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ANNOUNCEMENT ON THE ESTIMATED IMPROVEMENT IN 2014 INTERIM RESULTS

This announcement is made by the Company pursuant to the provisions of inside information under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules. The Board wishes to inform the Shareholders and potential investors that based on a preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2014 and information currently available to the Board, it is estimated that the estimated net loss for the six months ended 30 June 2014 is significantly reduced by approximately 40-50% as compared with a net loss of approximately HK\$52.6 million for the corresponding period in 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Founder Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”, Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) for the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2014 and information currently available to the Board, it is estimated that the estimated net loss for the six months ended 30 June 2014 is significantly reduced by approximately 40-50% as compared with a net loss of approximately HK\$52.6 million for the corresponding period in 2013.

The estimated significant improvement in the Group's estimated results is mainly due to (1) an increase in gross profit by approximately HK\$10.9 million as a result of an increase in service income and sales of software with higher gross profit margin; and (2) a decrease in salary expenses, bonus and welfare in selling and distribution cost by approximately HK\$16.2 million as a result of reduction in number of staff of the Group.

The information in this announcement is only based on the information currently available to the management. The interim results of the Group for the six months ended 30 June 2014 have not yet been finalised nor reviewed by the auditor of the Company. The interim results of the Group for the six months ended 30 June 2014 may be different to the information referred in this announcement.

The unaudited interim results of the Group for the six months ended 30 June 2014 will be published in the forthcoming interim results announcement of the Company which is expected to be published by end of August 2014.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 14 August 2014

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, Ms Zuo Jin 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*