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(Stock Code: 00418)

PROFIT WARNING

This announcement is made by the Founder Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on its preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 and information currently available to the Group, the Group is expected to record a loss attributable to owners of the Company of approximately HK\$60 million for the six months ended 30 June 2022, as compared with the loss attributable to owner of the Company of approximately HK\$16.5 million for the six months ended 30 June 2021. The Board believes such increase in loss was mainly attributable to the decline in revenue and gross profit due to the temporary shutdown of certain factories, disruptions in logistics, delay in signing and performance of certain sales contracts, and reduction in the demand for font library, media and printing products under the impact of COVID-19 pandemic and the relevant restrictive measures during the six months ended 30 June 2022.

As at the date of this announcement, the Company is still in the process of finalising the financial statements of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group, but not based on any financial data or information that has been

audited, reviewed or confirmed by the Company's auditor. Details of the Group's financial performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2022, which is expected to be published by the end of August 2022. Shareholders and potential investors are advised to read carefully such results announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Founder Holdings Limited
Cheung Shuen Lung
Chairman

Hong Kong, 5 August 2022

As at the date of this announcement, the Board comprises executive directors of Mr Cheung Shuen Lung (Chairman), Mr Shao Xing (President), Mr Qi Zi Xin, Mr Hu Bin, Ms Liao Hang and Mr Zhang Jian Guo, and the independent non-executive directors of Mr Chan Chung Kik, Lewis, Mr Lau Ka Wing and Mr Lai Nga Ming, Edmund.

** For identification purpose only*