
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 and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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FOUNDER HOLDINGS LIMITED
方正控股有限公司 *

(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 the annual general meeting of Founder Holdings Limited to be held at 10:00 a.m. on Friday, 28 May 2021 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual 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, or the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any event not later than 48 hours before the time appointed for holding of the annual 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 annual general meeting should you so wish.

SPECIAL MEASURES FOR THE ANNUAL GENERAL MEETING

Please note that the following measures will be implemented for the annual general meeting due to the COVID-19 pandemic (see page 8 for details):

- Compulsory temperature checks before entering the office where the annual general meeting will be held; those with a fever may not be admitted.
- Wearing of face masks is compulsory at any time within the meeting venue and throughout the annual general meeting.
- There will be no distribution of gifts and no refreshments from the Company.

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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 10:00 a.m. on Friday, 28 May 2021 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 same meaning as ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company;
“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*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 00418);
“connected person”	has the same meaning as ascribed thereto in the Listing Rules;
“Directors”	the directors 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”	9 April 2021, 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;
“Peking Founder”	北大方正集團有限公司 (Peking University Founder Group Company Limited*), a company incorporated in the PRC with limited liability, the controlling shareholder of the Company, which through its wholly-owned subsidiary, PKU Founder Information, indirectly holds approximately 30.60% of the issued share capital of the Company;

**For identification purpose only*

DEFINITIONS

“PKU Founder Information”	北大方正信息產業集團有限公司 (Peking University Founder Information Industry Group Co., Ltd.*), a company incorporated in the PRC with limited liability, the controlling shareholder of the Company, which directly holds approximately 30.60% of the issued share capital of the Company;
“PRC”	People’s Republic of China;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital 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;

**For identification purpose only*

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



FOUNDER HOLDINGS LIMITED
方正控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

Executive Directors:

Mr Cheung Shuen Lung (*Chairman*)
Mr Shao Xing (*President*)
Professor Xiao Jian Guo
Ms Zuo Jin
Mr Hu Bin
Ms Liao Hang

Independent non-executive Directors:

Mr Chan Chung Kik, Lewis
Mr Lau Ka Wing
Mr Lai Nga Ming, Edmund

Registered office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
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

16 April 2021

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 paragraph A.4.2 of Appendix 14 to the Listing Rules and Bye-law 99 of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. Accordingly, Mr Cheung Shuen Lung, Mr Hu Bin and Mr Chan Chung Kik, Lewis (“**Mr Chan**”) will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

Mr Chan meets the independence factors set out in Rule 3.13 of the Listing Rules and is not involved in the daily management of the Company nor in any relationships or circumstances which would interfere with the exercise of his independent judgment. In addition, he demonstrates the attributes of independent non-executive Director and there is no evidence that his tenure has had any impact on his independence. The Board is of the opinion that Mr Chan remains independent and it believes that his valuable knowledge and experience in the accounting business and his general business acumen shall generate significant contribution to the Company and the Shareholders as a whole.

In addition, the nomination committee of the Company had identified candidates pursuant to criteria set out in the nomination policy adopted by the Company and reviewed the written confirmation of independence from Mr Chan. The nomination committee of the Company is also of the view that Mr Chan would bring to the Board his own perspectives, skills and experience, as further described in his biographical details in Appendix I to this circular.

Based on the board diversity policy adopted by the Company, the nomination committee of the Company considers that Mr Chan can contribute to the diversity of the Board, in particular, with his professional background in accounting, auditing and taxation enables him to provide valuable, independent and objective view to the Company’s affairs.

Resolutions for re-electing Mr Cheung Shuen Lung, Mr Hu Bin and Mr Chan will be proposed at the AGM.

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.

LETTER FROM THE BOARD

III. PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 May 2020, resolutions were passed by the 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 1,199,746,993. 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 239,949,398 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.

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.

LETTER FROM THE BOARD

IV. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24 May 2021 to Friday, 28 May 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 21 May 2021.

V. AGM

A notice convening the AGM to be held at 10:00 a.m. on Friday, 28 May 2021 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out on pages 16 to 20 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on The Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk) and the Company's website (www.founder.com.hk). Whether or not you are able to attend the AGM, 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, or the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any event not less than 48 hours before the time appointed for holding of 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 or any adjournment thereof should you so wish.

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

VI. 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 the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

VII. 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.

LETTER FROM THE BOARD

VIII. PRECAUTIONS IN LIGHT OF COVID-19 PANDEMIC AT AGM

At the time of issuing this circular, many countries and regions around the world including Hong Kong are still devoting vigorous efforts to contain the COVID-19 pandemic. The situation is evolving and it is hard to predict when the crisis will end.

The health and safety of our Shareholders and staff are our top priority as we plan for the AGM. It is important that we continue to stay alert and help prevent the spread of the disease, and Shareholders are reminded to consider for themselves whether they should attend the AGM in person. The health risks posed by large scale gatherings should not be underestimated.

In order to protect attending Shareholders and staff of the Company from the risk of infection, the Company will implement the following precautionary measures at the AGM:

- Compulsory temperature checks for every attending Shareholder, proxy or other attendee at the entrance to the Company’s office where the AGM will be held. Any person with a fever or is unwell may be denied entry into AGM’s venue.
- Any person who does not comply with the precautionary measures or is subject to any Hong Kong SAR Government prescribed quarantine may be denied entry into the AGM’s venue. Health declaration may be required.
- All attendees have to wear face masks within the AGM’s venue and throughout the meeting.
- There will be no distribution of gifts and no refreshments will be served by the Company.
- Appropriate seating spacing will be implemented to ensure safe distancing among attendees.

The Company also reminds Shareholders that attendance at the AGM in person is not necessary for the purpose of exercising voting rights. Shareholders may consider appointing the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the AGM as an alternative to attending the meeting in person.

The Company will watch out for updated guidelines and requirements from the Hong Kong SAR Government. In the event that the AGM has to be rescheduled due to the COVID-19 situation, Shareholders will be notified of the revised date.

Yours faithfully,
By Order of the Board
Founder Holdings Limited
Cheung Shuen Lung
Chairman

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

Mr Cheung Shuen Lung (“Mr Cheung”), aged 64, is an executive Director and chairman of the Company since December 2016. He is also the executive director and chairman of Peking University Resources (Holdings) Company Limited (“**PKU Resources**”) (stock code: 00618), a company listed on the main board of the Stock Exchange. Peking Founder is the substantial shareholder of the Company and PKU Resources. He is the director of Peking Founder and is one of the founders of Peking Founder. He is also a director of a number of subsidiaries of the Company. He is a research fellow of the Enterprise Research Institute at Peking University and is an MBA alumni trainer of Peking University Guanghua School of Management. Mr Cheung is famed for his prestige and has extensive experience in the information technology industry in the People’s Republic of China (the “**PRC**”).

Save as disclosed above, Mr Cheung does not hold any position with the Company or any members of the Group.

Save as disclosed above, Mr Cheung does not have any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Cheung 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 Cheung does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr Cheung has entered into a service agreement as an executive Director with the Company for a term of two years from 12 December 2020 and should continue thereafter unless and until terminated by either the Company or Mr Cheung in accordance with the service agreement. Mr Cheung is not entitled to any director’s fee payable or salary payable at the time entering into the service agreement, however, which may be reviewed from time to time at the discretion of the Board. Mr Cheung 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 shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and non-controlling interests of the Group for that financial year.

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

Mr Hu Bin (“Mr Hu”), aged 42, is an executive Director of the Company since December 2016. He is the general manager of assets management department of Peking Founder. He is a director of (i) China Hi-Tech Group Co., Ltd. (中國高科集團股份有限公司) (stock code: 600730, a company listed on the Shanghai Stock Exchange, in which 20.03% of equity interest is held by Peking Founder); (ii) Founder Securities Co., Ltd. (方正證券股份有限公司) (stock code: 601901, a company listed on the Shanghai Stock Exchange, in which 27.75% of equity interest is held by Peking Founder); and (iii) Founder Technology Group Co., Ltd. (方正科技集團股份有限公司) (stock code: 600601, a company listed on the Shanghai Stock Exchange, in which 12.59% of equity interest is held by Peking Founder). He is also a director of associated companies of Peking Founder and a subsidiary of the Company. Mr Hu received his bachelor’s degree in accounting at Beijing University of Technology in the PRC. He is a Certified Public Accountant in the PRC, member of the Association of Chartered Certified Accountants in the United Kingdom and CFA charterholder. Prior to joining Peking Founder in 2016, he was a senior manager of an international firm of Certified Public Accountants. Mr Hu has extensive knowledge and experience in financial management.

Save as disclosed above, Mr Hu does not hold any position with the Company or any members of the Group.

Save as disclosed above, Mr Hu does not have any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Hu 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 Hu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr Hu has entered into a service agreement as an executive Director with the Company for a term of two years from 12 December 2020 and should continue thereafter unless and until terminated by either the Company or Mr Hu in accordance with the service agreement. Mr Hu is not entitled to any director’s fee payable or salary payable at the time entering into the service agreement, however, which may be reviewed from time to time at the discretion of the Board. Mr Hu 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 shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and non-controlling interests of the Group for that financial year.

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

Mr Chan Chung Kik, Lewis, aged 48, is an independent non-executive Director of the Company since March 2017. He is the chief financial officer of Brilliant Circle Holdings International Limited (stock code: 1008, a company listed on main board of the Stock Exchange). He served as an independent non-executive director of Shandong Xinhua Pharmaceutical Company Limited (山東新華製藥股份有限公司), a company listed on the main board of the Stock Exchange (stock code: 719) and the Shenzhen Stock Exchange (stock code: 000756) from May 2014 to June 2018. Mr Chan also serves as the independent non-executive director of (i) HongGuang Lighting Holdings Company Limited, a company which was previously listed on the GEM (stock code: 8343) in December 2016 and was subsequently transferred to the main board of the Stock Exchange (stock code: 6908) in November 2019, since December 2016; (ii) PKU Resources since March 2017; (iii) Wing Chi Holdings Limited (stock code: 6080, a company listed on the main board of the Stock Exchange) since September 2017; and (iv) Eternity Technology Holdings Limited (stock code: 1725, a company listed on the main board of the Stock Exchange) since July 2018. Mr Chan obtained a bachelor degree of commerce in accounting from the University of Canberra in Australia in September 1997. He is currently a fellow of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He has extensive experience in auditing, accounting and corporate finance.

Save as disclosed above, Mr Chan does not hold any position with the Company or any members of the Group.

Save as disclosed above, Mr Chan does not have any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Chan 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 Chan does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr Chan has entered into a letter of appointment as an independent non-executive Director with the Company for a period of one year from 31 March 2021. Mr Chan is entitled to a Director's fee of HK\$180,000 per annum, which was determined by the Board by reference to the current market conditions and may be reviewed from time to time at the discretion of the Board.

Save as disclosed above, there are no other matters relating to the re-election of Mr Chan that need to be brought to the attention of the Shareholders nor any information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) 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 1,199,746,993.

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 119,974,699 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>
2020		
April	0.360	0.300
May	0.405	0.310
June	0.420	0.330
July	0.420	0.365
August	0.410	0.365
September	0.405	0.370
October	0.405	0.360
November	0.385	0.335
December	0.400	0.360
2021		
January	0.440	0.350
February	0.730	0.410
March	0.440	0.365
April (up to the Latest Practicable Date)	0.480	0.405

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 2020) 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 interests, 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, PKU Founder Information, being the only controlling Shareholders of the Company, was interested in 367,179,610 Shares, representing approximately 30.60% 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 PKU Founder Information in the Company will be increased to approximately 34.01% of the issued share capital of the Company. As a result, PKU Founder Information 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



FOUNDER HOLDINGS LIMITED 方正控股有限公司*

(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 10:00 a.m. on Friday, 28 May 2021 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

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 2020.
2. (a) To re-elect Mr Cheung Shuen Lung as an executive director of the Company;
(b) To re-elect Mr Hu Bin as an executive director of the Company;
(c) To re-elect Mr Chan Chung Kik, Lewis as an independent non-executive director of the Company; and
(d) To authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint Ernst & Young as auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
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 (as defined below) 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;

* For identification purpose only

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(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:

- (i) a Rights Issue (as defined below); 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 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

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- (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;
 - (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

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(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;
 - (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
Cheang Yee Wah Eva
Company Secretary

Hong Kong, 16 April 2021

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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, or the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the meeting or any adjournment thereof.
4. The register of members of the Company will be closed from Monday, 24 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the Annual General Meeting, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 21 May 2021.
5. At the meeting (or at any adjournment thereof), the Chairman of the meeting will put each of the above resolutions 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.founder.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk following the meeting.