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**PLACING OF NEW SHARES  
UNDER GENERAL MANDATE**

**PLACING AGENT**

**ANGLO CHINESE** 英高

On 19 August 2013, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed with the Company to endeavor to place up to 320,000,000 Placing Shares to not less than six Placees who are Independent Third Parties at the Placing Price of not less than HK\$1.06.

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 29 May 2013. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. The 320,000,000 Placing Shares to be allotted and issued will substantially utilize the General Mandate, representing approximately 19.58% of the existing issued share capital of the Company as at the date of this announcement, and approximately 16.38% of the enlarged issued share capital of the Company immediately following the Placing. Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

Assuming all the Placing Shares were placed at the Minimum Placing Price, the gross proceeds and net proceeds from the Placing will be approximately HK\$339.2 million and HK\$336.5 million, respectively, of which approximately 50% of the net proceeds will be used for the acquisition of new land and development of new projects as opportunities arise and approximately 50% of the net proceeds will be used as general working capital of the Group.

**Shareholders and potential investors should note that the Completion is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

19 August 2013 (after trading hours)

### **Parties**

Issuer: The Company

The Placing Agent: Anglo Chinese Securities, Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.

### **The Placing**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed, subject to market conditions, to endeavor to place up to 320,000,000 Placing Shares at the Placing Price to the Placees, representing approximately 19.58% of the issued share capital of the Company as at the date of this announcement, and approximately 16.38% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares will be HK\$32,000,000.

### **The Placees**

The Placing Shares will be placed to not fewer than six Placees which will be professional, institutional or other investors, who and whose ultimate beneficial owners shall be Independent Third Parties. It is expected that none of the Placees and their ultimate beneficial owners shall become a substantial shareholder (as defined under the Listing Rules) of the Company upon taking up the Placing Shares.

### **Placing Price**

The Placing Price shall not be less than HK\$1.06 per Placing Share, which represents:

- i a discount of approximately 17.83% to the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and

- ii a discount of approximately 19.70% to the average closing price of HK\$1.32 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Minimum Placing Price was determined on an arm's length basis between the Company and the Placing Agent based on current market conditions and the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Minimum Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **Ranking of the Placing Shares**

The Placing Shares will be issued fully paid up and ranking *pari passu* in all respects among themselves and with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Closing Date and will be issued free and clear of all liens, encumbrances or other third party rights.

### **Condition of the Placing**

The Completion of Placing is conditional upon:

- a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares); and
- b) the Placing Agreement not having been terminated in accordance with its terms.

The Company shall use its best endeavours to procure the satisfaction of the conditions of the Placing, but in the event any of the conditions is not fulfilled by 5:00 pm on 30 September 2013 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement and the obligations of the parties thereunder shall cease and terminate at that time.

### **General Mandate**

A maximum of 320,000,000 Placing Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 326,793,803 Shares. Up to the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any further approval by the Shareholders. The 320,000,000 Placing Shares to be allotted and issued will substantially utilize the General Mandate.

### **Completion**

The Completion shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agent and the Company may agree in writing, unless the Placing Agreement is terminated in accordance with the terms thereof.

## APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the Completion (assuming the Placing Shares are placed in full and no other Shares are issued between the date of this announcement and the Completion) is as follows:

Names of Shareholders	At the date of this announcement		Immediately after the Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Founder Information (Hong Kong) Limited (“Founder Information”) (Note)	891,171,976	54.54	891,171,976	45.61
<b>Directors</b>				
Zhang Zhao Dong	3,956,000	0.24	3,956,000	0.20
Zheng Fu Shuang	200,019,000	12.24	200,019,000	10.24
<b>Public Shareholders</b>				
Public Places	—	—	320,000,000	16.38
Other public Shareholders	538,822,040	32.98	538,822,040	27.57
<b>Total</b>	<u>1,633,969,016</u>	<u>100.00</u>	<u>1,953,969,016</u>	<u>100.00</u>

Note:

The Shares are beneficially owned by Founder Information, a company of which 96.92% of its share capital is owned by 北大方正集團有限公司 (Peking University Founder Group Company Limited\*) (“Peking Founder”), which is owned as to 70% by 北京北大資產經營有限公司 (Peking University Asset Management Company Limited\*) (“Peking UAM”). Accordingly, Peking Founder and Peking UAM are deemed to be interested in such Shares pursuant to Part XV of the SFO. As at the date of this announcement, Founder Information is also the holder of convertible bonds issued by the Company with an aggregate outstanding principal amount of HK\$372 million, the full conversion of which will entitle Founder Information to 865,116,278 conversion shares based on a conversion price of HK\$0.43 per conversion share.

## REASONS FOR THE PLACING AND USE OF PROCEEDS

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

Assuming the full placement of the 320,000,000 Placing Shares at the Minimum Placing Price, the gross proceeds raised from the Placing will be approximately HK\$339.2 million. After taking into account the estimated placing commission and other expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$336.5 million, representing a net placing price of approximately HK\$1.05 per Placing Share. The Company intends to apply approximately 50% of the net proceeds for the acquisition of new land and development of new projects as opportunities arise and approximately 50% of the net proceeds will be used as general working capital of the Group.

The Directors consider that the Placing represents a good opportunity to raise additional funds and widen the Shareholder base. Accordingly, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Group has not conducted any fund raising activity for the twelve months immediately preceding the date of this announcement.

**Shareholders and potential investors should note that the Completion is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meaning:

“associate(s)”	with the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong
“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
“Closing Date”	the date falling three Business Days immediately after the date on which all the conditions set out in the Placing Agreement shall have been fulfilled, or such other date as the Company and the Placing Agent may agree in writing
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement

“connected person(s)”	with the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with the Shares granted to the Directors pursuant to the resolutions passed at the annual general meeting of the Company on 29 May 2013
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (ies)”	third party (parties) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Placing Price”	HK\$1.06 per Placing Share
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for and purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Placing Shares under the General Mandate to not less than six Placees on the terms and condition set out in the Placing Agreement
“Placing Agent”	Anglo Chinese Securities, Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent on 19 August 2013 in relation to the Placing
“Placing Price”	the price per Placing Share (being not less than the Minimum Placing Price), to be determined by the Company and the Placing Agent, based on the then market conditions
“Placing Share(s)”	an aggregate of up to 320,000,000 new Shares to be placed under the Placing

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	with the meaning ascribed thereto under the Listing Rules
“%”	per cent

By order of the Board of  
**EC-Founder (Holdings) Company Limited**  
**Yu Li**  
*Chairwoman*

Hong Kong, 19 August 2013

*As at the date of this announcement, the Board comprises executive directors of Ms Yu Li (Chairwoman), Mr Fang Hao (President), Mr Zhou Bo Qin, Mr Zhang Zhao Dong, 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*