



FOUNDER HOLDINGS LIMITED 方正控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 0418)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Founder Holdings Limited (the “Company”) will be held at 10:30 a.m. on Wednesday, 4 January 2006 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** the Century Lease Agreement and the New Lease Agreements (as defined in the circular of the Company dated 12 December 2005 (the “Circular”) of which the notice of this meeting forms part, a copy of each of which was marked “A1”, “A2” and “A3” and has been produced to the meeting and signed by the chairman of the meeting for the purposes of identification) proposed to be entered into between certain subsidiaries of the Company and Peking University Founder Group Company Limited and its subsidiary be and are hereby approved; and the proposed annual caps in relation to the transactions contemplated under the Century Lease Agreement and the New Lease Agreements for each of the three financial years ending 31 December 2006, 2007 and 2008 as set out in the Circular be and are hereby approved; and any one director of the Company be and is hereby authorised on behalf of the Company to execute all such documents, in such final form or with such amendments as that director may deem appropriate, and 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 Century Lease Agreement and the New Lease Agreements and the transactions contemplated therein.”
2. **“THAT** the Peking Founder Master Agreement (as defined in the Circular of which the notice of this meeting forms part, a copy of which was marked “B” and has been produced to the meeting and signed by the chairman of the meeting for the purposes of identification) proposed to be entered into between EC-Founder (Holdings) Company Limited and Peking University Founder Group Company Limited be and is hereby approved; and the proposed annual caps in relation to the transactions contemplated under the Peking Founder Master Agreement for each of the three financial years ending 31 December 2006, 2007 and 2008 as set out in the Circular be and are hereby approved; and any one director of the Company be and is hereby authorised on behalf of the Company to execute all such documents, in such final form or with such amendments as that director may deem appropriate, and 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 Peking Founder Master Agreement and the transactions contemplated therein.”

SPECIAL RESOLUTION

3. **“THAT** the Bye-laws of the Company be amended in the following manner:
 - (A) Bye-law 70
 - (a) by inserting in the first paragraph after the words “decided on a show of hands, unless”, the following words:

“voting by way of a poll is required by the rules of the Designated Stock Exchange or”;
 - (b) by deleting the full-stop at the end of Bye-law 70(iv) and replacing therewith a semi-colon and the word “or” immediately thereafter and by inserting the following as new Bye-law 70(v):

“70.(v) by any Director or Directors (including the chairman of a general meeting of the Company) who, individually or collectively, hold proxies in respect of shares representing 5 per cent. or more of the total voting rights at such meeting and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies.”
 - (B) By deleting the existing Bye-law 71 in its entirety and substituting therefor the following:

“71. If a poll is duly demanded, the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting shall count and record all proxy votes properly, and announce the result of the poll, in accordance with the requirements of the Designated Stock Exchange.”
 - (C) By deleting the existing Bye-law 99 in its entirety and substituting therefor the following:

“99. Notwithstanding any other provisions in the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall be eligible for re-election and shall retain office until the close of the meeting at which he retires. The Company at any general meeting at which any Directors retire may fill the vacated offices.”
 - (D) By adding “the next following general meeting of the Company (in the case of filling a casual vacancy) or until” after the words “Any Director so appointed shall hold office only until” and adding “(in the case of an addition to their member)” after “the next following annual general meeting of the Company” in the existing Bye-law 102(B).”

By order of the Board
Founder Holdings Limited
Tang Yuk Bo, Yvonne
Company Secretary

Hong Kong, 12 December 2005

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 in his/her stead. A shareholder who is holder of two or more shares may appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a shareholder of the Company. 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, the controlling shareholder of the Company, and its associates (as defined in the Listing Rules) are required to abstain from voting on all of the above ordinary resolutions.
- (5) The ordinary resolutions as set out above will be determined by way of a poll.

The Board comprises Mr Cheung Shuen Lung (Chairman), Professor Xiao Jian Guo (Deputy Chairman), Professor Wei Xin, Mr Zhang Zhao Dong and Mr Xia Yang Jun (President) (each of whom an executive director), Dr Hu Hung Lick, Henry, Mr Li Fat Chung and Ms Wong Lam Kit Yee (each of whom an independent non-executive director).

* For identification purpose only

*Please also refer to the published version of this announcement in
The Standard and Sing Tao Daily.*