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## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

### **Placing Agent**

**ANGLO CHINESE** 英高

On 26 July 2013 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to endeavor to place up to 220,000,000 new Shares to not less than six independent Placees at a price of HK\$0.36 per Placing Share.

The Placing Price of HK\$0.36 per Placing Share represents (i) a discount of approximately 18.18% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on 26 July 2013, being the date of the Placing Agreement; and (ii) a discount of approximately 18.74% over the average of the closing prices per Share of HK\$0.443 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Shares to be placed by the Placing Agent represent (i) approximately 19.46% of the existing issued share capital of the Company; and (ii) approximately 16.29% of the issued share capital of the Company as enlarged by the Placing.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 29 May 2013.

The maximum gross proceeds from the Placing will be approximately HK\$79.2 million. The net proceeds, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$78.4 million, representing a net issue price of approximately HK\$0.356 per Placing Share. The Company intends to use the net proceeds as general working capital of the Group and to develop the digital publishing, digital printing, font library and public sentiment businesses of the Group, in order to enhance the technical capabilities of the Group and improve the integration of the provision of products by the Group.

**Completion of the Placing is subject to the satisfaction of the conditions in the Placing Agreement, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

26 July 2013 (after trading hours)

### **Parties Involved**

Issuer: The Company

Placing Agent: Anglo Chinese Securities, Limited

### **Placees**

The Placing Agent conditionally agrees, subject to market conditions, to endeavour to place the Placing Shares to not less than six independent Placees, being institutional, professional and/or individual investors who and whose ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Placing.

### **Number of Placing Shares**

Pursuant to the Placing Agreement, a maximum of 220,000,000 Placing Shares will be placed by the Placing Agent, representing approximately 19.46% of the existing issued share capital of the Company and approximately 16.29% of the issued share capital of the Company as enlarged by the Placing, assuming no further new Shares will be issued or repurchased before the completion of the Placing.

The maximum nominal value of the Placing Shares under the Placing will be HK\$22,000,000.

## **Placing price**

The Placing Price, which was fixed together with the other terms of the Placing Agreement, was agreed after arm's length negotiations among the Company and the Placing Agent with reference to recent market conditions. The Placing Price of HK\$0.36 represents:

- (i) a discount of approximately 18.18% over the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 18.74% over the average closing price per Share of approximately HK\$0.443 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

## **Placing Agent and placing fee**

The Placing Agent is entitled to a placing fee (the "Placing Fee") of 0.75% of the aggregate Placing Price of the Placing Shares actually placed by the Placing Agent under the Placing Agreement.

The Directors confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners, are Independent Third Parties.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 29 May 2013. Under the General Mandate, the Directors are authorised to allot and issue up to 226,059,978 new Shares. As at the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any approval by the Shareholders.

## **Ranking**

The Placing Shares will rank *pari passu* in all respects among themselves and with all other Shares in issue as at the date of allotment and issue of the Placing Shares.

## **Conditions precedent**

The completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares;
- (b) the Placing Agreement not having been terminated in accordance with its terms.

The Company shall use its best endeavours to procure the satisfaction of the conditions of the Placing, but in the event any of the conditions is not fulfilled by 5:00 p.m. on 31 August 2013 (or such later date as may be agreed by the Placing Agent and the Company), the Placing Agreement and the obligations of the parties thereunder in relation to the Placing shall cease and terminate at that time.

### Completion of Placing

The Placing shall complete on the third Business Day after the satisfaction of the conditions set out above (or such later date as may be agreed by the parties thereto in writing) unless the Placing Agreement is terminated in accordance with the terms thereof.

**Completion of the Placing is subject to the satisfaction of the conditions in the Placing Agreement, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in Shares.**

### APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### CHANGES TO THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as of the date of this announcement; (ii) immediately after completion of the Placing (assuming the Placing Shares are placed in full and no other Shares are issued between the date of this announcements and completion of the Placing):

	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Shareholders of the Company</b>				
北大方正集團有限公司 (Peking University Founder Group Company Limited*) (Note 1)	367,179,610	32.49	367,179,610	27.19
Placee(s)	–	–	220,000,000	16.29
Existing public Shareholders	763,120,283	67.51	763,120,283	56.52
<b>Total</b>	<b>1,130,299,893</b>	<b>100</b>	<b>1,350,299,893</b>	<b>100</b>

Notes:

- (1) These Shares are directly held by 北大方正集團有限公司 (Peking University Founder Group Company Limited\*), which is beneficially owned as to 70% by 北京北大資產經營有限公司 (Peking University Asset Management Company Limited\*).

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in software development and provision of systems integration services and the provision of printing products and solutions to the media and non-media industries, including financial institutions, enterprises and government departments. The Group also engages in the development of Chinese font libraries in the PRC and provides Chinese font products, and the provision of public sentiment services.

The Directors consider that the Placing represents an opportunity to raise additional funds for the Company while broadening the Shareholder and capital base of the Company. Accordingly, the Directors consider that the terms of the Placing are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that the Placing Shares are fully paid under the Placing:

- (i) the maximum gross proceeds from the Placing are estimated to be approximately HK\$79.2 million;
- (ii) the net proceeds, after deducting the Placing Fee, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$78.4 million;
- (iii) the net price per Placing Share is approximately HK\$0.356.

The Company intends to use the net proceeds as general working capital of the Group and to develop the digital publishing, digital printing, font library and public sentiment businesses of the Group, in order to enhance the technical capabilities of the Group and improve the integration of the provision of products by the Group.

### **Fund raising activities during the past twelve months**

The Group has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of the Announcement.

## **DEFINITIONS**

In this announcement, the following expressions have the meaning as set out below unless the context requires otherwise:

- |                |   |
|----------------|---|
| “Board”        | the board of Directors  |
| “Business Day” | a day (other than a Saturday, Sunday and a public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |

“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 (Stock Code: 00418)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company on 29 May 2013 to allot and issue up to 20% of the then issued share capital of the Company as at the date thereof
“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 PRC
“Independent Third Party(ies)”	independent third party(ies) who are not connected person(s) (as defined in the Listing Rules) of the Company and are independent of and not connected with the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	institutional, professional and/or individual investors to whom the Placing Agent shall procure to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Anglo Chinese Securities, Limited, a licensed corporation to carry on Types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement among the Company and the Placing Agent dated 26 July 2013 in relation to the Placing
“Placing Price”	the placing price of HK\$0.36 per Placing Share
“Placing Shares”	up to a maximum number of 220,000,000 Shares to be placed under the Placing

“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board of  
**Founder Holdings Limited**  
**Fang Zhong Hua**  
*Chairman*

Hong Kong, 28 July 2013

*As at the date of this announcement, the board of directors of the Company comprises executive directors of Mr Fang Zhong Hua (Chairman), Professor Xiao Jian Guo (Deputy Chairman), Professor Yang Bin (President), Ms Yi Mei, Mr Li Sheng Li and Ms Liu Yu Xiao, 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*