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FOUNDER HOLDINGS LIMITED
方正控股有限公司 *
(Incorporated in Bermuda with limited liability)
(Stock Code: 00418)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Board”) of Founder Holdings Limited (the “Company”) is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 together with the comparative figures.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
REVENUE	4	907,162	924,854
Cost of sales		(458,045)	(470,519)
Gross profit		449,117	454,335
Other income and gains	4	48,749	56,619
Selling and distribution expenses		(207,462)	(208,904)
Administrative expenses		(69,373)	(64,258)
Impairment losses on financial and contract assets	6	(847)	(9,809)
Other expenses, net		(187,443)	(181,766)
Finance costs	5	(79)	(115)
Share of profits of associates		92	170
PROFIT BEFORE TAX	6	32,754	46,272
Income tax (expense)/credit	7	(2,596)	1,584
PROFIT FOR THE YEAR		30,158	47,856

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Attributable to:			
Owners of the parent		29,808	47,856
Non-controlling interests		350	–
		<u>30,158</u>	<u>47,856</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	<u>HK2.6 cents</u>	<u>HK4.0 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PROFIT FOR THE YEAR	30,158	47,856
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of associates	(7)	(216)
Exchange differences:		
Reclassification to profit and loss from disposal of subsidiaries	127	–
Exchange differences on translation of foreign operations	22,627	(18,711)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	22,747	(18,927)
Other comprehensive loss 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	(306)	64
Revaluation deficit of land and buildings, net of tax	(11,641)	(9,159)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(11,947)	(9,095)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	10,800	(28,022)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	40,958	19,834
Attributable to:		
Owners of the parent	40,508	19,834
Non-controlling interests	450	–
	40,958	19,834

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	9	167,378	181,995
Investment properties		126,643	142,608
Right-of-use assets		1,781	1,662
Intangible assets		2,691	–
Investments in associates		–	2,191
Equity investments at fair value through other comprehensive income		178	484
Pledged deposits		2,052	722
		<hr/>	<hr/>
Total non-current assets		300,723	329,662
CURRENT ASSETS			
Inventories		61,206	73,942
Trade and bills receivables	10	185,634	154,221
Contract assets		14,813	17,401
Prepayments, other receivables and other assets		48,942	57,339
Financial assets at fair value through profit or loss		–	1,237
Pledged deposits		756	5,254
Cash and cash equivalents		820,462	805,428
		<hr/>	<hr/>
Total current assets		1,131,813	1,114,822
CURRENT LIABILITIES			
Trade and bills payables	11	59,060	58,353
Contract liabilities		33,024	48,245
Other payables and accruals		181,177	175,812
Lease liabilities		1,266	1,110
Tax payable		322	310
		<hr/>	<hr/>
Total current liabilities		274,849	283,830
NET CURRENT ASSETS			
		<hr/>	<hr/>
		856,964	830,992
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/>	<hr/>
		1,157,687	1,160,654

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	427	540
Deferred tax liabilities	36,522	40,192
Tax liabilities	3,405	–
	<u>40,354</u>	<u>40,732</u>
Total non-current liabilities	<u>40,354</u>	<u>40,732</u>
Net assets	<u>1,117,333</u>	<u>1,119,922</u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	115,567	119,975
Reserves	998,015	999,947
	<u>1,113,582</u>	<u>1,119,922</u>
Non-controlling interests	3,751	–
Total equity	<u>1,117,333</u>	<u>1,119,922</u>

NOTES

31 DECEMBER 2025

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, land and buildings classified as property, plant and equipment, equity investments at fair value through other comprehensive income, bills receivable, and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries, for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Chinese mainland	902,515	920,245
Hong Kong	4,393	4,462
Other	254	147
Total revenue	<u>907,162</u>	<u>924,854</u>

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Chinese mainland	167,716	177,193
Hong Kong	130,777	149,072
Other	–	2,191
	<hr/>	<hr/>
Total non-current assets	298,493	328,456
	<hr/> <hr/>	<hr/> <hr/>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and pledged deposits.

Information about major customers

During the year, there was no revenue derived from transactions with a single external customer which individually accounted for 10% or more of the Group's revenue (2024: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>	901,770	919,251
<i>Revenue from other sources</i>		
Rental income from investment property operating leases	5,392	5,603
	<hr/>	<hr/>
Total	907,162	924,854
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Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2025

	Total <i>HK\$'000</i>
Types of goods or services	
Sale of software, hardware and system integration	901,770
	<hr/> <hr/>
Geographical markets	
Chinese mainland	901,516
Others	254
	<hr/>
Total	901,770
	<hr/> <hr/>
Timing of revenue recognition	
Goods transferred at a point in time	901,770
	<hr/> <hr/>

For the year ended 31 December 2024

	Total HK\$'000
Types of goods or services	
Sale of software, hardware and system integration	919,251
Geographical markets	
Chinese mainland	919,104
Others	147
Total	919,251
Timing of revenue recognition	
Goods transferred at a point in time	919,251

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of software, hardware and system integration	37,593	35,687
Total	37,593	35,687

(ii) **Performance obligations**

Information about the Group's performance obligations is summarised below:

Sale of software, hardware and system integration

The performance obligation is satisfied upon delivery of software, hardware and system integration and payment is generally due within 90 days from the invoice date, except for new customers, where payment in advance is normally required. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the goods' quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 HK\$'000	2024 HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	48,608	42,978

The amounts disclosed above do not include variable consideration which is constrained.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Bank interest income	9,450	12,448
Government grants (<i>note</i>)	33,731	39,363
Others	5,266	4,347
	<hr/>	<hr/>
Total other income	48,447	56,158
Gains		
Gain on disposal of items of property, plant and equipment	91	92
Gain on bargain purchase	211	–
Fair value gains on financial assets at fair value through profit or loss, net	–	369
	<hr/>	<hr/>
Total gains	302	461
	<hr/>	<hr/>
Total other income and gains	<u>48,749</u>	<u>56,619</u>

Note: Various government grants have been received for the sale of software approved by the PRC tax authority and the development of software in Chinese mainland. The government grants have been recognised upon sales of approved software and completion of the development of related software. There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on lease liabilities	79	115
	<hr/>	<hr/>

6. PROFIT BEFORE TAX

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold and services provided**	459,067	468,872
Depreciation of property, plant and equipment	11,770	12,786
Depreciation of right-of-use assets	1,426	2,544
Amortisation of intangible is assets	250	–
Lease payments not included in the measurement of lease liabilities	20,911	20,690
Impairment of trade receivables and contract assets	836	9,070
Impairment of deposits and other receivables	11	739
Reversal of impairment of entrusted loan*	(8,384)	(9,751)
Loss on write-off of inventories*	941	1,888
(Reverse of provision)/provision for obsolete inventories**	(1,022)	1,647
Research and development costs:		
Current year expenditure*	173,081	166,035
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	208,470	208,362
Pension scheme contributions***	39,185	39,770
Total	<u>247,655</u>	<u>248,132</u>
Foreign exchange differences, net	323	2,701
Direct operating expenses (including repair and maintenance) arising on rental-earning investment properties	422	434
Loss on disposal of subsidiaries*	4,131	–
Gain on bargain purchase	(211)	–
Fair value gains on financial assets at fair value through profit or loss, net	–	(369)
Fair value losses on investment properties*	<u>15,462</u>	<u>20,669</u>

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

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

*** At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Nil).

7. INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Hong Kong profits tax		
Charge for the year	16	–
Overprovision in prior years	–	(11)
Current – Chinese mainland (excluding Pillar Two income taxes)		
Charge for the year	2	6
Underprovision in prior years	20	2
Withholding tax at 5% on the distributable profits of the Group's		
PRC subsidiaries	1,087	–
Pillar Two income taxes – current tax*	3,405	–
Deferred	(1,934)	(1,581)
	<u>2,596</u>	<u>(1,584)</u>
Total tax charge/(credit) for the year	<u>2,596</u>	<u>(1,584)</u>

* The current tax expense relates to Chinese mainland.

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 year.

Taxes on profits assessable in Chinese mainland have been calculated at the statutory PRC corporate income tax (“CIT”) rate of 25%. Certain subsidiaries of the Group are entitled to preferential tax treatments of reduction in the CIT rate to 15% or 5%.

Nil of the share of tax attributable to associates (2024: HK\$33) is included in “Share of profits of associates” in the consolidated statement of profit or loss.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong. The Group will account for the additional Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted as at 31 December 2025 in certain jurisdictions in which the Group operates.

The Group has performed an assessment of its exposure to Pillar Two income taxes based on the information available regarding the Group's financial performance in the current year. As such, the information used is not entirely representative of the actual circumstances in 2025. Based on the assessment, the Group has identified potential exposure from the subsidiaries in respect of profits earned in Chinese mainland jurisdiction where the Pillar Two effective tax rate is below 15% due to certain income exemptions and incentives enjoyed. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,161,585,000 (2024: 1,199,746,993) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2025, the Group had addition of property, plant and equipment of approximately HK\$3,864,000 (2024: HK\$2,082,000), and disposal of property, plant and equipment of approximately HK\$41,000 (2024: HK\$3,000).

10. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	205,641	184,202
Bills receivable	26,421	14,743
Impairment	<u>(46,428)</u>	<u>(44,724)</u>
Net carrying amount	<u><u>185,634</u></u>	<u><u>154,221</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Payment is generally due within 90 days from the invoice date. 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 receivable balances. Trade and bills receivables are non-interest-bearing.

Included in the Group's trade and bills receivables are amounts due from 中國平安保險(集團)股份有限公司 (Ping An Insurance (Group) Company of China, Ltd.*), a substantial shareholder of the Company, and its subsidiaries of HK\$493,000 (2024: HK\$220,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

* For identification purpose only

An ageing analysis of the trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 6 months	114,136	92,597
7 to 12 months	25,715	14,228
13 to 24 months	13,637	25,852
Over 24 months	<u>5,725</u>	<u>6,801</u>
Total	<u><u>159,213</u></u>	<u><u>139,478</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of year	44,724	37,529
Impairment losses, net	437	8,566
Amount written off as uncollectible	–	(442)
Exchange realignment	<u>1,267</u>	<u>(929)</u>
At end of year	<u><u>46,428</u></u>	<u><u>44,724</u></u>

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 or bills payment date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 6 months	47,444	42,521
7 to 12 months	3,278	4,516
13 to 24 months	3,488	8,809
Over 24 months	<u>4,850</u>	<u>2,507</u>
Total	<u><u>59,060</u></u>	<u><u>58,353</u></u>

Included in the Group's trade and bills payables are amounts due to 新方正控股發展有限責任公司 (New Founder Holdings Development Co., Ltd.*) and its subsidiaries is nil (2024: HK\$112,000), which are repayable on agreed terms similar to those offered by other third party suppliers.

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

* For identification purpose only

DIVIDEND

No interim dividend was paid during the year and previous year. The Board does not recommend the payment of any final dividend for the year (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE

The Group reported a profit for the year ended 31 December 2025 of approximately HK\$30.2 million (year ended 31 December 2024: HK\$47.9 million). The Group's turnover for the current year decreased by 1.9% to HK\$907.2 million (year ended 31 December 2024: HK\$924.9 million) due to decline in market demand as a result of economic downturn. Gross profit for the current year decreased by 1.1% to HK\$449.1 million compared with last year's HK\$454.3 million due to decline in revenue. Gross profit ratio was maintained at around 49%.

The decline in profit for the year was mainly the net results of:

- a. a decrease in the gross profit by 1.1% to approximately HK\$449.1 million (year ended 31 December 2024: HK\$454.3 million);
- b. a decrease in other income and gains by 13.9% to HK\$48.7 million (year ended 31 December 2024: HK\$56.6 million) attributable to decline in revenue-related government grants engagements;
- c. an increase in total selling and distribution expenses, administrative expenses and other operating expenses by 2.1% to HK\$464.3 million (year ended 31 December 2024: HK\$454.9 million) due to net effect of (i) decrease in fair value losses on investment properties in Hong Kong and The People's Republic of China (the "PRC"); and (ii) loss on disposal of subsidiaries which did not constitute a notifiable transaction under Chapter 14 of the Listing Rules; and
- d. an increase in income tax expense by HK\$4.2 million to HK\$2.6 million (year ended 31 December 2024: income tax credit of HK\$1.6 million) attributable to the implementation of Pillar Two of BEPS 2.0 during the year.

Basic and diluted earnings per share for the year was HK2.6 cents (year ended 31 December 2024: HK4.0 cents).

OPERATING REVIEW AND PROSPECTS

Operating Review

Font Library Business

In order to meet the growing and diverse demand for fonts across various sectors of society, promote the culture of Chinese font, and convey the beauty of written language, 北京北大方正電子有限公司 (Beijing Founder Electronics Co., Ltd.*) (“Founder Electronics”), a subsidiary of the Company, made the following numerous attempts in 2025:

(1) *Font design aspect*

The Company was honored as the Outstanding Member Unit (優秀會員單位) of the China Copyright Association (中國版權協會) in 2025 and won 21 awards in total, including the D&AD Wood Pencil Award (D&AD木鉛筆獎), the Best Work Award from the Japan Typographic Design Association (日本字體設計協會Best Work獎), and the Grand1 Prize in the China Star Design Award (中國之星設計獎金獎). It has completed the development of 254 Chinese font libraries, 50 Latin font libraries, 11 Japanese font libraries, 11 Korean font libraries, 4 Arabic font libraries, and 4 ethnic font libraries. To actively respond to and support the national standard GB18030, we have upgraded the font library, a total of 130 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. In collaboration with the Guangzhou Branch of the China National Archives of Publications and Culture (廣州國家版本館), we developed “Founder Wen Qin Yongle Encyclopedia Font (方正文沁永樂大典體)”. Aligning with industry trends, we launched key fonts such as Founder Panhu-style Packaging Body (方正潘虎包裝體), Founder Hong-style in capital (方正弘體大楷), Founder Semi-cursive Script Font of Yan Zhenqing-style (方正顏真卿行書), Founder Semi-cursive Script Font of Liaotu Pusongling-style (方正遼圖蒲松齡行書), Founder Han Zhen Guang-standard Family (方正漢真廣標家族), Founder Exquisite Tang Kante Liu (方正精美堂勘亭流), and Founder Si Hua Song (方正思華宋), 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 proprietary multilingual products such as FT School, FT DIN Mild, FT Grace, FT Thymes, and FT Nazyra to assist domestic enterprises in global expansion.

(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), creating an intelligent font recommendation assistant that provides font recommendations, layout, and rendering

solutions for typical production scenarios. “Founder Typewriting” (方正輸入法) has been continuously optimized, steadily improving user experience. Founder Rendering Engine (方正渲染引擎) has also undergone ongoing optimization, with its extensive icon library, compressed fonts, and special effect fonts are now available on multiple online platforms. The uniquely developed Founder Font Library Layout Engine (方正字庫排版引擎) has been adopted by several renowned manufacturers for their mobile phones and smartwatches.

(3) *Marketing and service aspect*

In terms of customer service, we continue to deepen our service to new and old customers, covering diversified service contents such as providing font selection guidance, industry font-usage analysis, copyright protection, creating value for customers; Our customized services deeply cultivate the emerging industries, building a foundation for diversified development, and achieve dual growth of new market increment and existing customer base. We initiated AI strategic upgrade, launching “AI-Recommended Font” (深度求索推薦字體), “AI Wenxiang” (文像), and “Intelligent Proofreading” (智能審校). We continuously build a comprehensive service network 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*

Panhu Design Lab (潘虎設計實驗室) and us jointly launched the Founder Panhu-style Packaging Body (方正潘虎包裝體), leveraging a hybrid model of “offline release + online livestreaming” to invite numerous industry leaders to voice their support via videos, creating an industry-level integrated marketing event. In collaboration with the Guangzhou Branch of the China National Archives of Publications and Culture (廣州國家版本館), the “Founder Wen Qin Yongle Dadian Font (方正文沁永樂大典體)” was released, receiving special coverage in multiple newspapers and television stations. 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 Auxiliary Font Design Technology. We participated in the Hainan International Intellectual Property Trading Conference (海南國際智慧財產權交易大會), promoting the transformation of intellectual property innovation achievements and international cooperation, and assisted Chinese enterprises in going global. 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 Atypi2025 conference in Copenhagen, Denmark (丹麥哥本哈根國際Atypi2025大會) to showcase the latest achievements of China’s font design 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 “Three Year Action Plan for Digitalization of the Printing Industry (2025–2027)” (《印刷業數字化三年行動計劃(2025–2027)》), which clearly proposes to accelerate the digitalization and Intelligent transformation for the printing industry. As one of the backbone supporting units in the industry, Beijing Founder EasiPrint Digital Technical Co., Ltd.* (北京方正印捷數碼技術有限公司), a subsidiary of the Company, continues to play an important role in the research and development, upgrading, and application promotion of high-speed inkjet digital printing software and equipment.

Industry environment and market situation

In 2025, the printing industry as a whole showed a trend of structural differentiation. Affected by the macro environment and changes in reading structure, the domestic publishing industry continued to be under pressure. The Company estimates that the industry scale has declined by more than 10% year-on-year for the whole year, and the investment willingness of publishing units has decreased, which has had a certain negative impact on the sales of high-speed inkjet printing equipment and supporting software systems mainly used in books and periodicals.

At the same time, the demand for commercial printing and export related fields was relatively active. According to customs and industry statistics, from January to November 2025, the exports for the domestic printing equipment amounted to 3.788 billion US dollars, an increase of 15% compared to the same period in 2024, indicating that the competitiveness of China’s printing equipment in the international market continued to strengthen. Based on the trend of the first three quarters, the export of printing equipment has maintained a growth trend throughout the year, providing certain support for the domestic market.

In the above environment, the new orders for high-speed inkjet printing equipment of the Company continue to grow. In 2025, the signing amounts of new contracts for high-speed inkjet printing equipment (including black and white, and color) increased by 33% year-on-year, and the revenue increased by 19% year-on-year. Among them, the demand for Copperplate Paper High-speed Inkjet Color Equipment (銅版紙高速噴墨彩色設備) was outstanding, which to some extent offset the impact of the declining demand in the field of book and magazine inkjet. The relevant orders were delivered in the second half of the year, and the third quarter became an important stage for annual shipment and revenue recognition.

Product and technology progress

In terms of hardware, the Company continues to promote the upgrading of core inkjet printing technology. We have launched the P6600CHD4.0-44/56/66 series models in the field of Copperplate Paper High-speed Inkjet Color Equipment. This model has been further optimized in terms of drying capacity, production capacity, and color management, enhancing the printing quality and printing stability of copperplate paper and offset paper, and has received good feedback from customers.

In the field of black and white inkjet printing, the Company adhered to a two-way research and development strategy of “increasing production capacity and small appearance (產能做大、外觀做小)”. By using the Founder EagleJet P8800HD High-speed Inkjet Rotary Printing Machine (方正架鷹P8800HD高速噴墨輪轉印刷機) to improve the efficiency of single machine, and the Founder EagleJet D330HD High-speed Single Sheet Inkjet Machine (方正架鷹D330HD高速單張紙噴墨機) to meet the needs of small and medium-sized customers for flexible production and high-quality output, the stability and customer satisfaction of related products continued to improve after multiple iterations.

In terms of software, the Company continued to improve the Yunshu software platform (雲舒軟體平台) around digital management of inkjet printing. In 2025, Yunshu Software (雲舒軟體) has made substantial progress in localization adaptation (國產化適配) and independent controllable architecture (自主可控架構), while completing the development and optimization of mobile-end functions, improving the flexibility and real-time performance of production management, equipment operation and maintenance, and data viewing. The relevant results have been validated in some clients and are planned to be fully launched in the market by 2026.

In terms of ecological construction, the Company continued to promote the strategy of software open platform. By 2025, it had completed interface docking (接口對接) with multiple third-party online detection devices, realizing the interconnection of production data, quality monitoring, and equipment status information, laying the foundation for customers to construct a more complete integrated digital printing solution.

At the same time, the Company launched product planning and technical preparation for Large Format High-definition Color Inkjet Equipment (大幅面高清彩色噴墨設備) in the second half of 2025 to meet the future demand for high-capacity applications.

Market and internationalization progress

In terms of market, under the industrial pressure on the publishing industry, the Company continued to strengthen technology-oriented marketing (技術導向行銷), guiding the customers to transform towards diversified printing applications through customer open day, technical exchanges, and exhibition activities, etc. In 2025, 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) recorded a historic high in the number of shipments and new contract signings. The concentrated shipment from July to September provided important support for the annual performance.

In terms of internationalization, the Company continued to expand into emerging markets such as East Asia, Southeast Asia, Eastern Europe, and South America, in order to improve its overseas agency and service system. In 2025, the international market revenue achieved significant year-on-year growth, and the annual scale reached a historical high, which to some extent alleviated the adverse impact of the downward demand in the domestic publishing industry.

Business management and annual summary

In terms of business management, facing the downward pressure in the publishing industry, the Company implemented the optimization measures for the organizational and personnel structure in the second half of 2025, so as to focus on the main business, streamline institutions, and improve operational efficiency, and tilting resources towards core products and key markets.

Despite the pressure on the sales of inkjet printing machines for book and magazine and software systems, the Company relied on the growth of Copperplate Paper Color Inkjet Equipment, international business expansion, capability improvement of software platform, and improvement towards internal management to achieve the annual performance target in 2025 and further consolidated the product foundation of inkjet printing equipment and software platform.

Overall, by 2025, the Company has maintained operational resilience in a complex industry environment through product structure optimization, software and hardware collaborative development, and refined management. Looking ahead to the future, the Company will continue to promote technological innovation, accelerate the market-oriented promotion for software platforms, launch Large Format High-definition Color Inkjet Equipment for high-capacity demand, and promote the sustainable development of printing business.

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. By the end of 2025, more than 230 municipal level integrated media centers had been established nationwide, which accounted for over 70% in more than 330 cities (regions, autonomous prefectures, and leagues) in China. In 2025, the integrated media centers at the municipal level combined with the listing establishment and platform integration of integrated media centers at the municipal level, we 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」). The Fourth Plenary Session of the 20th Central Committee of the Communist Party of China (黨的二十屆四中全會) in 2025 proposed to deepen the systematic reform of mainstream media, promote the integrated management of news propaganda and online public opinion, and improve the ability to guide mainstream public opinion. “Systematic transformation of mainstream media” (主流媒體系統性變革) has become another major deployment and 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). By 2025, mainstream media at all levels actively promoted the systematic changes in the media system. A total of 55 medias had launched systematic change measures, and 38 provincial and municipal medias had launched reform plans, including Shanghai United Media Group (上海報業集團), Nanfang Press Media Group (南方報業傳媒集團), 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. At the same time, there were also reform plans launched by broadcasting and television media such as 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). The systematic transformation of mainstream media mainly revolves around the layouts optimization in the aspects of the optimization of organizational structure (組織構變革), evaluation of system transformation (評價體系革新), technological platform upgrades (技術平台升級), and the construction of industrial ecosystem (產業生態建設). In line with the trends of mobility (移動化), intelligentization (智能化), videoization (視頻化), and platformization (平台化), we strengthen the new mobilized media platforms, reshape the editing process, enhance video production, and promote the application of AI intelligent technology.

Regarding 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. The “Proposal” from The Fourth Plenary Session of the 20th Central Committee of the Communist Party of China (黨的二十屆四中全會) proposed: “Promote the integration of culture and technology, empower cultural development with digital intelligence, drive informatization transformation, and foster new cultural business models.” The State Council’s 73rd Executive Meeting (國務院第73次常務會議) on 27 November 2025 adopted the “Regulations on Promoting Universal Reading (《全民閱讀促進條例》)” which stipulates that the state supports the integration of digital and traditional reading and encourages the supply of high-quality digital reading content.

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. In 2025, the integrated media centers at the municipal level combined with the listing establishment and platform integration of integrated media centers at the municipal level, which actively promoted the establishment of a unified integrated editorial platform, built a full-media dissemination matrix, created new communication platforms, and explored a business model combining business models as govern affairs + businesses + services (政務+商務+服務). Additionally, some central medias, provincial and municipal mainstream medias, industry medias, and corporate medias gradually deployed domestic innovation solutions in 2025.

Regarding integrated publishing, many publishing groups actively layout artificial intelligence applications, explore the development and application of artificial intelligence technology, promote the digitization (數位化), networking (網路化), and intelligent upgrading transformation (智能化升級改造) 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 (人機協同) 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 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), providing content understanding and auxiliary creation services for editors and journalists.

Regarding 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 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. In 2025, Intelligent Proofreading has been integrated into the DeepSeek R1 Big model (DeepSeek R1大模型), enhancing product and service capabilities in the aspects of editing assistants including knowledge, grammar, semantic proofreading, editorial polishing and problem-solving. It has also reached a cooperation agreement with Shanghai Lexicographical Publishing House (上海辭書出版社) to launch a knowledge verification system.

In 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 2025, the revenue scale of service-oriented business exceeded RMB140 million, a continuous improvement compared to the same period in 2024, in which the proportion of revenue reached 50%. 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 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), Gansu New Media Group of Gansu Daily (甘肅日報甘肅新媒體集團), Harbin Daily Newspaper Group (哈爾濱日報報業集團), Changchun Daily Newspaper Group (長春日報報業集團), Fuzhou Daily Newspaper Group (福州日報報業集團), Dalian News Media Group (大連新聞傳媒集團), Shen Zhen Press Group (深圳報業集團), 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), Ningxia Zhongwei News Media Center (寧夏中衛新聞傳媒中心). In addition, we had also entered into the contracts with integrated media platforms operated by governmental enterprises, 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) has signed with clients from central government media, state-owned enterprise integrated media, and local media such as Science and Technology Day (科技日), State Grid Yingda Media (國家電網英大傳媒), and Hunan Chenzhou Daily (湖南郴州日報).

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 Group (山東出版集團), China Children's Press And Publication Group (中國少年兒童出版總社), People's Medical Publishing House Co., LTD (人民衛生出版社), Sichuan University Press (四川大學出版社) and Dalian Maritime University Press (大連海事大學出版社) in 2025. In 2025, our academic journal business has collaborated with the top academic journals and journal clusters, including the Chinese Medical Association (中華醫學會), Social Sciences in China Press (中國社會科學雜誌社), 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), 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), Journal Cluster of China National Petroleum Corporation (中石油集團期刊集群), Journal Cluster of Beijing University of Chinese Medicine (北京中醫藥大學期刊集群), Journal Cluster of Chongqing University (重慶大學期刊集群), Journal Cluster of Sichuan Normal University (四川師範大學期刊集群). By the end of 2025, there were around 1,700 academic journals using our academic journal business service, accounting for 25%.

Prospects

The management of the Group will closely monitor changes in the economy and IT market of the PRC. 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 their 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 of employees. The Group ensures that the payments to its employees are competitive and the employees are rewarded based on their performance 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 maintained a share option scheme in place 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 Group had not granted any share options to its eligible directors and employees during the current financial year.

As at 31 December 2025, the number of employees of the Group was 992 (31 December 2024: 1,020).

FINANCIAL REVIEW

Liquidity, financial resources and capital commitments

During the year, the Group generally financed its operations with internally generated resources. As at 31 December 2025, the Group had no interest-bearing bank borrowings (31 December 2024: Nil).

As at 31 December 2025, the Group recorded total assets of HK\$1,432.5 million which were financed by liabilities of HK\$315.2 million and equity of HK\$1,117.3 million. The Group's net asset value per share as at 31 December 2025 amounted to HK\$0.97 (31 December 2024: HK\$0.93). The increase in net asset value per share was due to net effect of profit, repurchase and cancellation of shares of the Company, exchange differences arising from translation of foreign operations and revaluation deficit of land and buildings during the year.

The Group had total cash and bank balances (including pledged deposits and cash and cash equivalents) of HK\$823.3 million as at 31 December 2025 (31 December 2024: HK\$811.4 million). As at 31 December 2025, the Group's gearing ratio, measured by the ratio of total borrowings (including lease liabilities) to total shareholders' equity, was 0.2% (31 December 2024: 0.1%) while the Group's working capital ratio was 4.12 (31 December 2024: 3.93). The decrease in prepayments, deposits and other receivables by 14.6% to HK\$48.9 million (31 December 2024: HK\$57.3 million) was due to decrease in prepayments and deposits for performance of contracts. The increase in other payables and accruals by 3.1% to HK\$181.2 million (31 December 2024: HK\$175.8 million) was due to increase in accrual of subcontracting fee of systems integration and increase in value-added tax payable.

As at 31 December 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 ("HKD"), RMB and United States Dollars ("U.S. dollars"). Surplus cash is generally placed in banks as short term deposits denominated in HKD, 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 HKD and U.S. dollars. The exchange rate of U.S. dollars against HKD is relatively stable and the related currency exchange risk is considered minimal. For the operations in the PRC, 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 PRC 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 31 December 2025, the major contracts in hand amounted to approximately HK\$285.1 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 Holdings 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 approximately RMB3,579,000 (equivalent to approximately HK\$3,926,000). 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, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures, or significant investments during the year ended 31 December 2025.

Charges on assets

As at 31 December 2025, the Group’s bank deposits of approximately HK\$2.8 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 31 December 2025. However, the Group always seeks for new investment opportunities in the software development and system integration business to broaden the revenue and profit base of the Group and enhance shareholders’ value in the long term.

Contingent liabilities

At 31 December 2025, the Group did not have any significant contingent liabilities.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial statements and results of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has fully complied with all the code provisions as set out in the Corporate Governance Code, contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) (the “Listing Rules”), throughout the year ended 31 December 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, 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 Jian Guo 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 Company and its subsidiaries as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Listing Rules as the Company’s code of conduct and rules governing dealings by all directors in the securities of the Company. Upon being made specific enquiries by the Company, all directors of the Company confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company purchased certain of its shares on Hong Kong Stock Exchange. These shares were subsequently cancelled by the Company. The summary details of the purchases are as below:

Purchases of shares

Month/year	Number of shares repurchased	Purchase price per share		Total price (excluding expenses) paid HK\$'000
		Highest HK\$	Lowest HK\$	
May 2025	1,610,000	1.03	0.99	1,628
June 2025	13,392,000	1.14	1.02	14,637
July 2025	19,028,000	1.16	0.99	21,423
August 2025	300,000	0.85	0.85	255
September 2025	1,192,000	0.84	0.73	943
October 2025	1,670,000	0.79	0.69	1,232
November 2025	5,520,000	0.95	0.79	4,825
December 2025	1,374,000	0.92	0.81	1,241
	<u>44,086,000</u>			<u>46,184</u>

These shares were cancelled subsequently by the Company and the total amount paid for the purchase of these cancelled shares of approximately HK\$4,408,000 and HK\$41,975,000 has been charged to share capital and share premium, respectively, of the Company.

The purchase of the Company's shares during the year was effected by the directors, pursuant to the mandates from shareholders received at the last annual general meetings, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules) during the year. As at 31 December 2025, the Company and its subsidiaries did not hold any treasury shares.

SCOPE OF WORK OF ERNST & YOUNG ON THE ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the annual results announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on the annual results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/founder). The 2025 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

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

Hong Kong, 26 March 2026

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. Lai Nga Ming, Edmund, Mr. Chak Chi Shing and Ms. Tam Mei Chu.

* *For identification purpose only*