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FOUNDER HOLDINGS LIMITED
方正控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

INSIDE INFORMATION

ANNOUNCEMENT ON THE NOTIFICATION LETTER OF APPROVAL OF RESTRUCTURING PROPOSAL BY THE COURT AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), 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, Laws of Hong Kong) (the “**SFO**”).

References are made to the announcements of Founder Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 and 28 June 2021 in relation to, among other things, the restructuring proposal (the “**Proposal**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in such announcements.

The Board wishes to update shareholders of the Company and potential investors that on 5 July 2021, the Company received a notification letter from the administrator of Peking University Founder Group Company Limited, stating that a “written civil ruling” No. (2020)京01破13號之五 served by the Court was received on the same day, in which ruled that the Proposal was approved and the restructuring procedure was terminated. Therefore, the Proposal is in the phase of execution.

Pursuant to the Proposal, among the equity assets, debt assets and other assets, of which the Five Companies including Peking Founder have the right to dispose, the majority will be used to set up a new company (the “**New Founder Group**”) and its subordinate business platform companies. The equity interest of New Founder Group will be transferred to the Restructuring Investors. The equity interest of the Company indirectly held by Peking Founder will be held directly or indirectly by the Restructuring Investors. According to the provisions of the

Enterprise Bankruptcy Law of the People's Republic of China, the Five Companies including Peking Founder as the debtors are responsible to implement the Proposal. 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. The transfer of the equity interest of the Company is subject to ongoing discussions as to 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.

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).

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 6 July 2021 pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 9 July 2021.

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, 8 July 2021

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, Ms Zuo Jin, 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