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**(Stock Code: 00418)**

**MONTHLY PROGRESS UPDATE  
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

This announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”). 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, 27 September 2021, 21 October 2021, 23 November 2021, 23 December 2021, 21 January 2022, 8 February 2022 and 8 March 2022 (the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

**UPDATE ON THE PROPOSAL**

Pursuant to the Proposal, the applicable equity assets, debt assets and other assets of the Five Companies including Peking Founder will be transferred to the New Founder Group through the subordinate business platform companies, and the equity interest of New Founder Group will be transferred to the Restructuring Investors and the shareholding platform of the creditors of the Five Companies including Peking Founder. The equity interest of the Company indirectly held by Peking Founder will be held 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 for implementing 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, being 28 June 2021.

The Company wishes to update its shareholders and potential investors that, as of the date of this announcement, certain applicable equity assets and other assets of the Five Companies including Peking Founder are still in the process of being transferred to the six subordinate business platform companies. Due to (i) the restructuring process involving a large volume of assets of different types, the transfers of which are subject to approval and registration process with different authorities; and (ii) the ongoing development of COVID-19, such transfers are time consuming. As a result, it is difficult for the Company to estimate the exact timing as to when the aforementioned transfers will be completed currently. In addition, the transfer of the equity interest of the Company to the subordinate business platform companies remains subject to the satisfaction of certain condition precedent and 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.

## **MONTHLY ANNOUNCEMENTS**

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the offer.

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 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 April 2022

*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, 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*