

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Founder Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00418)**

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**

---

A notice convening the special general meeting to be held at 11:30 a.m. on Tuesday, 31 May 2016 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 19 to 20 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the principal place of business of Founder Holdings Limited at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong and in any event not later than 48 hours before the time of the special general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting should you so wish.

\* *For identification purpose only*

13 May 2016

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	4
Proposed adoption of the New Share Option Scheme .....	4
Responsibility statement .....	7
SGM .....	7
Recommendation .....	8
<b>Appendix – Summary of rules of the New Share Option Scheme</b> .....	9
<b>Notice of the SGM</b> .....	19

---

## DEFINITIONS

---

*In this circular, unless the context otherwise specifies, the following expressions have the following meanings:*

“Adoption Date”	the date on which the New Share Option Scheme is adopted by an ordinary resolution to be passed by the Shareholders at the SGM
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“business day”	a day upon which the Stock Exchange is open for securities trading
“Bye-law(s)”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Founder Holdings Limited (方正控股有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	means: (i) any director (whether executive or non-executive, including any independent non-executive director), senior management, employee (whether full time or part time) of any member of the Group or any Substantial Shareholder or any company controlled by a Substantial Shareholder (a “Category A Eligible Person”) or (ii) any one or entity who, in the sole opinion of the Board, have contributed or will contribute to the Group or any Substantial Shareholder (a “Category B Eligible Person”)
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 24 May 2002
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

---

## DEFINITIONS

---

“Latest Practicable Date”	9 May 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“New Share Option Scheme”	the new share option scheme to be adopted by an ordinary resolution to be passed by the Shareholders at the SGM
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the day immediately preceding the tenth anniversary thereof
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve, inter alia, the proposed adoption of the New Share Option Scheme
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Option(s)”	share option(s) granted or to be granted to the entitled persons or the Eligible Person(s) to subscribe for Share(s) under the Existing Share Option Scheme, the New Share Option Scheme and any other share option scheme(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules

---

## DEFINITIONS

---

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

\* *For identification purpose only*

---

## LETTER FROM THE BROAD

---



# FOUNDER HOLDINGS LIMITED 方正控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00418)**

*Executive Directors:*

Professor Xiao Jian Guo (*Chairman*)

Professor Yang Bin (*President*)

Mr Liu Jian

Ms Zuo Jin

Ms Sun Min

Ms Luo Yan

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Principal place of business  
in Hong Kong:*

Unit 1408, 14th Floor

Cable TV Tower

9 Hoi Shing Road

Tsuen Wan

New Territories

Hong Kong

*Independent non-executive Directors:*

Mr Li Fat Chung

Ms Wong Lam Kit Yee

Mr Fung Man Yin, Sammy

13 May 2016

*To the Shareholders and, for information purpose only,  
the holders of the Share Options*

Dear Sir or Madam,

### **PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information and to seek your approval, inter alia, on the proposed adoption of the New Share Option Scheme. A notice of the SGM containing the resolutions to be proposed at the SGM is set out on pages 19 to 20 of this circular.

#### **PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**

##### **The Existing Share Option Scheme**

As the Existing Share Option Scheme expired on 24 May 2012, the Board considers that it is in the interest of the Company to adopt the New Share Option Scheme so as to continue to provide incentives or rewards to the Eligible Persons thereunder for their contributions to the success of the Group. Apart from the Existing Share Option Scheme, the Company had no other subsisting share option scheme as at the Latest Practicable Date.

\* *For identification purpose only*

---

## LETTER FROM THE BROAD

---

As at the Latest Practicable Date, the Company had no outstanding Share Options granted under the Existing Share Option Scheme.

### **Adoption of the New Share Option Scheme**

The Board proposes the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date.

The purpose of the New Share Option Scheme is to replace the Existing Share Option Scheme and to enable the Company to grant Share Options to the selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the development and the growth of the Group.

The Board considers that the New Share Option Scheme will motivate more persons to make contribution to the Group, facilitate the retention and the recruitment of high-calibre staff of the Group and that it is the interests of the Group as a whole for a broad category of Eligible Persons to be given incentives to participate in the growth of, and make contribution to, the Group in the form of Share Options to subscribe for Shares. Furthermore, the Board considers that the Eligible Persons will share common interests and objectives with the Group upon their exercise of the Share Options, which is beneficial to the long-term development of the Group. In addition, the adoption of the New Share Option Scheme is in line with modern commercial practice that full-time or part-time employees, directors, management, advisers, consultants and shareholders of the Group and its affiliates be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company and for the benefit of the Group as a whole. As such, the Directors consider that the adoption of the New Share Option Scheme is in the interest of the Company and the Shareholders as a whole. The provisions of the New Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

The rules of the New Share Option Scheme provide that the Board may specify the Eligible Persons to whom Share Options shall be granted, the number of Shares subject to each Share Option and the date on which the Share Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme.

The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Persons to acquire proprietary interests in the Company. The Company does not at present intend to appoint a trustee to the New Share Option Scheme.

As at the Latest Practicable Date, there were 1,199,746,993 Shares in issue. Assuming that no further Share will be allotted, issued or repurchased prior to the SGM, the total number of Shares that may fall to be allotted and issued under the New Share Option Scheme after the resolution regarding the proposed adoption of the New Share Option Scheme is passed at the SGM would be 119,974,699 Shares, representing approximately 10% of the total number of Shares in issue.

---

## LETTER FROM THE BOARD

---

The Directors consider that it is not appropriate to state the value of the Share Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Share Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Share Options to be granted shall not be assignable, and no holder of the Share Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option.

In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions, including the subscription price, the exercise period, lock-up period (if any), interest rate, expected volatility and other variables. As no Share Options had been granted as at the Latest Practicable Date under the New Share Option Scheme, certain variables are not available for calculating the value of the Share Options thereunder, the Directors believe that any calculation of the value of the Share Options under the New Share Option Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders and the investors of the Company.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

### **Conditions precedent of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (i) the passing of ordinary resolution(s) by the Shareholders at the SGM to (1) approve and adopt the New Share Option Scheme; (2) authorize the Board to grant Share Options under the New Share Option Scheme; and (3) authorize the Board to allot and issue Shares pursuant to the exercise of any Share Options to be granted pursuant to the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may fall to be allotted and issued by the Company pursuant to the exercise of the Share Options in accordance with the terms and conditions of the New Share Option Scheme.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the SGM, the total number of Shares which may be issued upon the exercise of all Share Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total issued share capital of the Company as at the date of approval of the New Share Option Scheme is adopted unless the Company obtains a fresh approval from Shareholders to renew the 10% limit on the basis that the maximum number of Shares in respect of which Share Options may be granted under the New Share Option Scheme together with any Share Options outstanding and yet to be exercised under the New Share Option Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Company from time to time.



---

## LETTER FROM THE BROAD

---

A summary of the principal rules of the New Share Option Scheme is set out in Appendix to this circular. A copy of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong during normal business hours from the date hereof up to the date of SGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options granted under the New Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto at the SGM.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **SGM**

A notice convening the SGM to be held at 11:30 a.m. on Tuesday, 31 May 2016 at unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 19 to 20 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same as soon as possible to the principal place of business of the Company at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules and Bye-laws 70 of the Bye-laws, the resolutions set out in the notice of the SGM will be put to the vote by way of a poll.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

The Directors are of the opinion that the proposed adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions set out in the notice of the SGM contained herein.

By order of the Board of  
**Founder Holdings Limited**  
**Professor Xiao Jian Guo**  
*Chairman*

*The following is a summary of the principal rules of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the New Share Option Scheme:*

### **1. Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to enable the Board to grant Share Options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the development and growth of the Group.

### **2. Who may join and basis of eligibility**

The Board may, at its absolute discretion and on such terms as it may think fit, grant Share Options to any Eligible Person to subscribe at a price calculated in accordance with paragraph 3 below for such number of Shares as it may determine in accordance with the terms of the New Share Option Scheme.

The basis of eligibility of any of the Eligible Persons to the grant of Share Options shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

### **3. Option price for subscription of Shares**

The option price per Share payable on the exercise of a Share Option is to be determined by the Board provided always that it shall be at least the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a Share Option is accepted by the Eligible Person), which must be a business day; and
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of offer of grant, (as subsequently adjusted pursuant to the terms of the New Share Option Scheme, if relevant),

provided that the option price per Share shall in no event be less than the nominal amount of one (1) Share.

### **4. Acceptance of offers**

An offer for the grant of Share Options must be accepted within thirty (30) days inclusive of the day on which such offer was made. The amount payable by the grantee of a Share Option to the Company on acceptance of the offer for the grant of a Share Option is HK\$1.00.

**5. Maximum number of Shares**

- (A) Subject to sub-paragraphs (B) and (C) below, the maximum number of Shares issuable upon the exercise of all Share Options to be granted under the New Share Option Scheme and any other share option schemes of the Company as from the commencement of the Scheme Period (excluding, for this purpose, Share Options which have lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the “Scheme Mandate”). The Shares underlying any Share Options granted under the New Share Option Scheme or any other share option schemes of the Company which have been cancelled (but not Share Options which have lapsed) will be counted for the purpose of the Scheme Mandate.
- (B) The Scheme Mandate may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the new limit under the refreshed Scheme Mandate must not exceed 10% of the Shares in issue at the date of the Shareholders’ approval of such refreshed Scheme Mandate. Share Options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the refreshed Scheme Mandate.
- (C) The Company may also, by obtaining separate approval of the Shareholders in general meeting, grant Share Options beyond the Scheme Mandate provided the Share Options in excess of the Scheme Mandate are granted only to Eligible Persons specifically identified by the Company before such approval is sought.
- (D) The aggregate number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No Share Options may be granted under the New Share Option Scheme of the Company if this will result in the limit being exceeded.

**6. Maximum entitlement of each Eligible Person**

The maximum number of Shares issued and to be issued upon the exercise of the Share Options granted under the New Share Option Scheme and any other share option schemes of the Company to any Eligible Person(s) (including cancelled, exercised and outstanding Share Options), in any 12-month period up to the date of grant shall not exceed 1% of the number of Shares in issue, unless (i) a circular is despatched to the Shareholders; (ii) the Shareholders approve the grant of the Share Options in excess of the 1% limit referred to in

this paragraph; and (iii) the relevant Eligible Person and his associates shall abstain from voting. The number and terms (including the exercise price) of Share Options to be granted to such Eligible Person(s) must be fixed before shareholders' approval.

#### **7. Grant of Share Options to certain connected persons**

- (A) Any grant of a Share Option to a Director, chief executive of the Company or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Share Options).
- (B) Where any grant of Share Options to a Substantial Shareholder or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon the exercise of the Share Options already granted and to be granted to such person under the New Share Option Scheme and any other share option schemes of the Company (including Share Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
  - (i) representing in aggregate over 0.1% of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at each date of grant, in excess of HK\$5 million,

such further grant of Share Options is required to be approved by Shareholders in general meeting in accordance with the Listing Rules. Any change in the terms of a Share Option granted to a Substantial Shareholder or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders.

#### **8. Time of grant and exercise of Share Options**

No offer shall be made after inside information has come to the knowledge of the Company until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no Share Options may be granted during the period commencing one (1) month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's annual or interim results; and (b) the deadline for the Company to publish its annual or interim results announcement, and ending on the date of actual publication of the results announcement.

No Share Options may be granted to an Eligible Person who is subject to the Model Code during the periods or times in which such Eligible Person is prohibited from dealing in Shares pursuant to the Model Code.

A Share Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period commencing on such date on or after the date on which the Share Option is granted as the Board may determine in granting the Share

Options and expiring at the close of business on such date as the Board may determine in granting the Share Options but in any event shall not exceed ten (10) years from the date of grant (which is the date of offer of grant if the offer for the grant of the Share Options is accepted).

There is no specified minimum period under the New Share Option Scheme for which a Share Option must be held or the performance target which must be achieved before a Share Option can be exercised under the terms of the New Share Option Scheme.

#### **9. Performance targets**

Save as determined by the Board and provided in the offer of the grant of the relevant Share Options, there is no performance target which must be achieved before any of the Share Options can be exercised.

#### **10. Ranking of Shares**

If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of a Share Option, a dividend is to be or is proposed to be paid, or Shares are to be issued or proposed to be issued by way of the capitalisation of profits or reserves or by way of rights under an offer made pro rata, to Shareholders on the register of members of the Company on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend or such Shares. Subject as aforesaid, Shares allotted upon the exercise of an outstanding Share Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of such exercise. Shares allotted upon the exercise of a Share Option for the time being outstanding shall not carry voting rights until completion of the registration of the holder of Share Option (or any other person) as the holder thereof.

#### **11. Rights are personal to grantee**

A Share Option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Share Option or attempt to do so.

#### **12. Rights of exercise for grantees who were Category A Eligible Persons**

If a grantee of a Share Option who at the time of grant of a Share Option to him qualified as an Eligible Person because he was a Category A Eligible Person ceases to be such a Category A Eligible Person:

- (i) by reason of ill-health or injury or disability or death, then he or (as the case may be) his personal representative(s) may exercise his outstanding Share Option within six (6) months or up to the expiration of the relevant option period, whichever is earlier, failing which the Share Option will lapse; or

- (ii) because the relevant member of the Group or the relevant Substantial Shareholder or the relevant company controlled by the relevant Substantial Shareholder by reason of his employment or engagement with, or secondment to, which he qualified as a Category A Eligible Person at the time the Share Option was granted ceases to be a member of the Group or a Substantial Shareholder or a company controlled by the relevant Substantial Shareholder (as the case may be), then he may exercise his outstanding Share Option within six (6) months or up to the expiration of the relevant option period, whichever is earlier, failing which the Share Option will lapse; or
- (iii) by reason of retirement in accordance with his contract of employment or service, then he may exercise his outstanding Share Option within six (6) months after he so ceases or, if the Board in its absolute discretion determine, within six (6) months following the date of his sixtieth (60th) birthday where the retirement takes effect prior to such date, failing which the Share Option will lapse; or
- (iv) by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the relevant company otherwise than by reason of redundancy, then his outstanding Share Options shall lapse on the date he so ceases; or
- (v) on the grounds that he has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group or the relevant Substantial Shareholder or the relevant company controlled by the relevant Substantial Shareholder into disrepute), then his outstanding Share Options shall lapse automatically on the date of his ceasing to be an Eligible Person; or
- (vi) for any other reason, any Share Options exercisable at the date he so ceases may be exercised within three (3) months of the date he so ceases, failing which the Share Option will lapse,

provided always that in each case the Board in its absolute discretion may decide that such Share Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

**13. Rights of exercise for grantees who were Category B Eligible Persons**

If a grantee of a Share Option who at the time of grant of a Share Option to him qualified as an Eligible Person because he was a Category B Eligible Person:

- (i) has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or the Group into disrepute), then his outstanding Share Option shall lapse automatically on the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be),
- (ii) (if the grantee is an individual) dies, then his personal representative(s) may exercise his outstanding Share Option within six (6) months after his death or up to the expiration of the option period, whichever is earlier, failing which the Share Option will lapse; or

provided always that in each case the Board in its absolute discretion may decide that such Share Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

**14. Rights on exercise for grantees which were companies controlled by any of the Eligible Persons**

In respect of any Share Option granted to a company which qualified as an Eligible Person because it was a company controlled by a person ("Such Person") who was a Category A Eligible Person or Category B Eligible Person:

- (i) the relevant provisions set out in paragraph 12 or 13 (as the case may be) would apply to its outstanding Share Option as if the Share Option had been granted to Such Person; and
- (ii) its outstanding Share Option shall lapse on the date it ceases to be a company controlled by Such Person,

provided always that in each case the Board in its absolute discretion may decide that such Share Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

**15. Failure to meet continuing eligibility criteria**

If the Board in the offer granting the relevant Share Option has specified that the grantee has to meet certain continuing eligibility criteria and that the failure of the grantee to meet any such continuing eligibility criterion would entitle the Company to cancel the Share Option then outstanding (or part thereof), then upon the failure of the grantee to meet



any such continuing eligibility criterion, his outstanding Share Option shall lapse and determine on the date the Board exercises the Company's right to cancel the Share Option on the ground of such failure.

**16. Rights on a general offer**

If a general offer by way of takeover is made to all the Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror, the grantee of a Share Option shall, subject to paragraph 8 above, be entitled to exercise at any time within a period of fourteen (14) days after such control has been obtained by the offeror any Share Option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Share Option from being exercisable at that time). For the avoidance of doubt, a Share Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.

**17. Rights on winding-up**

If notice is given by the Company to Shareholders of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice to all grantees of Share Options and each grantee shall be entitled, at any time no later than two (2) business days prior to the proposed general meeting of the Company to exercise any of his outstanding Share Options in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Share Options from being exercisable at that time). If such resolution is duly passed, all Share Options shall, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up.

**18. Rights on compromise or arrangement**

In the event of a compromise or arrangement between the Company and Shareholders or the Company's creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company pursuant to the Companies Act, notice of the relevant meeting shall be given to the grantees of Share Options on the same day notice is given to the Shareholders and the Company's creditors, and thereupon each grantee (or where permitted his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Supreme Court of Bermuda be entitled to exercise his Share Option, but such exercise of a Share Option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda and becoming effective. Failing such exercise, all Share Options will lapse.

**19. Lapse of Share Options**

A Share Option shall lapse automatically on the earliest of:

- (i) the expiry of the period referred to in paragraph 8 above;
- (ii) the date on which the grantee commits a breach of paragraph 11 above, if the Board shall exercise the Company's right to cancel the Share Option;
- (iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph 12, 13, 14 or 15 above; and
- (iv) the expiry of any of the relevant periods referred to in paragraph 17 or 18 above.

**20. Cancellation of Share Options granted but not yet exercised**

Following the cancellation of any Share Options granted under the New Share Option Scheme but not exercised, new Share Options may only be granted to the same grantee under the New Share Option Scheme with available unissued Share Options (excluding the cancelled Share Options) within the limit of the Scheme Mandate then available to the Board.

**21. Effects of alterations to capital**

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Share Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number of Shares subject to any outstanding Share Options and/or (ii) the subscription price per Share as the independent financial adviser or the auditors for the time being of the Company shall at the request of the Company or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of the Company to which he was entitled before such alteration and the aggregate subscription price payable by the grantee on the full exercise of any Share Options shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, an independent financial adviser or the auditors for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the Listing Rules from time to time.

**22. Period of the New Share Option Scheme**

The New Share Option Scheme will remain in force for a period of ten (10) years commencing on the date on which the New Share Option Scheme is adopted by Shareholders in general meeting and shall expire at the close of business on the day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

**23. Alteration to the New Share Option Scheme**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Persons (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (ii) any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the New Share Option Scheme; or
- (iii) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of Share Options granted (except any alterations which take effect automatically under the terms of the New Share Option Scheme),

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect a Share Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme.

The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules.

**24. Termination to the New Share Option Scheme**

The Company may by resolution in general meeting or the Board may at any time terminate the New Share Option Scheme and in such event no further Share Option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

Share Options granted prior to such termination at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**25. Conditions of the New Share Option Scheme**

The New Share Option Scheme is conditional on (1) the passing by the Shareholders of an ordinary resolution at the SGM to approve the adoption of the New Share Option Scheme; and (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Share Options which may be granted under the New Share Option Scheme.

---

## NOTICE OF THE SGM

---



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00418)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**SGM**”) of Founder Holdings Limited (the “**Company**”) will be held at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong at 11:30 a.m. on Tuesday, 31 May 2016 for the purpose of considering and, if thought fit, passing the following resolution:

#### ORDINARY RESOLUTION

**“THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the ordinary shares of HK\$0.1 each in the share capital of the Company (or such nominal amount as shall result from a capitalization issue, rights issue, sub-division, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) (the “**Share(s)**”) to be issued pursuant to the exercise of the share options granted which may be granted under the new share option scheme (the “**New Share Option Scheme**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the New Share Option Scheme be and is hereby approved and adopted; and the directors of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (i) to administer the New Share Option Scheme under which share options will be granted to the Eligible Persons (as defined in the New Share Option Scheme) eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

\* For identification purpose only

---

## NOTICE OF THE SGM

---

- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules;
- (iv) make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By order of the Board of  
**Founder Holdings Limited**  
**Tang Yuk Bo, Yvonne**  
*Company Secretary*

Hong Kong, 13 May 2016

*Notes:*

- (1) Any shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company but must be present in person at the meeting to represent the shareholder. Completion and return of the form of proxy will not preclude a shareholder from attending the meeting and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.
- (2) Where there are joint holders of any share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the principal place of business of the Company at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- (4) At the meeting (or at any adjournment thereof), the Chairman of the meeting put the above resolution to the vote by way of a poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Bye-laws of the Company. The poll results will be published on the websites of the Company at [www.irasia.com/listco/hk/founder](http://www.irasia.com/listco/hk/founder) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) following the meeting.