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(Stock Code: 00418)

**MONTHLY PROGRESS UPDATE
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

This announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”). References are made to the announcements of Founder Holdings Limited (the “**Company**”) dated 18 February 2020, 19 February 2020, 17 July 2020, 31 July 2020, 25 January 2021, 29 January 2021, 30 April 2021, 5 May 2021, 28 May 2021, 28 June 2021, 8 July 2021, 28 July 2021, 27 August 2021, 27 September 2021, 21 October 2021, 23 November 2021 and 23 December 2021 (the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON THE PROPOSAL

The Company wishes to update its shareholders and potential investors that, as at the date of this announcement, the incorporation of the subordinate business platform companies of New Founder Group continues to be in progress. Based on information provided by Peking Founder, as at the date of this announcement, five of the subordinate business platform companies of New Founder Group have been set up, and one of the subordinate business platform companies of New Founder Group is still in the process of being incorporated.

Pursuant to the Proposal, the Five Companies including Peking Founder will complete the follow up work of the Proposal within 12 months from the date of approval of the Proposal by the Court, with the date of approval of the Proposal being 28 June 2021. The transfer of the equity interest of the Company to the subordinate business

platform companies of New Founder Group is subject to approval from relevant financial regulatory authorities and the follow up work of the Proposal depending on how and when the steps will be implemented and the Company does not know the exact timing as to when such transfer will take place.

MONTHLY ANNOUNCEMENTS

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the offer.

The Company will continue to closely monitor subsequent developments in relation to the Proposal. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules, the SFO and/or the Takeovers Code (as the case may be).

WARNING: Shareholders and potential investors should be aware that the Proposal may or may not continue to proceed. There is no assurance that any transaction mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not result in the change of controlling shareholders of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By Order of the Board
Founder Holdings Limited
Cheung Shuen Lung
Chairman

Hong Kong, 21 January 2022

As at the date of this announcement, the Board comprises executive directors of Mr Cheung Shuen Lung (Chairman), Mr Shao Xing (President), Professor Xiao Jian Guo, Mr Hu Bin and Ms Liao Hang, and the independent non-executive directors of Mr Chan Chung Kik, Lewis, Mr Lau Ka Wing and Mr Lai Nga Ming, Edmund.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

** For identification purpose only*