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FOUNDER HOLDINGS LIMITED
方正控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code : 00418)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

INTERIM RESULTS

The board of directors (the "Board") of Founder Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2011, together with the comparative figures for the corresponding period in 2010. The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		For the six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	2	**761,622**	1,007,139
Cost of sales		**(610,774)**	(886,061)
Gross profit		**150,848**	121,078
Other income and gains	3	**23,466**	27,214
Selling and distribution costs		**(79,022)**	(68,748)
Administrative expenses		**(27,093)**	(34,523)
Other expenses, net		**(38,857)**	(42,518)
Finance costs	4	**(1,531)**	(2,923)
Share of profits and losses of associates		**16**	919
PROFIT BEFORE TAX	5	**27,827**	499
Income tax expense	6	**(3,614)**	(1,373)
PROFIT/(LOSS) FOR THE PERIOD		**24,213**	(874)

	Note	For the six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Attributable to:			
Owners of the parent		**24,225**	(951)
Non-controlling interests		**(12)**	77
		24,213	(874)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
– Basic		**HK2.14 cents**	HK(0.08 cents)
– Diluted		**HK2.14 cents**	HK(0.08 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit/(loss) for the period	**24,213**	(874)
Exchange differences on translation of foreign operations	**7,741**	2,176
Other comprehensive income for the period, net of tax	**7,741**	2,176
Total comprehensive income for the period	**31,954**	1,302
Attributable to:		
Owners of the parent	**31,946**	1,220
Non-controlling interests	**8**	82
	31,954	1,302

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2011

	Notes	**30 June 2011 (Unaudited)** *HK$'000*	31 December 2010 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**153,888**	152,453
Investment properties		**39,200**	39,200
Interests in associates		**135,739**	135,308
Total non-current assets		**328,827**	326,961
CURRENT ASSETS			
Inventories		**62,298**	34,410
Gross amount due from contract customers		**52,589**	28,061
Trade and bills receivables	8	**241,702**	290,545
Prepayments, deposits and other receivables		**122,504**	301,898
Pledged deposits		**11,945**	13,231
Cash and cash equivalents		**273,583**	292,987
Total current assets		**764,621**	961,132
CURRENT LIABILITIES			
Trade and bills payables	9	**96,184**	217,576
Gross amount due to contract customers		**16,399**	7,611
Other payables and accruals		**246,259**	305,328
Interest-bearing bank borrowings	10	**100,269**	157,282
Tax payable		**4,444**	2,578
Total current liabilities		**463,555**	690,375
NET CURRENT ASSETS		**301,066**	270,757
TOTAL ASSETS LESS CURRENT LIABILITIES		**629,893**	597,718

	30 June 2011 (Unaudited) *HK$'000*	31 December 2010 (Audited) *HK$'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**8,673**	8,452
Total non-current liabilities	**8,673**	8,452
Net assets	**621,220**	589,266
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**113,030**	113,030
Reserves	**507,330**	475,384
	620,360	588,414
Non-controlling interests	**860**	852
Total equity	**621,220**	589,266

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2011

1. ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2011 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2010, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period's financial statements:

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of amendments to HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

(a) HKAS 1 *Presentation of Financial Statements*: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

(b) HKAS 27 *Consolidated and Separate Financial Statements*: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The following table presents revenue and results for the Group's segments for the six months ended 30 June 2011 and 2010:

	Software development and systems integration for media business		Software development and systems integration for non-media business		Corporate		Others		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**448,417**	340,924	**313,055**	666,070	**–**	–	**150**	145	**761,622**	1,007,139
Intersegment sales	**–**	6,870	**–**	–	**–**	–	**–**	–	**–**	6,870
	448,417	347,794	**313,055**	666,070	**–**	–	**150**	145	**761,622**	1,014,009
Reconciliation:										
Elimination of intersegment sales									**–**	(6,870)
Revenue									**761,622**	1,007,139
Segment results	**24,857**	(3,035)	**5,148**	1,956	**(4,193)**	(3,284)	**116**	117	**25,928**	(4,246)
Reconciliation:										
Interest income and unallocated gains									**3,414**	6,749
Finance costs									**(1,531)**	(2,923)
Share of profits and losses of associates									**16**	919
Profit before tax									**27,827**	499

3. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**775**	832
Other interest income	**1,757**	5,031
Gross rental income	**571**	599
Government grants	**18,010**	16,845
Foreign exchange differences, net	**882**	886
Others	**1,471**	3,021
	23,466	27,214

4. FINANCE COSTS

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans	**1,531**	2,923

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**4,807**	3,604
Gain on disposal of items of property, plant and equipment	**(25)**	(121)
Impairment of trade receivables	**851**	9,048
Impairment of other receivables	**1,302**	649
Provision/(reversal of provision) for obsolete inventories	**8,538**	(530)

6. INCOME TAX

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Group:		
Current – The People's Republic of China (the "PRC")		
Charge for the period	**4,393**	1,373
Overprovision in prior years	**(779)**	–
Total tax charge for the period	**3,614**	1,373

No Hong Kong profits tax has been provided as there are no assessable profits arising in Hong Kong during the period or the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the period (six months ended 30 June 2010: Nil).

Under the PRC income tax laws, enterprises are subject to corporate income tax at a rate of 25%. Pursuant to the relevant approval document issued by the PRC tax bureau, Beijing Founder Electronics Co., Ltd. ("Founder Electronics"), a wholly-owned subsidiary of the Company, being registered as a Key Software Enterprise, is granted a tax concession to pay PRC corporate income tax at a preferential rate of 10% on its assessable profits.

The share of tax attributable to associates amounting to approximately HK$1,515,000 (six months ended 30 June 2010: HK$550,000) is included in "Share of profits and losses of associates" in the condensed consolidated income statement.

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent of approximately HK$24,225,000 (six months ended 30 June 2010: loss of HK$951,000), and the weighted average number of ordinary shares of approximately 1,130,300,000 (six months ended 30 June 2010: 1,130,300,000) in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 2011 and 2010 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

8. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade and bills receivables are settled in accordance with the terms of the respective contracts. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2011 (Unaudited) ***HK$'000***	31 December 2010 (Audited) *HK$'000*
Within 6 months	**203,696**	265,461
6 to 12 months	**27,195**	15,131
Over 12 months	**10,811**	9,953
	241,702	290,545

Included in the Group's trade and bills receivables are amounts due from the Group's related companies and associates of approximately HK$49,119,000 (31 December 2010: HK$5,408,000) and HK$21,448,000 (31 December 2010: HK$85,614,000), respectively, which are repayable on similar credit terms to those offered to the major customers of the Group.

9. TRADE AND BILLS PAYABLES

An aged analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2011 (Unaudited) ***HK$'000***	31 December 2010 (Audited) *HK$'000*
Within 6 months	**79,113**	206,281
6 to 12 months	**8,912**	7,292
12 to 24 months	**5,666**	1,467
Over 24 months	**2,493**	2,536
	96,184	217,576

Included in the Group's trade and bills payables are amounts due to the Group's related companies and associates of approximately HK$4,984,000 (31 December 2010: HK$1,514,000) and HK$4,001,000 (31 December 2010: Nil), respectively, which are repayable on similar credit terms to those offered by the related companies and associates to their major customers.

The trade payables are non-interest-bearing and are normally settled on terms of 15 to 90 days.

10. INTEREST-BEARING BANK BORROWINGS

On 12 May 2010, Founder (Hong Kong) Limited, a wholly-owned subsidiary of the Company, as borrower (the "Borrower"), the Company as guarantor and DBS Bank (Hong Kong) Limited as lender (the "Lender") entered into a facility agreement (the "Facility Agreement"), pursuant to which a banking facility relating to a revolving term loan and credit facility of up to US$5,000,000 (the "Facility") was made available by the Lender to the Borrower on the terms and conditions therein contained. The Facility Agreement imposes a covenant relating to specific performance of the controlling shareholder of the Company.

The Facility Agreement provides that it would constitute an event of default under the Facility Agreement if 北大方正集團有限公司 (Peking University Founder Group Company Limited*) ("Peking Founder"), a substantial shareholder of the Company, holds less than 32% of the shareholding interest in the Company, and in such event (amongst other things) the loans under the Facility may immediately become payable on demand.

As at 30 June 2011, no banking facility was drawn by the Group under the Facility Agreement (31 December 2010: HK$21,798,000).

* *For identification purpose only*

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group achieved encouraging results performance with its continuous effort in streamlining the operation. The Group reported an unaudited consolidated profit attributable to equity holders of the parent for the six months ended 30 June 2011 of HK$24.2 million (six months ended 30 June 2010: loss of HK$1.0 million). The Group recorded a decrease in turnover during the current interim period by approximately 24.4% to HK$761.6 million (six months ended 30 June 2010: HK$1,007.1 million) due to the disposal of 北京方正奧德計算機系統有限公司(Beijing Founder Order Computer Systems Co., Ltd.*) ("Founder Order") in November 2010. The gross profit margin increased from 12.0% for the six months ended 30 June 2010 to 19.8% for the current interim period because Founder Order's systems integration for non-media business had a much lower gross profit margin as compared with that of media business.

Basic and diluted earnings per share attributable to equity holders of the parent for the current interim period were HK2.14 cents (six months ended 30 June 2010: loss of HK0.08 cents).

Operating Review and Prospects

(A) Software development and systems integration for media sector ("Media Business")

The turnover of the Media Business for the current interim period increased by 31.5% to approximately HK$448.4 million (six months ended 30 June 2010: HK$340.9 million) while the segment results recorded a profit of approximately HK$24.9 million (six months ended 30 June 2010: loss of HK$3.0 million).

With the rapid growth and development in printing industry in China under the support by the government, the demand for printing software and systems integration increases accordingly so as to provide high quality and environmental friendly printing products. In addition, under the global change in needs and habit of readers with the rapid development of internet and mobile internet technology, the media industry such as newspaper publishers, television stations put more resources on improving their publishing and broadcasting systems in order to maintain their competitiveness. This leads to the significant improvement in turnover and results of the Media Business during the period under review. The gross profit margin for the Media Business for the current interim period has increased to 32.2% as compared to 29.5% for the six months ended 30 June 2010 as a result of increase in sales of software with higher gross profit margin.

At present, the massive coverage of iPad and iPhone become the important intelligent terminals for customers. After several years of development of digital reporting systems, Founder Electronics has achieved good progress in building up the know-how and technology in this area and therefore enjoyed a commanding position in this industry. Founder Electronics developed solutions of iPad and iPhone such as Founder mobile news release system which includes Back-end content management and distribution systems news system (後端的新聞內容管理和發布系統) and news reader in iPhone/iPad (iPhone/iPad新聞閱讀器) for various newspaper publishers in the PRC. In April 2011, Founder Electronics was awarded by China Unicom as one of their application cooperation partners (集團級行業應用合作夥伴) to promote the application of mobile editing (移動采編應用). In addition, in May 2011, Founder Electronics obtained the special award of China Creative Communication Award in the third China International Forum on Creative Communication (第三屆中國創意傳播國際論壇) jointly organised by 21st Media Advertising Magazine (《21世紀廣告》雙周刊), Advertising College of Communication University of China (中國傳媒大學廣告學院), Advertising Federation of Hong Kong (香港廣告業聯會) and Beijing CBD Chamber of Media Industry (北京CBD傳媒產業商會). In April 2011, one of the patents developed by Founder Electronics was awarded as Chinese Outstanding Patented Invention in Beijing (北京市發明專利獎) by the government in Beijing. In March 2011, Founder Electronics obtained the special honors of Radio and Television Technology Innovation Award 2010 (2010廣播電視科技創新獎) by China Radio and TV Equipment Industry Association (中國廣播電視設備工業協會).

The Group's self-developed and advanced technology computer-to-plate ("CTP") product, Founder DiaoLong (方正雕龍), has received encouraging support and strong demand from both domestic and overseas markets since 2007. The development of the CTP product has enabled the Group to integrate vertically as a software and hardware developer and horizontally as a system integrator and service provider. In June 2011, Founder Electronics entered into sales contract with People's Daily Printing Investment Group Co., Ltd. (人民日報社中閩印務投資集團有限公司) for the sales of CTP systems to the printing centres of People's Daily China News in various cities after the installation of CTP systems for their printing centres in Xian, Wuhan, Fuzhou, Nanjing and Qingdao in 2010.

Founder Electronics obtained the special honours of "Key Software Enterprise in National Plan Department of 2010" (2010年度國家規劃布局內重點軟件企業) and a preferential income tax concession pursuant to the certification as a major new and high technology enterprise (重點高新技術企業). Founder Electronics has obtained this special honours for three consecutive years since 2008 showing its competitiveness and innovative position in the market.

(B) Software development and systems integration for non-media sector ("Non-Media Business")

The turnover of the Non-Media Business for the current interim period decreased by 53.0% to approximately HK$313.1 million (six months ended 30 June 2010: HK$666.1 million) while its segment results has recorded a profit of approximately HK$5.1 million (six months ended 30 June 2010: HK$2.0 million).

The major products provided by the Non-Media Business include various information products such as servers, storage devices and workstations of a number of internationally famed and branded information products manufacturers such as HP, Cisco and Hitachi. The decrease in segment revenue was mainly due to the disposal of Founder Order which was engaged in the Non-Media Business in the PRC in November 2010.

PROSPECTS

To deal with the business growth, the management will closely monitor changes in China's economy and its IT market. The Group will continue the development of innovative solutions and provide our customers with more cost-effective products and solutions to meet our customers' demands for enhancing their competitiveness. In addition, the Group will closely monitor the performance of each business sector to achieve effective cost control and maximise shareholders' value.

EMPLOYEES

The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance.

The Group operates share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The Group had not granted any share options to its eligible directors and employees during the current period.

At 30 June 2011, the number of employees of the Group was approximately 1,339 (31 December 2010: 1,373).

FINANCIAL REVIEW

Liquidity, financial resources and capital commitments

During the current interim period, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in Hong Kong and the PRC. As at 30 June 2011, the Group had interest-bearing bank borrowings of HK$100.3 million (31 December 2010: HK$157.3 million) which are floating interest bearing. The bank borrowings were denominated in Hong Kong Dollars ("HKD"), Renminbi ("RMB") and United States Dollars ("U.S. dollars"), and were repayable within one year. The Group's banking facilities were secured by corporate guarantees given by the Company and Peking Founder, the Government of the Hong Kong Special Administrative Region under the SME Loan Guarantee Scheme, certain of the Group's land and buildings, investment properties and bank deposits. At 30 June 2011, the Group recorded total assets of HK$1,093.4 million which were financed by liabilities of HK$472.2 million, non-controlling interests of HK$0.9 million and equity of HK$620.3 million. The Group's net asset value per share as at 30 June 2011 amounted to HK$0.55 (31 December 2010: HK$0.52).

The Group had total cash and bank balances of HK$285.5 million as at 30 June 2011 (31 December 2010: HK$306.2 million). After deducting total bank borrowings of HK$100.3 million (31 December 2010: HK$157.3 million), the Group recorded net cash and bank balances of HK$185.2 million as at 30 June 2011 as compared to HK$148.9 million as at 31 December 2010. The Group's borrowings, which are subject to little seasonality, consist of mainly short term bank loans and trust receipt loans. As at 30 June 2011, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.16 (31 December 2010: 0.27) while the Group's current ratio was 1.65 (31 December 2010: 1.39).

At 30 June 2011, the Group did not have any material capital expenditure commitments.

Treasury policies

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are held mainly in HKD, RMB and U.S. dollars. Surplus cash is generally placed in short term deposits denominated in HKD, RMB and U.S. dollars.

Exposure to fluctuations in exchange rates and related hedges

The Group operates mainly in Hong Kong and Mainland China. For the operations in Hong Kong, most of the transactions are denominated in HKD and U.S. dollars. The exchange rate of U.S. dollars against HKD is relatively stable and the related currency exchange risk is considered minimal. For the operations in Mainland China, most of the transactions are denominated in RMB. Given the appreciation of RMB against HKD during the period under review, no financial instrument was used for hedging purposes. It is expected that the appreciation of RMB would have a favourable impact on the Group.

Contracts

At 30 June 2011, the major contracts in hand for the software development and systems integration business amounted to approximately HK$502.1 million (31 December 2010: HK$308.7 million), which are all expected to be completed within one year time.

Material acquisitions and disposals of subsidiaries and associates

The Group had no material acquisition or disposals of subsidiaries and associates during the six months ended 30 June 2011.

Charges on assets

At 30 June 2011, the Group's land and buildings in Hong Kong of approximately HK$41.7 million, investment properties of approximately HK$38.3 million and bank deposits of approximately HK$11.9 million were pledged to banks to secure banking facilities granted.

Future plans for material investments or capital assets

The Group did not have any future plans for material investments or capital assets as at 30 June 2011.

Contingent liabilities

At 30 June 2011, the Group did not have any significant contingent liabilities.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information which would reasonably indicate that the Company has not, throughout the six months ended 30 June 2011, complied with the code provisions of the Code of Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a model code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions as set out in Appendix 10 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's condensed consolidated interim financial statements for the six months ended 30 June 2011, including the accounting principles adopted by the Group, with the Company's management.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The 2011 interim report of the Company containing all the information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders of the Company and published on The Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk) and the Company's website (www.irasia.com/listco/hk/founder) in due course.

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

Hong Kong
26 August 2011

As at the date of this announcement, the board of directors of the Company comprises 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 identification purpose only*