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## **ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES**

This announcement is made pursuant to the disclosure obligation under Rule 13.18 of the Listing Rules.

On 6 January 2015, DBS Bank (Hong Kong) Limited as lender has entered into two Facility Agreements separately with (1) Founder (Hong Kong) Limited; and (2) Founder (Hong Kong) Limited and Founder Electronics (HK) Limited, which are both wholly-owned subsidiaries of the Company, as borrower(s). The Facility Agreements impose a covenant relating to specific performance of the controlling shareholder of the Company.

This announcement is made pursuant to the disclosure obligation under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of Founder Holdings Limited (the “**Company**”) announces that on 6 January 2015, DBS Bank (Hong Kong) Limited as lender (the “**Lender**”) entered into two facility agreements (the “**Facility Agreements**”) separately with the following wholly-owned subsidiaries of the Company as borrower:

- (1) Founder (Hong Kong) Limited (the “**First Facility Agreement**”); and
- (2) Founder (Hong Kong) Limited and Founder Electronics (HK) Limited (the “**Second Facility Agreement**”).

The Facility Agreements are both guaranteed by the Company and will expire on 5 January 2016.

### **The First Facility Agreement**

Pursuant to the First Facility Agreement, the Lender made available and continues to make available to Founder (Hong Kong) Limited an uncommitted revolving term loan facility at the amount of US\$25,000,000 for the purpose of refinancing the outstanding trading facilities of Founder (Hong Kong) Limited with the Lender.

## **The Second Facility Agreement**

Pursuant to the Second Facility Agreement, the Lender made available and continues to make available to Founder (Hong Kong) Limited and Founder Electronics (HK) Limited uncommitted trade finance facilities including: (1) an Overdraft with a facility limit of HK\$5,000,000; and (2) a Letter of Credit; (3) a Letter of Credit (Cargo Receipt); (4) a Trust Receipt; (5) an Account Payable Financing; and (6) a Negotiation under Documentary Credit with discrepancies (with recourse), each and the aggregate outstanding of which (facilities (2) to (6)) shall not at any time exceed HK\$90,000,000.

## **Specific Performance Covenant**

The Facility Agreements impose a covenant relating to specific performance of the controlling shareholder of the Company. The Facility Agreements provide that it would constitute an event of default under the Facility Agreements if 北大方正集團有限公司 (Peking University Founder Group Company Limited\*) (the controlling shareholder of the Company indirectly held as to approximately 30.60% of the equity interest of the Company as at the date of the Facility Agreements) holds less than 25% of the shareholding interest in the Company, and in such event (amongst other things) the loans under the Facility Agreements may immediately become payable on demand.

Disclosure will be included in the interim and annual reports of the Company so long as the said specific performance obligation continues to exist.

By Order of the Board  
**Founder Holdings Limited**  
**Fang Zhong Hua**  
*Chairman*

Hong Kong, 6 January 2015

*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, Ms Zuo Jin and Mr 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*