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**TERMINATION OF PLACING AGREEMENT
AND
RESUMPTION OF TRADING**

TERMINATION OF PLACING AGREEMENT

The Board announces that the Placing Agreement (as supplemented by the extension of the long stop date of the Placing Agreement agreed by the Company and the Placing Agent in writing on 30 August 2013), for the Placing up to 220,000,000 Placing Shares at the price of HK\$0.36 per Placing Share has been terminated on 4 September 2013.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:05 a.m. on 2 September 2013 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 5 September 2013 following the publication of this announcement.

Reference is made to the announcement of Founder Holdings Limited (the “**Company**”) dated 28 July 2013 relating to the proposed placing of new shares of the Company and the announcement of the Company dated 30 August 2013 relating to the extension of long stop date of the Placing Agreement (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meaning as defined in the Announcements unless the context requires otherwise.

TERMINATION OF PLACING AGREEMENT

Further to the agreement between the Placing Agent and the Company to extend the long stop date under the Placing Agreement on 30 August 2013 (the “**Supplemental Agreement**”), the Company has been informed by the Stock Exchange that the Placing Price as previously agreed under the Placing Agreement of HK\$0.36 per Placing Share is required to comply with Rule 13.36(5) of the Listing Rules,

in particularly as the Placing Price represented a discount of more than 20% compared to the closing price of HK\$0.50 per Share as at the date of the Supplemental Agreement and the average closing price of HK\$0.522 in the five trading days prior to the date of the Supplemental Agreement. The Board announces that the Placing Agreement (as supplemented by the extension of the long stop date of the Placing Agreement agreed by the Company and the Placing Agent in writing on 30 August 2013), for the Placing up to 220,000,000 Placing Shares at the price of HK\$0.36 per Placing Share has been terminated pursuant to a termination deed entered by the Company and the Placing Agent on 4 September 2013. Upon the termination of the Placing Agreement, the Placing Agent shall be released from all obligations under the Placing Agreement and neither the Company nor the Placing Agent shall have any claim against the other in respect of the Placing. No new Shares will be issued by the Company under the Placing Agreement accordingly.

The Directors believe that the termination has no material adverse impact on the existing business and financial position of the Group. The Company may consider to engage in further fund raising activities taking into account the future development of the Group and market conditions. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when appropriate.

RESUMPTION OF TRADING

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By order of the Board of
Founder Holdings Limited
Fang Zhong Hua
Chairman

Hong Kong, 4 September 2013

As at the date of this announcement, the board of directors of the Company comprises executive directors of Mr Fang Zhong Hua (Chairman), Professor Xiao Jian Guo (Deputy Chairman), Professor Yang Bin (President), Ms Yi Mei, Mr Li Sheng Li and Ms Liu Yu Xiao, and the independent non-executive directors of Mr Li Fat Chung, Ms Wong Lam Kit Yee and Mr Fung Man Yin, Sammy.

* *For identification purpose only*