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PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the management of the Group, it is expected to record a significant decline in results attributable to owners of the parent for the year ended 31 December 2014, compared to the consolidated net profit attributable to owners of the parent for the year ended 31 December 2013 of approximately HK\$86.2 million.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Founder Holdings Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company and its subsidiaries (collectively, the “**Group**”) is expected to record a significant decline in results attributable to owners of the parent for the year ended 31 December 2014, compared to the consolidated net profit attributable to owners of the parent for the year ended 31 December 2013 of approximately HK\$86.2 million.

Based on the unaudited information currently available, such decline is mainly due to (i) in 2013, there were one-off gain on transfer of intellectual properties of approximately HK\$58.9 million and gain on deemed disposal of an associate of approximately HK\$4.5 million respectively; (ii) the decrease in the fair value gains on investment properties in Hong Kong by approximately HK\$12.8 million; and (iii) the increase in the administrative expenses as a results of increase in staff cost for the development of new products and business.

This announcement is only based on the preliminary calculations by the Board in accordance with the initial assessment made by the Group's management on the unaudited management accounts of the Group and the information currently available, which have not been reviewed or audited by the auditors of the Company. Shareholders of the Company and potential investors are advised to refer to the Group's annual results for the year ended 31 December 2014 to be published by the end of March 2015 for details.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 March 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*