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FOUNDER HOLDINGS LIMITED
方正控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

CONTINUING CONNECTED TRANSACTION

TRADEMARK LICENSE AGREEMENT

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On 26 June 2025, Founder Electronics (a subsidiary of the Group) as the licensee, and New Founder as the licensor, entered into the Trademark License Agreement whereby New Founder has granted to Founder Electronics and its wholly owned subsidiaries in the whole world the non-exclusive license to use the Trademark in their products and in their business activities for the period from 26 June 2025 to 31 December 2027.

IMPLICATION UNDER THE LISTING RULES

As the New Founder is a connected person of the Company, the Trademark License Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Group. As the highest applicable percentage ratios (as defined under Rule 14.07 the Listing Rules other than profits ratio) in respect of the Trademark License Agreement is more than 0.1% but is less than 5%, the continuing connected transaction is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

TRADEMARK LICENSE AGREEMENT

On 26 June 2025, Founder Electronics as the licensee, and New Founder as the licensor, entered into the Trademark License Agreement and the principal terms of the Trademark License Agreement are set out below.

Date

26 June 2025

Parties

- (i) Founder Electronics (as the licensee); and
- (ii) New Founder (as the licensor)

Term

From 26 June 2025 to 31 December 2027

Subject Matter

New Founder has granted to Founder Electronics and its wholly owned subsidiaries in the whole world the non-exclusive license to use the Trademark in their products and in their business activities.

License Fee

Founder Electronics should pay to New Founder a quarterly license fee of RMB2,659,725 (exclusive of VAT) (equivalent to an annual fee of RMB10,638,900 (equivalent to approximately HK\$11,609,000)) during the term of the Trademark License Agreement. The quarterly license fee will be paid upon the commencement of quarter period.

The license fee has been arrived at after arm's length negotiation between the parties after taking into account: (i) the mutual benefits of the licensing arrangement to both Founder Electronics and its subsidiaries and New Founder, and (ii) the Valuation Report on the license fee under the Trademark License Agreement. The independent valuer has used market approach to value the license fee by comparing the license fee rates (as percentage of the revenue of the companies utilizing the relevant trademarks) of selected listed companies in the PRC during the years from 1999 to 2024. The valuer has selected comparable companies from the industry sector and the manufacturing sector after considering the principal business of the Group. The adjustment factors for license fee rates include: legal factors, market factors, financial factors and management factors. The annual license fee will be valued based on the total revenue of relevant business sectors of Founder Electronics and its subsidiaries utilizing the Trademark. According to the Valuation Report, the annual license fee under the Trademark License Agreement has been appraised to be RMB10,638,900 as at the Valuation Reference Date.

ANNUAL CAPS

The annual caps proposed by the Board in respect of the transactions under the Trademark License Agreement during the term of the Trademark License Agreement (exclusive of VAT) are set out in the following table:

	From 26 June 2025 to 31 December 2025 (RMB'000)	1 January 2026 to 31 December 2026 (RMB'000)	1 January 2027 to 31 December 2027 (RMB'000)
Proposed annual cap	<u>6,207</u>	<u>10,639</u>	<u>10,639</u>

The above proposed annual caps represent the actual annual amounts which will become payable during the relevant financial years under the Trademark License Agreement.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in software development and provision of systems integration services relating to the media and non-media industries including financial institutions, enterprises and government departments. The Group purchases information hardware products for its customers in order to establish computer systems. It also provides software and hardware solutions to its customers as well as for use in its software development business.

New Founder Group

As at the date of this announcement, Founder Information Industry directly holds about 30.60% of the issued share capital of the Company, and New Founder holds 100% equity interest in Founder Information Industry.

New Founder Group is principally engaged in securities trading and brokerage; the information technology industry, including software and system development for the publishing sector and various government bureaus and financial institutions and hardware manufacturing for personal computers, chips, circuit boards and other terminal equipment; and healthcare and pharmaceutical industry, including hospitals, pharmaceuticals, logistics, equipment leasing and hospital management.

As at the date of this announcement, the ultimate majority shareholder of New Founder is Ping An which holds about 66.51% equity interest in New Founder and is a controlling shareholder of the Company. It is principally engaged in the business of insurance, banking, investment and Internet finance products and services.

Zhuhai Huafa Group Co., Ltd*. (on behalf of Zhuhai State-owned Assets) (珠海華發集團有限公司 (代表珠海國資)) indirectly held 28.5% equity interest in New Founder, and is principally engaged in development and operation of properties. The remaining equity interest of New Founder is directly held by Zhuhai Founder No. 1 Enterprise Management Partnership (Limited Partnership)* (珠海市方正一號企業管理合夥企業 (有限合夥)) by 1.63% and Zhuhai Founder No. 2 Enterprise Management Partnership (Limited Partnership)* (珠海市方正二號企業管理合夥企業 (有限合夥)) by 3.36%, both of which are shareholding platform companies of the creditors of the Five Companies including Peking Founder.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRADEMARK LICENSE AGREEMENT

The Group has extensively utilized the Trademark in the marketing of the Group's major software and hardware products and related services and in the promotion of corporate image of the Group. In addition, the Trademark has been widely recognized by the market and the customers. The continued utilization of the Trademark under the Trademark License Agreement is conducive to the business of the Group as the Group can derive the benefits from accumulative branding value and improve its competitiveness in the market. The Directors (including the independent non-executive Directors) are of the view that:

- (i) the terms of the Trademark License Agreement are fair and reasonable;
- (ii) the continuing connected transactions under the Trademark License Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group; and
- (iii) the entering into of the Trademark License Agreement is in the interests of Group and the shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As at the date of this announcement, as Founder Information Industry has direct equity interest of about 30.6% in the Company, Founder Information Industry is a controlling shareholder and a connected person of the Company. New Founder is an associate of Founder Information Industry and a connected person of the Company by virtue of the fact that New Founder is the holding company of Founder Information Industry. Therefore, the transactions contemplated under the Trademark License Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (as defined under Rule 14.07 the Listing Rules other than profits ratio) in respect of the Trademark License Agreement is more than 0.1% but is less than 5%, the continuing connected transaction is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest with respect to the Trademark License Agreement and none of the Directors is required to abstain from voting on the resolutions of the Board in respect of the entering into of the Trademark License Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Founder Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 00418)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Five Companies including Peking Founder”	Peking University Founder Group Company Limited, Peking University Founder Information Industry Group Co., Ltd., Founder Industry Holdings Co., Ltd., PKU Healthcare Industry Group Co., Ltd., and Peking University Resource Group Limited
“Founder Electronics”	北京北大方正電子有限公司 (Beijing Founder Electronics Co., Ltd.*), a company incorporated in the PRC and an indirect subsidiary of the Company which is principally engaged in software development and systems integration business
“Founder Information Industry”	方正信息產業有限責任公司 (Founder Information Industry Company Limited*), a company incorporated in the PRC, a substantial shareholder of the Company which directly holds about 30.60% of the issued share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Founder”	新方正控股發展有限責任公司 (New Founder Development Co., Ltd.*), a company incorporated in the PRC with limited liabilities, a controlling shareholder of the Company, which indirectly holds about 30.60% of the issued share capital of the Company through its wholly-owned subsidiary Founder Information Industry as at the date of the announcement
“New Founder Group”	New Founder and its subsidiaries, including Founder Information Industry
“Ping An”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a joint-stock company incorporated in the PRC with limited liabilities, the H shares of which are listed on the Stock Exchange with stock code of 02318 and the A shares of which are listed on the Shanghai Stock Exchange with the stock code of 601318, the ultimate controlling shareholder of the Company as at the date of this announcement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Trademark”	certain trademarks registered in the PRC and owned by New Founder, including “方正” and “Founder”

“Trademark License Agreement”	the trademark license agreement entered into between Founder Electronics (as licensee) and New Founder (as licensor) on 26 June 2025, pursuant to which New Founder has granted to Founder Electronics and its wholly owned subsidiaries in the whole world the non-exclusive license to use the Trademark in their products and in their business activities
“Valuation Reference Date”	31 December 2024
“Valuation Report”	the valuation report prepared by the independent valuer, Pan-China Assets Appraisals Co., Ltd* (北京天健興業資產評估有限公司) in relation to the valuation of the annual license fee under the Trademark License Agreement as at Valuation Reference Date
“VAT”	value-added tax of PRC
“%”	per cent

By Order of the Board
Founder Holdings Limited
Zhang Jian Guo
Chairman

Hong Kong, 26 June 2025

The exchange rate adopted in this announcement for illustration purpose only is RMB1.00 = HK\$1.0912.

As at the date of this announcement, the Board 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.

* For identification purpose only