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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 PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

NOTIFICATION LETTER OF THE INCORPORATION OF NEW FOUNDER GROUP

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**”) 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 and 27 September 2021 (the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the Announcements.

The Board wishes to update shareholders of the Company and potential investors that on 21 October 2021, the Company received a notification letter from the administrator of Peking University Founder Group Company Limited, stating that the Five companies including Peking Founder have completed the establishment of New Founder Group on 21 October 2021. The equity interest of New Founder Group is directly or indirectly held (via vehicles held by the Restructuring Investors) as to 66.5% by Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), 28.5% by Zhuhai Huafa Group Co., Ltd. (on behalf of Zhuhai State-owned Assets) (珠海華發集團有限公司(代表珠海國資)) and approximately 5% by the creditors after the completion of execution of restructuring plan in accordance with the Proposal. The incorporation of the subordinate business platform companies of New Founder Group continues to be in progress.

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 to the subordinate business platform company of New Founder Group is subject to 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.

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 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 October 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*