
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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Founder Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or 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 RE-ELECTION OF DIRECTORS
AND
PROPOSED GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Founder Holdings Limited to be held at 10:45 a.m. on Wednesday, 23 June 2010 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 13 to 17 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to 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 as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting.

30 April 2010

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
I. Introduction	3
II. Proposed re-election of Directors	4
III. Proposed general mandates to issue and to repurchase shares	
1. Share Issue Mandate	4
2. Share Repurchase Mandate	5
IV. Notice of AGM	5
V. Recommendations	5
Appendix I – Biographical details of Directors proposed for re-election	7-9
Appendix II – Explanatory statement	10-12
Notice of AGM	13-17

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held at 10:45 a.m. on Wednesday, 23 June 2010 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong or any adjournment thereof;
“associate”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company and “Bye-law” shall be construed accordingly;
“Company”	Founder Holdings Limited (方正控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“Connected person”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;
“EC-Founder”	EC-Founder (Holdings) Company Limited (方正數碼(控股)有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and an approximately 32.84% owned associated company of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	26 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as modified from time to time;
“Peking Founder”	北大方正集團有限公司 (Peking University Founder Group Company Limited*), the controlling shareholder of the Company;

* For identification purpose only

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each of the Company;
“Shareholder(s)”	registered holder(s) of Share(s) of the Company;
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to twenty per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution);
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all the powers of the Company to repurchase Shares not exceeding ten per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution);
“Share Repurchase Rules”	the applicable provisions under the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

Executive Directors:

Mr Zhang Zhao Dong (*Chairman*)
Professor Xiao Jian Guo (*Deputy Chairman*)
Mr Liu Xiao Kun (*President*)
Professor Wei Xin
Mr Chen Geng
Mr Xie Ke Hai

Independent non-executive Directors:

Mr Li Fat Chung
Dr Hu Hung Lick, Henry
Ms Wong Lam Kit Yee

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

30 April 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF DIRECTORS
AND
PROPOSED GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The Company will propose at the AGM resolutions to, inter alia, (i) re-elect Directors; and (ii) grant to the Directors the Share Issue Mandate and the Share Repurchase Mandate.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information on resolutions to be proposed at the AGM and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

II. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Bye-laws, Mr Liu Xiao Kun, Mr Chen Geng and Mr Xie Ke Hai will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

Relevant biographical details, as at the Latest Practicable Date, of each of the Directors proposed for re-election at the AGM are set out in Appendix I to this circular.

III. PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 8 June 2009, resolutions were passed by the then Shareholders granting general mandates to the Directors to issue Shares and to repurchase Shares. These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates.

1. Share Issue Mandate

At the AGM, an ordinary resolution will be proposed to grant the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares, not exceeding twenty per cent. of the Company's aggregate nominal amount of issued share capital as at the date of passing of the relevant resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution).

As at the Latest Practicable Date, the authorised share capital of the Company comprised 2,100,000,000 Shares and the number of Shares in issue were 1,130,299,893. Subject to the passing of the relevant ordinary resolution at the AGM and on the basis that no further Shares will be issued or repurchased between the period from the Latest Practicable Date and the AGM, the Company would be allowed under the Share Issue Mandate to issue a maximum of 226,059,978 new Shares during the period in which the Share Issue Mandate remains in force.

In addition, conditional upon the proposed resolution to authorise the repurchase of Shares as is more particularly described under the section headed "Share Repurchase Mandate" being passed, a separate ordinary resolution will be proposed at the AGM to authorise the Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional Shares under the Share Issue Mandate in respect of the aggregate nominal amount of share capital in the Company repurchased by the Company pursuant to the Share Repurchase Mandate.

LETTER FROM THE BOARD

2. Share Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed to grant the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase an amount of Shares not exceeding ten per cent. of the Company's aggregate nominal amount of issued share capital as at the date of passing of the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution).

An explanatory statement required under the Share Repurchase Rules providing the requisite information in respect of the Share Repurchase Mandate is set out in Appendix II to this circular.

IV. NOTICE OF AGM

Notice of the AGM is set out on pages 13 to 17 of this circular.

There is enclosed a form of proxy for use at the AGM. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the principal place of business of the Company in Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

Voting on all of the resolutions to be proposed at the AGM will be taken by poll.

V. RECOMMENDATIONS

The Directors believe that the proposed re-election of Directors and the proposed grant of the Share Issue Mandate and the Share Repurchase Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

VI. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

Yours faithfully,
For and on behalf of the Board
Founder Holdings Limited
Zhang Zhao Dong
Chairman

The following are the relevant biographical details of those Directors proposed for re-election at the AGM:

1. **Mr Liu Xiao Kun**, aged 50, is the President and an executive director of the Company. He is also the Chairman of Beijing Founder Electronics Co., Ltd. and Beijing Founder Order Computer System Co., Ltd. and the Chairman and President of Beijing Founder Century Information System Co., Ltd. He also holds directorships in certain subsidiaries and associated companies of the Company and certain associated companies of Peking Founder. Mr Liu graduated from the Sichuan University and holds a master's degree in Economics. He has extensive experience in the distribution business of information products. Mr Liu is mainly responsible for the overall operation of the Group's software development and systems integration business and EC-Founder's information products distribution business.

Save as disclosed above, Mr Liu does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Liu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Liu does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr Liu has entered into a service agreement with the Company for an initial term of two years commenced on 25 January 2009 and shall continue thereafter unless and until terminated by either the Company or Mr Liu in accordance with the service agreement. Under the terms of the service agreement, Mr Liu is not entitled to any director's fee payable by the Company but is entitled to a salary of RMB500,000 per annum, which was determined by the Board by reference to the prevailing market conditions and may be reviewed from time to time at the discretion of the Board. Mr Liu is entitled to participate in any profit-related bonus scheme as may be established by the Company and his entitlement thereunder shall be determined at the absolute discretion of the Board and the total amount of bonus payable to all executive directors of the Company shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and minority interests but before extraordinary items of the Group for that financial year.

Save as disclosed above, there are no other matters relating to the re-election of Mr Liu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

2. **Mr Chen Geng**, aged 39, is an executive director of the Company. He is also the President and an executive director of EC-Founder, an associated company of the Company and a public company listed on the Main Board of the Stock Exchange. Mr Chen graduated from the Northwest University with a bachelor's degree in Executive Management and obtained an EMBA degree from the Peking University Guanghai School of Management. Mr Chen is also an Economist in the People's Republic of China. Before joining EC-Founder in 2005, he was a Vice-President of a subsidiary of Peking Founder and worked in various investment companies in the People's Republic of China and has extensive experience in finance and management. Mr Chen is responsible for the overall strategic planning and development of EC-Founder.

Save as disclosed above, Mr Chen does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Chen does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Chen does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr Chen has entered into a service agreement with the Company for an initial term of two years commenced on 15 December 2008 and shall continue thereafter unless and until terminated by either the Company or Mr Chen in accordance with the service agreement. Mr Chen is not entitled to any director's fee or salary payable by the Company at the time entering into the service agreement, however, which may be reviewed from time to time at the discretion of the Board. Mr Chen is entitled to participate in any profit-related bonus scheme as may be established by the Company and his entitlement thereunder shall be determined at the absolute discretion of the Board and the total amount of bonus payable to all executive directors of the Company shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and minority interests but before extraordinary items of the Group for that financial year.

Save as disclosed above, there are no other matters relating to the re-election of Mr Chen that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

3. **Mr Xie Ke Hai**, aged 44, is an executive director of the Company. He is also an executive director of EC-Founder, an associated company of the Company and a public company listed on the Main Board of the Stock Exchange. He is also a senior Vice-President and Chief Human Resources Officer of Peking Founder. Mr Xie graduated from the University of Science and Technology Beijing and obtained a master's degree. He is also a director of a number of associated companies of Peking Founder. He has extensive experience in human resources.

Save as disclosed above, Mr Xie does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Xie does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Xie does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr Xie has entered into a service agreement with the Company for an initial term of two years commenced on 15 December 2008 and shall continue thereafter unless and until terminated by either the Company or Mr Xie in accordance with the service agreement. Mr Xie is not entitled to any director's fee or salary payable by the Company at the time entering into the service agreement, however, which may be reviewed from time to time at the discretion of the Board. Mr Xie is entitled to participate in any profit-related bonus scheme as may be established by the Company and his entitlement thereunder shall be determined at the absolute discretion of the Board and the total amount of bonus payable to all executive directors of the Company shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and minority interests but before extraordinary items of the Group for that financial year.

Save as disclosed above, there are no other matters relating to the re-election of Mr Xie that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the Share Repurchase Mandate.

SHARE REPURCHASE RULES

The Share Repurchase Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of a general mandate or by a specific approval of a particular transaction. A maximum of ten per cent. of the fully paid-up securities of a company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company comprised 2,100,000,000 Shares and the number of Shares in issue were 1,130,299,893.

Subject to the passing of the relevant ordinary resolution at the AGM and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 113,029,989 Shares during the period in which the Share Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Share Repurchase Mandate must be fully paid-up.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	0.330	0.173
May	0.390	0.250
June	0.425	0.330
July	0.405	0.345
August	0.450	0.355
September	0.390	0.285
October	0.370	0.300
November	0.640	0.345
December	0.560	0.440
2010		
January	0.710	0.475
February	0.580	0.495
March	0.660	0.550
April (up to the Latest Practicable Date)	0.680	0.550

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share and will only be made when the Board believes that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

The laws of Bermuda provide that such repurchases may only be effected out of the capital paid up on the repurchased shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purposes.

Any premium payable on a repurchase over the par value of the Shares to be repurchased is to be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2009) in the event that the Share Repurchase Mandate was to be exercised in full at any time during the repurchase period. However, the Board does not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company.

UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Memorandum of Association of the Company, the Bye-laws, the Listing Rules and the applicable laws of Bermuda so far as the same may be applicable.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company or its subsidiaries under the Share Repurchase Mandate, if such is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

EFFECT OF THE TAKEOVERS CODE

If, as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning of the Takeovers Code) depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code as a result of the increase.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Peking Founder, being the only controlling shareholder of the Company, was interested in 367,179,610 Shares, representing approximately 32.49% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Share Repurchase Mandate, the shareholding of Peking Founder in the Company will be increased to approximately 36.09% of the issued share capital of the Company. As a result, Peking Founder would be required under Rule 26 of the Takeovers Code to make a mandatory offer pursuant to such increase. The Directors have no present intention to exercise in full the power to repurchase Shares pursuant to the Share Repurchase Mandate so as to trigger the Takeovers Code.

SHARE REPURCHASE MADE BY THE COMPANY

There have been no repurchases of Shares by the Company made in the six months prior to the date of this circular (whether on the Stock Exchange or otherwise).

NOTICE OF AGM



(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting 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 on Wednesday, 23 June 2010 at 10:45 a.m. for the following purposes:

1. To receive and adopt the audited Financial Statements and the Reports of Directors and Auditors of the Company for the year ended 31 December 2009.
2. To re-elect Directors and authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

ORDINARY RESOLUTIONS

4. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to:

* For identification purpose only

NOTICE OF AGM

- (i) a Rights Issue; or
- (ii) the grant of options under the share option scheme of the Company or the exercise of any of the subscription rights attaching to any options that have been or may be granted thereunder; or
- (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
- (iv) any scrip dividend scheme or similar arrangement providing for allotment of Shares in lieu of the whole or part of any dividend on Shares in accordance with the Bye-laws of the Company

shall not exceed the aggregate of:

- (a) twenty per cent. of the aggregate nominal amount of the issued share capital of the Company in issue as at the date of passing of this Resolution; and
- (b) (if the Board of Directors are so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of the issued share capital of the Company purchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution),

and the said approval shall be limited accordingly; and

(C) for the purposes of this Resolution:

- (i) “Relevant Period” means the period from (and including) the date of passing of this Resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

NOTICE OF AGM

- (ii) “Rights Issue” means an offer of Shares open for a period fixed by the Board of Directors to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
 - (iii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange (as amended from time to time), be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval be limited accordingly; and
- (C) for the purposes of this Resolution:
 - (i) “Relevant Period” means the period from (and including) the passing of this Resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company;

NOTICE OF AGM

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (ii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT**, conditional on the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (“Resolutions 4 and 5, respectively”), the exercise by the Board of Directors of the powers referred to in paragraph (A) of Resolution 4 in respect of the share capital of the Company referred to in sub-paragraph (b) of paragraph (B) of Resolution 4, be and is hereby approved and authorised.”

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

Hong Kong, 30 April 2010

As at the date of this notice, the Board comprises the following directors:

Executive Directors

Mr Zhang Zhao Dong (*Chairman*)
Professor Xiao Jian Guo (*Deputy Chairman*)
Mr Liu Xiao Kun (*President*)
Professor Wei Xin
Mr Chen Geng
Mr Xie Ke Hai

Independent non-executive Directors

Mr Li Fat Chung
Dr Hu Hung Lick, Henry
Ms Wong Lam Kit Yee

NOTICE OF AGM

Notes:

- (1) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote in his stead. 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. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
- (2) A form of proxy is enclosed.
- (3) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- (4) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event the form of proxy shall be deemed to be revoked.
- (5) 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 was solely entitled thereto, but if more than one of such joint holders are 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.
- (6) 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 in Hong Kong 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.
- (7) Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (8) The ordinary resolutions as set out above will be determined by way of a poll.