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**CONTINUING CONNECTED TRANSACTIONS:
MASTER IT AGREEMENT AND
MASTER HP AGREEMENT**

CONTINUING CONNECTED TRANSACTIONS

Pursuant to the Disposal Agreement between Founder and Founder Information, Founder conditionally agrees to sell, and Founder Information conditionally agrees to purchase, Founder's entire shareholding interests in the Company of 363,265,000 shares, representing approximately 32.84% of the issued share capital of the Company. After Completion, the Company will be owned as to approximately 32.84% by Founder Information which in turn is owned as to approximately 96.92% by Peking Founder. Peking Founder will become a connected person of the Company for the purposes of the Listing Rules. Founder is an associate of Peking Founder and therefore, a connected person of the Company under the Listing Rules. As the Group has been purchasing HP Products from Founder Group and supplying the Information Products to Founder Group in the ordinary and usual course of business and on normal commercial terms, such ongoing sales and purchases will, after Completion, constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In light of the above, the Master HP Agreement and the Master IT Agreement have been entered into between the Company and 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. The Master IT Agreement is effective upon signing, whereas the Master HP Agreement is effective upon the occurrence of certain events.

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 pursuant to Rules 14A.17 and 14A.52 of the Listing Rules.

On the other hand, as the applicable ratios pursuant to Rule 14.07 of the Listing Rules for the Master IT Agreement are more than 0.1% but less than 5%, the entering into the Master IT Agreement and the transactions contemplated thereunder by the Company constitute continuing connected transactions for the Company which are exempt from the independent shareholders' approval requirements under Rule 14A.16(4) of the Listing Rules but 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.

SGM

The SGM will be convened at which resolutions will be proposed to seek the Independent Shareholders' approval by way of poll in relation to the Master HP Agreement and its annual caps. Founder, together with its associates, and all parties involved in or interested in the Master HP Agreement are required to abstain from voting with respect to the resolutions for approving the Master HP Agreement and its annual caps.

GENERAL

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 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.

Ms Cao Qian, being the remaining independent non-executive Director, has been appointed as the Independent Director to consider the terms of the Master HP Agreement and its annual caps and to advise the Independent Shareholders as to whether the terms of the Master HP Agreement and its annual caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Ms Cao has no material interest in the Master HP Agreement.

Cinda International Capital Limited has been appointed as the independent financial adviser to advise the Independent Director and the Independent Shareholders in respect of the Master HP Agreement and its annual caps.

A circular containing, among other things, (i) details of the Master HP Agreement and its annual caps; (ii) a letter of recommendations from the Independent Director to the Independent Shareholders in respect of the Master HP Agreement and its annual caps; (iii) a letter of advice from Cinda International Capital Limited to the Independent Director and the Independent Shareholders in respect of the Master HP Agreement and its annual caps; and (iv) a notice convening the SGM, will be dispatched to the shareholders of the Company on or before 20 September 2011, in accordance with the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

A. INTRODUCTION

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

Pursuant to the Disposal Agreement between Founder and Founder Information, Founder conditionally agrees to sell, and Founder Information conditionally agrees to purchase, Founder's entire shareholding interests in the Company of 363,265,000 shares, representing approximately 32.84% of the issued share capital of the Company.

After Completion, the Company will be owned as to approximately 32.84% by Founder Information which in turn is owned as to approximately 96.92% by Peking Founder. Peking Founder will become a connected person of the Company for the purposes of the Listing Rules. Founder is an associate of Peking Founder and therefore, a connected person of the Company under the Listing Rules. Therefore, the ongoing sales and purchases of the Information Products and HP Products between the Group and Founder Group will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In light of the above, the Master IT Agreement and the Master HP Agreement have been entered into between the Company and 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.

The proposed annual caps for the Master HP Agreement is determined based on the Company's estimation of the purchase for the three years ending 31 December 2013 with reference to the historical purchase pattern for the two financial years ended 31 December 2010 and the purchase for the six months ended 30 June 2011, whereas the proposed annual caps for the Master IT Agreement is 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. The Master IT Agreement is effective upon signing, whereas the Master HP Agreement is effective upon the occurrence of any one of the following events:

- (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 Founder's independent shareholders at the special general meeting of Founder; or
- 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 the Independent Shareholders at the SGM.

B. THE MASTER HP AGREEMENT

Pursuant to the Master HP Agreement, the Group shall purchase HP Products from Founder Group at the price based on the rack rate payable paid by Founder 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, the Group should bear all the freight charges, taxes and other relevant expenses in relation to the HP Products which Founder Group purchased from HP.

Historical values and annual caps:

	Year ended 31 December 2010 <i>USD million</i>	Six months ended 30 June 2011 <i>USD million</i>	Year ending 31 December 2011 <i>USD million</i>	Year ending 31 December 2012 <i>USD million</i>	Year ending 31 December 2013 <i>USD million</i>
Actual sales	53	17	N/A	N/A	N/A
Historical annual cap	90	N/A	105	N/A	N/A
Proposed annual cap	N/A	N/A	44	48	53

The Group has been purchasing HP Products from Founder Group for use in its operation and business. Upon the Master HP Agreement taking effect, it will supersede the original agreement which is of identical nature and was approved by the Independent Shareholders on 15 December 2008. The proposed annual caps as contemplated under the Master HP Agreement are determined with reference to the historical values of the transactions. The Directors, therefore, consider that the new proposed annual caps are sufficient for the volume of business between the Group and Founder Group for the three years ending 31 December 2013.

C. THE MASTER IT AGREEMENT

Pursuant to the Master IT Agreement, the Group shall supply the Information Products to Founder Group at the prevailing market price of the relevant Information Products.

Historical values and annual caps:

	Year ended 31 December 2010 <i>RMB million</i>	Six months ended 30 June 2011 <i>RMB million</i>	Year ending 31 December 2011 <i>RMB million</i>	Year ending 31 December 2012 <i>RMB million</i>	Year ending 31 December 2013 <i>RMB million</i>
Actual purchase	153	5	N/A	N/A	N/A
Historical annual cap	518	N/A	725.2	N/A	N/A
Proposed annual cap	N/A	N/A	12.8	12.8	12.8

The Group has been supplying the Information Products to Founder Group for use in its operation and business. The Master IT Agreement has superseded the original master agreement dated 15 December 2008 and the supplemental agreement dated 12 June 2009 both of which are of identical nature and were approved by the Independent Shareholders on 15 December 2008 and 22 July 2009, respectively. The proposed annual caps as contemplated under the Master IT Agreement are determined with reference to the historical values of the transactions. Due to the disposal of Founder Order by Founder in 2010, the sales of Information Products by the Group to Founder Group has been significantly reduced. The Directors, therefore, consider that the new proposed annual caps are sufficient for the volume of business between the Group and Founder Group for the three years ending 31 December 2013.

D. REASONS FOR AND BENEFITS OF THE MASTER HP AGREEMENT AND THE MASTER IT AGREEMENT

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

The Group is principally engaged in the distribution of information hardware products in Hong Kong and in the PRC. Founder Group is principally engaged in software development and systems integration relating to the media industry and non-media industries including financial institutions, enterprises and government departments in the PRC. Founder Group has also been purchasing information hardware products for use in its software development business. The Board considers that it is beneficial to the Group to continue to maintain members of Founder Group as its customers and to continue to sell information hardware products to Founder Group on normal commercial terms.

The Directors believe that having a long-term customer and supplier such as Founder Group can effectively enhance the Group's financial performance. The Directors (in respect of the Master HP Agreement, excluding the Independent Director whose views will be based on the opinion of the independent financial adviser, and in respect of the Master IT Agreement, including the Independent Director) also consider that the entering into the Master HP Agreement and the Master IT Agreement is (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and its shareholders as a whole.

E. LISTING RULES IMPLICATIONS FOR THE MASTER HP AGREEMENT AND THE MASTER IT AGREEMENT

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.

On the other hand, as the applicable ratios pursuant to Rule 14.07 of the Listing Rules for the Master IT Agreement are more than 0.1% but less than 5%, the entering into the Master IT Agreement and the transactions contemplated thereunder by the Company constitute continuing connected transactions for the Company which are exempt from the independent shareholders' approval requirements under Rule 14A.16(4) of the Listing Rules but 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.

SGM

The SGM will be convened at which resolutions will be proposed to seek the Independent Shareholders' approval by way of poll in relation to the Master HP Agreement and its annual caps. Founder, together with its associates, and all parties involved in or interested in the Master HP Agreement are required to abstain from voting with respect to the resolutions for approving the Master HP Agreement and its annual caps.

GENERAL

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 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.

Ms Cao Qian, being the remaining independent non-executive Director, has been appointed as the Independent Director to consider the terms of the Master HP Agreement and its annual caps and to advise the Independent Shareholders as to whether the terms of the Master HP Agreement and its annual caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Ms Cao has no material interest in the Master HP Agreement.

Cinda International Capital Limited has been appointed as the independent financial adviser to advise the Independent Director and the Independent Shareholders in respect of the Master HP Agreement and its annual caps.

A circular containing, among other things, (i) details of the Master HP Agreement and its annual caps; (ii) a letter of recommendations from the Independent Director to the Independent Shareholders in respect of the Master HP Agreement and its annual caps; (iii) a letter of advice from Cinda International Capital Limited to the Independent Director and the Independent Shareholders in respect of the Master HP Agreement and its annual caps; and (iv) a notice convening the SGM, will be dispatched to the shareholders of the Company on or before 20 September 2011 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“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 (Stock Code: 00618);
“Completion”	completion of the Disposal;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	means (i) the disposal by Founder and the purchase by Founder Information of Founder’s entire shareholding interests in the Company of 363,265,000 shares, representing approximately 32.84% of the issued share capital of the Company; 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 Founder and Founder Information dated 29 August 2011 in relation to the Disposal;

“Founder”	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);
“Founder HK”	Founder (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Founder;
“Founder Group”	Founder and its subsidiaries;
“Founder Information”	Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Peking Founder;
“Founder Order”	北京方正奧德計算機系統有限公司 (Beijing Founder Order Computer Systems Co. Ltd.*), a wholly foreign-owned enterprise established in the PRC and previously an indirect wholly-owned subsidiary of Founder;
“Group”	the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HP”	Hewlett-Packard AP (Hong Kong) Limited;
“HP Products”	the products which HP has authorized Founder 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);
“Independent Director”	Ms Cao Qian, an independent non-executive Director, who was appointed for the purpose of considering the terms of 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 Founder and its associates;
“Information Products”	the information products, including but not limited to desktop computers, laptop computers, servers, networking tools, monitors and software;
“Listing Rules”	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 the Company to Founder HK as at the date hereof which is unpaid, unsecured, interest-free and repayable on demand;

“Master HP Agreement”	means the agreement entered between the Company and Founder on 29 August 2011 in relation to the purchase of HP Products by the Group from Founder Group;
“Master IT Agreement”	means the agreement entered between the Company and Founder on 29 August 2011 in relation to the sales of the Information Products by the Group to 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; the controlling shareholder of Founder, which holds approximately 32.49% of the issued share capital of Founder;
“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;
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve (among other things), if thought fit, the Master HP Agreement and its annual caps;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules; and
“USD”	United States dollars, the lawful currency of the United States of America.

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

Hong Kong, 29 August 2011

As at the date of this announcement, the board of directors of the Company comprises the 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