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(Incorporated in Bermuda with limited liability)

(Stock code: 00418)

CONTINUING CONNECTED TRANSACTIONS

LEASING OF OFFICE PREMISES AND REVISION TO ANNUAL CAPS

The Group has been leasing office premises in Beijing, the PRC from Peking Founder on normal commercial terms. The Board refers to the joint announcements of the Company and EC-Founder dated 21 November 2005 in relation to, inter alia, the Founder Order Lease Agreement. The terms of the Founder Order Lease Agreement was supplemented by the Supplemental Agreement in March 2006 as a result of reduction in total floor area for the office premises.

The Founder Order Lease Agreement was superseded by the New Founder Order Lease Agreement on 1 January 2007 as a result of further reduction in total floor area and decrease in the unit rental (inclusive of management fee) of the same office premises under the Founder Order Lease Agreement which expired on 31 December 2007. The New Founder Order Lease Agreement was renewed on 11 April 2008 under substantially the same terms and conditions for a term of one year from 1 January 2008 to 31 December 2008. The annual cap for the New Founder Order Lease Agreement is the annual sum of the rental and the management fee payable by Founder Group.

CONTINUING CONNECTED TRANSACTIONS

The Company is owned as to approximately 32.49% by Peking Founder and thus Peking Founder is a connected person of the Company and Fangcheng is an associate of a connected person of the Company for the purposes of the Listing Rules.

Accordingly, the transactions under Founder Order Lease Agreement, as supplemented by the Supplemental Agreement, and the New Founder Order Lease Agreement constitute continuing connected transactions for the Company pursuant to the Listing Rules.

During the course of the annual audit for the year ended 31 December 2007, it has come to the Company's attention that the New Founder Order Lease Agreement was entered into on 1 January 2007 which superseded the Founder Order Lease Agreement. Since the New Founder Order Lease Agreement superseded the Founder Order Lease Agreement and each of the applicable percentage ratios (having taken into account of all relevant lease agreements entered into between the Group and Peking Founder Group) was more than 0.1% but less than 2.5%, the Company should have complied with announcement requirements but was exempt from independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. Owing to miscommunication between the Company and Founder Order, the Company failed to comply with the announcement requirements under Chapter 14A of the Listing Rules in respect of the New Founder Order Lease Agreement.

The Company has conducted a comprehensive review on all lease agreements between the Group and the Peking Founder Group and has been monitoring the caps of the relevant continuing connected transactions. Staff training will be conducted for relevant personnel in the Company's Beijing office. The Company is satisfied that proper internal control system has been in place for due compliance with the Listing Rules. Details of the New Founder Order Lease Agreement will also be properly disclosed in the Company's 2007 annual report according to the Listing Rules.

Renewal of the New Founder Order Lease Agreement will have to comply with the requirements set out in Rule 14A.35(1) of the Listing Rules and annual caps will have to be set for the transactions under the New Founder Order Lease Agreement pursuant to Rule 14A.35(2) of the Listing Rules. Since each of the applicable percentage ratios to the Company in respect of the aggregate annual amount of rental payable under all relevant leases between the Group and Peking Founder Group is less than 2.5%, the Company is required to comply with the reporting, announcement requirements, but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the New Founder Order Lease Agreement.

LEASING OF OFFICE PREMISES

The Group has been leasing office premises in Beijing, the PRC from Peking Founder on normal commercial terms. The Board refers to the joint announcements of the Company and EC-Founder dated 21 November 2005 in relation to, inter alia, the Founder Order Lease Agreement. The terms of the Founder Order Lease Agreement was supplemented by the Supplemental Agreement in March 2006 as a result of reduction in total floor area of the office premises.

Principal terms of the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement, and the New Founder Order Lease Agreement

- A. The principal terms of the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement are as follows:

Date of the Agreement: 10 January 2006 as supplemented on 14 March 2006

Lessor: Peking Founder

Lessee: Founder Order, a wholly-owned subsidiary of Founder

Property leased: Rooms 605-607, 608-609, 610-611 and 612-616 and common conference area of Zhongguancun Founder Building (中關村方正大廈) at No.298, Chengfu Road, Haidian District, Beijing, the PRC

Area: Approximately 2,643 sq. m. (including approximately 506.9 sq. m. of common conference area) (from 1 January 2006 to 31 March 2006)

Revised Area: Approximately 2,402.62 sq. m. (including approximately 506.9 sq. m. of common conference area) (from 1 April 2006 to 31 December 2008)

Unit rental:
(inclusive of management fee) (a) RMB4.00 per sq. m. per day
(b) Nil rental for common conference area but needs to pay management fee of RMB0.60 per sq. m. per day

Revised annual rental and management fee: RMB2,878,762.30 (equivalent to approximately HK\$2,956,920.70)

Revised lease term: From 1 April 2006 to 31 December 2008

Other terms and conditions: The rental and management fees are payable in cash quarterly in arrears. The lessee will have to give at least two months written notice before the expiry of the agreements to the lessor in order to continue to lease the relevant premises from the lessor.

The lessee was not required to pay deposits under the lease. The lessor will have the right to terminate the lease if the lessee fails to comply with the terms and conditions of the lease.

B. The principal terms of the New Founder Order Lease Agreement are as follows:

Date of the Agreement: 1 January 2007

Lessor: Fangcheng, a subsidiary of Peking Founder

Lessee: Founder Order, a wholly-owned subsidiary of Founder

Property leased:	Rooms 606-608 and common conference area of Zhongguancun Founder Building (中關村方正大廈) at No.298, Chengfu Road, Haidian District, Beijing, the PRC
Area:	Approximately 1,210 sq. m.
Unit rental: (inclusive of management fee)	RMB2.16 per sq. m. per day
Annual rental and management fee:	RMB952,426.73 (equivalent to approximately HK\$978,285.12)
Lease term:	From 1 January 2007 to 31 December 2007
Other terms and conditions:	The rental and management fees are payable in cash quarterly in advance. The lessee will have to give at least two months written notice before the expiry of the agreements to the lessor in order to continue to lease the relevant premises from the lessor.

The lessee was required to pay one month's rental and management fees as deposits. The lessor will have the right to terminate the lease if the lessee fails to comply with the terms and conditions of the lease.

Annual caps for the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement

In 2006, the total floor area under the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement was approximately 2,402.62 sq. m. with an aggregate annual rental and management fee payable of approximately RMB2.88 million (equivalent to approximately HK\$2.96 million). The reduction in the total floor area is mainly due to reduction in headcount and downsizing of the operations of Founder Order in 2006. The decrease in the annual rental and management fee payable is due to the reduction in the total floor area leased.

Annual caps for the New Founder Order Lease Agreement

In 1 January 2007, the New Founder Order Lease Agreement superseded the Founder Order Lease Agreement. The total floor area under the New Founder Order Lease Agreement is approximately 1,210 sq. m. and the aggregate annual rental and management fee payable amount to approximately RMB0.95 million (equivalent to approximately HK\$0.98 million).

On 11 April 2008, the Board renewed the New Founder Order Lease Agreement under substantially the same terms and conditions for a term of one year from 1 January 2008 to 31 December 2008.

The annual caps for the New Founder Order Lease Agreement for the year ended 31 December 2007 and year ending 31 December 2008 are the amount of the annual rental and management fee as stated in the New Founder Order Lease Agreement which are set out below:

For the year ended 31 December 2007	For the year ending 31 December 2008
<i>RMB</i>	<i>RMB</i>
952,426.73	952,426.73

REASONS FOR AND BENEFITS OF THE NEW FOUNDER ORDER LEASE AGREEMENT

The Group has been leasing certain premises at Shangdi Founder Building (上地方正厦) and Zhongguancun Founder Building (中關村方正大厦) from Peking Founder as offices, canteens and staff quarters. The Board considers it necessary to continue to lease office premises in Beijing, the PRC occupying floor areas which are considered to be adequate for their respective daily operations. The Board also considers that the current centralised office locations in Beijing, the PRC enable effective and efficient inter-office communication, thus enhancing operational efficiency and reducing operating costs in the long run.

The Board considers that the terms of the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement, and the New Founder Order Lease Agreement were arrived at after arm's length negotiations between the parties involved with reference to the prevailing market rent of comparable properties in Beijing.

The Directors (including independent non-executive Directors) are of the view that the transactions under the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement, and the New Founder Order Lease Agreement were entered on normal commercial terms in the ordinary and usual course of business of the Company that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

The Company is owned as to approximately 32.49% by Peking Founder and thus Peking Founder is a connected person of the Company and Fangcheng is an associate of a connected person of the Company for the purposes of the Listing Rules.

Accordingly, the transactions under the Founder Order Lease Agreement, as supplemented by the Supplemental Agreement, and the New Founder Order Lease Agreement constitute continuing connected transactions for the Company pursuant to the Listing Rules.

During the course of the annual audit for the year ended 31 December 2007, it has come to the Company's attention that the New Founder Order Lease Agreement was entered into on 1 January 2007 which superseded the Founder Order Lease Agreement. Since the New Founder Order Lease Agreement superseded the Founder Order Lease Agreement and each of the applicable percentage ratios (having taken into account of all relevant lease agreements entered into between the Group and Peking Founder Group) was more than 0.1% but less than 2.5%, the Company should have complied with announcement requirements but was exempt from independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. Owing to miscommunication between the Company and Founder Order, the Company failed to comply with the announcement requirements under Chapter 14A of the Listing Rules in respect of the New Founder Order Lease Agreement.

The Company has conducted a comprehensive review on all lease agreements between the Group and the Peking Founder Group and has been monitoring the caps of the relevant continuing connected transactions. Staff training will be conducted for relevant personnel in the Company's Beijing office. The Company is satisfied that proper internal control system has been in place for due compliance with the Listing Rules. Details of the New Founder Order Lease Agreement will also be properly disclosed in the Company's 2007 annual report according to the Listing Rules.

Renewal of the New Founder Order Lease Agreement will have to comply with the requirements set out in Rule 14A.35(1) of the Listing Rules and annual caps will have to be set for the transactions under the New Founder Order Lease Agreement pursuant to Rule 14A.35(2) of the Listing Rules. Since each of the applicable percentage ratios to the Company in respect of the aggregate annual amount of rental payable under all relevant leases between the Group and Peking Founder Group is less than 2.5%, the Company is required to comply with the reporting and announcement requirements, but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the New Founder Order Lease Agreement.

GENERAL

The Group is principally engaged in software development and systems integration relating to the media industry and non-media industries related to financial institutions, enterprises and government departments. Peking Founder Group is principally engaged in the manufacture of "Founder" electronic publishing system, computer hardwares and softwares, communication equipment, office automation equipment and other related business. Founder Order is principally engaged in system integration and software development whereas Fangcheng is principally engaged in property management business.

DEFINITIONS

"associate(s)"	has the meaning as ascribed to it in the Listing Rules
"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
“Directors”	the directors of the Company
“EC-Founder”	EC-Founder (Holdings) Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and owned as to approximately 32.84% by the Company
“Fangcheng”	北京方誠物業管理有限責任公司 (Beijing Fangcheng Property Management Co., Ltd.*), a company established in the PRC and a subsidiary of Peking Founder
“Founder Order”	北京方正奧德計算機系統有限公司 (Beijing Founder Order Computer System Co., Limited*), a company established in the PRC and a wholly-owned subsidiary of the Company
“Founder Order Lease Agreement”	the lease agreement entered into on 1 January 2006 between Founder Order (as lessee), Fangcheng (as agent of Peking Founder) and Peking Founder (as lessor) for certain premises in Beijing, the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Founder Order Lease Agreement”	the lease agreement entered into on 1 January 2007 between Founder Order (as lessee), Fangcheng (as lessor) for certain premises in Beijing, the PRC
“Peking Founder”	Peking University Founder Group Company Limited, the controlling shareholder of the Company, which holds approximately 32.49% of the issued share capital of the Company
“Peking Founder Group”	Peking Founder and its subsidiaries

“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement entered into on 14 March 2006 between Founder Order (as lessee), Fangcheng (as agent of Peking Founder) and Peking Founder (as lessor) for revising the total floor area as set out in the Founder Order Lease Agreement

By Order of the Board
FOUNDER HOLDINGS LIMITED
Zhang Zhao Dong
Chairman

Hong Kong, 17 April 2008

* *For identification purposes only*

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese version shall prevail.

For the purpose of illustration only, amounts denominated in RMB have been translated into HK\$ at the rate of RMB1.00 = HK\$1.02715 in this announcement. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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, Dr. Hu Hung Lick, Henry and Ms. Wong Lam Kit Yee