



FOUNDER HOLDINGS LIMITED

方正控股有限公司

(Incorporated in Bermuda with limited liability)



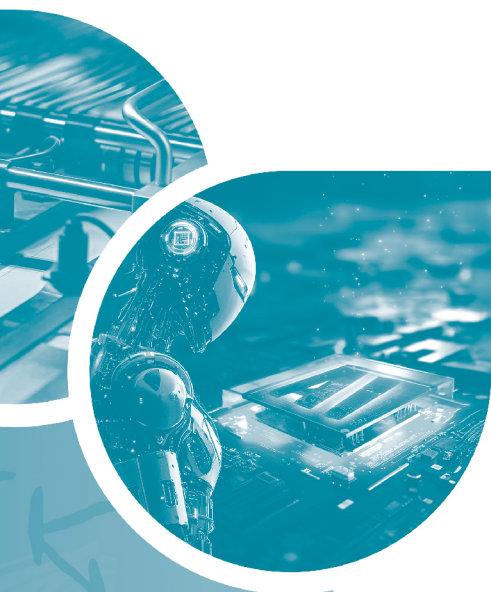
2025 INTERIM REPORT

LEADER IN CHINESE
INFORMATION PROCESSING

 中华精品字库工程

Stock Code: 00418





青島宇康工程

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr. Zhang Jian Guo (*Chairman and President*)
Mr. Wang Jin Chao
Mr. Guo Song
Mr. Xu Chengjie
Mr. Li Shuo Feng
Ms. Wu Jing

Independent non-executive directors

Mr. Chan Chung Kik, Lewis
Mr. Lai Nga Ming, Edmund
Mr. Chak Chi Shing

COMMITTEES

Audit Committee

Mr. Chan Chung Kik, Lewis (*Chairman*)
Mr. Lai Nga Ming, Edmund
Mr. Chak Chi Shing

Remuneration Committee

Mr. Lai Nga Ming, Edmund (*Chairman*)
Mr. Zhang Jian Guo
Mr. Chak Chi Shing

Nomination Committee

Mr. Zhang Jian Guo (*Chairman*)
Ms. Wu Jing
Mr. Chan Chung Kik, Lewis
Mr. Lai Nga Ming, Edmund
Mr. Chak Chi Shing

COMPANY SECRETARY

Ms. Cheang Yee Wah Eva

AUTHORISED REPRESENTATIVES

Mr. Zhang Jian Guo
Mr. Guo Song

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISER

Fairbairn Catley Low & Kong

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1408, 14th Floor
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE

Principal registrar and transfer office

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

LISTING INFORMATION

Main board of The Stock Exchange of Hong Kong Limited
Stock code: 00418
Board lot: 2,000 shares

COMPANY WEBSITE

www.irasia.com/listco/hk/founder



INTERIM RESULTS

The board of directors (the "Board") of Founder Holdings Limited (the "Company") presents the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024. The interim condensed consolidated financial statements have not been audited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		For the six months ended 30 June	
	NOTES	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	3	343,990	385,070
Cost of sales		(175,646)	(210,489)
Gross profit		168,344	174,581
Other income and gains	4	18,783	21,844
Selling and distribution expenses		(92,807)	(94,815)
Administrative expenses		(26,356)	(27,741)
Other expenses, net		(83,425)	(79,024)
Finance costs	5	(32)	(74)
Share of profits/(losses) of associates		92	(16)
LOSS BEFORE TAX	6	(15,401)	(5,245)
Income tax (expense)/credit	7	(447)	843
LOSS FOR THE PERIOD		(15,848)	(4,402)
Attributable to:			
Owners of the parent		(15,916)	(4,402)
Non-controlling interests		68	–
		(15,848)	(4,402)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted	8	HK(1.3) cents	HK(0.4) cents



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(15,848)	(4,402)
OTHER COMPREHENSIVE LOSS		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of associates	(6)	(168)
Exchange differences:		
Reclassification to profit and loss from disposal of subsidiaries	127	–
Exchange differences on translation of foreign operations	13,268	(6,210)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	13,389	(6,378)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments at fair value through other comprehensive income	(255)	140
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(255)	140
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	13,134	(6,238)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(2,714)	(10,640)
Attributable to:		
Owners of the parent	(2,844)	(10,640)
Non-controlling interests	130	–
	(2,714)	(10,640)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

	NOTES	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		181,383	181,995
Investment properties		143,170	142,608
Right-of-use assets		1,007	1,662
Investment in associates		–	2,191
Intangible assets		2,802	–
Equity investments at fair value through other comprehensive income		229	484
Pledged deposits		2,167	722
Total non-current assets		330,758	329,662
CURRENT ASSETS			
Inventories		88,444	73,942
Trade and bills receivables	10	168,670	154,221
Contract assets		11,076	17,401
Prepayments, other receivables and other assets		64,145	57,339
Financial assets at fair value through profit or loss		–	1,237
Cash and cash equivalents		710,574	805,428
Pledged deposits		4,638	5,254
Total current assets		1,047,547	1,114,822
CURRENT LIABILITIES			
Trade and bills payables	11	51,843	58,353
Contract liabilities		51,948	48,245
Other payables and accruals		129,227	175,812
Lease liabilities		789	1,110
Tax payable		305	310
Total current liabilities		234,112	283,830
NET CURRENT ASSETS		813,435	830,992
TOTAL ASSETS LESS CURRENT LIABILITIES		1,144,193	1,160,654



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2025

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT LIABILITIES		
Lease liabilities	198	540
Deferred tax liabilities	40,157	40,192
Total non-current liabilities	40,355	40,732
Net assets	1,103,838	1,119,922
EQUITY		
Equity attributable to owners of the parent		
Issued capital	118,475	119,975
Reserves	981,842	999,947
	1,100,317	1,119,922
Non-controlling interests	3,521	–
Total equity	1,103,838	1,119,922



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	Attributable to owners of the parent											
		Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Land and buildings revaluation reserve (Unaudited) HK\$'000	Equity investments at fair value through other comprehensive income revaluation reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Other reserve (Unaudited) HK\$'000	General reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interest (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 31 December 2024		119,975	53,597*	867,910*	156,979*	(13,436)*	(63,155)*	-*	103,689*	(105,637)*	1,119,922	-	1,119,922
Loss for the period		-	-	-	-	-	-	-	-	(15,916)	(15,916)	68	(15,848)
Share of other comprehensive loss of associates		-	-	-	-	-	(6)	-	-	-	(6)	-	(6)
Change in fair value of equity investments at fair value through other comprehensive income		-	-	-	-	(255)	-	-	-	-	(255)	-	(255)
Reclassification to profit and loss from disposal of subsidiaries		-	-	-	-	-	127	-	-	-	127	-	127
Exchange differences on translation of foreign operations		-	-	-	-	-	13,206	-	-	-	13,206	62	13,268
Total comprehensive loss for the period		-	-	-	-	(255)	13,327	-	-	(15,916)	(2,844)	130	(2,714)
Transfer of revaluation reserve of land and buildings to accumulated losses		-	-	-	(2,252)	-	-	-	-	2,252	-	-	-
Changes in the ownership interests in a subsidiary		-	-	-	(464)	-	247	(248)	-	-	(465)	3,391	2,926
Shares repurchased and cancelled	12	(1,500)	(14,796)	-	-	-	-	-	-	-	(16,296)	-	(16,296)
At 30 June 2025		118,475	38,801*	867,910*	154,263*	(13,691)*	(49,581)*	(248)*	103,689*	(119,301)*	1,100,317	3,521	1,103,838

* These reserve accounts comprise the consolidated reserves of HK\$981,842,000 (31 December 2024: HK\$999,947,000) in the condensed consolidated statement of financial position.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the parent								
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Land and buildings revaluation reserve (Unaudited) HK\$'000	Equity investments at fair value through other comprehensive income revaluation reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	General reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 31 December 2023	119,975	53,597	867,910	198,696	(13,500)	(44,228)	93,683	(176,045)	1,100,088
Loss for the period	-	-	-	-	-	-	-	(4,402)	(4,402)
Share of other comprehensive loss of associates	-	-	-	-	-	(168)	-	-	(168)
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	140	-	-	-	140
Exchange differences on translation of foreign operations	-	-	-	-	-	(6,210)	-	-	(6,210)
Total comprehensive loss for the period	-	-	-	-	140	(6,378)	-	(4,402)	(10,640)
Transfer of revaluation reserve of land and buildings to accumulated losses	-	-	-	(3,030)	-	-	-	3,030	-
Transfer to general reserve	-	-	-	-	-	-	1,266	(1,266)	-
At 30 June 2024	119,975	53,597	867,910	195,666	(13,360)	(50,606)	94,949	(178,683)	1,089,448



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		For the six months ended 30 June	
	NOTES	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(15,401)	(5,245)
Adjustments for:			
Finance costs	5	32	74
Share of (profits)/losses of associates		(92)	16
Interest income	4	(4,933)	(5,809)
Gain on disposal of items of property, plant and equipment	4	(52)	(49)
Gain on bargain purchase	4	(211)	–
Loss on disposal of subsidiaries	6	4,131	–
Fair value (gains)/losses on financial assets at fair value through profit or loss	6	(177)	6
Depreciation of property, plant and equipment	6	5,701	7,145
Amortisation of intangible assets	6	113	–
Depreciation of right-of-use assets	6	674	1,559
Impairment of trade receivables	6	2,722	8,664
(Reversal of impairment)/impairment of other receivables	6	(64)	364
(Reversal of impairment)/impairment of contract assets	6	(82)	447
Reversal of impairment of entrusted loan	6	(278)	(9,741)
Write-off of inventories	6	560	650
Provision for obsolete inventories	6	270	8,046
		(7,087)	6,127
Increase in inventories		(17,570)	(7,065)
Decrease/(increase) in contract assets		6,407	(2,081)
Increase in trade and bills receivables		(16,079)	(5,019)
Increase in prepayments, other receivables and other assets		(7,058)	(12,328)
Decrease in trade and bills payables		(7,078)	(4,292)
Increase in contract liabilities		3,703	10,081
Decrease in other payables and accruals		(47,060)	(60,219)
Exchange differences		(2,171)	353
Cash used in operations		(93,993)	(74,443)
Bank interest received		5,635	5,809
Interest element of lease payments		(32)	(74)
Hong Kong profits tax (paid)/recovered		(9)	32
Mainland of the People's Republic of China ("Mainland China" or the "PRC") corporate income tax paid		(1,091)	(6)
Net cash flows used in operating activities		(89,490)	(68,682)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		For the six months ended 30 June	
	NOTES	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(702)	(887)
Proceeds from disposal of items of property, plant and equipment		60	50
Placement of non-pledged time deposits with original maturity of more than three months when acquired		(48,206)	(219,134)
Acquisition of a subsidiary	13	(2,909)	–
Disposal of subsidiaries	14	(649)	–
(Placement)/withdrawal of pledged deposits		(829)	540
Net cash flows used in investing activities		(53,235)	(219,431)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments		(682)	(1,629)
Changes in the ownership interests in a subsidiary		2,926	–
Payments for shares repurchase		(16,296)	–
Net cash flows used in financing activities		(14,052)	(1,629)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		524,654	749,021
Effect of foreign exchange rate changes, net		13,717	(5,511)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		381,594	453,768
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		244,849	72,161
Non-pledged time deposits		465,725	600,741
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position		710,574	672,902
Non-pledged time deposits with original maturity of more than three months when acquired		(328,980)	(219,134)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows		381,594	453,768



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants, as well as with the applicable disclosure requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.



3. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from contracts with customers	340,201	382,507
Revenue from other sources		
Gross rental income	3,789	2,563
	343,990	385,070

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Type of goods or services		
Sale of software, hardware and system integration	340,201	382,507
Geographical markets		
Mainland China	340,201	382,507
Timing of revenue recognition		
Goods transferred at a point in time	340,201	382,507

Given that the chief operating decision maker of the Company considers that the Group's business is operated and managed as a single segment of software, hardware and system integration, accordingly, no segment information is presented.



4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Bank interest income	4,933	5,809
Government grants	11,114	14,077
Gain on disposal of items of property, plant and equipment	52	49
Gain on bargain purchase	211	–
Foreign exchange gains	867	–
Others	1,606	1,909
	18,783	21,844

5. FINANCE COSTS

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on lease liabilities	32	74



6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cost of inventories sold**	125,419	144,299
Cost of services provided**	49,957	58,144
Depreciation of properties, plant and equipment	5,701	7,145
Depreciation of right-of-use assets	674	1,559
Amortisation of intangible assets	113	–
Impairment of trade receivables*	2,722	8,664
(Reversal of impairment)/impairment of other receivables*	(64)	364
Reversal of impairment of entrusted loan*	(278)	(9,741)
(Reversal of impairment)/impairment of contract assets*	(82)	447
Loss on write-off of inventories*	560	650
Fair value (gains)/losses on financial assets at fair value through profit or loss*	(177)	6
Loss on disposal of subsidiaries*	4,131	–
Gain on bargain purchase*	(211)	–
Provision for obsolete inventories**	270	8,046
Foreign exchange differences, net	(867)*	1,097
Research and development costs: Current period expenditure*	72,051	74,264

* These items are included in "Other income and gains" or "Other expenses, net" in the condensed consolidated statement of profit or loss.

** These items are included in "Cost of sales" in the condensed consolidated statement of profit or loss.



7. INCOME TAX

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current – Hong Kong		
Charge for the period	4	10
Current – Mainland China		
Underprovision in prior year	10	6
Charge for the period	1,081	–
Deferred	(648)	(859)
Total tax expense/(credit) for the period	447	(843)

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

PRC corporate income tax represents the tax charged on the estimated assessable profits arising in Mainland China. In general, the PRC subsidiaries of the Group are subject to the PRC corporate income tax rate of 25% except for certain subsidiaries of the Group which are entitled to a preferential tax treatments of reduction in the CIT rate to 5% or 15%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the unaudited loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of approximately 1,198,588,000 (six months ended 30 June 2024: 1,199,747,000) outstanding during the period.

The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

9. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).



10. TRADE AND BILLS RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables	204,077	184,202
Bills receivable	12,759	14,743
Impairment	(48,166)	(44,724)
	168,670	154,221

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade and bills receivables are settled in accordance with the terms of the respective contracts. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 6 months	103,536	92,597
7 to 12 months	31,084	14,228
13 to 24 months	17,120	25,852
Over 24 months	4,171	6,801
	155,911	139,478

Included in the Group's trade and bills receivables are amounts due from 新方正控股發展有限責任公司 (New Founder Holdings Development Co., Ltd. *) ("New Founder"), a substantial shareholder of the Company, and its subsidiaries (collectively "New Founder Group") of HK\$329,000 as at 30 June 2025 (31 December 2024: HK\$220,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

* For identification purpose only



11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 6 months	35,510	42,521
7 to 12 months	6,100	4,516
13 to 24 months	6,370	8,809
Over 24 months	3,863	2,507
	51,843	58,353

Included in the Group's trade and bills payables are amounts due to New Founder Group of approximately HK\$112,000 (31 December 2024: HK\$112,000), which are repayable on agreed terms similar to those offered by other third party suppliers.

12. SHARE CAPITAL

The Company purchased 15,002,000 of its shares on The Stock Exchange of Hong Kong Limited at a total consideration of approximately HK\$16,296,000. These shares were cancelled subsequently by the Company and the total amount paid for the purchase of these cancelled shares of approximately HK\$14,796,000 has been charged to share premium of the Company.



13. BUSINESS COMBINATION

On 31 January 2025, the Group acquired a 100% interest in 天津方正手迹数字技术有限公司 (Tianjin Founder Handwritten Digital Technology Co., Ltd.*) ("Tianjin Founder Handwritten") from New Founder Group. Tianjin Founder Handwritten is engaged in the font library business. Further details of the transaction are included in note 16(II) to the financial statements. The acquisition was made as part of the Group's strategy to expand its market share of font library business in Mainland China. The purchase consideration for the acquisition was in the form of cash, with RMB3,579,000 (equivalent to approximately HK\$3,926,000) paid on 11 February 2025.

The fair values of the identifiable assets and liabilities of Tianjin Founder Handwritten as at the date of acquisition were as follows:

	NOTE	Fair value recognised on acquisition (Unaudited) HK\$'000
Property, plant and equipment		25
Intangible assets		2,915
Cash and bank balances		1,017
Trade receivables		1,093
Prepayments, other receivables and other assets		165
Trade and bills payables		(568)
Other payables and accruals		(455)
Tax payable		(55)
Total identifiable net assets at fair value		4,137
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	5	(211)
Satisfied by cash		3,926

* For identification purpose only



13. BUSINESS COMBINATION *(continued)*

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	Fair value recognised on acquisition (Unaudited) HK\$'000
Cash consideration	(3,926)
Cash and bank balances acquired	1,017
Net outflow of cash and cash equivalents included in cash flows from investing activities	(2,909)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK\$1,093,000 and HK\$161,000, respectively. The gross contractual amounts of trade receivables and other receivables were HK\$1,093,000 and HK\$161,000, respectively, of which nil of trade receivables and other receivables are expected to be uncollectible.

The Group incurred nil transaction costs for this acquisition.

Since the acquisition, Tianjin Founder Handwritten contributed HK\$4,518,000 to the Group's revenue and HK\$1,029,000 to the consolidated profit for the six months ended 30 June 2025.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the loss of the Group for the period would have been HK\$344,816,000 and HK\$15,744,000, respectively.



14. DISPOSAL OF SUBSIDIARIES

	NOTE	2025 (Unaudited) HK\$'000
Net assets disposed of:		
Investment in associates		2,276
Cash and cash equivalents		649
Prepayments, other receivables and other assets		57
Financial assets at fair value through profit or loss		1,057
Other payables and accruals		(35)
Subtotal		4,004
Exchange fluctuation reserve		127
Loss on disposal of subsidiaries	6	(4,131)
Total consideration		—

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2025 (Unaudited) HK\$'000
Cash consideration	—
Cash and bank balances disposed of	(649)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(649)

15. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities (31 December 2024: Nil).



16. RELATED PARTY TRANSACTIONS

(I) Transactions with related parties

The Group had the following material transactions with related parties during the period:

		For the six months ended 30 June	
	NOTES	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Sales of goods to Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries (not within the New Founder Group)	(i)	488	456
Sales of goods to New Founder Group	(i)	540	2,015
Purchase of goods from New Founder Group	(i)	483	388
Trademark license expense paid to New Founder	(ii)	158	–
Rental expense to New Founder Group	(iii)	6,703	6,235
Management expense to New Founder Group	(iv)	2,316	2,348

Notes:

- (i) These transactions were conducted on the terms agreed between the parties involved.
- (ii) The expense was attributable to the trademark license agreement with New Founder to use the trademark in the Group's products and business activities.
- (iii) The expenses were attributable to the lease agreements with New Founder Group to lease the premises in Beijing at market price.
- (iv) The expenses were attributable to the management agreement with New Founder Group to accept property management services at market price.

The above related party transactions for the current interim period also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.



16. RELATED PARTY TRANSACTIONS *(continued)*

(II) Other transactions with related parties

During the year, the Group acquired a subsidiary, Tianjin Founder Handwritten, from New Founder Group at a consideration of RMB3,579,000 (equivalent to approximately HK\$3,926,000), based on a valuation of the business performed by the directors of the Company. Further details of the transaction are included in note 13 to the financial statements.

(III) Outstanding balances with related parties

The Group's non-pledged time deposits balance to 平安银行股份有限公司 (Ping An Bank Co., Ltd.*) ("Ping An Bank") as at the end of the reporting period was RMB300,000,000 (equivalent to approximately HK\$328,980,000), including non-pledged time deposits with original maturity of more than three months when acquired of RMB200,000,000 (equivalent to approximately HK\$219,320,000) with interest rate of 1.35% and non-pledged time deposits with original maturity of less than three months when acquired of RMB100,000,000 (equivalent to approximately HK\$109,660,000) with interest rate of 1.55%. The interest rates in respect of the deposits placed by the Group with Ping An Bank were determined with reference to the benchmark interest rates promulgated by the PBOC and were not be lower than the rates offered by financial institutions in the Mainland China which were independent third parties for same types and tenures of deposits.

Details of the Group's trade balances with its related companies as at the end of the reporting period are disclosed in notes 10 and 11 to the interim condensed consolidated financial statements.

(IV) Compensation of key management personnel of the Group

In the opinion of the directors, the directors of the Company represented the key management personnel of the Group. Compensation paid to directors during the period is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short term employee benefits	2,767	2,262
Pension scheme contributions	66	72
Total compensation paid to key management personnel	2,833	2,334

* For identification purpose only



17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair value, are as follows:

	Carrying amounts		Fair values	
	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Pledged deposit, non-current portion	2,167	722	2,068	698
Equity investments at fair value through other comprehensive income	229	484	229	484
Bills receivable	12,759	14,743	12,759	14,743
Financial assets at fair value through profit or loss	–	1,237	–	1,237
	15,155	17,186	15,056	17,162

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair value of non-current portion of pledged deposits and bills receivables has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for non-current portion of pledged deposits and lease liabilities as at 30 June 2025 was assessed to be insignificant.

The fair values of listed equity investments at fair value through other comprehensive income and listed financial assets at fair value through profit or loss are based on quoted market prices.



17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2025

	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Equity investments at fair value through other comprehensive income	229	–	–	229
Bills receivable	–	12,759	–	12,759
	229	12,759	–	12,988

As at 31 December 2024

	Fair value measurement using			Total (Audited) HK\$'000
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	
Equity investments at fair value through other comprehensive income	484	–	–	484
Financial assets at fair value through profit or loss	1,237	–	–	1,237
Bills receivable	–	14,743	–	14,743
	1,721	14,743	–	16,464



17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

Assets measured at fair value (continued)

The Group did not have any financial liabilities measured at fair value during the six months ended 30 June 2025 and the year ended 31 December 2024. During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Assets for which fair values are disclosed

As at 30 June 2025

	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Pledged deposit, non-current portion	–	2,068	–	2,068

As at 31 December 2024

	Fair value measurement using			Total (Audited) HK\$'000
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	
Pledged deposit, non-current portion	–	698	–	698

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 26 August 2025.



OVERALL PERFORMANCE

The Group reported an unaudited consolidated loss attributable to owners of the parent for the six months ended 30 June 2025 of approximately HK\$15.9 million (six months ended 30 June 2024: HK\$4.4 million). The Group's turnover for the current interim period decreased by 10.7% to approximately HK\$344.0 million (six months ended 30 June 2024: HK\$385.1 million) due to economic downturn and delay in the execution and performance of certain sales contracts printing business and media business. Gross profit for the current interim period decreased by 3.6% to approximately HK\$168.3 million (six months ended 30 June 2024: HK\$174.6 million) due to decline in revenue. Gross profit ratio increased from 45.3% for the last interim period to 48.9% for the current interim period as a result of an increase in proportion of sales of software with higher profit margin.

The increase in loss attributable to the equity holders of the parent for the six months ended 30 June 2025 was attributable to the following net results of:

- a. a decrease in the gross profit by 3.6% to approximately HK\$168.3 million (six months ended 30 June 2024: HK\$174.6 million);
- b. a decrease in other income and gains by 13.8% to approximately HK\$18.8 million (six months ended 30 June 2024: HK\$21.8 million) attributable to the decrease in government grants;
- c. a decrease in total selling and distribution expenses and administrative expenses by 2.8% to approximately HK\$119.2 million (six months ended 30 June 2024: HK\$122.6 million) as a result of the strict control on operating cost imposed by the management; and
- d. an increase in other expenses, net by 5.6% to approximately HK\$83.4 million (six months ended 30 June 2024: HK\$79.0 million) due to net effect of (i) decrease in gain on reversal of the provision for impairment of the entrusted loan to Peking University Founder Group Company Limited, reference is made to the announcement of the Company dated 19 July 2024; (ii) decrease in impairment of trade and other receivables; and (iii) loss on disposal of subsidiaries which did not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Basic and diluted loss per share attributable to equity holders of the parent for the six months ended 30 June 2025 was HK1.3 cents (six months ended 30 June 2024: HK0.4 cents).

OPERATING REVIEW AND PROSPECTS

Font Library Business

In order to promote the culture of Chinese characters, convey the beauty of writing, and meet the constantly changing needs of various fields in society, FounderType (方正字庫) has made a number of attempts.

1) Font design aspect

Beijing Founder Electronics Co., Ltd.* (北京北大方正電子有限公司) ("Founder Electronics"), a subsidiary of the Company, has completed the development of 104 types of fonts in Chinese font library, 42 types of fonts in Latin font library, 11 types of fonts in Japanese font library, and 11 types of fonts in Korean fonts library. To actively respond to and support the national standard GB18030, we have upgraded the font library, a total of 94 types of GB18030-2022 L2 font libraries containing 27,780 Chinese fonts, 4 types of GB18030-2022 L3 font libraries containing 97,908 Chinese fonts. The customized font of the Year of the Loong Spring Festival Gala "Spring Festival Gala Fortune-style of Founder (方正春晚如意體)" was developed in conjunction with CCTV's (央視) Spring Festival Gala, and the unique "Chinese Romance (中式浪漫)" was demonstrated with classic Chinese fonts. Based on industry trends, we have focused on launching exquisite fonts such as Cursive Script Font of He Shaoji-style (何紹基行書), Sihua-style Song (思華宋), Handwrite-style black (手寫黑), Yun-style Font (筠體), Dong Yi-style Font (咚翊體), Weiyi-style black (威儀黑), Grain Full-style Font (小滿體), Mo Chen Bang Li-style (墨塵榜隸), Harp-style Font (豎琴體), Shulang-style Font (舒朗體), Bugu-style Font (布穀體), Luodan-style Font (羅丹體). Founder Yuejia-style Black (方正悅駕黑), which supports three languages in Chinese, Japanese, and Korean, have been released, along with the self-developed multilingual products such as FT Din, FT Grace, and FT Thymes, to assist domestic enterprises in going global.

* For identification purpose only



2) *Font design technology aspect*

We continue to promote the application of artificial intelligence related technologies in key projects such as the light design platform “Wenxiang” (文像) and the “Exquisite Chinese Font Library Project” (中華精品字庫工程), and comprehensively introduce the latest technologies such as multimodal and large language models (多模態·大語言模型). We continuously promote the technological upgrade of the “Font+” (字加) computer-end clients and the FounderType computer-end clients, utilizing the AI technology to enhance font recognition (字體識別) and intelligent recommendation capabilities (智能推薦能力). The “Founder Typewriting” (方正輸入法) is continued to be optimized, providing better support for obscure fonts while further enhancing the user experience. The custom compressed font library (自定義壓縮字庫), forming a closed loop from generation to rendering, has been delivered to customers for actual use. Founder Rendering Engine (方正渲染引擎) is continued to be optimized, and the supported symbol library (符號庫), compressed fonts, and special effects fonts (壓縮字與特效字) have been submitted to multiple customers. The symbol library technology and FounderType layout engine (方正字庫排版引擎), which combined with layout aesthetics (排版美學), have grown into industry-leading technologies.

3) *Marketing and service aspect*

In terms of customer service, we continue to deepen our service to new and old customers, focus on personalized customer needs, provide customized solutions and full process support, covering diversified service contents such as font selection guidance, industry font-usage analysis, copyright protection, etc.. We initiated AI strategic upgrade, launching three core application functions of “DeepSeek Recommended Font” (深度求索推薦字體), “AI Wenxiang” (文像), and “Intelligent Proofreading” (智能審校), driving font services with AI technology, and providing users with more accurate and efficient font application solutions. We continuously build a comprehensive service system from the official website of FounderType, “Font+” (字加) mini program of Wechat application, to the “Font+” (字加) computer clients end, “FounderType” computer clients end, and then to the “FounderType Enterprise Font Asset Platform” (方正字庫企業字體資產平台), building a full scenario font application service system.

4) *Market promotion aspect*

We jointly organized the “Intangible Cultural Heritage on High Speed Rail, Lighting up a New Future” (非遺上高鐵·點亮新未來) cultural event with Nanjing Railway Station (鐵路南京站), Shanghai Railway Nanjing Passenger Transport Section (上鐵南京客運段), and Nanjing Morning Post (南京晨報), the event brought a unique cultural feast to passengers during the rush period of Spring Festival travel through various forms such as Baifu check in (百福打卡) of “Exquisite Chinese Font Library Project” (中華精品字庫工程) and Folk Custom Combination Fonts (民俗合體字). CCTV’s (央視) “Chinese Calligraphy Conference” (Season 2) (《中國書法大會》(第二季)) was launched, and in collaboration with the program team, we reconstructed the full volume of “Luoshen Fu” (《洛神賦》) by using AI font creation technology and slowly unfolded it in front of the audience. We attended the China Packaging Federation 2025 with Design Innovation Development Conference (中國包裝聯合會2025設計創新發展大會) and gave a speech introducing China’s first information font in packaging field – Founder Panhu-style Packaging Body (方正潘虎包裝體). We participated in the BITS11 International Font Forum (BITS11國際字體論壇) in Bangkok, Thailand, and collaborated and exchanged ideas with Southeast Asian font manufacturers (東南亞字體廠商). We also participated in the Atpi2025 conference in Copenhagen, Denmark (丹麥哥本哈根國際Atpi2025大會) to showcase China’s font design achievements and technologies to the world.

The above measures not only further enhanced the professional brand image and industry-leading position of FounderType, but also raised the public awareness of young and internationalized image of FounderType. This enabled FounderType to lay a solid foundation for the future and long-term development.



Printing Business

In June 2025, the National Press and Publication Administration (國家新聞出版署) released the “Three Year Action Plan for Digitalization of the Printing Industry” (《印刷業數字化三年行動計劃》), which aims to promote the formation of a digital connectivity system for the printing industry by 2027, with key characteristic enterprises taking the lead in iteration, large-scale enterprises stabilizing and upgrading, and small and medium-sized enterprises progressing step by step. Breakthroughs have been made in key core printing technologies, and digital application scenarios such as digital design in technical process, intelligent scheduling in workshop, and online intelligent detection are constantly expanding. The digital management service system (數字化管理服務體) is more complete, and an industry-level data resource information platform (行業級數據資源信息平台) has been established to better meet the needs of industry development. As a key supporting unit, Beijing Founder EasiPrint Digital Technical Co., Ltd.* (北京方正印捷數碼技術有限公司) (“Founder EasiPrint”), a subsidiary of the Company, has taken on the responsibility of leading the research and development, upgrading, and iterative updating of high-speed inkjet digital printing software and digital printing equipment.

From January to May 2025, the exports of domestic printing equipment amounted to 1.627 billion United States Dollars (“U.S. dollars”), an increase of 17% compared to the same period last year. Among them, the exports of pre-printing equipment amounted to 89.1375 million U.S. dollars, the exports of printing equipment amounted to 1.029 billion U.S. dollars (a year-on-year increase of 18%), and the exports of post-printing equipment amounted to 509 million U.S. dollars (a year-on-year increase of 19%). The field of printing equipment is generally in a gradual recovery trend, and the new contract signing volume of Founder EasiPrint’s High-speed Inkjet Printing Equipment in the market is also continuously increasing. In the first half of 2025, the new contract signing amount of High-speed Inkjet Printing Equipment was increased on a year-on-year basis, with a growth rate of more than 30%. It is expected that these new signing of purchasing order will gradually be converted into formal installations in the second half of the year.

In terms of product innovation, Founder EasiPrint continued to consolidate and to expand its Copperplate Paper Inkjet Color Machine Technology (銅版紙噴墨彩機技術), which has been successfully validated by the market in the second half of 2024. It has launched the series models of P6600CHD4.0-44/56/66 with stronger drying capability and higher production capacity. Meanwhile, further innovation has been made in inkjet dots and color management, resulting in higher color saturation and better smoothness of copperplate paper. This has been verified by the customers so as to lift the industry satisfaction, and has also enhanced the color dark areas of adhesive-board paper. In terms of black and white inkjet printing, the strategy of increasing production capacity and small appearance is adopted to meet the needs of various customer groups. The Founder EagleJet P8800HD High-speed Inkjet Rotary Printing Machine (方正榮鷹P8800HD高速噴墨輪轉印刷機) is a typical example of increasing production capacity, which greatly improves the overall cost effectiveness compared to traditional printing. The Founder EagleJet D330HD (方正榮鷹D330HD) is a representative product featuring of small appearance to meet the needs of customer groups that are at a small and medium-sized business scale, with a focus on high quality, and pursuit high market competitiveness.

In terms of marketing, we made full use of multiple marketing events host by the media held before the Beijing exhibition to expand our market influence. We held several on-site open days of Copperplate Paper Color Machine (銅版紙彩機) for the potential customers, with which hundreds of people participated in each exhibition, which had a positive impact on sales contract signing. In the first half of the year, the series of Founder EagleJet P6600CHD4.0 Copperplate Paper High-speed Inkjet Rotary Printing Machine (方正榮鷹P6600CHD4.0系列高速銅版紙噴墨輪轉印刷機) achieved good sales performance, with a recorded a historic high number of shipments and new contract signings. The amounts of new contract signings exceeded the annual total in previous years, and intensive shipments will be made in July, August, and September, laying a good foundation for achieving the annual performance. The Founder EagleJet D330HD High-speed Single Sheet Inkjet Printing Machine (方正榮鷹D330HD高速單張紙噴墨機) has undergone multiple iterations and improvements, resulting in a significant increase in customer satisfaction, which achieved a good sales performance in the first half of the year.

* For identification purpose only



In terms of the layout of Internationalization strategy, we explored emerging markets in the Middle East, Australia, and South America, and steadily promoted the establishment of overseas agent networks in the first half of 2025. During this period, the international market revenue doubled year-on-year, reaching a historic high. Looking ahead to the second half of the year, the Company will continue to increase its efforts in international market development, enhancing the international reputation and credibility of the brand – “Founder”, and achieve its goals on international business growth. Through the dual engine drives of “technology + service” (技術+服務), we successfully adapted Inkjet Printing Solutions in the global market, strengthened the cultivation of new regional markets, increased the market share, improved the agency service system, and built a rapid response mechanism.

In mid May 2025, the 11th Beijing International Printing Technology Exhibition CHINA PRINT2025 (第十一屆北京國際印刷技術展覽會CHINA PRINT2025) was held in Beijing. Founder EasiPrint, with a 450 square meters booth as its core, has achieved significant breakthroughs in brand and market through a three in one strategy of “product + technology + communication” (產品+技術+傳播). Firstly, focusing on intelligence, integration, and digitization, the Company exhibited 5 major hardware and 7 core software, covering the full scene of digital printing, especially inkjet printing. For example, the globally first launched P8800HD Black and White Inkjet Rotary Machine (P8800HD黑白噴墨輪轉機) has attracted the negotiation from more than 100 overseas customers and was awarded the title of “The most technologically advanced equipment” (技術含金量最高設備). The three major inkjet equipment, together with daily startup demonstrations, contributed the potential orders exceed RMB10 million. In terms of software, the “1-on-1 software technology consultation” (1對1軟件技術問診) services have been provided to more than 120 enterprises, deepening the image of “Founder, the Expert of Printing” (方正印刷專家). Secondly, we strengthened our industry leadership through technological output. Through 7 keynote speeches (including cutting-edge topics such as “Full Scene Inkjet Solution” (《全場景噴墨解決方案》)) and dynamic demonstrations, we accurately addressed customers’ pain spot. The Founder EagleJet P8800HD High-speed Inkjet Rotary Printing Machine (方正榮鷹P8800HD高速噴墨輪轉印刷機) had been used for on-site live printing demonstrations at a speed of 180 meters per minute, while the Founder EagleJet D330HD High-speed Single Sheet Inkjet Printing Machine (方正榮鷹D330HD高速單張紙噴墨機) had been used for long-time on-site printing demonstration. The three exhibition machines had received widespread attention and enthusiastic response from industry peers. We achieved a double harvest of brand value and market benefits from this exhibition. Three aspects of work will be promoted in the future: accelerating the sinking of sales channels for inkjet printing equipment, covering small and medium-sized customers; deepening the content co-creation of media technology and reinforcing the image of experts; establishing a special service mechanism for customers in exhibition to promote order conversion.



Media Business

Macro policy

Three ministries and commissions including the Publicity Department of the CPC Central Committee (中宣部), the Ministry of Finance (財政部) and National Radio and Television Administration (國家廣播電視總局) jointly issued the “Notice on the implementation of plan for promoting the development of in-depth integration of municipal-level media” (《推進地市級媒體加快深度融合發展實施方案》) (hereinafter referred to as the “Plan”) in April 2022, in which specific deployments were made for the in-depth integration of municipal-level media. After selecting 60 cities (including municipal and prefecture-level) to carry out the first batch of pilot projects for the construction of city level integrated media centers, the second and third batches of pilot projects for the construction of municipal-level integrated media centers had been carried out in 2023 and 2024. So far, more than 200 municipal level integrated media centers have been established nationwide, which accounted for over 60% in more than 330 cities (regions, autonomous prefectures, and leagues) in China. The construction of integrated media centers at the municipal level continue to advance in 2025. In conjunction with the establishment of integrated media centers at the municipal level and the integration of reporting channels, integrated media centers in various regions have actively participated in promoting the intensive and digital transformation of the collection and editing process, establishing a unified integrated editing platform, so as to realize the one-time collection, multiple generation, and all media dissemination of news information. We have to build a new communication platform, grasp the mobile trend, and continue to make mobile news client-end as a key focus of integrated media platform construction. We explored the business models of government as govern affairs + businesses + services (政務+商務+服務), and strived to create a new type of mainstream media with strong influence and competitiveness. The “Decision of the Central Committee of the Communist Party of China on Further Comprehensive Deepening Reform and Promoting Chinese-style Modernization” (《中共中央關於進一步全面深化改革、推進中國式現代化的決定》) reviewed and approved by the Third Plenary Session of the 20th Central Committee of the Communist Party of China (黨的二十屆三中全會) in 2024 proposed: “Build a working mechanism and evaluation system adapted to Omnimedia production and communication, and promote the systematic transformation of mainstream media” (「構建適應全媒體生產傳播工作機制和評價體系·推進主流媒體系統性變革」). “Systematic transformation of mainstream media” (主流媒體系統性變革) has become another new requirement put forward by the Central Committee of the Party for the comprehensive deepening transformation of mainstream media, following “Media integration” (媒體融合) and “Deep media integration” (媒體深度融合). In the first half of 2025, media at all levels actively promoted the media systematic transformation and advanced the construction of a full media communication system. Among them, provincial-level newspaper groups such as Shanghai United Media Group (上海報業), Nanfang Daily (南方日報), Yangcheng Evening News (羊城晚報), Guangzhou Daily (廣州日報), Shenzhen Media Group (深圳報業), and Xinhua Daily Press Group (新華報業) have successively launched systematic transformation measures for mainstream media. Meanwhile, 10 radio and television companies including Shanghai Media Group (上海廣電), Guangdong Radio and Television Station (廣東廣電), Jiangsu Broadcasting Corporation (江蘇廣電), and Chongqing Broadcasting Group (重慶廣電) have also launched the transformation plans. For example, the Nanfang Daily Newspaper Group (南方報業傳媒集團) has been building a full media communication matrix with integrated internal and external publicity and coordination, led by Nanfang Daily (南方日報), Southern + Client-end (南方+客戶端), and South Client-end (South客戶端). Yangcheng Evening News (羊城晚報) has been focusing on building a client-end of Yangcheng group (羊城派客戶端), implementing a comprehensive transformation of Yangcheng group, and making the Weibo (微博) and Douyin account (抖音號) of Yangcheng Evening News being bigger and stronger. Guangdong Radio and Television Station (廣東廣播電視台) has been upgrading its Electric Shock News Client-end (觸電新聞客戶端) to become a “Guangdong TV” Client-end (「粵TV」客戶端), focusing on building a core leading matrix (核心頭部矩陣) led by 5 ten-million-level accounts. The systematic transformation of mainstream media mainly revolves around the layouts optimization in the aspects of the optimization of organizational structure, evaluation of system transformation, technological platform upgrades, and the construction of industrial ecosystem.



Around integrated publishing, in March 2025, the National Press and Publication Administration (國家新聞出版署) issued "The notice on organizing and implementing the 2025 Publishing Integration Development Project of the National Press and Publication Administration (國家新聞出版署關於組織實施2025年度出版融合發展工程的通知)", which organizes and recommends the key projects for integrated publishing development and continues to conduct in-depth discussions and exchanges on integrated publishing development. The Publishing Integration Development Project (出版融合發展工程) has been implemented since 2021 and is a systematic arrangement to promote the in-depth integration development of the publishing industry. In 2021 and 2023, the emphasis will be placed on the in-depth implementation of the Digital Publishing Boutique Selection and Recommendation Plan (數字出版精品遴選推薦計劃), and the Publishing Integration Development Demonstration Unit Selection and Recommendation Plan (出版融合發展示範單位遴選推薦計劃). In 2022 and 2024, the emphasis will be placed on the in-depth implementation of the Digital Publishing Quality Platform Selection and Recommendation Plan (數字出版優質平台遴選推薦計劃), and the Publishing Integration Development Excellent Talent Selection and Training Plan (出版融合發展優秀人才遴選培養計劃). In April 2025, the National Press and Publication Administration (國家新聞出版署), National Development and Reform Commission (國家發展改革委), Ministry of Education (教育部), Ministry of Industry and Information Technology (工業和信息化部), Ministry of Finance (財政部) and a total of 10 ministries jointly issued a notice on the "New Leading Plan for Technological Innovation in Online Publishing" (《網絡出版科技創新引領計劃》的通知). After 3 to 5 years of effort, we have promoted a group of online publishing companies to establish several high-quality scientific and technological innovation laboratories, participating in national science and technology projects, building a number of integrated innovation cooperation platforms. These efforts have significantly improved the ability of scientific and technological innovation and achievement transformation in the field of online publishing. The level of independent and controllable key core technologies has also been significantly improved.

In the second half of 2024, the China Association for Science and Technology (中國科協), the Ministry of Education (教育部), the Ministry of Science and Technology (科技部), the Ministry of Finance (財政部), the National Press and Publication Administration (國家新聞出版署), the Chinese Academy of Sciences (中國科學院), and the Chinese Academy of Engineering (中國工程院) issued the "Notice on Organizing the Implementation of the second phase of the Excellence Action Plan for Chinese Science and Technology Journals" (《關於組織實施中國科技期刊卓越行動計劃二期項目的通知》). The second phase of the Excellence Action Plan (卓越行動計劃二期項目) for Science and Technology Journals focused on supporting more scientific and technological journals to enter the world's first tier, promoting more high-level academic research papers to be published in Chinese journals and more high-quality journals to be published on China's independent platforms, so as to provide strong support for the self-strengthening and self-reliance of high level science and technology. Finally, a total of 463 projects were selected for the second phase of the Excellence Action Plan for Chinese Science and Technology Journals. The implementation of the second phase of the Excellent Action Plan for Science and Technology Journals would accelerate the construction of independent platforms for selected journals.



The trends of industry demand

Regarding media integration, with the development of generative artificial intelligence technology, related technologies such as artificial intelligence have begun to be deeply applied in media deep integration. Especially, generative artificial intelligence represented by big models has begun to penetrate into various industries, triggering a new round of artificial intelligence technology revolution. More and more central and provincial level media are actively introducing cutting-edge technologies such as artificial intelligence and big data, exploring the integration of big models, AIGC and other technologies with media business, building an AIGC artificial intelligence application platform, so as to apply the big models, AIGC and other artificial intelligence technologies to content creation, production, and distribution processes, empowering the production and dissemination of media news, and to promote the transformation of media integration from integrated media to intelligent media. In addition, media at all levels continue to promote media systematic transformation, advancing the construction of a full media communication system, in order to build a full media communication matrix. Provincial media actively integrate media resources within the province, strengthen the construction of independent and controllable provincial cloud platforms, empower deep integration of media at the provincial, city, and county levels, create an integrated communication pattern within the province, and connect the media at all levels from central media to provincial, city, and county. At the same time, mainstream media at all levels has established international communication centers. Multilingual websites were built, and a multi subject, three-dimensional communication matrix would be constructed. The city-prefecture level integrated media center integrated the resources around the construction of city-prefecture level integrated media centers, built a unified city-prefecture level integrated media platform, and promoted the upgrading of news clients-end.

Around integrated publishing, many publishing groups actively layout artificial intelligence applications, explore the development and application of artificial intelligence technology, promote the digitization, networking, and intelligent upgrading transformation of traditional publishing, promote the application of new technologies in the entire publishing industry chain, so as to achieve industrial innovation through technological innovation, attach importance to the innovation of artificial intelligence scene applications, integrate artificial intelligence technology with traditional publishing editing and scheduling, and build a human-machine collaborative intelligent publishing business process. We emphasize the coordinated construction of content development with artificial intelligence technology application, promote the intelligent transformation of business processes, in order to achieve the improvement of content production efficiency and quality, upgrade product services, and cultivate new quality productivity through new technologies.

1) Product and solution

Focusing on deep media integration: In the first half of 2025, a new generation of Founder Intelligent Media solution (方正智媒解決方案) was launched, which fully empowered the in-depth integration of media and the construction of technology platforms for municipal-level integrated media centers. The new generation of Founder Intelligent Media Solution is centered around "Skylark Integrated Media + Rubik's Cube Intelligence" (「雲雀融媒體+魔方智能」) to form an Intelligent Media Solution. Skylark Integrated Media (雲雀融媒體) has built an integrated media platform that covers the full range of media integration needs based on new architecture, new technology, new applications, new experiences, and new scenarios, not only achieved the integration for media businesses, management, users and data, but also simultaneously strengthened the abilities of comprehensive and integrated production (統一融合生產能力), comprehensive planning and interview (統一策採能力), comprehensive compilation and editing and distribution from various ends (統一編審和多端發佈能力). Rubik's Cube Intelligence (魔方智能) is based on years of accumulated intelligence, using the Rubik's Cube Big Model on Media Industry (魔方媒體行業大模型) as the foundation, empowering the media industry through more AI native applications and Rubik's Cube AIGC tools (魔方AIGC工具). In the first half of 2025, the Rubik's Cube Media Intelligent Creator SaaS Service (魔方媒體智能創作器SaaS服務) has been integrating DeepSeek Big Model to provide content understanding and auxiliary creation services for editors and journalists.



Around integrated publishing business: Founder Electronics has continuously stepped up its efforts in the research and development of products, covering the new generation of collaborative compilation system (協同編纂系統), smart review (智能審校), XML automatic typesetting (XML自動化排版), knowledge service (知識服務) and software for content production (內容製作). In the first half of 2025, Founder Starry Sky (方正星空) AI publishing and Founder Smart Review Version 6.0 (方正智能審校6.0版本). Founder Starry Sky AI Publishing Platform (方正星空AI出版平台) provides AI intelligence on topic selection and planning, AI intelligence on editing and review assistance (Pre-review of manuscripts), AI pre layout, AI content review, AIGC tools such as AI drawing, and other scenario applications. Founder Smart Review Version 6.0 (智能審校6.0版本) was also equipped with Big Model, which comprehensively enhanced the aspects of ideological content review and control capabilities (意識形態內容審核把關能力), intelligent error correction capabilities (智能糾錯能力), knowledge inspection capabilities (知識檢查能力), and the applications for scenario expansion (場景擴展應用), while fully opening up text and knowledge review of Cloud SaaS Service capabilities such as text review, document review, and knowledge review. Review capabilities of multimedia content such as images, audio and video were also released. At present, Intelligent Proofreading 6.0 has been integrated into the DeepSeek R1 Big model, enhancing product and service capabilities in the aspects of editing assistants including knowledge, grammar, semantic proofreading, editorial polishing and problem-solving.

In the first half of 2025, Founder Hongyun Academic Publishing and Communication Service Platform (方正鴻雲學術出版與傳播服務平台) released artificial intelligence applications such as AI guided reading, AI video, and AI manuscript detection have been launched. At present, the Founder Hongyun Academic Publishing SaaS Service Platform has been integrated with the DeepSeek R1 model, providing SaaS platform users with intelligent services such as academic paper abstracts, video production, multilingual translation and international dissemination, AI review, etc. The platform is mainly characterized by integration, clustering, internationalization, intelligentization, and datamation, serving the journal groups to create a full process digital publishing platform. Meanwhile, when promoting the intensive and clustered development of scientific and technological journals, the international influence and dissemination were enhanced, so as to assist in the transformation of digitalization and intelligentization for academic journals in China.

2) Business model

We are committed to actively promoting the transformation of software solution for authorization service, SaaS service, software service and data service. In the first half of 2025, the revenue scale of service-oriented business exceeded RMB62.19 million, a continuous improvement compared to the same period in 2024, in which the proportion of revenue reached 67%. The business model has gradually changed from the sale of product solution project to product solution and authorization, SaaS services, software services, data services, operation and maintenance services and other collaborative business models.



3) Marketing

In the media market, on the basis of consolidating the central media, provincial and municipal media as well as industrial media markets, we increased the expansion to the pan-media markets such as government enterprises, colleges and universities. In the first half of 2025, Founder Electronics reached new cooperations in the media market with central-level, provincial-level and municipal-level media clients, including People's Daily (人民日報社), Science and Technology Daily (科技日報社), Heilongjiang Daily Newspaper Group (黑龍江日報報業集團), New Gansu New Media Group of Gansu Daily (甘肅日報新甘肅新媒體集團), Changchun daily (長春日報社), Fuzhou Daily (福州日報社), Dalian News Media Group (大連新聞傳媒集團), Xiamen Daily (廈門日報社), Quanzhou Evening News (泉州晚報), Integrated Media Center of Xing'an league, Inner Mongolia (內蒙古興安盟融媒體中心), Shaanxi Xianyang Integrated Media Center (陝西咸陽融媒體中心). In addition, we had also entered into the contracts with integrated media platforms, including State Grid Yingda Media (國家電網英大傳媒), Ansteel Group Integrated Media Center (鞍鋼集團融媒體中心), East Tobacco Newspaper Press (東方煙草報), Propaganda and Education Center of Health Commission of Guangdong Province (廣東省衛健委宣傳教育中心), achieving breakthrough in the integrated media market in government and enterprise. Furthermore, the Rubik's Cube Intelligent Creator (魔方智能創作器) based on the Founder Rubik's Cube Big Model (方正魔方大模型) had signed contracts with central media and state-owned enterprise integrated media clients including Science and Technology Daily (科技日報) and State Grid Yingda Media (國家電網英大傳媒).

In the publishing market, new collaborations were established with publishing units such as People's Publishing House (人民出版社), Higher Education Press (高等教育出版社), Jiangsu Phoenix Publishing & Media Group (江蘇鳳凰出版傳媒集團), Shandong Publishing Institutes of Digital Convergence Industry (山東出版數字融合產業研究院), People's Medical Publishing House Co., LTD (人民衛生出版社) and Sichuan University Press (四川大學出版社) in the first half of 2025. In 2024, our academic journal business has collaborated with the top academic journals and journal cluster, including the Chinese Medical Association (中華醫學會), Multilingual International Publishing Platform of department for Humanities and Social Sciences of Foreign Language Research Press (外國語研究出版社人文社科多語種國際出版平台) and Energy and Electrical Power Journal Cluster of Chinese Society for Electrical Engineering (中國機電工程學會能源電力期刊集群). By the end of June 2025, there were 967 clients in academic journal business service, serving 1,723 academic journals, accounting for 25% (about 7,000 academic journals nationwide, with 801 cooperative clients and 1,482 cooperative journals at the end of last year).

PROSPECTS

To deal with the business growth, the management of the Group will closely monitor changes in the PRC's economy and its IT market. The Group will continue the development of innovative solutions and provide our customers with more cost-effective products and solutions to meet our customers' demands for enhancing our competitiveness. In addition, the Group will closely monitor the performance of each business sector to achieve effective cost control and maximise shareholders' value.



EMPLOYEES

The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance.

The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The share option scheme became effective on 31 May 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. No share option has been granted under the share option scheme since its adoption. The number of options available for grant under the share option scheme as at 1 January 2025 and 30 June 2025 were 119,974,699 and 119,974,699 respectively.

As at 30 June 2025, the number of employees of the Group was approximately 1,025 (31 December 2024: 1,020).

FINANCIAL REVIEW

Liquidity, financial resources and capital commitments

During the current interim period, the Group generally financed its operations with internally generated resources. As at 30 June 2025, the Group had nil interest-bearing bank borrowings (31 December 2024: Nil).

As at 30 June 2025, the Group recorded total assets of HK\$1,378.3 million which were financed by liabilities of HK\$274.5 million and equity of HK\$1,103.8 million. The Group's net asset value per share as at 30 June 2025 amounted to HK\$0.92 (31 December 2024: HK\$0.93).

The Group had total cash and bank balances (including pledged deposits and cash and cash equivalents) of HK\$717.4 million as at 30 June 2025 (31 December 2024: HK\$811.4 million). As at 30 June 2025, the Group's gearing ratio, measured by the ratio of total borrowings (including lease liabilities) to total shareholders' equity, was 0.1% (31 December 2024: 0.1%) while the Group's working capital ratio was 4.47 (31 December 2024: 3.93). The increase in prepayments, deposits and other receivables by 11.9% to HK\$64.1 million (31 December 2024: HK\$57.3 million) was due to increase in prepayments arising from more purchases during the current interim period. The decrease in other payables and accruals by 26.5% to HK\$129.2 million (31 December 2024: HK\$175.8 million) was due to payment of bonus during the current interim period.

As at 30 June 2025, the Group did not have any material capital expenditure commitments.

Treasury policies

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are held mainly in Hong Kong Dollars ("HK\$"), Renminbi ("RMB") and U.S. dollars. Surplus cash is generally placed in short term deposits denominated in HK\$, RMB and U.S. dollars.



Exposure to fluctuations in exchange rates and related hedges

The Group operates mainly in Hong Kong and the PRC. For the operations in Hong Kong, most of the transactions are denominated in HK\$ and U.S. dollars. The exchange rate of U.S. dollars against HK\$ is relatively stable and the related currency exchange risk is considered minimal. For the operations in Mainland China, most of the transactions are denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The Group has minimal exposure to exchange rate fluctuation. No financial instrument was used for hedging purposes. The Group will closely monitor the currency exchange risk of RMB in the near term as a result.

Contracts

As at 30 June 2025, the major contracts for the software development and information products distribution business amounted to approximately HK\$326.1 million (31 December 2024: HK\$211.1 million), which are all expected to be completed within one year.

Material acquisitions and disposals of subsidiaries, associates and joint ventures, and significant investments

On 31 December 2024, Founder Electronics as the purchaser, and 新方正控股發展有限責任公司 (New Founder Development Co., Ltd.*) ("New Founder") and 方正信息產業有限責任公司 (Founder Information Industry Company Limited*) ("Founder Information") (New Founder and Founder Information are the substantial shareholders of the Company) as the vendors, entered into the equity transfer agreement, pursuant to which Founder Electronics has agreed to acquire 100% equity interest in 天津方正手迹數字技術有限公司 (Tianjin Founder Handwritten Digital Technology Co., Ltd.*) from New Founder and Founder Information Industry for a consideration of RMB3,579,811.24 (equivalent to approximately HK\$3,876,000). For details, please refer to the announcement of the Company dated 31 December 2024. The acquisition was completed on 31 January 2025.

Save as disclosed above and in paragraph d under the section headed "Overall Performance" above, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures, or significant investments during the six months ended 30 June 2025.

Charges on assets

As at 30 June 2025, the Group's bank deposits of approximately HK\$6.8 million were pledged to banks to secure banking facilities granted.

Future plans for material investments or capital assets

The Group did not have any concrete future plans for material investments or capital assets as at 30 June 2025. However, the Group always seeks for new investment opportunities in the software development and systems integration business to broaden the revenue and profit base of the Group and enhance shareholders' value in long term.

Contingent liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

* For identification purpose only



OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the directors in the share capital, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr. Zhang Jian Guo	Directly beneficially owned	1,160,000	0.09

Save as disclosed above, as at 30 June 2025, none of the directors had registered an interest or short position in the shares, underlying shares or debenture of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following interest of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO (other than a director or chief executive of the Company):

Long positions:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
中國平安保險(集團)股份有限公司 (Ping An Insurance (Group) Company of China, Ltd.) ("Ping An")	1	Through a controlled corporation	367,179,610	30.60
中國平安人壽保險股份有限公司 (Ping An Life Insurance Company of China, Ltd.) ("Ping An Life")	2	Through a controlled corporation	367,179,610	30.60



OTHER INFORMATION

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
新方正(北京)企業管理發展有限公司 (New Founder (Beijing) Enterprise Management Development Co., Ltd. *) ("New Founder (Beijing)")	3	Through a controlled corporation	367,179,610	30.60
新方正控股發展有限責任公司 (New Founder Holdings Development Co., Ltd. *) ("New Founder")	4	Through a controlled corporation	367,179,610	30.60
方正信息產業有限責任公司 (Founder Information Industry Co., Ltd. *) ("Founder Information")		Directly beneficially owned	367,179,610	30.60
北京漢儀創新科技股份有限公司 (Beijing Hanyi Innovation Technology Co., Ltd. *) ("Beijing Hanyi")	5	Through a controlled corporation	134,350,000	11.20
Hanyi International (Hong Kong) Limited ("Hanyi International")		Directly beneficially owned	134,350,000	11.20
Growth XIII Investment Company Limited	6	Directly beneficially owned	56,230,000	4.69
Ms. Liu Xiaodong	6	Directly beneficially owned	3,859,380	0.32

Notes:

1. Ping An was deemed to be interested in the 367,179,610 shares under the SFO by virtue of its interest in Ping An Life.
2. Ping An Life was deemed to be interested in the 367,179,610 shares under the SFO by virtue of its interest in New Founder (Beijing).
3. New Founder (Beijing) was deemed to be interested in the 367,179,610 shares under the SFO by virtue of its interest in New Founder.
4. New Founder was deemed to be interested in the 367,179,610 shares under the SFO by virtue of its interest in Founder Information.
5. Beijing Hanyi was deemed to be interested in the 134,350,000 shares under the SFO by virtue of its interest in Hanyi International.
6. Pursuant to an acting in concert agreement dated 21 August 2024, Growth XIII Investment Company Limited and Liu Xiaodong are deemed to be interested in the 60,089,380 shares under the SFO, representing approximately 5.01% of the total issued share capital of the Company as at 30 June 2025.

* For identification purpose only



Save as disclosed above, to the best knowledge of the Company, as at 30 June 2025, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, the Company purchased 15,002,000 of its shares on the Stock Exchange. These shares were cancelled subsequently by the Company in July 2025. Details of the share repurchases are set out below:

Month/Year	Number of shares repurchased	Purchase price per share		Total price paid HK\$'000
		Highest HK\$	Lowest HK\$	
May 2025	1,610,000	1.03	0.98	1,628
June 2025	13,392,000	1.14	0.99	14,637
	15,002,000			16,265

The Directors considered that the share repurchases were in the best interests of the Company and the shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules) during the six months ended 30 June 2025. As at 30 June 2025, the Company and its subsidiaries did not hold any treasury shares.

CORPORATE GOVERNANCE

The Company has complied with all code provisions (the "Code Provisions") of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025, except for the following:

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. On 9 January 2025, Mr. Zhang Jian Guo ("Mr. Zhang"), the President of the Company, was appointed as the Chairman of the Board. With extensive business and management experience in the key business areas of the Group, the Board considers that vesting the roles of the Chairman and the President in Mr. Zhang is beneficial to the management and business development of the Group and provides a strong and consistent leadership to the Group. The Board will continue to review and consider splitting the roles of the Chairman and the President at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUER

The Company has adopted a model code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard as set out in the Model Code as set out in Appendix C3 of the Listing Rules. Having made specific enquiry by the Company, all directors have confirmed that they have complied with the Model Code regarding directors' securities transactions throughout the accounting period covered by the interim report.



AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's interim condensed consolidated financial statements for the six months ended 30 June 2025, including the accounting principles adopted by the Group, with the Company's management.

CHANGES IN INFORMATION OF DIRECTOR

Mr. Qi Zi Xin resigned as executive director, Chairman of the Board, authorised representative of the Company, member and chairman of the Nomination Committee of the Company and the member of the Remuneration Committee of the Company with effect from 9 January 2025.

Mr. Shao Xing resigned as executive director with effect from 9 January 2025.

Mr. Guo Song was appointed as executive director of the Company and authorised representative of the Company with effect from 9 January 2025.

Mr. Xu Chengjie was appointed as executive director of the Company with effect from 9 January 2025.

Mr. Zhang Jian Guo was appointed as Chairman of the Board of the Company, member and chairman of the Nomination Committee and the member of the Remuneration Committee with effect from 9 January 2025.

Ms. Wu Jing and Mr. Chak Chi Shing were appointed as the members of the Nomination Committee with effect from 8 July 2025.

Saved as disclosed above, there is no change in the information of each director of the Company that is required to be disclosed under Rules 13.51B(1) of the Listing Rules, since the publication of annual report for the year ended 31 December 2024.

BOARD OF DIRECTORS

As at the date of this report, the board of directors of the Company comprises executive directors of Mr. Zhang Jian Guo (*Chairman and President*), Mr. Wang Jin Chao, Mr. Guo Song, Mr. Xu Chengjie, Mr. Li Shuo Feng and Ms. Wu Jing, and the independent non-executive directors of Mr. Chan Chung Kik, Lewis, Mr. Lai Nga Ming, Edmund and Mr. Chak Chi Shing.

By Order of the Board
FOUNDER HOLDINGS LIMITED
Zhang Jian Guo
Chairman

Hong Kong
26 August 2025