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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 NOTIFICATION LETTER FROM PEKING FOUNDER ON ITS RESTRUCTURING

This announcement is made by the Founder Holdings Limited (the “**Company**”) pursuant to 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**”).

Reference is made to the announcement of the Company dated 18 February 2020 on the notification letter from Peking University Founder Group Company Limited (“**Peking Founder**”) regarding its potential restructuring.

On 19 February 2020, the Company received a notification letter from Peking Founder, regarding a civil order and decision letter received by Peking Founder from The First Intermediate People’s Court of Beijing (the “**Court**”). Pursuant to the civil order and decision letter, the Court decided to accept the application made by Bank of Beijing Co., Ltd. for the initiation of restructuring procedure against Peking Founder, and appointed Peking Founder liquidation team as the administrator of Peking Founder. The Peking Founder liquidation team consists of, among others, the People’s Bank of China, the Ministry of Education of the People’s Republic of China, relevant financial regulators and relevant departments of Beijing Municipal Government.

The Company confirms that the incident mentioned above currently has no material adverse impact on the Company’s operation and the Company currently maintains a healthy financial position with cash sufficient for its operation on hand. The Company is independent from Peking Founder in respect of business, personnel, assets, institutions and finance. As of the date of this announcement, the production, operation and management of the Company are normal and stable. However, the restructuring of Peking Founder may have impact on

* *For identification purpose only*

the shareholding structure of the Company. The Company will continue to closely follow the subsequent development and impact of this incident and the status of entrusted loan receivables from Peking Founder, and comply with relevant disclosure requirements under the Listing Rules and the SFO in a timely manner.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 19 February 2020

As at the date of this announcement, the board of directors of the Company 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 Li Fat Chung, Ms Wong Lam Kit Yee and Mr Chan Chung Kik, Lewis.