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**(Stock Code: 00418)**

**INSIDE INFORMATION**  
**ANNOUNCEMENT ON UPDATE ON THE ENTRUSTED LOAN**  
**TO PEKING FOUNDER**

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

References are made to the circular dated 15 November 2016, the announcements dated 2 March 2020 and 28 May 2021, and the annual reports published on 22 April 2020, 15 April 2021 and 14 April 2022 (the “**Annual Reports**”) of the Company in relation to the 2016 Entrusted Loan Master Agreement between the Company and Peking Founder. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the abovementioned announcements, circular and the Annual Reports.

**UPDATE ON THE ENTRUSTED LOAN TO PEKING FOUNDER**

As disclosed in the Annual Reports, the Group made a provision for impairment of the defaulted loans granted to Peking Founder and its subsidiary in the aggregate amount of approximately RMB382 million in the financial statements of the Group of 2019.

On 29 December 2022, the wholly-owned subsidiary of the Company has received approximately RMB121 million pursuant to the Proposal. As such, the provision for impairment in the amount of approximately RMB121 million will be reversed.

**WARNING: 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, 29 December 2022

*As at the date of this announcement, the Board comprises executive directors of Mr. Cheung Shuen Lung (Chairman), Mr. Shao Xing (President), Mr. Qi Zi Xin, Mr. Hu Bin, Mr. Zhang Jian Guo and Ms. Wu Jing, and the independent non-executive directors of Mr. Chan Chung Kik, Lewis, Mr. Lau Ka Wing and Mr. Lai Nga Ming, Edmund.*

*\* For identification purpose only*