FOUNDER HOLDINGS LIMITED
方正控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board of directors (the "Board") of Founder Holdings Limited (the "Company") presents the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025. The interim condensed consolidated financial information has 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 2026

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	3	**335,844**	343,990
Cost of sales		**(155,739)**	(175,646)
Gross profit		**180,105**	168,344
Other income and gains		**16,141**	18,783
Selling and distribution expenses		**(95,894)**	(92,807)
Administrative expenses		**(30,843)**	(26,356)
Other expenses		**(86,094)**	(83,425)
Finance costs		**(39)**	(32)
Share of profits of associates		**–**	92
LOSS BEFORE TAX	4	**(16,624)**	(15,401)
Income tax credit/(expense)	5	**618**	(447)
LOSS FOR THE PERIOD		**(16,006)**	(15,848)
Attributable to:			
Owners of the parent		**(16,057)**	(15,916)
Non-controlling interests		**51**	68
		(16,006)	(15,848)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted *(HK cents)*	7	**(1.4)**	(1.3)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(16,006)**	(15,848)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of associates	**–**	(6)
Exchange differences:		
Reclassification to profit and loss from disposal of subsidiaries	**–**	127
Exchange differences on translation of foreign operations	**35,955**	13,268
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**35,955**	13,389
Other comprehensive income/(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	**179**	(255)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**179**	(255)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**36,134**	13,134
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**20,128**	(2,714)
Attributable to:		
Owners of the parent	**19,929**	(2,844)
Non-controlling interests	**199**	130
	20,128	(2,714)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	**167,694**	167,378
Investment properties		**127,979**	126,643
Right-of-use assets		**1,144**	1,781
Intangible assets		**2,654**	2,691
Equity investments at fair value through other comprehensive income		**–**	178
Restricted cash		**2,381**	2,052
Total non-current assets		**301,852**	300,723
CURRENT ASSETS			
Inventories		**77,441**	61,206
Trade and bills receivables	9	**186,733**	185,634
Contract assets		**18,998**	14,813
Prepayments, other receivables and other assets		**56,852**	48,942
Restricted cash		**284**	756
Time deposits		**633,237**	575,718
Cash and bank deposits		**123,482**	244,744
Total current assets		**1,097,027**	1,131,813
CURRENT LIABILITIES			
Trade and bills payables	10	**47,935**	59,060
Contract liabilities		**42,224**	33,024
Other payables and accruals		**131,326**	181,177
Lease liabilities		**989**	1,266
Tax payable		**17**	322
Total current liabilities		**222,491**	274,849
NET CURRENT ASSETS		**874,536**	856,964
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,176,388**	1,157,687

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**113**	427
Deferred tax liabilities	**37,332**	36,522
Tax liabilities	**3,405**	3,405
Total non-current liabilities	**40,850**	40,354
Net assets	**1,135,538**	1,117,333
EQUITY		
Equity attributable to owners of the parent		
Share capital	**115,309**	115,567
Reserves	**1,016,279**	998,015
	1,131,588	1,113,582
Non-controlling interests	**3,950**	3,751
Total equity	**1,135,538**	1,117,333

NOTES

30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. 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 2025.

This interim condensed consolidated financial information is 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 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. 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	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers	**333,230**	340,201
Revenue from other sources		
Gross rental income	**2,614**	3,789
	335,844	343,990

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Type of goods or services		
Sale of software, hardware and system integration	**333,230**	340,201
Geographical markets		
Chinese mainland	**333,230**	340,201
Timing of revenue recognition		
Goods transferred at a point in time	**333,230**	340,201

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. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold*	**103,147**	125,419
Cost of services provided*	**47,168**	49,957
Impairment of trade receivables	**5,470**	2,722
Reversal of impairment of other receivables	**(241)**	(64)
Reversal of impairment of entrusted loan	**–**	(278)
Impairment/(reversal of impairment) of contract assets	**269**	(82)
Write-down of inventories to net realisable value	**429**	560
Loss on disposal of subsidiaries	**–**	4,131
Provision for obsolete inventories*	**5,424**	270
Research and development costs:		
Current period expenditure	**76,381**	72,051

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

5. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong profits tax		
Charge for the period	**–**	4
Current – Chinese mainland – income taxes		
Underprovision in prior year	**12**	10
Charge for the period	**2**	1,081
Deferred	**(632)**	(648)
Total tax (credit)/expense for the period	**(618)**	447

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2026. For the six months ended 30 June 2025, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

PRC corporate income tax represents the tax charged on the estimated assessable profits arising in Chinese mainland. 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.

6. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

7. 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 1,154,716,991 (six months ended 30 June 2025: 1,198,588,000 (unaudited)) outstanding during the period.

The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2026 and 2025.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at an aggregate cost of HK$980,000 (six months ended 30 June 2025: HK$702,000 (unaudited)).

Assets with an aggregate net book value of HK$6,000 were disposed of by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$7,000 (unaudited)), resulting in a net gain on disposal of HK$12,000 (six months ended 30 June 2025: HK$52,000 (unaudited)).

During the six months ended 30 June 2026, no impairment loss (six months ended 30 June 2025: Nil (unaudited)) was recognised for certain property, plant and equipment.

9. TRADE AND BILLS RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade receivables	**233,177**	205,641
Bills receivable	**7,404**	26,421
Impairment	**(53,848)**	(46,428)
	186,733	185,634

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of products accepted and/or services rendered and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 6 months	**112,745**	114,136
7 to 12 months	**45,734**	25,715
13 to 24 months	**17,054**	13,637
Over 24 months	**3,796**	5,725
	179,329	159,213

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 and associates (collectively "New Founder Group") of HK$20,000 as at 30 June 2026 (31 December 2025: HK$493,000), which are repayable on terms mutually agreed between the parties involved.

10. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the date of goods and/or services received, is as follows:

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 6 months	**32,443**	47,444
7 to 12 months	**10,065**	3,278
13 to 24 months	**1,671**	3,488
Over 24 months	**3,756**	4,850
	47,935	59,060

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

The Group reported an unaudited consolidated loss attributable to owners of the parent for the six months ended 30 June 2026 of approximately HK$16.1 million (six months ended 30 June 2025: HK$15.9 million). The Group's turnover for the current interim period decreased by 2.4% to approximately HK$335.8 million (six months ended 30 June 2025: HK$344.0 million) due to decrease in font library business and printing business. Gross profit for the current interim period increased by 7.0% to approximately HK$180.1 million (six months ended 30 June 2025: HK$168.3 million) due to increase in proportion of sales of software with higher profit margin. Gross profit ratio increased from 48.9% for the last interim period to 53.6% for the current interim period.

The increase in loss attributable to the equity holders of the parent for the six months ended 30 June 2026 was attributable to the following net results of:

a. an increase in the gross profit by 7.0% to approximately HK$180.1 million (six months ended 30 June 2025: HK$168.3 million);

b. a decrease in other income and gains by 14.1% to approximately HK$16.1 million (six months ended 30 June 2025: HK$18.8 million) attributable to the decrease in government grants; and

c. an increase in total selling and distribution expenses, administrative expenses and other operating expenses by 5.1% to approximately HK$212.8 million (six months ended 30 June 2025: HK$202.6 million) as a result of (i) increase in impairment of trade and other receivables; (ii) increase in trademark license fee to New Founder Development Co., Ltd., the substantial shareholder of the Company; (iii) increase in investment in research and development of media business products, upgrade and iterate the supporting service platforms of the back-end database of software and intelligent proofreading; and (iv) absence of one-off loss on disposal of subsidiaries which did not constitute a notifiable transaction under Chapter 14 of the Listing Rules during the last interim period.

Basic and diluted loss per share attributable to equity holders of the parent for the six months ended 30 June 2026 was 1.4HK cents (six months ended 30 June 2025: 1.3HK cents).

OPERATING REVIEW AND PROSPECTS

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 the first half of 2026:

(1) Font design aspect

Founder Panhu Packaging-style font (方正潘虎包裝體) has won the D&AD 2026 Graphite Pencil Award (D&AD2026石墨鉛筆獎); 179 Chinese character fonts and 7 Latin character fonts have been developed; The "Exquisite Chinese Font Library Project" (中華精品字庫工程), jointly guided by China Literature Publishing House (中國文聯) and the National Language Commission (國家語委), is a supporting project of the Chinese Excellent Traditional Culture Inheritance and Development Project (中華優秀傳統文化傳承發展工程支援專案). It has newly completed a total of 7 fonts, including Founder Wu Changshuo-style Seal Script (方正吳昌碩篆書), Founder Shigu Wen-style Seal Script (方正石鼓文篆書), Founder Qin-style Small Seal Script (方正秦小篆), Founder Deng Shiru-style Seal Script (方正鄧石如篆書), Founder Shiping Gong-style Statue Regular Script (方正始平公造像楷書), Founder Zhang Hei Nu-style Regular Script (方正張黑女楷書), and Founder Yu Shinan-style Regular Script (方正虞世南楷書), with a total of 60 fonts completed in the project. The customized font "Founder Spring Festival Gala Dragon and Horse Spirit Style (方正春晚龍馬精神體)" jointly developed with CCTV was unveiled at the CCTV Spring Festival Gala in the Year of the Horse (央視馬年春節聯歡晚). "Founder Yongle Encyclopedia Font (方正永樂大典體)" was jointly developed with the National Library (國家圖書館). "Soda Music Black Family (汽水音樂黑家族)" was developed in cooperation with Tiktok (抖音). "China Merchants Securities Style Font (招商證券體)" was developed in collaboration with China Merchants Bank (招商銀行). In alignment with industry trends, we have highlighted the launch of fonts such as Founder Lack of White Font (方正缺白體), Founder Printed Black Font (方正印黑), Ziku Tang Xiongfeng-style Font (字酷堂雄風體), Founder Chengli-style Font (方正澄隸), and Founder Black Song-style Font (方正黑宋). Additionally, we have added 79 fonts from the Futura Family Font Library (Futura家族字庫), supporting the language of Arabic (阿拉伯語), Cyrillic (西瑞爾語), Thai (泰文), and Armenian (亞美尼亞文), to assist the domestic enterprises in global expansion.

(2) Font design technology aspect

We continued to promote the application of AI technology, launch the research and development of font special effects technology, expand the font recommendation function to support both Western and Chinese-Western font combinations. We completed the launch of functions of shadow, light effect, and animation, etc. in the Icon Symbol Library Engine (圖示符號庫引擎). We continuously optimize the input method to improve the user experience. We also continuously optimize and improve the generation of compressed font libraries, the algorithms for expanding character sets, conversion tools, and font creation tools, and launch the language detection tool in font library.

(3) Marketing and service aspect

In terms of customer service, we continuously optimize the full-cycle customer service (全週期客戶服務), providing professional support such as font selection, industry word-usage research, and copyright protection for customer. In terms of customized services, we continuously improve our diversified business layout, achieving a two-way growth of new market increment and re-cooperation with existing customers. We continuously improve the comprehensive service network from the official website of FounderType (方正字庫官網), "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

The 13th Founder Award Ceremony (第十三屆方正獎頒獎典禮) was held, receiving a total of 5,704 competition entries, an increase of nearly 20% compared to the previous edition. A total of 49 competition entries, 8 instructors, and 12 partner universities were awarded the Font Category Award (字體類別獎), Jury Member Award (評審委員獎), Excellent Instructor Award (優秀指導老師獎), and Excellent Partner University Award (優秀合作院校獎). At the 22nd China (Shenzhen) International Cultural Industry Fair (第二十二屆中國（深圳）國際文化產業博覽交易會), together with the Guangzhou National Library (廣州國家版本館), we jointly presented the "Founder Wen Qin Yongle Encyclopedia Font (方正文沁永樂大典體)" public welfare license certificate to the units such as the Guangdong Overseas Chinese Museum (廣東華僑博物館). We made an appearance at the FBIF Food Innovation Exhibition (FBIF食品創新展) to directly connect with customers. We participated in the China Home Appliances and Consumer Electronics Expo (中國家電及消費電子博覽會) and CES Asia (CES Asia 亞洲電子展), and conducted the themes sharing centered around consumer electronics (消費電子), automotive applications (車載應用), and themes of AI font-usage; We made an appearance at the 2026 China-Europe Intelligent Connected Vehicles Conference (2026中歐智慧網聯汽車大會) to showcase automotive font solutions (汽車字體解決方案) globally. Starting from font characteristics, the short video content such as emotional resonance, handmade cultural creativity, and font stories through creative font videos were created, actively building the Cultural Intellectual Property of FounderType on new media platforms such as Rednote (小紅書).

The above measures further enhanced the professional brand image and industry-leading position of FounderType, enabling FounderType to lay a solid foundation for the future and long-term development.

Printing Business

1. Industry environment and market overview

In the first half of 2026, the printing industry as a whole continued its downward trend, with structural differentiation further intensifying. According to data from the National Bureau of Statistics (國家統計局), the operating income of printing enterprises above a certain scale size from January to March decreased by 1.4% year-on-year, total profits fell by 13.8% year-on-year, and the loss rate reached 36.7%, the highest in the past three years. The publishing industry continued to be under pressure due to changes in the macro environment and reading structure, especially in primary and secondary school auxiliary teaching. The total amount of auxiliary teaching in each province's evaluation catalog has decreased by 30% to 50%, and the "one subject, one auxiliary teaching" and zero auxiliary teaching policies in low grade had been strictly implemented. As a result, the demand for traditional books and periodicals printing has shrunk. But the transformation of educational publishing towards specialization (專項化), scenarization (場景化), and regionalization (區域化), with multiple batches, small batches, and timely supply becoming the norm, has brought clear market opportunities for inkjet digital printing (POD) (噴墨數碼印刷). In terms of exports, the export of printing equipment from January to February 2026 increased by 23% year-on-year, and the export of digital printing machines (數字印刷機) increased by 22%. The strong demand in emerging markets such as India provides important support for domestic enterprises.

2. Business and Market Performance

In the face of deep industry adjustments, the Company's printing business operated smoothly in the first half of 2026. A new equipment specifically designed for offset paper (膠版紙) with better cost-effectiveness have been launched to effectively hedge against the decline in the books and periodicals industry. In terms of customer expansion, in the first half of the year, we signed cooperation agreements with industry-leading clients such as Henan Shanda Printing (河南盛大印刷) and Hongxianda Group (宏賢達集團) for 880 High-speed Inkjet Equipment (880高速噴墨設備). Among them, the cooperation with Hongxianda (宏賢達) mainly focused on 880 Width Black and White Equipment (880幅寬黑白設備), and simultaneously promoted the coordination of on-demand printing and publishing supply chain during the project implementation process. The cooperation with Henan Shanda (河南盛大) marked the official implementation of the Company's first P8800CHD High-definition Color Inkjet Rotary Machine (P8800CHD高清彩色噴墨輪轉機). The above event marked the Company's official entry into the high-capacity printing for books and periodicals and commercial market. In terms of international business, we have actively expanded into emerging markets such as India and South Korea, so as to improve our overseas service system, and continue to vigorously promote the international business in the future to alleviate the pressure of insufficient domestic demand. The Company's traditional businesses such as CTP sales performed well in the first half of the year, with significant growth compared to the same period last year.

3. Product and technology progress

The product line of Offset Paper Color Machine (膠版紙彩機產品線) has achieved significant technological breakthroughs. In response to the high-quality requirements for printing in primary and secondary school auxiliary teaching materials, color and two-color printing, low labor costs, and fast delivery during peak seasons, the Company began the research and development in early 2025. After one year, the P6600SCHD series Offset Paper Color Machine (P6600SCHD系列膠版紙彩機) was officially launched in the first half of 2026. This series supports three specifications of 440mm, 560mm, and 660mm on one platform, with high quality, high production capacity, and low comprehensive cost as its core competitiveness, accurately meeting the production needs of color book and periodicals inkjet printing. At the same time, the Company has launched the low-cost, high-quality offset paper color ink to further reduce customers' overall usage costs.

The new generation of High-definition Color Printer Platform (高清彩機平台) has been officially launched on the market. The Company has launched the P8800CHD High-definition Color Printer (P8800CHD高清彩機) to meet the demand for color book and periodicals production with extreme production efficiency and high-quality inkjet printing. This printer model supports both copperplate paper and high weight white cardboard, meeting the market demand for higher production capacity, small batch, and personalized packaging in business printing. The first device was sent to Henan Shanda Printing (河南盛大印刷) in May and entered the stage of practical verification.

Copperplate paper inkjet technology continues to iterate and upgrade. For inkjet printing on copperplate paper, the Company completed multiple core technology upgrades in the first half of 2026. We further improved the problem of copper wire drawing through software (network). The inkjet printing quality of copperplate paper was further improved through pre-coating process to meet higher quality requirements. We developed an automatic nozzle lifting mechanism (噴頭自動升降機構) to better support high-quality printing of copperplate paper from 80g to 250g. The water replenishment and humidification system (補水加濕系統) effectively alleviates the drying and deformation of copperplate paper. The pre-drying technology (預乾燥技術) solves the problem of front-back consistency. The above technological upgrades have significantly improved the quality stability and application scope of inkjet printing on copperplate paper.

4. Business management and outlook for the second half of the year

In terms of business management, the organizational optimization measures implemented in the second half of 2025 continue to be effective, with resources further concentrated towards core products and key markets, and thus operational efficiency improved. The Company actively participates in the "15th Five Year Plan (「十五五」規劃)" for the printing industry being formulated by the Printing and Distribution Bureau of the Central Propaganda Department (中宣部印刷發行局), closely following the policy guidance.

Looking ahead to the second half of the year, the impact of the new policy on auxiliary-education will go pass, and the demand for POD naturally developing in the market will accelerate. With the combination products of P6600SCHD and P8800CHD, combined with the demonstration effect brought by our cooperation with top customers in the printing industry, the Company is expected to continue to expand its market share. The focus of international business will continue to deeply cultivate the markets such as India and South Korea. The technical pre-research (技術預研) for entering the packaging market will also continue to advance. The Company will continue to be driven by technological innovation to promote the sustainable development of its printing business.

Media Business

Macro policy

Centered around media integration: As the starting year of the "15th Five Year Plan (「十五五」規劃)" in 2026, the systematic transformation of mainstream media will become a core deployment at the national strategic level, with a comprehensive upgrade in policy promotion and implementation depth. In March 2026, the Fourth Session of the 14th National People's Congress (十四屆全國人大四次會議) voted to pass the "Outline of the 15th Five Year Plan for National Economic and Social Development (《國民經濟和社會發展第十五個五年規劃綱要》)", which clearly stated the requirements of "deepening the systematic transformation of mainstream media, promoting the integrated management of news propaganda and online public opinion, and improving the ability to guide mainstream public opinion (「深化主流媒體系統性變革，推進新聞宣傳和網路輿論一體化管理，提高主流輿論引導能力」)", "strengthening the construction of the comprehensive media communication system (「加強全媒體傳播體系建設」)", "enhancing the international communication ability of mainstream media (「增強主流媒體國際傳播能力」)", etc., officially establishing the systematic transformation of mainstream media as the core path to consolidate and strengthen mainstream public opinion, and providing clear direction and institutional guarantee for the deepening reform of the media industry from the national strategic level. Since 2025, mainstream media across the country have launched a systematic media transformation plan based on the three major paths of organizational restructuring (組織重構), technological empowerment (技術賦能), and ecological integration (生態融合). The policy level has shifted from "encouraging exploration (「鼓勵探索」)" to "standardized guidance (「規範引領」)", and it is explicitly required that media at all levels establish a comprehensive media communication evaluation system, including "user stickiness (用戶黏性), communication efficiency (傳播效能), and service value (服務價值)" as the key assessment indicators, promoting the transformation of mainstream media from "scale expansion (「規模擴張」)" to "quality improvement (「質量提升」)". Systematic transformation has entered a period of comprehensive efforts. According to statistics from late May 2026, there are over 247 prefecture level integrated media centers established nationwide, accounting for more than 70% of the 333 prefecture level cities (regions (地區), autonomous prefectures (自治州), and leagues (盟)) in China. The construction of integrated media centers in various regions has shifted from "listing establishment (「掛牌成立」)" to "deep operation (「深度運營」)", and the landing and application of AI technology has become the core increment for improving quality and operation. The focus is on promoting the iterative upgrading of unified integrated editing platform for the integrated big model and AIGC content automatic production, relying on intelligent distribution algorithms to achieve quality and efficiency improvement for the mobile clients, and continuously deepening the integration mode of "government + business + service (「政務+商務+服務」)".

Centered around integrated publishing: The National "15th Five Year Plan (國家「十五五」規劃綱要)" clearly proposes to "deeply implement the integrated development project of publishing (「深入實施出版融合發展工程」)", promoting the integrated development of publishing, and facilitating the transformation and upgrade of the publishing industry. On 25 December 2025, the National Press and Publication Administration (國家新聞出版署) issued "The notice on organizing and implementing the 2026 Publishing Integration Development Project of the National Press and Publication Administration (國家新聞出版署關於組織實施2026年度出版融合發展工程的通知)", which takes the key projects as the driving force, aiming at achieving new breakthroughs in content supply, technology application, channel operation, talent cultivation, and mechanism construction, etc., so as to promote the new reforms in the form, development model and industry ecology of publishing products, and accelerate the digitization empowerment and informatization transformation of the publishing industry. On 15 April 2026, the National Press and Publication Administration (國家新聞出版署) issued "The notice on the implementation of technology and standard innovation project of the 2026 publishing industry of the National Press and Publication Administration (《國家新聞出版署關於實施2026年出版業科技與標準創新專案的通知》)", proposing to follow the trend of information technology development, accelerating the innovative application of advanced technology in the publishing industry, supporting the promotion of a number of replicable and promotable technology and standard innovation achievements in publishing industry for publishing application scenarios, in order to consolidate the scientific and technological corner stone of the publishing industry, empower various formats throughout the whole publishing process, support innovation and transformation of content formats, publishing formats, and industry ecology, and thus promote the high-quality development of the publishing industry. On 8 June 2026, the National Data Administration (國家資料局) issued "The notice on the implementation plan for promoting the construction of high-quality industry datasets (《關於推進行業高品質資料集建設行動的實施方案》的通知)". The notice proposes to promote the construction of high-quality datasets in the industry (行業高品質資料集建設), resonate and promote each other with "Artificial Intelligence+ (「人工智慧+」)", and strengthen data empowerment for the innovative development of artificial intelligence.

Centered around academic journals: From 2025 to 2026, China's policy supporting for the scientific and technological journal industry continued to follow the "The opinions on Deepening the Reform and Cultivating World Class Scientific and Technological Journals (《關於深化改革培育世界一流科技期刊的意見》)", and overall continued the main line of "building world-class scientific and technological journals, serving high-level scientific and technological by self-reliance and self-improvement, and promoting digital transformation (「建設世界一流科技期刊、服務高水準科技自立自強、推動數智化轉型」)".

The trends of industry demand

Centered around the deep integration of media: With the rapid development of generative artificial intelligence technology, the trend of deep application of artificial intelligence related technologies in media integration will further accelerate and deepen in 2026, and the application of artificial intelligence technology in the media industry has been upgraded from auxiliary tools to productivity engines. According to the Blue Book of China Media Technology Innovation Report (2025) (《中國傳媒科技創新報告(2025)》藍皮書), over 90% of media organizations use AI tools in at least one aspect, with multimedia content generation and production (69.67%), text content production (66%), data mining and analysis (57.67%), and content editing optimization (55.67%), being the most important application scenarios. Mainstream media at all levels have successively introduced modeling technologies such as DeepSeeker V4 and Seedance 2.0 to empower them. Large models are not only the entry points of new information, but also new intelligent centers driving media transformation, bringing opportunities for value enhancement to mainstream media. At the same time, media also pay more attention to the differentiated value of AI technology's independent controllability and industry-specific large models. Building an independent architecture of "intelligent base + vertical large models (「智慧底座+垂類大模型」)" has become an industry consensus, relying on exclusive corpora to deeply cultivate core scenarios such as content production and international dissemination, in order to avoid homogenization of general large models. Media at all levels continued to promote systematic transformation, advance the construction of a comprehensive media communication system, and explore pilot projects for information and innovation in some central government media outlets to strengthen information security and independent controllability. Provincial medias continued to integrate media resources within the province, strengthen the construction of independent and controllable provincial-level cloud platforms (省級雲平台建設), empower deep integration of media at the provincial, municipal, and county levels (省市縣三級), and create an integrated communication pattern across the province. After completing the listing, the municipal level integrated media centers have entered the stage of deepening their functions (功能深化) and improving their operations (運營提升). They actively promoted the establishment of a unified integrated editing platform (統一融合採編平台), building a comprehensive media communication matrix (全媒體傳播矩陣), and explore the business model of "government + business + service (「政務+商務+服務」)". The mainstream media at all levels were continuously building international communication centers, constructing multilingual websites and multi-party, three-dimensional communication matrices.

Centered about integrated publishing business: The publishing industry was facing the pressure of declining revenue from traditional publishing and was actively deploying artificial intelligence applications. Internally, we aimed to explore the deep application of artificial intelligence technology in topic selection and planning, editing and processing, typesetting and printing, marketing and distribution, promote the digital, networked and intelligent upgrading and transformation of traditional publishing, and build a human-machine collaborative intelligent publishing business process (人機協同的智慧出版業務流程). Externally, we launched large model application services such as AI assisted reading, AI intelligent knowledge services, AI education and assisted learning to enhance the quality of publishing content services. Under the promotion of the "Regulations on the Promotion of

National Reading (《全民閱讀促進條例》)", publishing groups and publishers have begun to build a national reading platform that combines AI to enhance the effectiveness of digital reading. As the influence of traditional distribution channels gradually weakens, publishing units were shifting from traditional channel distribution to "production based on sales (「以銷定產」)" and "traffic driven (「流量驅動」)". Publishing units are increasingly focusing on on-demand printing, live streaming sales, community operation, and private domain traffic construction. By establishing reader communities, we can accumulate user assets, build publishing private domain communication brands, and enhance user stickiness. In 2026, the development trend of the publishing industry was no longer simply about "publishing more books, publishing faster (「多出書、快出書」)", but about deepening content value (做深內容價值), providing accurate user services (做準使用者服務), and adapting technical content (做好技術內容適配).

Centered about academic journals: With the goal of serving the construction of a strong technological country and achieving high-level technological by self-reliance and self-improvement, the country is vigorously guiding high-level academic papers to be published in domestic journals, so as to encourage excellent original achievements to be published in domestic high-level journals first, in order to enhance first publication rights and international academic discourse rights of China's scientific and technological achievements. This posed a major challenge to the carrying capacity of Chinese academic journals. At the same time, the industry was accelerating the development of journal groupization (期刊集團化), platformization (平台化), and internationalization (國際化), improving the construction of evaluation system for scientific and technological journal, that is in line with China's national conditions, building an independent, controllable, open, collaborative, and globally influential scientific and technological journal ecosystem, and fully supporting the construction of the national innovation system.

(1) Product and solution

Centered about the systemic transformation of mainstream media: In 2026, we continued to promote product strategic upgrading (產品戰略升級) and innovative layout (創新佈局). Founder Intelligent Media Solution (方正智媒解決方案) iterated continuously on the core architecture of "Yunque Integrated Media + Magic Cube Intelligence (「雲雀融媒體+魔方智能」)". Yunque Integrated Media (「雲雀融媒體」) further enhanced its capabilities in unified integrated production, procurement, editing and multi-end publishing, and launched Founder Yunque Integrated Media Information and Innovation Solution (方正雲雀融媒體信創解決方案), providing a complete domestic alternative solution. Rubik's Cube Intelligence (魔方智能) promoted the productization of AI native applications and extends towards the construction of domain corpora, knowledge bases, and high-quality datasets. Combined with business innovative development and market trends, Founder Yixuan digital communication and management platform (方正易宣數位化傳播與管理平台) was launched for central state-owned enterprises and large private enterprises, which has the ability to integrate resources, intelligent production and global distribution. It provided the functions of intelligent full process management and multi-role collaboration for pain points such as low efficiency in content production, and helped enterprises with digital transformation and brand value enhancement. To address the pain points such as difficulty in evaluating communication effectiveness and lack of evaluation criteria, a data-driven scientific evaluation and communication empowerment platform (科學評價與傳播賦能平台) has been launched, providing functions of full-chain data tracking and scientific evaluation to empower quantitative management of communication effectiveness. In terms of in-depth exploration of media customers-end in aspects of news + services, we have launched a client e-commerce system to achieve the basic capabilities for media-exclusive shopping malls, breakthrough the adaptation barriers between general shopping malls and media businesses, and create a "content + e-commerce (「內容+電商」)" technology integration feature, which had been trialed and had supported the key research and development projects and delivered in the Project of Dalian News Media Group (大連市新聞傳媒集團).

Centered around the integration of publishing business: Founder Electronics continued to increase its research and development investments in AI and big model technology in book content production, product manufacturing, marketing communication, and application services. In April 2026, Founder Smart Review Version 7.0 (方正智能審校7.0版), Founder Starry Sky AI Publishing Platform Version 2.0 (方正星空AI出版平台2.0版), and Founder Full Process Digital Content Production System (方正全流程數位化內容生產系統) were released. Founder Smart Review Version 7.0 (方正智能審校7.0版) focuses on enhancing the ability to proofread large models, shifting from shallow words, knowledge, punctuations, format proofreading to deep knowledge business logic proofreading (深層知識業務邏輯審校), multimodal proofreading (多模態審校), and knowledge grammar proofreading (知識語法審校). At the same time, we collaborated with professional knowledge service institutions such as the China National Archives of Publications and Culture (國家版本館), Shanghai Lexicographical Publishing House (上海辭書出版社), and Termonline (術語線上) to jointly build a knowledge service ecosystem, improving the professionalism and credibility of intelligent proofreading. Founder Starry Sky AI Publishing Platform Version 2.0 (方正星空AI出版平台2.0版) focuses on AI intelligent planning in topic selection, AI editing and processing, AI design and creation, and AI marketing promotion to create 17 intelligent agent services, providing comprehensive AI assisted services for publishing units. In terms of publishing digital content production, Founder Shuchang (方正書暢) and Founder Yunshu (方正雲舒) have optimized the interconnection of content production, achieving full process content production management in thrice book review, thrice proofreading, typesetting and printing, and enhancing the overall capability of products and solutions. In terms of knowledge services, we have launched product solutions such as AI knowledge base and digital textbooks to assist in the transformation and upgrading of professional publishing and educational publishing.

Centered around academic journals: Combined with the current development trend of the technology journal industry, the construction of technology platforms will be comprehensively upgraded from "digital tools (「數位化工具」)" to national academic infrastructure with "independent and controllable (自主可控), intelligent driven (智能驅動), international dissemination (國際傳播), and cluster collaboration (集群協同)".

Its needs are mainly reflected in the following aspects: building an independent and controllable publishing platform system, achieving quality and efficiency improvement and domestic substitution, strengthening the construction of international communication capacity, supporting the enhancement of global academic influence, supporting cluster and platform development, constructing a new publishing model of sharing and collaboration, so as to support the construction of a Chinese characteristic scientific and technological journal evaluation system (中國特色科技期刊評價體系建設), and releasing the value of data assets.

(2) *Business model*

We actively promoted the transformation from software solutions (軟體解決方案) to authorization services (授權服務), SaaS services (SaaS服務), software services (軟體服務), and data services (資料服務). In the first half of 2026, the revenue scale of service-oriented business exceeded RMB70 million, a continuous increase of 15% compared to the same period in 2025, and the revenue proportion reached 69%. The business model gradually mainly shifted from selling product solutions and projects (產品解決方案專案類) to a collaborative business model of product solutions and authorization (產品解決方案和授權), SaaS services (SaaS服務), software services (軟體服務), data services (資料服務), and operation and maintenance services (運維服務). Fully leverage the advantages of platformization (平台化) and scale, adhere to the development concept of light delivery (輕交付) and sustainability, and promote long-term healthy growth in business scale, customer value, and operational efficiency.

(3) *Marketing*

Media market: 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 2026, Founder Electronics reached new cooperations in the media market with central-level, provincial-level and municipal-level media clients, including Science and Technology Daily (科技日報社), Shaanxi Daily Newspaper Group (陝西日報報業集團), Jilin Daily Newspaper Group (吉林日報報業集團), Qinghai Daily Press Group (青海日報報業集團), Macau Daily News (澳門日報社), Qujing Convergence Media Center (曲靖市融媒體中心), Yangzhou Convergence Media Center (揚州市融媒體中心), Liupanshui Media Convergence Center (六盤水市融媒體中心), Chuxiong Prefecture Convergence Media Center (楚雄州融媒體中心), Pingxiang Media Center (萍鄉新聞中心), Xiangxi Tuanjie Daily (湘西團結報社), Nantong Daily (南通日報社), Datong Daily Network (大同日報社), Dezhou Evening News (德州晚報社), Lüliang Daily News (呂梁日報社), Shenyang News Network (瀋陽新聞網). We deeply cooperated with industry media such as China Emergency Management Newspaper Co., Ltd. (中國應急管理報社), China Economic Information Service (中國經濟信息社), and Eastern Tobacco News (東方煙草報). In addition, we had also entered into the contracts with government enterprise integrated media platform projects, including Justice Net (正義網), China Oil and Gas Pipeline Network Corporation (國家管網集團), and Chinese Social Sciences Press (中國社會科學雜誌社). We continuously increased the coverage towards industries, government and enterprise markets to effectively enhanced the product competitiveness.

Publishing market: We focused on promoting SaaS services which mainly based on intelligent proofreading and AI publishing platforms, while the software authorization services which mainly based on Shuchang (書暢) and Yunshu (雲舒), and localized solutions services which mainly based on Zhihui Resource Library (智匯資源庫). In 2026, we established the cooperations with Guangxi Publishing Media Group Co., Ltd. (廣西出版傳媒集團), Anhui Time Publishing and Media Co., Ltd. (安徽時代出版傳媒集團), Higher Education Press (高等教育出版社), The Commercial Press (商務印書館), Science Press (科學出版社), China Renmin University Press (中國人民大學出版社), Sinopec Press (中國石化出版社), Shanghai Science and Technology Press (上海科學技術出版社), Shanghai Foreign Language Education Press (上海外語教育出版社), Peking University Changsha Institute for Computing and Digital Economy (北京大學長沙計算與數字經濟研究院).

Academic Journal Market: We adhered to the cooperation with top industry users as the driving force, continuously improved the coverage of top journals in various disciplines, actively participated in mainstream industry activities, deepened the regional brand building, so as to build a three-dimensional promotion system of "benchmark demonstration + industry activities + regional operation (「標杆示範+行業活動+區域運營」)", and continuously expanded the market influence and industry appeal of brand of Founder Hongyun (方正鴻雲).

We had successively signed cooperation agreements with journal clusters, including Social Sciences in China Press (中國社會科學雜誌社), China Environmental Publishing Group (中國環境出版社), China Petroleum Publishing House (中國石油工業出版社), and Chang'an University (長安大學).

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 2026 was 119,974,699. The share option scheme expired on 30 May 2026.

As at 30 June 2026, the number of employees of the Group was approximately 979 (31 December 2025: 992).

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 2026, the Group had nil interest-bearing bank borrowings (31 December 2025: Nil).

As at 30 June 2026, the Group recorded total assets of HK$1,398.9 million which were financed by liabilities of HK$263.3 million and equity of HK$1,135.6 million. The Group's net asset value per share as at 30 June 2026 amounted to HK$0.98 (31 December 2025: HK$0.97).

The Group had total cash and bank balances (including restricted cash, time deposits and cash and bank deposits) of HK$759.4 million as at 30 June 2026 (31 December 2025: HK$823.3 million). As at 30 June 2026, the Group's gearing ratio, measured by the ratio of total borrowings (including lease liabilities) to total shareholders' equity, was 0.1% (31 December 2025: 0.2%) while the Group's working capital ratio was 4.93 (31 December 2025: 4.12). The increase in prepayments, deposits and other receivables by 16.2% to HK$56.9 million (31 December 2025: HK$48.9 million) was due to increase in prepayments arising from more purchases during the current interim period. The decrease in other payables and accruals by 27.5% to HK$131.3 million (31 December 2025: HK$181.2 million) was due to payment of 2025 year-end bonus during the current interim period.

As at 30 June 2026, 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 Chinese mainland, 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 2026, the major contracts for the software development and information products distribution business amounted to approximately HK$334.2 million (31 December 2025: HK$285.1 million), which are all expected to be completed within one year.

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

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures, or significant investments during the six months ended 30 June 2026.

Charges on assets

As at 30 June 2026, the Group's bank deposits of approximately HK$2.7 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 2026. 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 2026, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, the Company purchased 2,580,000 of its shares on the Stock Exchange. Details of the share repurchases are set out below:

Month/Year	Number of shares repurchased	Purchase price per share		Total price (excluding expenses) paid
		Highest	**Lowest**	
		HK$	*HK$*	*HK$'000*
January 2026	400,000	0.81	0.80	320,500
April 2026	362,000	0.74	0.73	266,380
May 2026	1,530,000	0.76	0.70	1,114,500
June 2026	288,000	0.75	0.72	211,580
	2,580,000			1,912,960

During the six months ended 30 June 2026, the Company had cancelled 2,292,000 shares. Details of the shares cancelled are set out below:

Month/Year	Number of shares cancelled
March 2026	400,000
June 2026	1,892,000
	2,292,000

During the six months ended 30 June 2026, the Shares repurchased but not yet cancelled of the Company is 288,000 shares.

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 2026. As at 30 June 2026, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2026, 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 (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 information for the six months ended 30 June 2026, including the accounting principles adopted by the Group, with the Company's management.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The 2026 interim 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 Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk) and the Company's website (www.irasia.com/listco/hk/founder) in due course.

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

Hong Kong, 27 August 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. Zhang Peng 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*