

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



(Stock Code: 00418)

**UPDATE ANNOUNCEMENT PURSUANT TO RULE 13.51B(2) OF THE
LISTING RULES
RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR
AND
CHANGE IN THE COMPOSITION OF BOARD COMMITTEES**

This announcement is made by Founder Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.51B(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), in relation to a change of particulars in respect of Mr. Lau Ka Wing (“**Mr. Lau**”), an independent non-executive director (“**INED**”) of the Company, and Rules 3.11, 3.23 and 3.27 of the Listing Rules in relation to the resignation of Mr. Lau as detailed below.

Update on the Investigation in relation to Mr. Lau

We refer to the announcement of the Company dated 15 March 2023. The board (the “**Board**”) of directors (the “**Directors**”) of the Company has become aware that Mr. Lau is being investigated by authorities in Hong Kong (the “**Investigation**”). The Company was able to reach Mr. Lau on 16 March 2023, but he was unable to provide any details of the Investigation due to his legal obligations under relevant laws.

Up to now, the Company only possesses limited information in relation to the Investigation. Based on the limited information available, the Board believes that the Investigation does not or will not have any material impact on the business and operations of the Group.

The Company will closely monitor the development of the Investigation and will keep its shareholders and potential investors informed when and if further information in relation to the Investigation becomes available to the Company and such information is related to the Group.

Resignation of Independent Non-Executive Director and Change in the Composition of Board Committees

Mr. Lau has tendered his resignation as an INED with effect from 16 March 2023 due to his other business commitments. Accordingly, Mr. Lau will cease to be a member of the audit committee of the Company (the “**Audit Committee**”). Mr. Lau will also cease to be a member and the chairman of the remuneration committee of the Company (the “**Remuneration Committee**”).

Mr. Lau has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the holders of securities of the Company and the Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Lau for his valuable support and contributions to the Company during his tenure of service.

On 16 March 2023, following the resignation of Mr. Lau, Mr. Lai Nga Ming, Edmund, has been appointed as the chairman of the Remuneration Committee.

Following the changes above, the Board and the Audit Committee each comprises of only two INEDs and the Remuneration Committee comprises of only two directors one out of which is an INED. As such, the Company fails to meet the requirements set out in (i) Rule 3.10(1) of the Listing Rules that the Company must have at least three INEDs; (ii) Rule 3.10(A) of the Listing Rules that the Company must appoint INEDs representing at least one-third of the Board; (iii) Rule 3.21 of the Listing Rules the Audit Committee must comprise a minimum of three members; and (iv) Rule 3.25 of the Listing Rules that the Remuneration Committee must comprise a majority of INEDs.

The Board will make its best endeavours to identify a suitable INED candidate to fill the rest of the vacancies as soon as practicable and in any event within three months from 16 March 2023 to meet the above requirements pursuant to Rule 3.11, Rule 3.23 and Rule 3.27. The Company will make further announcement as and when appropriate.

By Order of the Board
Founder Holdings Limited
Shao Xing
President

Hong Kong, 16 March 2023

As at the date of this announcement, the Board comprises executive directors of Mr Cheung Shuen Lung (Chairman), Mr Shao Xing (President), Mr Qi Zi Xin, Mr Hu Bin, Mr Zhang Jian Guo and Ms Wu Jing, and the independent non-executive directors of Mr Chan Chung Kik, Lewis and Mr Lai Nga Ming, Edmund.

** For identification purpose only*