connection with the transactions contemplated under the Master Sales Agreement and the Supplemental Agreement, the Revised Annual Caps and discussed with the management of the Company so as to assess the fairness and reasonableness of the terms of the Supplemental Agreement and the Revised Annual Caps. Relevant information and documents included, among other things, the annual report of the Company for the year ended 31 December 2009 (the “**2009 Annual Report**”), the Master Sales Agreement, the Supplemental Agreement, the basis of determination of the Revised Annual Caps and various relevant announcements and circulars of the Company published on the Stock Exchange’s website. We believe that we have reviewed sufficient information to enable us to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion regarding the terms of the Supplemental Agreement and the Revised Annual Caps. We have not, however, carried out any independent verification of the information and representations provided to us by the management of the Company and the Directors nor have we conducted any form of independent investigation into the businesses and affairs, financial position or the future prospects of the Company, Founder, Peking Founder, Founder Order, or their respective subsidiaries or associated companies.

Our opinion is necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations and opinions made available to us as of, the Latest Practicable Date. Our opinion does not in any manner address the Company’s own decision to proceed with the entering into the Supplemental Agreement or to determine the Revised Annual Caps. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Supplemental Agreement and the Revised Annual Caps, we have taken the following principal factors and reasons into consideration:

Background of and reasons for entering into the Supplemental Agreement

The Group is principally engaged in the distribution of information products in the PRC. The Peking Founder Group is principally engaged in software development and system integration relating to the media industry and non-media industries including financial institutions, commercial enterprises and government departments in the PRC. The Peking Founder Group has been purchasing information products from the Group for its customers under the Master Sales Agreement. According to the recent announcement and circular of Founder dated 24 June 2010 and 14 July 2010 respectively in relation to the proposed disposal of the entire equity interest in Founder Order (an indirect wholly-owned subsidiary of Founder) by the Founder Group to the Peking Founder Group, the Directors anticipate the Peking Founder Group to have increasing demand for information products upon completion of such disposal.

LETTER FROM KGI CAPITAL

As the Directors consider that the Existing Annual Caps will be insufficient for the anticipated growth in business volume, the Supplemental Agreement has been entered into between the Company and Peking Founder in order to continue the transactions for the supply of information products to the Peking Founder Group and to revise the Existing Annual Caps.

As stated in the Letter, the Board considers that it is beneficial to the Group to continue supplying information products to the Peking Founder Group on normal commercial terms. Moreover, the Directors (excluding the independent non-executive Directors) consider that the terms of the Supplemental Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Major terms of the Supplemental Agreement

As stated in the Letter, pursuant to the Supplemental Agreement, the Group shall provide information products to the Peking Founder Group at market prices determined at the relevant time (i) with reference to the prices and credit terms at which such products 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 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. As stated in the Letter, the terms of the Supplemental Agreement shall become effective from the date of execution upon obtaining approval of the Independent Shareholders at the SGM until 31 December 2011.

As the Group has been supplying information products to Founder Order and the Peking Founder Group for the past years, the Directors confirm that the transactions contemplated under the Supplemental Agreement and the Master Sales Agreement are in line with the principal businesses of the Group and the entering into the Supplemental Agreement is in the ordinary and usual course of business of the Group.

To assess the fairness of the terms of the Supplemental Agreement, we have obtained from the Company, on a sample basis, sales invoices of the historical Peking Founder Sales and the sales made by the Group to Founder Order and to independent third party customers in the PRC in 2009. We noted that the unit sale prices charged by the Group to the Peking Founder Group and to Founder Order were materially the same as the unit sale prices charged to independent third party customers of the Group for similar products. We are also confirmed by the Directors that the credit terms provided by the Group to the Peking Founder Group and Founder Order were materially the same as those provided to independent third party customers. As such, we consider that the terms of the historical Peking Founder Sales offered by the Group to the Peking Founder Group and the terms of the historical sales made by the Group to Founder Order were no more favourable than those offered to independent third party customers of the Group.

In view of the above, we concur with the Directors' view that the entering into the Supplemental Agreement is in the ordinary and usual course of business of the Group and that the terms of the transactions under the Supplemental Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

LETTER FROM KGI CAPITAL

The Revised Annual Caps

Reference is made to the announcement of the Company dated 13 November 2008 and the circular of the Company dated 28 November 2008 in relation to the Master Sales Agreement. Under the Master Sales Agreement, the Existing Annual Caps for the Peking Founder Sales for the two years ending 31 December 2011 are RMB73,640,000 and RMB103,096,000 respectively. As stated in the Letter, due to the proposed disposal of the entire equity interest in Founder Order by the Founder Group to the Peking Founder Group, the Directors anticipate that the Peking Founder Group will have increasing demand for information products upon completion of such disposal and the Existing Annual Caps as mentioned above will not be sufficient for the anticipated growth in business volume for the two years ending 31 December 2011. Therefore, the Company proposes to revise the annual caps for the Peking Founder Sales for the two years ending 31 December 2011. The Revised Annual Caps for the two years ending 31 December 2011 are RMB509,073,000 and RMB712,702,000 respectively.

In order to consider the fairness and reasonableness of the Revised Annual Caps, we have taken into consideration of the following aspects:

- (i) we understand from the Company that the Revised Annual Caps consist of two components:
 - (i) the Existing Annual Caps; and (ii) the component for the sales made/to be made by the Group to Founder Order for the two years ending 31 December 2011 (the “**Founder Order Sales Component**”); and

- (ii) as confirmed by the Directors, the Founder Order Sales Component was determined with reference to the existing annual caps for the sales of information products by the Group to the Founder Group (the “**Founder Sales**”) for the two years ending 31 December 2011 of RMB518,000,000 and RMB725,200,000 respectively, which were approved at the special general meeting of the Company held on 22 July 2009 by its then independent shareholders (the “**Approved Founder Caps**”). We have obtained from the Company a by-customer breakdown of the historical Founder Sales for the three years ended 31 December 2009 and noted that the annual sales made by the Group to Founder Order represented, on average, approximately 84% of the total Founder Sales in the respective year. Accordingly, the Company has applied such percentage of the Approved Founder Caps in determining the Founder Order Sales Component. For ease of reference, we have summarised the amounts of the Founder Order Sales Component, the Existing Annual Caps and the Revised Annual Caps for the two years ending 31 December 2011 as below:

LETTER FROM KGI CAPITAL

	Year ending 31 December 2010	Year ending 31 December 2011
	<i>RMB'000</i>	<i>RMB'000</i>
The Approved Founder Caps	518,000	725,200
The Founder Order Sales Component (calculated as approximately 84% of the Approved Founder Caps)	435,120	609,168
The Existing Annual Caps	73,640	103,096
	<hr/>	<hr/>
Sum of the Existing Annual Caps and the Founder Order Sales Component	508,760	712,264
The Revised Annual Caps	509,073	712,702
	<hr/> <hr/>	<hr/> <hr/>

Based on the above, we are of the view that the Revised Annual Caps are reasonably determined.

Generally speaking, in our opinion, it is in the interests of the Group for the abovementioned Revised Annual Caps to be as accommodating to the Group as possible (within reason). Provided that the pricing for the Peking Founder Sales is fair and reasonable and the conduct of those transactions would be subject to annual review by the independent non-executive Directors and auditors of the Company as required under the Listing Rules, the Group would have flexibility in conducting its businesses if the Revised Annual Caps are tailored to accommodate future business growth. In assessing the reasonableness of the Revised Annual Caps, we have discussed with the management of the Group regarding their estimated sales volume and the basis of the calculations. However, Shareholders should note that the Revised Annual Caps relate to future events and do not represent a forecast of amounts to be transacted as a result of the Peking Founder Sales or as an assurance by the Group of its future revenue. Consequently, we express no opinion as to how closely the actual transaction amounts of the Peking Founder Sales will correspond with the Revised Annual Caps as discussed above.

LETTER FROM KGI CAPITAL

RECOMMENDATION

Having considered the above principal factors and reasons, we, on an overall basis, consider that the terms of the transactions under the Supplemental Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole and the entering into the Supplemental Agreement is in the ordinary and usual course of business of the Company. We also consider that the Revised Annual Caps are fair and reasonable so far as the interests of the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Supplemental Agreement and the Revised Annual Caps, which will be proposed at the SGM.

Yours faithfully,
For and on behalf of
KGI Capital Asia Limited

Laurent Leung
Director

Jimmy Chan
Senior Vice President

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 document 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.

2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, were as follows:

(a) Long positions in the Shares of the Company under the SFO

Name of Director	Number of ordinary shares held and nature of interest		Percentage of the Company’s issued share capital
	Directly beneficially owned	Through controlled corporation	
Mr Zhang Zhao Dong	3,956,000	–	0.36%
Mr Zheng Fu Shuang	–	200,019,000 (Note)	18.08%

Note: Mr Zheng Fu Shuang is interested in these shares through Shining Wisdom Group Limited (“Shining Wisdom”), a company which is beneficially and wholly owned by Mr Zheng Fu Shuang.

(b) Short positions in the Shares of the Company under the SFO

Name of Director	Number of ordinary shares held and nature of interest		Percentage of the Company's issued share capital
	Directly beneficially owned	Through controlled corporation	
Mr Zheng Fu Shuang	–	109,601,000 <i>(Note)</i>	9.91%

Note: Mr Zheng Fu Shuang is interested in these shares through Shining Wisdom, a company which is beneficially and wholly owned by Mr Zheng Fu Shuang.

(c) Directors' rights to acquire shares in the Company and any of its associated corporations*Directors' interests in share options of the Company*

On 24 May 2002, the Company adopted a share option scheme (the “**2002 Scheme**”) in compliance with Chapter 17 of the Listing Rules.

The share option scheme adopted by the Company on 7 May 2001 (the “**2001 Scheme**”) was terminated on 24 May 2002 but the options granted under the 2001 Scheme remain in full force and effect.

The following Director held share options that were outstanding under the 2002 Scheme as at the Latest Practicable Date:

Name of Director	Number of share options held	Date of grant of share options	Exercise period of share options	Exercise price of share options <i>HK\$</i>
Mr Zhang Zhao Dong	8,000,000	6.2.2004	7.2.2004 to 5.2.2014	0.381

Save as disclosed in this paragraph, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Company were made up.

No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, the following persons had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions

Name	Notes	Capacity and nature of interest	Long positions		Short positions	
			Number of ordinary shares held	Percentage of the Company's issued share capital	Number of ordinary shares held	Percentage of the Company's issued share capital
北京北大資產經營有限公司 (Peking University Asset Management Company Limited*)	1	Through a controlled corporation	363,265,000	32.84%	-	-
Peking Founder	2	Through a controlled corporation	363,265,000	32.84%	-	-
Founder		Directly beneficially owned	363,265,000	32.84%	-	-
Shining Wisdom	3	Directly beneficially owned	200,019,000	18.08%	109,601,000	9.91%
富思特制漆(北京)有限公司	3	Beneficiary of a charge	109,601,000	9.91%	-	-
Peking University Education Foundation		Directly beneficially owned	93,240,000	8.43%	-	-
Peking University Education Foundation		Beneficiary of a trust	2,330,000	0.21%	-	-
Ms Li Yong Hui	4	As trustee	60,671,600	5.49%	-	-
Ms Ying Yu Ling	4	As trustee	60,671,600	5.49%	-	-
F2 Consultant Limited	4	Owned as nominee	60,671,600	5.49%	-	-

* For identification purpose only

Notes:

1. Peking University Asset Management Company Limited is deemed to be interested in the 363,265,000 shares of the Company under the SFO by virtue of its interest in Peking Founder.
2. Peking Founder is deemed to be interested in the 363,265,000 shares of the Company under the SFO by virtue of its interest in Founder.
3. Mr Zheng Fu Shuang is interested in these shares through Shining Wisdom. The 109,601,000 shares of the Company held by Shining Wisdom are charged to 富思特制漆(北京)有限公司 which are classified as a short position of Shining Wisdom under the SFO.
4. F2 Consultant Limited holds the shares of the Company as nominee on behalf of the directors of Founder Data Corporation International Limited ("FDC") who are acting in their capacity as the trustees of a discretionary trust for the employees of FDC and its subsidiaries. Ms Li Yong Hui and Ms Ying Yu Ling are the directors of FDC.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, no persons had interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any other member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Company were made up.

6. EXPERT

KGI Capital is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under SFO.

As at the Latest Practicable Date, KGI Capital was not beneficially interested in the securities of any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, KGI Capital did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Company were made up.

KGI Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name, in the form and context in which they appear.

7. LITIGATION AND CLAIMS

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigations or claims and no litigations or claims of material importance is pending or threatened against the Company or any member of the Group.

8. DIRECTORS' INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

Save as being as Directors and their respective interest in Shares and share options in the Company and except that Mr. Zhang Zhao Dong, the Chairman and an executive Director, is also a director of Peking Founder, none of the Directors has any material interest in the Master Sales Agreement and the Supplemental Agreement.

9. MATERIAL CONTRACT

The following contract (not being contract in the ordinary course of business of the Group) is the only contract which has been entered into by members of the Group within the two years immediately preceding the date of this circular and is or may be material:

- the entrusted loan agreement dated 12 June 2009 entered into between the Company (as lender) and Peking Founder (as borrower) pursuant to which the Group would, subject to certain conditions, provide entrusted loans to the Peking Founder Group.

10. GENERAL

The company secretary of the Company is Ms Tang Yuk Bo, Yvonne, ACS, ACIS.

The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is situated at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong during normal business hours on any weekday (public holidays excluded) from the date of this circular up to and including 26 August 2010, the date of the SGM:

- (i) the bye-laws of the Company;
- (ii) the annual reports of the Company for the two years ended 31 December 2009;

- (iii) the Master Sales Agreement and the Supplemental Agreement;
- (iv) the letter from the Independent Board Committee, the text of which is set out on pages 9 to 10 of this circular;
- (v) the letter from KGI Capital dated 10 August 2010, the text of which is set out on pages 11 to 17 of this circular;
- (vi) the letter of consent from KGI Capital referred to in the paragraph headed “Expert” above;
and
- (vii) the material contract referred to in the paragraph headed “Material Contract” above.

NOTICE OF SGM



NOTICE IS HEREBY GIVEN that a special general meeting of EC-Founder (Holdings) Company Limited (the “Company”) will be held at 3:00 p.m. on 26 August 2010 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the Supplemental Agreement (as defined in the Circular) be and is hereby approved;
- (b) the revised annual caps in relation to the transactions contemplated under the Supplemental Agreement for the two years ending 31 December 2011 be and are hereby approved; and
- (c) any one Director be and is hereby authorised to do all such acts or things, as he/she may in his/her absolute discretion consider necessary or desirable, to give effect to the Supplemental Agreement and the transactions contemplated thereunder.”

By order of the Board
EC-Founder (Holdings) Company Limited
Zhang Zhao Dong
Chairman

Hong Kong, 10 August 2010

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote instead of his/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company but must be present in person at the meeting to represent the shareholder. Completion and return of the form of proxy will not preclude a shareholder from attending the meeting and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.
2. Where there are joint holders of any share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

* For identification purpose only

NOTICE OF SGM

3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notially certified copy of that power or authority must be deposited at the principal place of business of the Company in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
4. In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Founder Holdings Limited and its associates (as defined in the Listing Rules) are required to abstain from voting on the above ordinary resolution.
5. The ordinary resolution as set out above will be determined by way of a poll.