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CONTINUING CONNECTED TRANSACTIONS SUPPLEMENTAL AGREEMENT AND MASTER PURCHASE AGREEMENTS

SUPPLEMENTAL AGREEMENT AND MASTER PURCHASE AGREEMENTS

Reference is made to the announcement of the Company dated 19 November 2010. The Group has been purchasing from Peking Founder: (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services on normal commercial terms in the ordinary and usual course of business pursuant to the 2010 Master Purchase Agreement which will be expired on 31 December 2012. As the Directors consider that the annual caps under the 2010 Master Purchase Agreement will be insufficient, on 7 December 2012, the Company and Peking Founder entered into the Supplemental Agreement in order to continue such transactions and to revise the annual caps for the year ending 31 December 2012. Further, on the same date, the Company and Peking Founder entered into the Peking Founder Master Purchase Agreement, pursuant to which Peking Founder Group would continue to provide the Group with (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services on a non-exclusive basis, from 1 January 2013 to 31 December 2015.

On 7 December 2012, the Company and Founder entered into the Founder Master Purchase Agreement, pursuant to which the Founder Group would provide the Group with the software products developed by Founder Group, the systems integration products and the related services on a non-exclusive basis, from the date of the agreement to 31 December 2014.

LISTING RULES REQUIREMENTS

As at the date of this announcement, the Company is owned as to approximately 32.84% by Founder Information, a subsidiary of Peking Founder and Peking Founder owns 32.49% in Founder. Therefore, each of Peking Founder and Founder is an associate of Founder Information, a connected person of the Company for the purposes of the Listing Rules. Accordingly, the transactions contemplated under each of the Supplemental Agreement, the Peking Founder Master Purchase Agreement and the Founder Master Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules in respect of the annual caps under each of the Supplemental Agreement, the Peking Founder Master Purchase Agreement and the Founder Master Purchase Agreement is less than 5%, the entering into each of the Supplemental Agreement, the Peking Founder Master Purchase Agreement and the Founder Master Purchase Agreement is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules and the Company will comply with the reporting, announcement and annual review requirements as set out in Chapter 14A of the Listing Rules.

A. INTRODUCTION

Reference is made to the announcement of the Company dated 19 November 2010. The Group has been purchasing from Peking Founder: (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services on normal commercial terms in the ordinary and usual course of business pursuant to the 2010 Master Purchase Agreement which will be expired on 31 December 2012. As the Directors consider that the annual caps under the 2010 Master Purchase Agreement will be insufficient, on 7 December 2012, the Company and Peking Founder entered into the Supplemental Agreement in order to continue such transactions and to revise the annual caps for the year ending 31 December 2012. Further, on the same date, the Company and Peking Founder entered into the Peking Founder Master Purchase Agreement, pursuant to which Peking Founder Group would continue to provide the Group with (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services on a non-exclusive basis, from 1 January 2013 to 31 December 2015.

On 7 December 2012, the Company and Founder entered into the Founder Master Purchase Agreement, pursuant to which the Founder Group would provide the Group with the information products developed by Founder Group, the systems integration products and the related services on a non-exclusive basis, until 31 December 2014.

B. THE SUPPLEMENTAL AGREEMENT

Date: 7 December 2012

Supplier: Peking Founder

Purchaser: The Company

The Group has been purchasing from Peking Founder: (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services on normal commercial terms in the ordinary and usual course of business pursuant to the 2010 Master Purchase Agreement which will be expired on 31 December 2012.

As the Directors consider that the existing caps as set out in the 2010 Master Purchase Agreement will become insufficient for the year ending 31 December 2012, the Supplemental Agreement has been entered into between the Company and Peking Founder on 7 December 2012 in order to continue such transactions and to revise the annual caps for the year ending 31 December 2012. Save for the revision of the annual caps the year ending 31 December 2012, all other material terms of the 2010 Master Purchase Agreement remain unchanged.

Original and revised annual caps

The following table sets out the original and revised annual caps for the year ending 31 December 2012:

Original annual caps: RMB8,500,000

Revised annual caps: RMB16,000,000

The revised annual cap is determined based on the historical transaction amounts, the current and anticipated future business needs of the Group's information technology business in the PRC.

Reasons for and Benefits of the Supplemental Agreement

Due to the recent slowdown in the economic growth in the PRC, the Group strives to increase its sales channel in order to increase its sales and revenue. To cope with this, it is anticipated that the Group will purchase more products from Peking Founder, in particular for those products which the Group can only source from Peking Founder. In view of such, the Directors consider that the existing caps as set out in the 2010 Master Purchase Agreement will become insufficient for the year ending 31 December 2012. Hence, the Supplemental Agreement was entered into in order to continue such transactions and to revise the annual caps for the year ending 31 December 2012.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole and that the revised annual caps as contemplated therein for the year ending 31 December 2012 are fair and reasonable.

C. THE PEKING FOUNDER MASTER PURCHASE AGREEMENT

Date: 7 December 2012

Supplier: Peking Founder

Purchaser: The Company

Peking Founder Group would, subject to certain conditions, continue to provide the Group with (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services on a non-exclusive basis.

Pursuant to the Peking Founder Master Purchase Agreement, the Group shall continue to purchase such products at market prices determined at the relevant time (i) with reference to the prices and credit terms at which such products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the local market and/or adjacent regions; or (ii) where no comparables as stated in (i) are available, with reference to the prices and credit terms at which such products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the PRC; or (iii) where none of the above comparables is available, with reference to the prices and credit terms agreed between the parties on arm's length basis.

The terms of the Peking Founder Master Purchase Agreement shall become effective from 1 January 2013 to 31 December 2015. The Peking Founder Master Purchase Agreement, or any contract signed pursuant to the Peking Founder Master Purchase Agreement, can be terminated by 30 days' notice in writing by either party.

Annual Caps

Based on the historical purchase pattern and expected total value of the transactions between the Group and Peking Founder Group under the Peking Founder Master Purchase Agreement, the expected maximum annual value, also referred to as the "annual caps", for each of the three years ending 31 December 2015 shall not exceed RMB16,000,000.

The annual caps for the Peking Founder Master Purchase Agreement are determined with reference to historical purchase of the Company, the historical values of the transactions and the expected purchases estimated by the Company.

Reasons for and benefits of the Peking Founder Master Purchase Agreement

Peking Founder Group is principally engaged in the securities trading and brokerage and the information technology industry, including software and systems development for the publishing sector, various government bureaus and financial institutions, and hardware manufacturing for

personal computers, chips, circuit boards and other terminal equipment, and the healthcare and pharmaceutical industry, including hospitals, pharmaceuticals, logistics, equipment leasing and hospital management.

The Group is principally engaged in distribution of information products in Hong Kong and the PRC.

As Peking Founder Group has various business contracts with the Group and is familiar with the Group's product and service specifications, it is able to respond quickly and in a cost effective manner to any new specifications that the Group may from time to time request.

The Directors (including the independent non-executive directors) consider that the terms of the Peking Founder Master Purchase Agreement and its annual caps were entered into in the ordinary course of business, on normal commercial terms, are fair and reasonable and the transactions contemplated under the Peking Founder Master Purchase Agreement are in the interest of the Company and its shareholders as a whole.

Except for Mr Zhang Zhao Dong who is also a director of Peking Founder, none of the Directors have any material interest in the Peking Founder Master Purchase Agreement. Mr Zhang Zhao Dong has abstained from voting on the board meeting approving the Peking Founder Master Purchase Agreement.

D. THE FOUNDER MASTER PURCHASE AGREEMENT

Date: 7 December 2012

Supplier: Founder

Purchaser: The Company

The Founder Group would, subject to certain conditions, provide the Group with the software products developed by Founder Group, the systems integration products and the related services on a non-exclusive basis.

Pursuant to the Founder Master Purchase Agreement, the Group shall purchase such products at market prices determined at the relevant time (i) with reference to the prices and credit terms at which such products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the local market and/or adjacent regions; or (ii) where no comparables as stated in (i) are available, with reference to the prices and credit terms at which such products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the PRC; or (iii) where none of the above comparables is available, with reference to the prices and credit terms agreed between the parties on arm's length basis.

The terms of the Founder Master Purchase Agreement shall become effective from the date of agreement and will be valid until 31 December 2014. The Founder Master Purchase Agreement, or any contract signed pursuant to the Founder Master Purchase Agreement, can be terminated by 30 days' notice in writing by either party.

Annual Caps

Since this is a new continuing connected transaction for the Company, there was no historical purchase pattern on which the Company could base upon. However, based on the expected total value of the transactions between the Group and the Founder Group under the Founder Master Purchase Agreement, the expected maximum annual value, also referred to as the "annual caps", for the three years ending 31 December 2014 shall not exceed RMB5,000,000, RMB11,500,000 and RMB11,500,000 respectively.

The annual caps for the Founder Master Purchase Agreement are determined with reference to expected purchases and anticipated future business needs estimated by the Company.

Reasons for and benefits of the Founder Master Purchase Agreement

Founder 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 the Group has more experience and better network to distribute the information products than the Founder Group, it is more effective for Founder Group to leverage on the Group's such edge to distribute its self-developed software. On the other hand, these transactions not only enable the Group to generate more revenue, but would also increase the types of products distributed by the Group, which the Group believe would enable it to achieve better services and results for its customers and increase its cross selling opportunities.

The Directors (including the independent non-executive directors) consider that the terms of the Founder Master Purchase Agreement and its annual caps were entered into in the ordinary course of business, on normal commercial terms, are fair and reasonable and the transactions contemplated under the Founder Master Purchase Agreement are in the interest of the Company and its shareholders as a whole.

Except for Ms Wong Lam Kit Yee and Mr Li Fat Chung who are also independent non-executive directors of Founder, none of the Directors have any material interest in the Founder Master Purchase Agreement. Ms Wong Lam Kit Yee and Mr Li Fat Chung have abstained from voting at the board meeting approving the Founder Master Purchase Agreement.

E. LISTING RULES REQUIREMENTS FOR THE SUPPLEMENTAL AGREEMENT AND MASTER PURCHASE AGREEMENTS

As at the date of this announcement, the Company is owned as to approximately 32.84% by Founder Information, a subsidiary of Peking Founder and Peking Founder owns 32.49% in Founder. Therefore, each of Peking Founder and Founder are associates of Founder Information, a connected person of the Company for the purposes of the Listing Rules. Accordingly, the transactions contemplated under each of the Supplemental Agreement, the Peking Founder Master Purchase Agreement and the Founder Master Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules in respect of the annual caps under each of the Supplemental Agreement, the Peking Founder Master Purchase Agreement and the Founder Master Purchase Agreement is less than 5%, the entering into of each of the Supplemental Agreement, the Peking Founder Master Purchase Agreement and the Founder Master Purchase Agreement is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules and the Company will comply with the reporting, announcement and annual review requirements as set out in Chapter 14A of the Listing Rules.

DEFINITIONS

“2010 Master Purchase Agreement”	the agreement dated 19 November 2010 between the Company and Peking Founder pursuant to which Peking Founder Group would, subject to certain conditions, provide the Group with (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services, on a non-exclusive basis, until 31 December 2012;
“Company”	EC-Founder (Holdings) Company Limited (方正數碼(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;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Founder”	Founder Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;

“Founder Group”	Founder and its subsidiaries;
“Founder Information”	Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, which was owned as to 96.92% by Peking Founder as at the date of this announcement;
“Founder Master Purchase Agreement”	the agreement dated 7 December 2012 between the Company and Founder pursuant to which the Founder Group would provide the Group with the software products developed by Founder Group, the systems integration products and the related services, on a non-exclusive basis, from the date of the agreement to 31 December 2014;
“Group”	the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Purchase Agreements”	the Peking Founder Master Purchase Agreement and the Founder master Purchase Agreement;
“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;
“Peking Founder Group”	Peking Founder and its subsidiaries;
“Peking Founder Master Purchase Agreement”	the agreement dated 7 December 2012 between the Company and Peking Founder pursuant to which Peking Founder Group would continue to provide the Group with (1) software products; (2) systems integration products; (3) software development services; (4) hardware development services; and/or (5) systems integration development services, on a non-exclusive basis, from 1 January 2013 to 31 December 2015;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and

“Supplemental Agreement” the supplemental agreement to the 2010 Master Purchase Agreement entered into between the Company and Peking Founder to revise the annual caps for the year ended 31 December 2012.

By order of the Board of
EC-Founder (Holdings) Company Limited
Zhang Zhao Dong
Chairman

Hong Kong, 7 December 2012

As at the date of this announcement, the board of directors of the Company comprises executive directors of Mr Zhang Zhao Dong (Chairman), Mr Chen Geng (President), Mr Xia Yang Jun, Mr Xie Ke Hai and Mr Zheng Fu Shuang, and the independent non-executive directors of Mr Li Fat Chung, Ms Wong Lam Kit Yee and Ms Cao Qian.

* *For identification purpose only*