
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 **Founder Holdings 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



- (1) MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF THE ENTIRE SHAREHOLDING IN
EC-FOUNDER (HOLDINGS) COMPANY LIMITED;**
**(2) CONTINUING CONNECTED TRANSACTIONS:
THE MASTER HP AGREEMENT; AND**
(3) PROPOSED RE-ELECTION OF DIRECTOR

**Independent Financial Adviser to the Independent Director and
the Independent Shareholders**



China Everbright Capital Limited

A letter from the board of directors of Founder Holdings Limited is set out on pages 5 to 14 of this circular. A letter from the Independent Director (as defined herein) of the Company is set out on pages 15 to 16 of this circular. A letter from China Everbright Capital Limited containing its advice to the Independent Director and the Independent Shareholders is set out on pages 17 to 30 of this circular.

A notice convening the special general meeting to be held at 10:00 a.m. on Tuesday, 11 October 2011 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 39 to 40 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 Founder Holdings 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.

* For identification purpose only

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DEFINITIONS

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

“Announcement”	the announcement made by the Company dated 29 August 2011;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	means a day when banks are open for business in Hong Kong which excludes Saturdays;
“Company”	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 (Stock Code: 00418);
“Completion”	the completion of the Disposal;
“Completion Date”	the first Business Day immediately after two calendar months from the date that all Conditions Precedent are fulfilled or waived pursuant to the Disposal Agreement or such later date as the Company and Founder Information may agree in writing;
“Conditions Precedent”	the conditions precedent to the Disposal as provided under the Disposal Agreement;
“Consideration”	the aggregate consideration for the Disposal under the Disposal Agreement, being approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for disposal of the Company’s shareholding interests in EC-Founder and HK\$5.4 million is the consideration for disposal of the Loan;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

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“Disposal”	means (i) the disposal by the Company and the purchase by Founder Information of the Company’s entire shareholding interests in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the disposal by Founder HK and the purchase by Founder Information of the Loan pursuant to the Disposal Agreement;
“Disposal Agreement”	the conditional sale and purchase agreement entered into between the Company and Founder Information dated 29 August 2011 in relation to the Disposal;
“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 (Stock Code: 00618);
“EC-Founder Group”	EC-Founder and its subsidiaries;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (or any delegate of the Executive Director);
“Founder HK”	Founder (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Founder Information”	Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Peking Founder;
“Group”	the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“HP”	Hewlett-Packard AP (Hong Kong) Limited;
“HP Product”	the products which HP has authorized the Group to distribute (including but not limited to hardware, software, upgrade service, renewal program, supporting program, maintenance program and custom made products) and the service provided by HP (such as hardware maintenance and warranty, software upgrade and warranty, installation and training);

DEFINITIONS

“Independent Director”	Mr Fung Man Yin Sammy, an independent non-executive Director, who was appointed for the purpose of considering the terms of (i) the Disposal Agreement; and (ii) the Master HP 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 Peking Founder and its associates;
“IFA” or “China Everbright”	China Everbright Capital 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 Director and the Independent Shareholders in relation to (i) the Disposal Agreement and (ii) the Master HP Agreement and its annual caps;
“Latest Practicable Date”	15 September 2011, 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;
“Loan”	the amount of loan of HK\$5.4 million due and owing by EC-Founder to Founder HK as at the date of the Disposal Agreement which is unpaid, unsecured, interest-free and repayable on demand;
“Master HP Agreement”	the agreement entered into between the Company and EC-Founder on 29 August 2011 in relation to the sales of the HP Products by the Group to EC-Founder Group;
“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 and 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;

DEFINITIONS

“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and approve (among other things), if thought fit, the Disposal Agreement, the Disposal, the Master HP Agreement and its annual caps and the re-election of the retiring Director;
“Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.1 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;
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong;
“USD”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

For illustrative purpose only, HK\$ is converted into USD at an exchange rate of USD1 = HK\$7.7859 in this circular.

* *For identification purpose only*

LETTER FROM THE BOARD



FOUNDER HOLDINGS LIMITED
方正控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

Executive Directors:

Mr Zhang Zhao Dong (*Chairman*)
Professor Xiao Jian Guo (*Deputy Chairman*)
Mr Liu Xiao Kun (*President*)
Professor Wei Xin
Mr Chen Geng
Mr Xie Ke Hai

Independent non-executive Directors:

Mr Li Fat Chung
Ms Wong Lam Kit Yee
Mr Fung Man Yin Sammy

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

20 September 2011

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF THE ENTIRE SHAREHOLDING IN
EC-FOUNDER (HOLDINGS) COMPANY LIMITED;
(2) CONTINUING CONNECTED TRANSACTIONS:
THE MASTER HP AGREEMENT; AND
(3) PROPOSED RE-ELECTION OF DIRECTOR**

1. INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the transactions contemplated under the Disposal Agreement and the Master HP Agreement.

The purpose of this circular is to provide you with further details of the Disposal Agreement, the Master HP Agreement and the re-election of Mr Fung Man Yin Sammy as an independent non-executive Director, the letter of advice from the Independent Director, the letter of advice from the IFA and the notice of SGM.

LETTER FROM THE BOARD

2. THE DISPOSAL AGREEMENT

Introduction:

On 29 August 2011, the Company entered into the Disposal Agreement with Founder Information, pursuant to which (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase, the Company's entire shareholding interests in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell and Founder Information conditionally agrees to purchase, the Loan, for the Consideration of approximately HK\$114.1 million. Upon Completion, the Group will cease to hold any shareholding interests in EC-Founder.

Date:

29 August 2011

Parties:

- (1) the Company as vendor; and
- (2) Founder Information as purchaser.

As at the Latest Practicable Date, Peking Founder, the controlling shareholder of the Company, held 367,179,610 ordinary shares of the Company, representing approximately 32.49% of the total issued share capital of the Company. As Founder Information is a subsidiary of Peking Founder, Founder Information is a connected person of the Company under the Listing Rules.

Assets to be disposed:

Pursuant to the Disposal Agreement, (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase the Company's entire shareholding in EC-Founder of 363,265,000 shares, representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell, and Founder Information conditionally agrees to purchase the Loan. The Consideration is approximately HK\$114.1 million.

Conditions Precedent as contemplated under the Disposal Agreement:

Completion of the Disposal as contemplated under the Disposal Agreement is subject to and conditional upon the fulfillment or otherwise waiver of, among other things, the following Conditions Precedent on or before 31 December 2011 (or such other date as the parties to the Disposal Agreement may agree in writing):

- (a) the passing of a resolution of the board of directors of Peking Founder approving the Disposal and all other documents and transactions incidental to and as contemplated under the Disposal Agreement;

LETTER FROM THE BOARD

- (b) the passing of a resolution of the board of directors of Founder Information approving the Disposal and all other documents and transactions incidental to and as contemplated under the Disposal Agreement;
- (c) the passing of a resolution of the board of directors of Founder HK approving the disposal of the Loan and all other documents and transactions incidental thereto; and
- (d) to the extent required by the Listing Rules, the passing of all necessary resolutions by the Independent Shareholders at the SGM by poll, approving the transactions contemplated under the Disposal Agreement.

Founder Information and the Company may, together in writing, at any time relinquish or waive the fulfilment of (all or part of) the Conditions Precedent set out in paragraphs (a) to (c) above. The Conditions Precedent set out in paragraph (d) above shall not be relinquished or waived in any event. As at the Latest Practicable Date, all the Conditions Precedent, except for paragraph (d) set out above, have been fulfilled.

In the event that not all of the Conditions Precedent have been fulfilled or waived on or before 31 December 2011 (or such later date as agreed in writing between the parties to the Disposal Agreement), the Disposal Agreement and the transactions as contemplated thereunder shall be forthwith terminated and be of no effect.

Completion:

Subject to fulfillment or waiver (if applicable) of the Conditions Precedent to the Disposal Agreement, Completion shall take place on Completion Date.

Consideration:

The Consideration for the Disposal is approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for disposal of the Company's entire shareholding interests in EC-Founder and HK\$5.4 million is the consideration for the disposal of the Loan. The Consideration has been arrived at after arm's length negotiations between the Company and Founder Information after taking into account various relevant factors including (i) the closing price of the shares of EC-Founder on the date of signing the Disposal Agreement; (ii) the average closing price of the shares in EC-Founder on the Stock Exchange in the five trading days immediately prior to the signing of the Disposal Agreement; and (iii) the amount of the Loan. The average consideration for the disposal of each share in EC-Founder is finally determined at a premium of approximately 5% over the closing price of HK\$0.285 per each share in EC-Founder as quoted on the Stock Exchange on the date of the Disposal Agreement (i.e. 29 August 2011).

The Consideration payable by Founder Information to the Company for the Disposal shall be satisfied entirely by cash, which shall be payable upon Completion.

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Reasons for and benefits of the disposal:

The Group is principally engaged in software development and the provision of systems integration services relating to the media and non-media industries including financial institutions, enterprises and government departments.

EC-Founder Group is principally engaged in distribution of information products in Hong Kong and in the PRC.

As the profit margin attributable to the software development business of the Group is higher than the profit margin attributable to the distribution of information products business of EC-Founder Group, the Directors consider that the Group should focus on its expertise in software development and provision of systems integration services relating to the media and non-media industries whereas EC-Founder Group should continue to focus on its distribution of information products in Hong Kong and the PRC. The Directors believe that the current market price of the Company's shares does not fully reflect the intrinsic value of the Group's interest in EC-Founder and that EC-Founder's financial results may have an adverse effect on the Group's financial results due to the existing vertical corporate shareholding structure. By unlocking this existing structure, the undesirable effect on the Company's share price will be eliminated. More importantly, the Board believe that the simplified horizontal corporate shareholding structure will provide greater clarity to the shareholders and the market with regard to the principal business of each of the Company and EC-Founder and will potentially enhance investors' interest in the Company and/or EC-Founder and as a result, may improve liquidity in the Company's shares. Through reorganizing the existing vertical shareholding structure, the Directors believe that the Company may find it easier to attract strategic investors' attention in the Group's business.

As a result of the Disposal, the Directors expect that the Group will record an unaudited gain from the Disposal of approximately HK\$7.7 million. The gain from the Disposal is determined by taking into account the net asset value of EC-Founder and goodwill on acquisition of EC-Founder in the Company's audited financial statements as at 31 December 2010.

Proceeds from the Disposal will be used by the Group for the general working capital purposes.

Currently, the Company owns 363,265,000 shares in EC-Founder, representing approximately 32.84% of the total issued shares of EC-Founder. After Completion, the Company will no longer have any shareholding interests in EC-Founder.

In view of the above and having considered the terms of the Disposal Agreement, the Directors consider that the Disposal is (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; (iii) fair and reasonable so far as the Independent Shareholders are concerned; and (iv) in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

Information on Founder Information and the Peking Founder Group:

As of the Latest Practicable Date, Founder Information is a subsidiary of Peking Founder, which is the controlling shareholder of the Company with a shareholding interest of approximately 32.49% in the Company. Peking Founder Group is principally engaged in securities trading and brokerage; the information technology industry, including software and system development for the publishing sector and various government bureaus and financial institutions and hardware manufacturing for personal computers, chips, circuit boards and other terminal equipment; and healthcare and pharmaceutical industry, including hospitals, pharmaceuticals, logistics, equipment leasing and hospital management.

Information on EC-Founder:

EC-Founder is an investment holding company whose subsidiaries are principally engaged in the distribution of information products in Hong Kong and the PRC.

The summary financial information of EC-Founder Group for the two years ended 31 December 2010, prepared in accordance with Hong Kong Financial Reporting Standards, is set out as follows:

	Year ended 31 December 2010 Audited HK\$'000	Year ended 31 December 2009 Audited HK\$'000
Net profit before taxation	16,661	34,753
Net profit after taxation	15,763	33,325

EC-Founder's audited net asset value amounted to approximately HK\$348 million as at 31 December 2010. The consideration per share in EC-Founder disposed by the Company represents a discount of approximately 4.9% over EC-Founder's audited net assets value per share of approximately HK\$0.315 as at 31 December 2010.

Listing Rules Implications:

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are 25% or more but less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules and consequently is subject to notification, publication, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as at the Latest Practicable Date, Peking Founder is the controlling shareholder of the Company with a shareholding interest of approximately 32.49% in the Company. As Founder Information is a subsidiary of Peking Founder, Founder Information is a connected person of the Company under the Listing Rules. Accordingly, the Disposal

LETTER FROM THE BOARD

constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Takeovers Code Implications for the Disposal:

The Executive has granted a waiver to waive any obligation to make a mandatory general offer for all the shares in EC-Founder which may otherwise arise as a result of the Disposal under Rule 26 of the Takeovers Code. In connection with the application of such waiver, Peking Founder has provided a voluntary undertaking to the Executive that during a period of twelve months commencing from Completion, Peking Founder shall not:

- (1) and shall procure that its associates (as defined in the Takeovers Code) shall not, acquire any further interest in the Company to the extent that such acquisition of interests shall trigger off a general offer obligation on the part of Peking Founder under Rule 26.1 of the Takeovers Code; or
- (2) dispose of, nor enter into any agreement to dispose of any of its interests in the Company to any independent third party if, immediately following such disposal, the independent third party or any party acting in concert with it (as defined in the Takeovers Code) shall trigger off a general offer obligation under Rule 26.1 of the Takeovers Code.

The non-disposal undertaking in paragraph (2) above shall not apply to any disposal of interest in the Company by Peking Founder to any of the directly or indirectly wholly-owned subsidiaries of Peking Founder.

3. MASTER HP AGREEMENT

Introduction:

The Directors noted that the Group has been supplying the HP Products to EC-Founder Group in the ordinary course of business and on normal commercial terms on an ongoing basis.

After Completion, EC-Founder will become an associate of Peking Founder and therefore, a connected person of the Company. Therefore, the ongoing sales and purchases of the HP Products between the Group and EC-Founder Group will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In light of the above, the Master HP Agreement has been entered into between the Company and EC-Founder on 29 August 2011 in order to govern and specify the terms adopted and the annual caps for the total amount of the aforesaid ongoing transactions for the three years ending 31 December 2013.

LETTER FROM THE BOARD

Terms:

Pursuant to the Master HP Agreement, the Group shall sell the HP Products to EC-Founder Group at the price based on the rack rate payable by the Group to HP, exclusive of any freight charges and tax payable, plus a commission at 0.3% which is determined with reference to the level of the historical administrative expenses and financial costs that were actually incurred. Further, EC-Founder Group should bear all the freight charges, taxes and other relevant expenses in relation to the HP Products which the Group purchased from HP. The Master HP Agreement is effective upon the occurrence of any one of the following events:

- (1) (i) Completion; and (ii) the approval of the Master HP Agreement and its annual caps by the Independent Shareholders at the SGM and the approval of the Master HP Agreement and its annual caps by EC-Founder's independent shareholders at the special general meeting of EC-Founder; or
- (2) if Completion does not take place on or before 31 December 2011 (or such later date as agreed in writing between the parties to the Disposal Agreement), the approval of the Master HP Agreement and its annual caps by EC-Founder's independent shareholders at the special general meeting of EC-Founder.

Historical Values and Annual Caps:

The proposed annual caps for the Master HP Agreement are determined based on the Company's estimation of the sales for the three years ending 31 December 2013 with reference to the historical sales pattern for the two financial years ended 31 December 2010 and the sales for the six months ended 30 June 2011.

Historical values and annual caps:

	Year ended 31 December 2009 USD million	Year ended 31 December 2010 USD million	Six months ended 30 June 2011 USD million	Year ending 31 December 2011 USD million	Year ending 31 December 2012 USD million	Year ending 31 December 2013 USD million
Actual sales	23	53	17	N/A	N/A	N/A
Annual caps	N/A	N/A	N/A	44	48	53

EC-Founder Group has been purchasing the HP Products from the Group for use in its operation and business.

Reasons for and benefits of Master HP Agreement:

The Group is principally engaged in software development and the provision of systems integration services relating to the media and non-media industries including financial institutions, enterprises and government departments.

LETTER FROM THE BOARD

As a result of negotiations among HP, the Company and EC-Founder, the Company entered into an agreement with HP in January 2009 pursuant to which the Company is appointed as an authorized, non-exclusive reseller for the HP Products in the PRC. EC-Founder Group will continue to purchase the HP Products from the Group under the Master HP Agreement.

The Directors believe that having a long-term customer such as EC-Founder can effectively enhance the Group's financial performance. The Directors also consider that the entering into the Master HP Agreement is (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; (iii) fair and reasonable so far as the Independent Shareholders are concerned; and (iv) in the interests of the Company and its shareholders as a whole.

Listing Rules Requirements:

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules for the Master HP Agreement are 5% or more and the annual caps exceed HK\$10,000,000, the entering into the Master HP Agreement and the transactions contemplated thereunder by the Company constitute non-exempt continuing connected transactions for the Company under Rules 14A.16(5) and 14A.17 of the Listing Rules and are subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.41 and 14A.45 to 14A.47 of the Listing Rules. In addition, the Master HP Agreement and its annual caps are subject to the approval by the Independent Shareholders by way of poll at the SGM pursuant to Rules 14A.17 and 14A.52 of the Listing Rules. Peking Founder and its associates shall abstain from voting at the SGM in respect of the resolution to approve the Master HP Agreement and its annual caps.

4. RE-ELECTION OF THE RETIRING DIRECTOR

Reference is made to the announcement of the Company dated 29 June 2011 in relation to, among other matters, the appointment of Mr Fung Man Yin Sammy ("Mr Fung") as an independent non-executive Director. In accordance with paragraph A4.2 of Appendix 14 to the Listing Rules, Mr Fung will retire as the Director at the SGM and, being eligible, offer himself for re-election. Resolution for re-electing Mr Fung will be proposed at the SGM. Biographical details of Mr Fung are set out in the paragraph headed "Details of the Director proposed for re-election" in Appendix III to this circular.

5. SGM

A notice convening the SGM to be held at 10:00 a.m. on Tuesday, 11 October 2011 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 39 to 40 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolutions in relation to (i) the Disposal Agreement; (ii) the Master HP Agreement and its annual caps; and (iii) re-election of the retiring Director.

The ordinary resolutions to be proposed at the SGM will be determined by way of poll by the Shareholders. Any shareholder with a material interest in the Disposal Agreement and/or the Master HP Agreement and his/her/its associates will abstain from voting on the

LETTER FROM THE BOARD

relevant resolutions. Accordingly, Peking Founder and its associates who altogether held 367,179,610 issued shares of the Company and controlled the voting rights of such shares, representing approximately 32.49% 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 resolutions in relation to the Disposal Agreement and Master HP Agreement.

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.

6. RECOMMENDATION

The Independent Director, namely Mr Fung Man Yin Sammy, has been appointed to advise the Independent Shareholders in connection with the terms of the transactions contemplated under the Disposal Agreement and the Master HP Agreement (including the proposed annual caps for the three years ending 31 December 2013).

China Everbright has been appointed to advise the Independent Director and the Independent Shareholders on the Disposal Agreement and the Master HP Agreement (including the proposed annual caps for the three years ending 31 December 2013).

Except for (i) Mr Zhang Zhao Dong, Mr Chen Geng, Mr Xie Ke Hai, Mr Li Fat Chung and Ms Wong Lam Kit Yee are directors of EC-Founder; (ii) Mr Zhang Zhao Dong, Professor Xiao Jian Guo and Professor Wei Xin are the directors of Peking Founder; and (iii) being Directors and their respective interest in shares and share option in the Company and its associated corporation as disclosed in Appendix II of this circular, the Directors do not have material interest in the Disposal Agreement and the Master HP Agreement.

As Mr Zhang Zhao Dong, Professor Xiao Jian Guo and Professor Wei Xin are directors of Peking Founder, they have abstained from voting on the board resolution approving the Disposal Agreement. On the other hand, as Mr Zhang Zhao Dong, Mr Chen Geng and Mr Xie Ke Hai are executive directors of EC-Founder and Mr Li Fat Chung and Ms Wong Lam Kit Yee are independent non-executive directors of EC-Founder, they have abstained from voting on the board resolution approving the Master HP Agreement.

The Independent Director, having taken into account the advice of the IFA, is of the view that the transactions contemplated under the Disposal Agreement and the Master HP Agreement are on normal commercial terms, the terms of the transactions contemplated under the Disposal Agreement and the Master HP Agreement and the proposed annual caps for the three years ending 31 December 2013 for the Master HP Agreement 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.

LETTER FROM THE BOARD

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

The Directors also consider that the proposal for the re-election of the retiring Director are in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favour of the relevant resolution to the proposal for re-electing the retiring Director.

7. GENERAL

Your attention is also drawn to the letter from the Independent Director, the letter from China Everbright Capital Limited and the additional information set out in the appendices to this circular and the notice of SGM.

Yours faithfully,
For and on behalf of the Board
Founder Holdings Limited
Zhang Zhao Dong
Chairman

* *For identification purpose only*

LETTER FROM THE INDEPENDENT DIRECTOR



(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

20 September 2011

To the Independent Shareholders

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF THE ENTIRE SHAREHOLDING IN
EC-FOUNDER (HOLDINGS) COMPANY LIMITED; AND
(2) CONTINUING CONNECTED TRANSACTIONS:
THE MASTER HP AGREEMENT**

I refer to the circular dated 20 September 2011 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.

I have been appointed as the Independent Director to consider the Disposal Agreement and the Master HP Agreement (including the proposed annual caps for the three years ending 31 December 2013) 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 Disposal Agreement and the Master HP Agreement and to recommend how the Independent Shareholders should vote at the SGM. China Everbright has been appointed to advise me, the Independent Director, in relation to the Disposal Agreement and the Master HP Agreement (including the proposed annual caps for the three years ending 31 December 2013).

I wish to draw your attention to the letter from the Board, as set out on pages 5 to 14 of the Circular, and the letter from the IFA to the Independent Director containing its advice in respect of the Disposal Agreement and the Master HP Agreement (including the proposed annual caps for the three years ending 31 December 2013), as set out on pages 17 to 30 of the Circular.

Having taken into account of the principal factors and reasons considered by the IFA and its conclusion and advice, I consider that transactions contemplated under the Disposal Agreement and the Master HP Agreement are on normal commercial terms, the terms of the transactions contemplated under the Disposal Agreement and the Master HP Agreement and the proposed annual caps for the three years ending 31 December 2013 for the Master HP Agreement 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, I recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be

LETTER FROM THE INDEPENDENT DIRECTOR

proposed at the SGM to approve the transactions contemplated under the Disposal Agreement, the Master HP Agreement and the proposed annual caps of such transactions for the three years ending 31 December 2013 for the Master HP Agreement.

Yours faithfully,
Independent Director
Fung Man Yin Sammy
Independent non-executive Director

* *For identification purpose only*

LETTER FROM CHINA EVERBRIGHT CAPITAL LIMITED

The following is the text of the “Letter from China Everbright Capital Limited” to the Independent Director and the Independent Shareholders prepared for the purpose of inclusion in this circular.



20 September 2011

*To the Independent Director and
the Independent Shareholders of Founder Holdings Limited*

Dear Sirs,

**(1) MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF THE ENTIRE SHAREHOLDING IN
EC-FOUNDER (HOLDINGS) COMPANY LIMITED; AND
(2) CONTINUING CONNECTED TRANSACTIONS:
THE MASTER HP AGREEMENT**

INTRODUCTION

We refer to our engagement as the independent financial adviser to make recommendations to the Independent Director and the Independent Shareholders in relation to the transactions (“**Transactions**”) contemplated under the Disposal Agreement and the Master HP Agreement, details of which are set out in the letter from the Board (“**Letter from the Board**”) contained in the circular to the Shareholders dated 20 September 2011 (“**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As set out in the Letter from the Board and pursuant to the Disposal Agreement, (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase, the Company’s entire shareholding interests in EC-Founder of 363,265,000 shares (“**Disposal Shares**”), representing approximately 32.84% of the issued share capital of EC-Founder; and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell, and Founder Information conditionally agrees to purchase, the Loan for an aggregate consideration of approximately HK\$114.1 million. Upon Completion, the Group will cease to hold any shareholding interests in EC-Founder. In addition, the Master HP Agreement has been entered into between the Company and EC-Founder, which will become an associate of Peking Founder and therefore a connected person of the Company under the Listing Rules upon the Completion, on 29 August 2011 in order to govern and specify the terms adopted and the annual caps (“**Annual Caps**”) for the total amount of the continuing connected transactions (“**Continuing Connected Transactions**”) in relation to the supply of HP Products by the Group to EC-Founder Group for the three years ending 31 December 2013.

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Peking Founder is the controlling shareholder of the Company with a shareholding interest of approximately 32.49% in the Company. Founder Information is a subsidiary of Peking Founder and therefore is a connected person of the Company under the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as the applicable percentage ratios in respect of the Annual Caps are more than 5% and the maximum annual values of the Continuing Connected Transactions are more than HK\$10 million, the Master HP Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As Mr Li Fat Chung and Ms Wong Lam Kit Yee, being two independent non-executive Directors, are also the independent non-executive directors of EC-Founder, it was decided that they should not be appointed as members of the independent board committee in order to avoid any perceived conflict of interest. Mr Fung Man Yin Sammy, being the remaining independent non-executive Director, has been appointed as the Independent Director to consider whether (i) the terms of the Disposal Agreement and the Master HP Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) the Disposal and the Continuing Connected Transactions, including the Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to make recommendations to the Independent Shareholders in respect thereof. We, China Everbright Capital Limited, have been appointed as the independent financial adviser to advise the Independent Director and the Independent Shareholders in this regard.

Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees and benefits from the Group, EC-Founder Group or any of their respective associates. We are independent from and not connected with the Group and EC-Founder Group or any of their respective substantial shareholders, directors or chief executive, or any of their respective associates pursuant to Rule 13.84 of the Listing Rules, and are accordingly qualified to give independent advice to the Independent Director and the Independent Shareholders regarding the Transactions.

BASIS OF OUR OPINION

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management ("**Management**") of the Company and have assumed that such information, facts and opinions are true and accurate. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. However, we have not conducted any independent investigation into the business, operations or financial condition of the Group and EC-Founder Group. We have assumed that all statements and representations made or referred to in the Circular were accurate at the time when they were made and are true at the date of the Circular.

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We consider we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our views on the Transactions, we have taken into consideration the principal factors and reasons as set out below. In reaching our conclusion, we have considered the results of the analysis in light of each other and ultimately reached our opinion based on the results of all analysis taken as a whole.

(I) The Disposal

(A) *Background of and reasons for the Disposal*

(1) *The business of the Group and its relationship with EC-Founder Group*

The Group is principally engaged in software development and the provision of systems integration services relating to the media and non-media industries including financial institutions, enterprises and government departments.

As stated in the interim result announcement (“**2011 Interim Result Announcement**”) of the Group for the first half of 2011, it 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). In addition, we noted that the improvement in the Group’s profitability was mainly attributable to the growth of its software development and systems integration for media sector (“**Media Business**”). According to the 2011 Interim Result Announcement, the revenue 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).

The Company is the single largest shareholder of EC-Founder, and owned 363,265,000 shares in EC-Founder, representing approximately 32.84% of the total issued shares of EC-Founder as at the Latest Practicable Date. However, EC-Founder is treated as an associated company of the Company and is accounted for in the consolidated financial statements of the Group using equity method. During the first half of 2011, the share of profits and losses of associates of the Group amounted to HK\$16,000, down from HK\$919,000 during the same period of 2010.

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(2) *The business and financial performance of EC-Founder Group*

EC-Founder Group is principally engaged in distribution of information products, such as servers, printers, switches, networking products, storage devices, workstations, mobile phones and optical screen products of a number of internationally famed and branded information products manufacturers such as HP, H3C, Apple, CommScope, Barco, Brocade, Hitachi, Epson and Iomega, in Hong Kong and in the PRC. Set out below is the summary of financial performance of EC-Founder Group during (i) the two years ended 31 December 2010; and (ii) the first half of 2010 and 2011:

	During the year ended 31 December		During the six months ended 30 June	
	2009	2010	2010	2011
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3,812,755	4,649,269	2,090,516	2,522,773
Cost of sales	<u>(3,635,616)</u>	<u>(4,447,101)</u>	<u>(1,998,961)</u>	<u>(2,387,970)</u>
Gross profit	177,139	202,168	91,555	134,803
Other income and gains	9,262	12,127	4,304	10,467
Selling and distribution costs	(106,882)	(110,624)	(51,710)	(67,817)
Administrative expenses	(61,035)	(76,079)	(34,554)	(56,234)
Other operating income/ (expenses), net	5,402	(9,370)	(3,377)	362
Finance costs	(1,986)	(3,718)	(1,677)	(14,268)
Share of profit and losses of associates	<u>12,853</u>	<u>2,157</u>	<u>(589)</u>	<u>(4,526)</u>
Profit before tax	34,753	16,661	3,952	2,787
Income tax expense	<u>(1,428)</u>	<u>(898)</u>	<u>(1,675)</u>	<u>(4,614)</u>
Profit/(loss) for the year/ period	<u><u>33,325</u></u>	<u><u>15,763</u></u>	<u><u>2,277</u></u>	<u><u>(1,827)</u></u>

As illustrated above, the profitability of EC-Founder Group has declined since 2009 as a result of (i) falling profit margin arising from intense competition in the distribution market; and (ii) increase in selling and distribution costs, administrative expenses and finance costs. After discussion with the Management, we were advised that the competition in distribution market will remain intense and it may continue to affect the operation cost and profitability of EC-Founder Group unfavorably.

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(3) Benefits arising from the Disposal

As stated in the Letter from the Board, the consideration for the Disposal is approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for the Disposal Shares and HK\$5.4 million is the consideration for the disposal of the same amount of loan due and owing by EC-Founder to Founder HK as at the date of the Disposal Agreement which is unpaid, unsecured, interest-free and repayable on demand. The Management expects that the Group will record an unaudited gain from the Disposal of approximately HK\$7.7 million. The unaudited gain from the Disposal is calculated by taking into account the net asset value of EC-Founder and goodwill on acquisition of EC-Founder in the Company's audited financial statements as at 31 December 2010. Proceeds from the Disposal will be used by the Group for general working capital purposes.

Apart from the economic benefits, the Management considers that the Disposal will provide the Group an opportunity to streamline its business operation and thus improve its overall financial performance by the disposal of an investment with declining financial performance. Therefore, the Group is able to focus on its expertise in software development and provision of systems integration services relating to the media and non-media industries upon the Disposal.

In light of (i) the continuous decline in financial performance of EC-Founder Group since 2009; (ii) the resources alternatively saved to focus on the Group's software development and provision of systems integration services, which have shown substantial improvement since 2010; and (iii) an unaudited gain of approximately HK\$7.7 million arising from the Disposal would be recorded, we concur with the views of the executive Directors that the Disposal (i) provides a good opportunity for the Group to streamline its business operation and realize its investment in EC-Founder Group at a fair value; and (ii) is consistent with the overall corporate strategy of the Company and in the interests of the Company and the Independent Shareholders as a whole.

(B) Major terms of the Disposal Agreement

(1) Cash consideration under the Disposal Agreement

Pursuant to the Disposal Agreement, (i) the Company conditionally agrees to sell, and Founder Information conditionally agrees to purchase, the Disposal Shares, representing approximately 32.84% of the issued share capital of EC-Founder and (ii) the Company conditionally agrees to procure its wholly-owned subsidiary, Founder HK, to sell, and Founder Information conditionally agrees to purchase, the Loan.

The consideration (“**Consideration**”) for the Disposal is approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for the Disposal Shares and HK\$5.4 million is the consideration for the disposal

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of the same amount of loan due and owing by EC-Founder to Founder HK as at the date of the Disposal Agreement which is unpaid, unsecured, interest-free and repayable on demand.

The Consideration payable by Founder Information for the Disposal shall be satisfied entirely by cash, which shall be payable upon Completion.

(2) *Basis of determination*

As stated in the Letter from the Board, the Consideration has been arrived at after arm's length negotiations between the Company and Founder Information after taking into account various relevant factors including (i) the closing price of the shares of EC-Founder on the date of signing the Disposal Agreement; (ii) the average closing price of the shares in EC-Founder on the Stock Exchange in the five trading days immediately prior to the signing of the Disposal Agreement; and (iii) the amount of the Loan.

(3) *Disposal price and comparable analysis*

The Consideration is approximately HK\$114.1 million, of which approximately HK\$108.7 million is the consideration for the Disposal Shares and HK\$5.4 million is the consideration for the disposal of the same amount of loan due and owing by EC-Founder to Founder HK as at the date of the Disposal Agreement which is unpaid, unsecured, interest-free and repayable on demand.

Based on the consideration for the Disposal Shares of HK\$108.7 million and 363,265,000 Disposal Shares, the consideration for each Disposal Share is approximately HK\$0.299 ("**Disposal Price**"), which represents:

- (i) a premium of approximately 4.9% over the closing price of HK\$0.285 per share of EC-Founder ("**EC-Founder Share**") as quoted on the Stock Exchange on 28 August 2011, being the last trading day ("**Last Trading Day**") immediately prior to the date of the Disposal Agreement;
- (ii) a premium of approximately 4.9% over the average of the closing prices of HK\$0.285 per EC-Founder Share for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 6.0% over the average of the closing prices of HK\$0.282 per EC-Founder Share for the 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 0.7% over the average of the closing prices of HK\$0.301 per EC-Founder Share for the 30 consecutive trading days up to and including the Last Trading Day;

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- (v) a discount of approximately 6.6% over the closing prices of HK\$0.32 per EC-Founder Share as quoted on the Stock Exchange as at the Latest Practicable Date; and
- (vi) a discount of approximately 5.1% over the unaudited consolidated net asset value per EC-Founder Share of approximately HK\$0.315 as at 30 June 2011.

For the purpose of assessing the fairness and reasonableness of the Consideration, we have identified two relevant information products distribution companies listed on the Hong Kong Stock Exchange (the “**Comparable Companies**”). These Comparable Companies had over approximately 70% of their revenue derived from the distribution and sales of information products. We consider the list of Comparable Companies an exhaustive list of relevant comparable companies. It should be noted that the businesses, operations and prospects of EC-Founder Group are not exactly the same as those of the Comparable Companies and we have not conducted any in-depth investigation into the businesses and operations of the Comparable Companies. Therefore, the comparisons with the Comparable Companies are only used for illustrative purpose.

Based on the Disposal Price divided by earnings per EC-Founder Share of approximately HK1.43 cents for the year ended 31 December 2010, we calculated the implied price earning ratio (“**PER**”) of the Disposal as of approximately 21.0 times.

We have reviewed and compared the PERs of the Comparable Companies with the implied PER of the Disposal. The valuation multiples of the Comparable Companies have been computed on a historical basis, using the financial data obtained from their respective latest published annual reports, and based on their respective closing prices of shares and numbers of total issued shares as at the Latest Practicable Date.

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Set out below is the PERs of the Comparable Companies:

Company name (Stock code)	Principal activities	Market capitalization (Note)	PER (Times)
VST Holdings Ltd. (Stock code: 856)	Distribution of information technology products and provider of enterprise systems and IT services	Approximately HK\$1,523 million	4.1
Digital China Holdings Ltd. (Stock code: 861)	Sale and distribution of general information technology products and systems products; and provision of information technology services	Approximately HK\$13,214 million	13.1
		The Disposal	21.0

Note: Based on the closing price of the Comparable Companies as at the Latest Practicable Date.

As shown in the above table, the PER of the Comparable Companies ranges from 4.1 times to 13.1 times. The PER implied by the Disposal Price is significantly higher than the range of PER of the Comparable Companies. Therefore, we are of the view that the consideration for the Disposal Shares is fair and reasonable to the Company and the Independent Shareholders as a whole.

(C) Potential financial effect of the Disposal

The Company is the single largest shareholder of EC-Founder, and owned 363,265,000 shares in EC-Founder, representing approximately 32.84% of the total issued shares of EC-Founder as at the Latest Practicable Date. However, EC-Founder is treated as an associated company of the Company and is accounted for in the consolidated financial statements of the Group using equity method. During the first half of 2011, the share of profits and losses of associates of the Group amounted to HK\$16,000, down from HK\$919,000 during the same period of 2011. Upon Completion, the Group will cease to hold any shareholding interests in EC-Founder.

Effect on earning

As stated in the Letter from the Board, the Directors expect that the Group will record a one-off unaudited gain from the Disposal of approximately HK\$7.7 million. The unaudited gain from the Disposal is calculated by taking into account the net asset value of EC-Founder and goodwill on acquisition of EC-Founder in the Company's audited financial statements as at 31 December 2010.

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In light of the continuous decline in financial performance of EC-Founder Group since 2009, the Directors consider that the Disposal will provide the Group an opportunity to streamline its business operation and thus improve its overall financial performance by the disposal of an investment with declining financial performance.

Effect on gearing and working capital

As confirmed by the Directors, the Disposal would not have any adverse impact on the gearing ratio of the Group. As stated in the Letter from the Board, the Company intends to use the sales proceeds from the Disposal of HK\$114.1 million (before expenses) for general working capital purposes. Hence, the working capital of the Group would be enhanced upon Completion.

Effect on net asset value

Given that (i) EC-Founder is treated as an associated company of the Company and is accounted for in the consolidated financial statements of the Group using equity method; and (ii) the Consideration represents a discount of approximately 5.1% over the unaudited consolidated net asset value of EC-Founder Group as at 30 June 2011, the Directors consider that the Disposal would not have any material adverse impact on the net asset value of the Group.

In view of the possible financial effects of the Disposal to the Group as outlined above, we are of the opinion that the Disposal is in the interests of the Company and its Shareholders as a whole.

(II) The Continuing Connected Transactions

(A) Background of and reasons for the Continuing Connected Transactions

As a result of negotiations among HP, the Company and EC-Founder, the Company entered into an agreement with HP in January 2009 pursuant to which the Company was appointed as an authorized, non-exclusive reseller for the HP Products in the PRC. Since June 2009, the Group has been supplying the HP Products to EC-Founder Group in the ordinary course of business and on normal commercial terms on an ongoing basis.

As advised by the Management, the Company was requested by HP as the signing party of the above agreement because the Company is the controlling shareholder of EC-Founder Group.

After Completion, EC-Founder will become an associate of Peking Founder and therefore, a connected person of the Company. Therefore, the ongoing sales of the HP Products by the Group to EC-Founder Group will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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In light of the above, the Master HP Agreement has been entered into between the Company and EC-Founder on 29 August 2011 in order to govern and specify the terms adopted and the annual caps for the total amount of the aforesaid ongoing transactions for the three years ending 31 December 2013.

In addition, the Directors consider that the Continuing Connected Transactions are of the types that are recurring in nature, and are entered into in the ordinary and usual course of business of the Group. Therefore, the Directors consider that it would be: (i) impracticable to negotiate for numerous agreements with EC-Founder Group for the Continuing Connected Transactions; and (ii) too costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from Independent Shareholders, as required by the Listing Rules. Hence, the Directors are of the view that the Master HP Agreement will be beneficial to the Group and the Shareholders as a whole.

Having taken into account of the above, and (i) the transactions contemplated under the Master HP Agreement are in line with the existing business activities of the Group; (ii) the Group has established long-term business relationship with EC-Founder Group and the Group is allowed to maintain its business relationship with EC-Founder Group upon the Completion; (iii) the transactions contemplated under the Master HP Agreement shall be conducted on an arm's length basis and on terms that are fair and reasonable to the Company; and (iv) the Group is not subject to any inventory risk under the Continuing Connected Transactions, we are of the view that it is justifiable for the Group to continue and maintain the present business relationship with EC-Founder Group through the Master HP Agreement, and the Continuing Connected Transactions are in the interest of the Group and the Independent Shareholders as a whole.

(B) Major terms of the Master HP Agreement

Pursuant to the Master HP Agreement, the Group, subject to the Annual Caps, shall sell the HP Products to EC-Founder Group at the price based on the rack rate payable by the Group to HP, exclusive of any freight charges and tax payable, plus a commission at 0.3% which is determined with reference to the level of administrative expenses and financial costs incurred. Further, EC-Founder Group should bear all the freight charges, taxes and other relevant expenses in relation to the HP Products which the Group purchased from HP.

Shareholders should note that there is no provision in the Master HP Agreement requiring the Group to transact with EC-Founder Group exclusively. In other words, the Group is not obligated to transact with EC-Founder Group and would only do so if it is in the commercial interests of the Group, and it does not restrict the Group from transacting with any other customers or distributors. Therefore, we consider the Master HP Agreement provides commercial flexibility to the Group to transact with other customers or distributors in the event that the Group might not be able to agree with any terms or pricing with customers or distributors.

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For the purpose of evaluating the fairness and reasonableness of the transactions under the Master HP Agreement, we have carried out a review on the terms of sales agreements with other customers who are independent third parties of the Company and found that the principal terms, including the pricing basis, were similar and comparable with those of the Master HP Agreement.

Taking into account of the above, we are of the view that the Master HP Agreement will be conducted on normal commercial terms or terms no less favourable to the Group than those with independent third parties. Therefore, the terms of the Master HP Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

(C) The Annual Caps

The Continuing Connected Transactions are subject to Listing Rules requirements and conditions as particularly discussed under the section headed “Requirements of the Listing Rules” below. In particular, the Continuing Connected Transactions are subject to the Annual Caps as discussed below.

In assessing the reasonableness of the Annual Caps, we have reviewed and discussed with the Management the bases and assumptions underlying the projections of the Annual Caps. As advised by the Management, the Annual Caps were determined based on the following factors:

- (1) the actual historical figures for the transaction amounts during the two years ended 31 December 2010 and the first half of 2011;
- (2) the anticipated annual growth rate of transaction amounts for the three years ending 31 December 2013, which is expected to be relatively stable at around 10%; and
- (3) The growth of the information product industry in the PRC.

As set out in the Letter from the Board, we summarise (i) the proposed Annual Caps for the three years ending 31 December 2013; and (ii) the actual historical transactions amounts for the two year ended 31 December 2010 and the first half of 2011 in the following table:

	Year	Year	Six	Year	Year	Year
	ended 31	ended 31	months	ending 31	ending 31	ending 31
	December	December	ended	December	December	December
	2009	2010	30 June	2011	2012	2013
	US\$	US\$	US\$	US\$	US\$	US\$
	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>
Actual sales	23 <i>(Note)</i>	53	17	N/A	N/A	N/A
Annual Caps	N/A	N/A	N/A	44	48	53

Note: The Group commenced to supply HP Products to EC-Founder Group in June 2009.

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As illustrated above, the transaction amount of HP Products supplied by the Group to EC-Founder Group amounted to approximately US\$23 million and US\$53 million in 2009 and 2010, respectively. During the first half of 2011, the transaction amount of HP Products reached to approximately US\$17 million which was negatively affected by the quality problem of HP notebooks in 2010 which temporarily affected the sales performance in the first half of 2011. After discussion with the Management, we are advised that the related quality problems were solved and the sales performance of HP Products has been improved in the second half of 2011. Therefore, the Management expects that the total annual transaction amount will reach to approximately US\$43.3 million for the year ending 31 December 2011, and further increase to approximately US\$48 million and approximately US\$53 million during the two years ending 31 December 2013, respectively. After comparison with the actual historical figures for the transaction amounts during the two years ended 31 December 2010 and the first half of 2011, we consider that the estimation of the Annual Caps is reasonable and justifiable.

According to the market research report issued by International Data Corporation, an independent provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets, in May 2011, the computer storage market in the PRC is estimated to increase from approximately US\$1,361.3 million in 2011 to approximately US\$1,799.4 million in 2013, with CAGR of approximately 15%. Therefore, the Management considers that the PRC IT market will continue to grow sustainably over the next few years.

Having considered the above, we are of the view that the basis adopted by the Management in determining the Annual Caps is fair and reasonable so far as the Independent Shareholders are concerned. However, Shareholders should note that the Annual Caps relate to future events and they do not represent a forecast of revenue to be generated from the Continuing Connected Transactions.

(D) Requirements of the Listing Rules on the Continuing Connected Transactions

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that the Continuing Connected Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

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- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming that the Continuing Connected Transactions:
 - (i) have received the approval of the Board;
 - (ii) are in accordance with the pricing policies of the Group;
 - (iii) have been entered into in accordance with the terms of the relevant agreements governing the Continuing Connected Transactions; and
 - (iv) have not exceeded the Annual Caps;
- (c) the Company shall allow, and shall procure the relevant counter-parties to the Continuing Connected Transactions to allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Continuing Connected Transactions as set out in paragraph (b); and
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

In light of the reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of the value of the Continuing Connected Transactions by way of the Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company on the terms of the Continuing Connected Transactions and the Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Independent Shareholders.

(III) Our Recommendations

Based on the above principal factors and reasons, we are of the opinion that the Disposal Agreement and the Master HP Agreement, including the Annual Caps, are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

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Accordingly, we recommend the Independent Director to advise the Independent Shareholders to vote in favour of the relevant ordinary resolutions to approve the Disposal Agreement and the Master HP Agreement as detailed in the notice of SGM set out at the end of the Circular.

Yours faithfully,
For and on behalf of
China Everbright Capital Limited
Alvin Kam
Director

1. INDEBTEDNESS

At the close of business on 31 July 2011, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$127.1 million which comprised unsecured bank loans of approximately HK\$79.6 million and secured trust receipt loans of approximately HK\$47.5 million. The above unsecured bank loans of approximately HK\$79.6 million included bank loans of approximately HK\$75.1 million guaranteed by Peking Founder, a substantial shareholder of the Company, and a bank loan of HK\$4.5 million guaranteed by the Company and the Government of the Hong Kong Special Administrative Region under the SME Loan Guarantee Scheme. The secured trust receipt loans were secured by certain of the Group's investment properties, land and buildings and bank deposits with carrying values of approximately HK\$38.3 million, HK\$41.7 million and HK\$10.1 million, respectively.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, at the close of business on 31 July 2011, any debt securities issued and outstanding or agreed to be issued, bank borrowings or other similar indebtedness, mortgages and charges, guarantees or other material contingent liabilities.

2. WORKING CAPITAL

After due and careful consideration, the Directors are of the opinion that, taking into account the Group's internal resources, available banking facilities, the proceeds from the Disposal, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for the period of twelve months from the date of this circular.

3. 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 2010, being the date to which the latest published audited consolidated accounts of the Company were made up.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the coming financial year, the Group will continue to be engaged in the software development and the provision of systems integration services in the media and non-media industries including financial institutions, enterprises and government departments.

The management will closely monitor changes in the PRC's economy and its IT market. The Group will continue the development of innovative software and 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 maximize shareholders' value.

The Directors consider that upon completion of the Disposal, the Group's financial and cash position can be further strengthened, and the Group will be able to make investment promptly when opportunities arise.

5. FINANCIAL EFFECT OF THE DISPOSAL ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE COMPANY

As a result of the Disposal, the Directors expect that the Group will record an unaudited gain from the Disposal of approximately HK\$7.7 million. The gain from the Disposal is calculated by taking into account the net asset value of EC-Founder and goodwill on acquisition of EC-Founder in the Company's audited financial statements as at 31 December 2010. Further, based on the financial positions of the Group as at 31 December 2010, the Group's assets will be reduced by approximately HK\$9.9 million and there will be no impact on the Group's liability as a result of the Disposal.

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 circular 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 circular 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 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) Directors' interests in shares of the Company and any of its associated corporations

Long positions in ordinary shares of EC-Founder, an associated corporation of the Company under the SFO

Name of director	Number of ordinary shares held, capacity and nature of interest			Percentage of the associated corporation's issued share capital
	Directly beneficially owned	Through spouse or minor children	Total	
Professor Xiao Jian				
Guo	8,703,300	–	8,703,300	0.79%
Professor Wei Xin	3,956,000	–	3,956,000	0.36%
Mr Zhang Zhao Dong	3,956,000	–	3,956,000	0.36%
Mr Fung Man Yin				
Sammy	<u>350,000</u>	<u>100,000</u>	<u>450,000</u>	<u>0.04%</u>

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

Name of Director	Number of share options held	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Mr Zhang Zhao Dong	8,000,000	5.2.2004	6.2.2004 to 4.2.2014	1.104
Professor Xiao Jian Guo	8,000,000	5.2.2004	6.2.2004 to 4.2.2014	1.104
Professor Wei Xin	8,000,000	5.2.2004	6.2.2004 to 4.2.2014	1.104

(ii) Directors' interests in share options of EC-Founder

Name of Director	Number of share options held	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Mr Zhang Zhao Dong	8,000,000	6.2.2004	7.2.2004 to 5.2.2014	0.381
Professor Wei Xin	8,000,000	6.2.2004	7.2.2004 to 5.2.2014	0.381
Mr Liu Xiao Kun	5,500,000	2.1.2004	3.1.2004 to 31.12.2013	0.340

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 2010, 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:

Name	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*) (Note)	367,179,610	32.49%
Peking Founder	367,179,610	32.49%

Note: Peking University Asset Management Company Limited was deemed to be interested in the 367,179,610 Shares under the SFO by virtue of its interest in Peking Founder.

* For identification purpose only

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. EXPERT

China Everbright 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, China Everbright 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, China Everbright did not have any direct or indirect interest in (i) 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 2010, being the date to which the latest published audited consolidated accounts of the Company were made up; and (ii) any contract or arrangement which is significant in relation to the business of the Group.

China Everbright 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.

6. 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.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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 (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

8. 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 which is or may be material:

- the conditional sale and purchase agreement entered into between Sparkling Idea Limited and Founder International Co., Ltd. dated 24 June 2010 in relation to the disposal by Sparkling Idea Limited and the purchase by Founder International Co., Ltd. of the entire equity interest in 北京方正奧德計算機系統有限公司 (Beijing Founder Order Computer Systems Co., Ltd.*) at a consideration of HK\$47.5 million.

* For identification purpose only

9. 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.

10. 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 11 October 2011, 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 2010;
- (iii) the Disposal Agreement;
- (iv) the Master HP Agreement;
- (v) the material contract referred to in the paragraph headed "Material Contract" above;
- (vi) the letter from the Independent Director, the text of which is set out on pages 15 to 16 of this circular;
- (vii) the letter from China Everbright Capital Limited, the text of which is set out on pages 17 to 30 of this circular;
- (viii) the letter of consent from China Everbright referred to in the paragraph headed "Expert" above; and
- (ix) this circular.

APPENDIX III DETAILS OF THE DIRECTOR PROPOSED FOR RE-ELECTION

The followings are the biographical details of the retiring Director who is proposed to be re-elected at the SGM:

Mr Fung Man Yin Sammy (“Mr Fung”), aged 52, is an independent non-executive director of the Company. He is the Group Financial Controller of DVN (Holdings) Limited, the shares of which are listed on the main board of the Stock Exchange. Mr Fung was the Group Financial Controller of Management Investment & Technology (Holdings) Limited (now known as EC-Founder (Holdings) Company Limited and is an associated company of the Company) from 1992 to 2000, and the Group Financial Controller of the Company from 2000 to 2006. He has nearly 20 years of experience in financial management of listed companies. Mr Fung holds a first class honours degree in Economics and Accounting from the University of Newcastle Upon Tyne, England. Mr Fung is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He worked with several international accounting firms in UK and Hong Kong for 10 years, and he had been a practicing certified public accountant in Hong Kong for 17 years.

Save as disclosed above, Mr Fung does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Mr Fung does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Fung is beneficially interested in 450,000 shares of EC-Founder (Holdings) Company Limited, out of which 350,000 shares are directly beneficially owned and 100,000 shares are held through spouse. Save as disclosed above, Mr Fung does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr Fung has entered into a service agreement as an independent non-executive director with the Company for a term of one year commenced on 29 June 2011. Mr Fung is entitled to a director’s fee of HK\$132,000 per annum under the service agreement, which is determined by the Board by reference to his duties and responsibilities.

Save as disclosed above, there are no other matters relating to the re-election of Mr Fung as an independent non-executive Director that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF SGM



(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

NOTICE IS HEREBY GIVEN that a special general meeting of Founder Holdings Limited (the “Company”) will be held at 10:00 a.m. on Tuesday, 11 October 2011 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 resolutions:

ORDINARY RESOLUTIONS

1. **“THAT:**
 - (a) the Disposal Agreement be (as defined in the Circular) and are hereby approved;
 - (b) any one Director be and is hereby authorized 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 Disposal Agreement and the transactions contemplated thereunder.”

2. **“THAT:**
 - (a) the Master HP Agreement (as defined in the Circular) be and are hereby approved;
 - (b) the proposed annual caps in relation to the transactions contemplated under the Master HP Agreement for the three years ending 31 December 2013 be and are hereby approved; and
 - (c) any one Director be and is hereby authorized 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 Master HP Agreement and the transactions contemplated thereunder.”

3. **“THAT** Mr Fung Man Yin Sammy be re-elected as an independent non-executive director of the Company and any one or more Directors be and is/are hereby authorized to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient in connection with the re-election of Mr Fung Man Yin Sammy as an independent non-executive director of the Company.”

By order of the Board
Founder Holdings Limited
Zhang Zhao Dong
Chairman

Hong Kong, 20 September 2011

NOTICE OF SGM

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.
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 notarially 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"), Peking University Founder Group Company Limited and its associates (as defined in the Listing Rules) are required to abstain from voting on the above ordinary resolutions (1) and (2).
5. The ordinary resolutions as set out above will be determined by way of a poll.

* *For identification purpose only*