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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 2024**

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 2024 together with the comparative figures.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**YEAR ENDED 31 DECEMBER 2024**

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
REVENUE	4	<b>924,854</b>	982,029
Cost of sales		<u>(470,519)</u>	<u>(497,159)</u>
Gross profit		<b>454,335</b>	484,870
Other income and gains	4	<b>56,619</b>	55,534
Selling and distribution expenses		<b>(208,904)</b>	(209,896)
Administrative expenses		<b>(64,258)</b>	(75,525)
Other expenses, net		<b>(191,575)</b>	(196,512)
Finance costs	5	<b>(115)</b>	(163)
Share of profits/(losses) of associates		<u><b>170</b></u>	<u>(261)</u>
PROFIT BEFORE TAX	6	<b>46,272</b>	58,047
Income tax credit	7	<u><b>1,584</b></u>	<u>1,709</u>
PROFIT FOR THE YEAR		<u><b>47,856</b></u>	<u>59,756</u>

	<i>Notes</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
Attributable to:			
Owners of the parent		<b>47,856</b>	59,756
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	<b>HK4.0 cents</b>	HK5.0 cents

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2024**

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u><b>47,856</b></u>	<u>59,756</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive (loss)/income of associates	(216)	32
Exchange differences on translation of foreign operations	<u>(18,711)</u>	<u>(11,070)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(18,927)</u>	<u>(11,038)</u>
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments at fair value through other comprehensive income	64	37
Revaluation (deficit)/surplus of land and buildings, net of tax	<u>(9,159)</u>	<u>1,265</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	<u>(9,095)</u>	<u>1,302</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(28,022)</u>	<u>(9,736)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><b>19,834</b></u>	<u>50,020</u>
Attributable to:		
Owners of the parent	<u><b>19,834</b></u>	<u>50,020</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<b>181,995</b>	241,898
Investment properties		<b>142,608</b>	128,680
Right-of-use assets		<b>1,662</b>	3,670
Investments in associates		<b>2,191</b>	2,237
Equity investments at fair value through other comprehensive income		<b>484</b>	420
Pledged deposits		<b>722</b>	1,742
		<hr/>	<hr/>
Total non-current assets		<b>329,662</b>	378,647
<b>CURRENT ASSETS</b>			
Inventories		<b>73,942</b>	89,911
Trade and bills receivables	10	<b>154,221</b>	181,898
Contract assets		<b>17,401</b>	15,703
Prepayments, other receivables and other assets		<b>57,339</b>	47,178
Financial assets at fair value through profit or loss		<b>1,237</b>	946
Pledged deposits		<b>5,254</b>	3,113
Cash and cash equivalents		<b>805,428</b>	749,021
		<hr/>	<hr/>
Total current assets		<b>1,114,822</b>	1,087,770
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	<b>58,353</b>	63,402
Contract liabilities		<b>48,245</b>	47,965
Other payables and accruals		<b>175,812</b>	206,725
Lease liabilities		<b>1,110</b>	2,152
Tax payable		<b>310</b>	302
		<hr/>	<hr/>
Total current liabilities		<b>283,830</b>	320,546
		<hr/>	<hr/>
NET CURRENT ASSETS		<b>830,992</b>	767,224
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/> <b>1,160,654</b> <hr/>	<hr/> 1,145,871 <hr/>

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	<b>540</b>	1,273
Deferred tax liabilities	<b>40,192</b>	44,510
	<hr/>	<hr/>
Total non-current liabilities	<b>40,732</b>	45,783
	<hr/>	<hr/>
Net assets	<b>1,119,922</b>	1,100,088
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	<b>119,975</b>	119,975
Reserves	<b>999,947</b>	980,113
	<hr/>	<hr/>
Total equity	<b>1,119,922</b>	1,100,088
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## NOTES

31 DECEMBER 2024

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) 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 the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	920,245	977,042
Hong Kong	4,462	4,626
Other	147	361
	<u>924,854</u>	<u>982,029</u>
Total revenue	<u>924,854</u>	<u>982,029</u>

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

##### (b) Non-current assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	177,193	199,287
Hong Kong	149,072	174,961
Other	2,191	2,237
	<u>328,456</u>	<u>376,485</u>
Total non-current assets	<u>328,456</u>	<u>376,485</u>

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 (2023: Nil).

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>	919,251	977,244
<i>Revenue from other sources</i>		
Rental income from investment property operating leases	<u>5,603</u>	<u>4,785</u>
Total	<u><u>924,854</u></u>	<u><u>982,029</u></u>

##### Revenue from contracts with customers

###### (i) *Disaggregated revenue information*

For the year ended 31 December 2024

	<b>Total</b> <b><i>HK\$'000</i></b>
<b>Types of goods or services</b>	
Sale of software, hardware and system integration	<u><u>919,251</u></u>
<b>Geographical markets</b>	
Mainland China	919,104
Others	<u>147</u>
Total	<u><u>919,251</u></u>
<b>Timing of revenue recognition</b>	
Goods transferred at a point in time	<u><u>919,251</u></u>



For the year ended 31 December 2023

	Total HK\$'000
<b>Types of goods or services</b>	
Sale of software, hardware and system integration	977,244
<b>Geographical markets</b>	
Chinese Mainland	976,883
Others	361
Total	977,244
<b>Timing of revenue recognition</b>	
Goods transferred at a point in time	977,244

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:

	2024 HK\$'000	2023 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of software, hardware and system integration	35,687	41,361
Total	35,687	41,361

(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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Amounts expected to be recognised as revenue:		
Within one year	<u>42,978</u>	<u>45,373</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Other income</b>		
Bank interest income	12,448	13,624
Government grants ( <i>note</i> )	39,363	34,683
Others	<u>4,347</u>	<u>7,150</u>
Total other income	<u>56,158</u>	<u>55,457</u>
<b>Gains</b>		
Gain on disposal of items of property, plant and equipment	92	77
Fair value gains on financial assets at fair value through profit or loss, net	<u>369</u>	<u>–</u>
Total gains	<u>461</u>	<u>77</u>
Total other income and gains	<u>56,619</u>	<u>55,534</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 Mainland China. 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	<u>115</u>	<u>163</u>

## 6. PROFIT BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	2,913	2,870
Cost of inventories sold and services provided**	468,872	502,589
Depreciation of property, plant and equipment	12,786	16,550
Depreciation of right-of-use assets	2,544	3,420
Lease payments not included in the measurement of lease liabilities	20,690	21,492
Impairment of trade receivables and contract assets*	9,070	7,781
(Reversal of impairment)/impairment of deposits and other receivables*	(9,012)	12
Loss on write-off of inventories*	1,888	1,316
Provision/(reverse of provision) for obsolete inventories**	1,647	(5,430)
Research and development costs:		
Current year expenditure*	166,035	174,001
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	208,362	217,550
Pension scheme contributions***	39,770	39,506
Total	<u>248,132</u>	<u>257,056</u>
Foreign exchange differences, net	2,701	1,827
Direct operating expenses (including repair and maintenance) arising on rental-earning investment properties	434	525
Fair value (gains)/losses on financial assets at fair value through profit or loss, net	(369)	126*
Fair value losses on investment properties*	<u>20,669</u>	<u>10,126</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 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil).

## 7. INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current – Hong Kong		
Overprovision in prior years	(11)	–
Current – Mainland China		
Charge for the year	6	9
Underprovision in prior years	2	6
Deferred	<u>(1,581)</u>	<u>(1,724)</u>
Total tax credit for the year	<u><u>(1,584)</u></u>	<u><u>(1,709)</u></u>

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for the first HK\$2,000,000 of assessable profits for Founder Electronics (HK) Limited which is taxed at the rate of 8.25% as Founder Electronics (HK) Limited elects the two-tiered profits tax rates in 2024 and 2023.

Taxes on profits assessable in Mainland China 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%.

The share of tax attributable to associates amounting to HK\$33 (2023: negative HK\$34,000) is included in “Share of profits/(losses) of associates” in the consolidated statement of profit or loss.

## 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 1,199,746,993 (2023: 1,199,746,993) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2024, the Group had addition of property, plant and equipment of approximately HK\$2,082,000 (2023: HK\$2,431,000), and disposal of property, plant and equipment of approximately HK\$3,000 (2023: HK\$2,000).

## 10. TRADE AND BILLS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	184,202	206,346
Bills receivable	14,743	13,081
Impairment	<u>(44,724)</u>	<u>(37,529)</u>
Net carrying amount	<u><b>154,221</b></u>	<u><b>181,898</b></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 Ping An Insurance (Group) Company of China, Ltd., a substantial shareholder of the Company, and its subsidiaries of HK\$220,000 (2023: due from New Founder Holdings Development Co., Ltd. and its subsidiaries ("New Founder Group") of HK\$296,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 6 months	92,597	122,912
7 to 12 months	14,228	19,373
13 to 24 months	25,852	22,136
Over 24 months	<u>6,801</u>	<u>4,396</u>
Total	<u><b>139,478</b></u>	<u><b>168,817</b></u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of year	37,529	43,509
Impairment losses, net	8,566	7,326
Amount written off as uncollectible	(442)	(12,526)
Exchange realignment	<u>(929)</u>	<u>(780)</u>
At end of year	<u><b>44,724</b></u>	<u><b>37,529</b></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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 6 months	42,521	44,699
7 to 12 months	4,516	12,601
13 to 24 months	8,809	2,741
Over 24 months	<u>2,507</u>	<u>3,361</u>
Total	<u><u>58,353</u></u>	<u><u>63,402</u></u>

Included in the Group's trade and bills payables are amounts due to New Founder Group of approximately HK\$112,000 (2023: HK\$113,000), 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.

## **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 (2023: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **PERFORMANCE**

The Group reported a profit for the year ended 31 December 2024 of approximately HK\$47.9 million (year ended 31 December 2023: HK\$59.8 million). The Group's turnover for the current year decreased by 5.8% to HK\$924.9 million (year ended 31 December 2023: HK\$982.0 million) due to decrease in sale of font library business and media business. Gross profit for the current year decreased by 6.3% to HK\$454.3 million compared with last year's HK\$484.9 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 6.3% to approximately HK\$454.3 million (year ended 31 December 2023: HK\$484.9 million);
- b. an increase in other income and gains by 2.0% to HK\$56.6 million (year ended 31 December 2023: HK\$55.5 million) attributable to increase in completion of government grants engagements for the sale of software; and
- c. a decrease in total selling and distribution expenses, administrative expenses and other operating expenses by 3.6% to HK\$464.7 million (year ended 31 December 2023: HK\$481.9 million) as a result of (i) decrease in staff costs with decrease in number of staff; (ii) one-off gain of reversal of the provision arising from impairment of entrusted loan to Peking University Founder Group Company Limited; and (iii) increase in fair value losses on investment properties in Hong Kong and the PRC.

Basic and diluted earnings per share for the year was HK4.0 cents (year ended 31 December 2023: HK5.0 cents).

## OPERATING REVIEW AND PROSPECTS

### Operating Review

#### *Font Library Business*

In order to promote the culture of Chinese characters, convey the beauty of writing, and meet the constantly changing needs of various fields in society, 北京北大方正電子有限公司 (“Beijing Founder Electronics Co., Ltd.\*”) (“Founder Electronics”), a wholly-owned subsidiary of the Company, has made a number of attempts in FounderType (方正字庫).

#### *(1) Font design aspect*

We completed over 300 fonts for Chinese font libraries and was awarded the title of “Top Ten Copyright Owners” in the art category by the China Copyright Protection Center (中國版權保護中心) and the Copyright Society of China (中國版權協會). Actively respond to the national initiative of “Standardizing the use of Chinese fonts (規範使用漢字)”, and take the development of classical calligraphy of past dynasties as one of the major work focuses to promote the font development of “Exquisite Chinese Font Library Project (中華精品字庫工程)”. The Japanese versions of four Exquisite Chinese fonts, including Regular Script Font of Yan Zhenqing-style (顏真卿楷書), Regular Script Font of Liu Gongquan-style (柳公權楷書), Semi-cursive Script Font of Su Shi-style (蘇軾行書), and Stele Regular Script of Cuan Baozi-style (龔寶子碑楷書), have been completed and launched, promoting the application of the Exquisite Chinese Font Library (中華精品字庫) in the Japanese market. Based on industry trends, we have focused on launching exquisite fonts such as retro round (復古粗圓), extremely black (極黑), logo black (LOGO黑), Cangyan-style black (蒼顏黑), jet black (烏黑), Kutang stone carving style (字酷堂石刻體), Yiman-style Song (逸漫宋), Lingfei engraved stone (靈飛刻石), Xunzhen font (尋真體), Haoge Yuekaizhen font (吳格閱楷真), Haoge Runkai font (吳格潤楷), Wuying font (武英體), Zhenshu round font (砧書圓), Niuhei font (牛黑). The first customized font of the Year of the Loong Spring Festival Gala “Spring Festival Gala Dragon-style of Founder (方正春晚龍行體)” was developed in conjunction with CCTV’s (央視) Spring Festival Gala, and the unique “Chinese Romance (中式浪漫)” was demonstrated with classic Chinese characters.

#### *(2) Font design technology aspect*

The “Intelligent Calculation Method and Automatic Generation Key Technology of Chinese Font” (中國文字的字體智慧計算方法與自動生成關鍵技術) led by Peking University (北京大學), with the joint participation from Founder Electronics (方正電子), Founder Handwriting (方正手跡), Huawei (華為), and Kingsoft Office (金山辦公) was awarded the second prize of the 2023 Beijing Technology Invention Award (2023年度北京市技術發明獎二等獎). In the core design projects, “Exquisite Chinese Font Library Project” (中華精品字庫工程) and the “Spring Festival Gala Dragon-style of Founder (方正春晚龍行體)”, we continued to promote the application of artificial intelligence



assisted font design technology to improve the design efficiency while ensuring font quality. The AI capabilities of FounderType have significantly improved, continuously promoting the technological upgrade of the “Font+”(字加) computer-end clients and the FounderType computer-end clients, utilizing the AI technology to enhance font recognition and intelligent recommendation capabilities. We improved the launch of embedded device intelligent typesetting engine, font rendering engine, compressed font technology and font association technology, greatly enhancing the service capabilities of FounderType in embedded devices such as mobile phones and car systems. “Founder Typewriting” (方正輸入法) that supports rare characters and universal cross platform functionality was launched, covering the number of 97,908 Chinese fonts specified by GB18030 national standards were supported by handwritten input and were widely used in information systems of fields of major banks, social security and medical, effectively solving the problem of missing fonts in people’s names in social systems.

(3) *Marketing and service aspect*

On the basis of consolidating and expanding the cooperation with major corporate clients, we continued to strengthen customer service and increase collaboration with design companies and advertising companies, continuously the development of the official website of FounderType. From “Font + (字加)” of Wechat application, to the PC clients end of “Font +”, and form the PC clients end of FounderType, to the comprehensive service system of “FounderType Enterprise Font Asset Platform” (方正字庫企業字體資產平台), providing the users with efficient and convenient font services.

(4) *Market promotion aspect*

Convene “the 12th Founder Award Design Competition Award Ceremony (第十二屆方正獎設計大賽頒獎典禮), the Exhibition with Design Forum of Future created by Fonts (展覽暨字創未來設計論壇) at the Central Academy of Fine Arts (中央美術學院), inviting judges and experts from domestic and foreign competitions to give the live speeches and engage in discussions, strengthening the exchanges and cooperation with international peers and designer groups. We held the event of “Chinese Day of United Nations” (聯合國中文日活動) with the theme of “Creating Chinese Fonts through Digital Innovation, Shining with the Sun” (數創中文，輝光日新) with The Open University of China (國家開放大學). The “Founder 2024 Font Design Conference” (方正2024字體設計大會) was held at UCCA Ullens Center for Contemporary Art (UCCA尤倫斯當代藝術中心), a new industry observation report titled “2025 Font Trend Report” (2025字體趨勢報告) was released with the new products of FounderType, focusing on four dimensions: new trends, new fonts, new competitions, and new perspectives. And the 13th “Founder Award” (方正獎) Design Competition was held. “Dialogue on Hanzi FounderType 2024 Tokyo Launch Conference” (漢字對話•方正字庫2024東京發佈會) was held in Tokyo, Japan, using “Hanzi, Chinese fonts” (漢字) as a carrier, promoting the cooperation and cultural exchange in the industry of Chinese fonts and Japanese

fonts. We actively participated in the industry events, including Atypi International Font Design Conference (Atypi國際字體設計大會), Language and Text Technology Supply and Demand Matchmaking Conference (語言文字技術供需對接大會), SAIC Motor Overseas Connected Vehicle Summit Forum (上海汽車海外車聯網高峰論壇), BIBF Art Publishing Forum (BIBF藝術出版論壇), FBIF2024 Food and Beverage Innovation Forum (FBIF2024食品飲料創新論壇) and Hainan International Intellectual Property Trading Conference (海南國際知識產權交易大會) to showcase the latest products and technological achievements of FounderType to a wider range of industry groups through exhibitions and speeches.

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 internationalization image of FounderType. This enabled FounderType to lay a solid foundation for the future and long-term development.

### ***Printing Business***

According to the latest data released by the National Bureau of Statistics (國家統計局), the printing enterprises above designated size achieved a revenue of RMB600.6 billion, a year-on-year increase of 1.9%. The total profit was RMB29.66 billion, a year-on-year decrease of 5.4% from January to November 2024. At the same time, Centrin-ecloud (中金易雲) released an analysis report on the paper book market for the first three quarters of 2024, which showed that the overall book sales market for the first three quarters of 2024 was RMB87.732 billion, a year-on-year decrease of 12.77% compared to 2023. The number of dynamic sales varieties decreased by 8.36% year-on-year comparison, while the number of dynamic sales varieties for new books slightly increased, with a year-on-year growth rate of 1.49%. This indicated that the overall printing industry in China was in a weak recovery state, while the printing business related to publishing has experienced a certain decline. Although the external environment was unfavorable, Beijing Founder EasiPrint Digital Technical Co., Ltd.\* (北京方正印捷數碼技術有限公司) (hereinafter referred to as “Founder EasiPrint” (方正印捷)) has achieved a good and positive performance through active product innovation and market development measures.

At the end of May 2024, the 2024 Drupa Printing Exhibition (德魯巴印刷展2024) with the theme of “Creating the Future Together” (共創未來) was grandly opened in Dusseldorf, Germany (德國杜塞爾多夫). As the largest international exhibition in the global printing industry, this year it had attracted over 1,600 exhibitors from around the world, with Chinese exhibitors accounting for the highest number of exhibitors from a single country with over 400, setting a new record in history. At the same time as the exhibition, during the exchange and cooperation seminar of printing innovation technology which was held by Keyin Media (科印傳媒) with the theme of “Road to China, Road to the World”, Founder EasiPrint delivered a live speech entitled “Inkjet Printing Leads China, Digital Intelligence Crosses Borders” (《噴墨印領中國、數智跨越國界》), announcing that Founder EasiPrint will bring multiple new high-speed inkjet printing machines to the global market. In the six months after the exhibition, Founder EasiPrint achieved significant breakthroughs and progress in expanding

into the international market. Our products officially entered multiple key markets in Asia and Europe, and the basic layout of agent sales channels in key countries was completed. Compared to the previous year, the revenue from international market has been increased several times. Founder EasiPrint will continue to increase our efforts in exploring the international market and strive to achieve sustained high-speed growth in the coming years.

In terms of product innovation, new products launched by Founder EasiPrint (方正印捷), including Founder EagleJet P6600CHD-33 High-speed Copperplate Inkjet Rotary Printing Machine (方正桀鷹P6600CHD-33高速銅版紙噴墨輪轉印刷機), Founder EagleJet D330HD High-speed Single Sheet Inkjet Machine (方正桀鷹D330HD高速單張紙噴墨機), and Founder Yunshu 4.0 (方正雲舒4.0), have all entered the stage of comprehensive promotion. Among them, the P6600CHD-33 equipment (P6600CHD-33設備) achieved excellent sales performance in the field of copperplate paper printing (銅版紙印刷) by our breakthrough in water-based inkjet printing (水性噴墨), it has been running stably at DuoJia customer's location with excellent printing quality, and our products have quickly covered the national business printing market. The D330HD high-speed single sheet inkjet printer (D330HD高速單張紙噴墨機), with its compact, flexible, and high-definition single sheet printing characteristics, is suitable for fast printing stores and government printing environments with strict requirements for venue and printing quality. It has also been piloted in various parts of the country. As the latest upgrade of Yunshu Publishing Document Management (雲舒出版文件管理), Founder Yunshu 4.0 (方正雲舒4.0) software integrates advanced functions such as encrypted printing, version by library submission, and electronic blue paper, achieving a growth of sales over 40% in 2024.

In terms of marketing, Founder EasiPrint held more than ten customer site visits and on-site seminars at key new installation users in 2024, and the enthusiasm of participation of industry colleagues was high. The number of participants in each on-site meeting reached hundreds of people, which had a positive promoting effect on sales signing. This year, Founder EasiPrint also received a large number of invitations from authoritative medias in the industry, summarizing the latest industry developments for industry peers, sharing Drupa Exhibition (德魯巴展會) experience, interpreting the latest technology in the industry and analyzing industry development trends. For users in different application scenarios, the packaging has produced user application case videos and user story articles, which had attracted widespread attention and forwarding among the user groups. Through content marketing, it continued to build a good reputation among users and achieved the brand endorsement by user testimony.

In early November, Founder EasiPrint held a series of events of Hongyan Alliance (鴻雁聯盟) in Beijing, including the three large-scale series of events, that were the "Symposium on the Prospects and Problems of On Demand Printing Applications in the Publishing Industry" (出版行業按需印刷應用前景及問題探討專題研討會), the "Hongyan POD Alliance Annual Meeting 2024" (2024鴻雁POD聯盟年會) and the "Founder EasiPrint User Conference 2024" (2024年方正印捷用戶大會) of publishing-end. Due to the impacts of the COVID-19, the meeting of Hongyan POD Alliance (鴻雁POD聯盟), which had been interrupted for several years, restarted. This meeting invited the leaders of the printing and distribution bureau, the leaders of industry association, the publishing house, the experts of printing

industry, peers and users. While promoting the policies of industry and sharing the insights on POD ecosystem construction, we also created an opportunity for colleagues in the industry to communicate and exchange ideas between upstream and downstream industries. The successful holding of this conference has strengthened brand position of Founder EasiPrint in the industry and our role as a link in the ecosystem, and has also increased new business opportunities for market expansion.

## ***Media Business***

### *Macro policy*

Year 2024 marked the beginning of the second decade of media convergence strategy. 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 (國家廣電總局) 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, and 60 cities (including municipal and county-level) were selected to promote the pilot constructions of city level integrated media centers. The Plan required to focus on integrated development, take the Internet as the main platform, promote the intensive and digital transformation of the collection and editing process, optimize the allocation of collection and editing resources and forces, and establish a new collection and editing platform with unified command and scheduling. It aims at the integration and application of multiple technologies, and the adaptation to multi-interface news production, 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, build multiple communication channels, establish a variety of platform terminals, develop a variety of communication forms, and thus to form a distinctive, wide coverage, three dimensional and rapid all-rounded media communication matrix. We should focus on client base establishment by making full use of mobile communication technology, strengthening visible presentation, interactive communication, accurate pushing, and enhancing immersive experience and user stickiness. We should also strengthen the support of advanced technology by utilizing 5G, big data, cloud computing, artificial intelligence, blockchain and other new technologies, to strengthen the database infrastructure for the content and user, and improve the capability of data collection, storage, management, analysis and application. To promote vertical media connectivity, provincial technology platforms should expand capacity and improve the functions, in order to provide technical support and operation and maintenance services for municipal and county-level integrated media centers within the province, and to facilitate the interconnection of the integrated development of provincial, city, municipal and county level media. With the promotion of the construction of integrated media centers in cities and prefectures, many cities in China have achieved provincial coverage of the construction of integrated media centers at the city level. At present, 146 city-prefecture level integrated media centers have been established nationwide. Among more than 330 cities and prefectures (regions, autonomous prefectures, and alliances) in China, prefecture level integrated media centers account for 40%



of the total. In 2024, city-prefecture level integrated media centers promoted the integration of reporting channels, continuing to strengthen platform construction, with mobile news clients as the focus of construction. We will promote the construction of integrated media platforms and explore the business models of government as government affairs + business + services (政務+商務+服務), and strive 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 July 2024 proposed: “Build a working mechanism and evaluation system adapted to Omnimedia production and communication, and promote the systematic transformation of mainstream media.” (「構建適應全媒體生產傳播工作機制和評價體系，推進主流媒體系統性變革。」). “Systematic change” (系統性變革) has become another new requirement put forward by the Central Committee of the Party for the comprehensive deepening reform of mainstream media, following “Media integration” (媒體融合) and “Deep media integration” (媒體深度融合). In 2024, media at all levels actively explored the resources and seek the collaborative cross-border development. Central and provincial media continued to promote cross-platform integrated collaboration, accelerating the construction of a new integrated ecosystem that were large and small screens integration, resource intensity, technological empowerment, and channel integration. The establishment and integration of municipal level of integrated media centers were accelerated, and institutional mergers and resource integration were innovated. The county-level integrated media continued to deepen its exploration and integration of resources, and build an integrated platform for government services. Media at all levels were accelerating the construction of an Omnimedia media communication system and promoting systematic changes. In 2024, under the policy background, China’s mainstream media would focus on building independent and controllable integrated media platforms (自主可控的融媒體平台) and new mobile communication platforms (移動傳播新平台).

Around integrated publishing, in April 2022, the Publicity Department of the CPC Central Committee issued “The implementation opinions on promoting the deep integration and development of publishing” (《關於推動出版深度融合發展的實施意見》) (hereinafter referred to as the “Opinions”). The Opinions focus on accelerating the in-depth integration and development of publishing, constructing a new publishing and communication system in the digital era, adhering to the general thought of combining systematic promotion with demonstration and guidance, and put forward 20 main measures from 6 aspects: strategic planning, content construction, technical support, key projects, talent team, and security system. It can make a comprehensive deployment and put forward clear requirements for the goals, directions, paths and measures of the integrated development of publishing in the future. At the end of 2023, the Central Propaganda Department (中宣部) and the Ministry of Education (教育部) jointly issued “The Implementation Opinions on Promoting the co-construction of Publishing Discipline Majors (《關於推進出版學科專業共建的實施意見》)”, promoting co-operation among universities, relevant departments and units to jointly establish the publishing colleges and strengthen the construction of publishing discipline majors so as to accelerate the cooperation among industry, university and research

development. In January 2024, the National Press and Publication Administration (國家新聞出版署) issued a “The notice on organizing and implementing the 2024 Publishing Integration Development Project of the National Press and Publication Administration (國家新聞出版署關於組織實施2024年度出版融合發展工程的通知). We focuses on deepening 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). 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). The National Press and Publication Administration (國家新聞出版署) has organized the implementation of the 2024 Publishing Integration Development Project (2024年度出版融合發展工程), with the goal of continuing to promote the deep integration of traditional and digital publishing, and creating new quality productivity in the publishing industry. 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-strengthen 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, such as through digital humans, AI videos, AI content review, AI creation, and an AIGC content ecosystem establishment. In addition, media at all levels continue to promote the construction of a comprehensive media system, build diverse publishing channels, accelerate the upgrading of self-built clients, continuously expand new scenarios and channels, integrate multiple platforms, and cooperate across borders to build a comprehensive 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. Currently, 31 international communication centers were established in 18 provinces including Shanghai, Guangdong, Shandong, Henan, and Hunan. Multilingual websites were built, and a multi subject, three-dimensional communication matrix would be constructed. The city-prefecture level integrated media center integrated the resources around the construction of city-prefecture level integrated media centers, built a unified city-prefecture level integrated media platform, and promoted the upgrading of news clients.

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

#### (1) Product and solution

Focusing on deep media integration: In 2024, we continue to increase the development and iteration of the new generation of intelligent media open platform “Founder Skylark Cloud Media Integration Platform (方正雲雀融媒體平台)”, deepen the research and development of data middle platform and AI middle platform, and create a new generation of media integration technology supporting platform with cloud, containerization, and microservice architecture, continuously improving the intelligence of products, video capabilities of products, fully empowering the in-depth integration of

media and the construction of technology platforms for municipal-level integrated media centers. A new generation of intelligent media opened platform “Founder Skylark Cloud Media Integration Platform (方正雲雀融媒體平台)” realized not only the integration for media businesses, management, users and data, but also the optimization of new mobile media platforms and mobilization of core content productive businesses. Meanwhile, the solution strengthened and optimized 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) through the assistance of data middle platform and artificial intelligence middle platform, realize the digitization and intelligence of various application scenarios for planning, interview, compilation, editing, publishing and distribution (策採編審發傳). In 2024, Founder Rubik’s Cube Media Big Model (魔方媒體大模型) and the AIGC auxiliary tool based on the Rubik’s Cube Media Big Model, which is Rubik’s Cube Intelligent Creator (魔方智能創作器) was continuously iterating, the Founder Rubik’s Cube Intelligent Creator V2.0 version (魔方智能創作器V2.0版本) was released. The core capabilities of Founder Rubik’s Cube Intelligent Creator V2.0 version mainly focus on five aspects: “event understanding and intelligent topic selection (事件理解與智能選題), knowledge Q&A and assisted creation (知識問答與輔助創作), text understanding and document processing (文本理解與文檔處理), multimodal generation and information extraction (多模態生成與信息抽取), and AI intelligent toolset (AI智能工具集). They aim to improve the authority and accuracy of generated content, create the chief AI assistant for media professionals, empower content creators, and improve media production efficiency and quality.

Around integrated publishing business: For the publishing business: Founder Electronics has continuously stepped up its efforts in the research and development of the new generation of the digital joint compilation system, covering technologies and software products for joint compilation (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 content production (內容制作). In 2024, Founder Starry Sky (方正星空) published a Large Model and AI editing assistant, as well as Founder Smart Review Version 5.0 (方正智能審校5.0版本). The AI editing assistant was equipped with an AI big model, providing functions such as intelligent editing and review assistance (Pre-review of manuscripts), pre-layout by AI, artificial intelligence generated content (intelligent rewriting and polishing of manuscripts) and AI content review in scenarios application. Founder Smart Review Version 5.0 (智能審校5.0版本) was also equipped with Big Model, which continuously enhance 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 2024, 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. 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 2024, the revenue scale of service-oriented business exceeded RMB125 million, and the proportion of revenue continued to increase year-on-year with 2023, reaching 46%. 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 2024, Founder Electronics reached new cooperations with central-level, provincial-level and municipal-level media clients, including People's Daily (人民日報社), Yangcheng Evening News (羊城晚報), Gansu Daily (甘肅日報社), Shaanxi Daily (山西日報社), Shanxi Daily (山西日報社), Jilin Daily (吉林日報社), Guangxi Daily (廣西日報社), Shen Zhen Press Group (深圳報業集團), Heilongjiang Yichun Integrated Media Center (黑龍江伊春融媒體中心), Heilongjiang Qitaihe Integrated Media Center (黑龍江七台河融媒體中心), Inner Mongolia Hulunbuir Integrated Media Center (內蒙古呼倫貝爾融媒體中心), Inner Mongolia Alxa Integrated Media Center (內蒙古阿拉善融媒體中心), Inner Mongolia Bayannur Integrated Media Center (內蒙古巴彥淖爾融媒體中心), Inner Mongolia Chifeng Integrated Media Center (內蒙古赤峰融媒體中心), Shanxi Jincheng Integrated Media Center (山西晉城融媒體中心), Gansu Tianshui Integrated Media Center (甘肅天水融媒體中心), Shaanxi Qingyang Integrated Media Center (陝西慶陽融媒體中心), Zhejiang Jinhua Integrated Media Center (浙江金華融媒體中心), Hubei Xiangyang Integrated Media Center (湖北襄陽融媒體中心), Guangxi Qinzhou Integrated Media Center (廣西欽州融媒體中心), Guangxi Wuzhou Integrated Media Center (廣西梧州融媒體中心), Guangxi Beihai Integrated Media Center (廣西北海融媒體中心), Yunnan Chuxiong Integrated Media Center (雲南楚雄融媒體中心), Yunnan Lijiang Integrated Media Center (雲南麗江融媒體中心), Yunnan Xishuangbanna Integrated Media Center (雲南西雙版納融媒體中心) and Yunnan Wenshan Integrated Media Center (雲南文山融媒體中心). In addition, we had also entered into the contracts with corporate integrated media, university integrated media and party official integrated media platforms, including China National Ocean Oil Journal (中國海洋石油報), AVIC Chengdu Aircraft Research Institute (中航成都飛機研究所), CHN Energy

Media Company (國家能源集團傳媒公司), Literature and Art Communication Center of China Federation of Literary and Art Circles Network (中國文聯網絡文藝傳播中心), News and Media Center of Ministry of Public Security (公安部新聞傳媒中心), Shanxi University (山西大學), Zhong Guo Ji Jian Jian Cha (中國紀檢監察雜誌社) and China Tobacco Magazine (中國煙草雜誌社). 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 been tested by more than 40 media clients across the nation, including China Net (中國網), Shanghai United Media Group (上海報業集團), Yangcheng Evening News (羊城晚報), Guangzhou Daily (廣州日報), Fuzhou Daily (福州日報), Shenyang daily (瀋陽網), Macao Daily (澳門日報), and the new Gansu client-based intelligent capability construction project was entered into (新甘肅客戶端智能能力建設項目).

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), People's Education Press (人民教育出版社), Beijing Publishing Group (北京出版集團), Shanghai Century Publishing Group (上海世紀出版集團), Jiangsu Phoenix Publishing & Media Group (江蘇鳳凰出版傳媒集團), People's Medical Publishing House Co., LTD (人民衛生出版社), China Population and Health Press (中國人口與健康出版社) and Southwest Jiaotong University Press (西南交大出版社). Especially with the signing of the "Smart Campus Cloud Sorting (智校雲讎)" project with Higher Education Press (高等教育出版社), it is the earliest application case of domestic publishing units closely integrating artificial intelligence technology with editorial and review business processes. In 2024, our academic journal business has collaborated with the top academic journals and journal groups, including the Chinese Medical Association (中華醫學會), Chinese Medical Doctor Association (中國醫師學會), China Association of Chinese Medicine (中華中醫藥學會), Social Science Cluster Platform of Foreign Language Teaching and Research Press (外研社社科集群平台), Industry and Information Technology Journal Cluster of China Industry and Information Technology Publishing & Media Group (中國工信出版傳媒集團工信期刊集群), Silk Road Journal Cluster of Xi'an Jiaotong University (西安交通大學絲路期刊集群), and China Environmental Journal Society (中國環境雜誌社). By the end of 2024, the Founder Hongyun Academic Publishing and Cloud Service Platform (方正鴻雲學術出版雲服務平台) has served more than 1,400 academic journal users. We have completed the construction of more than 50 journal cluster platforms, covering disciplines such as science and technology, engineering, medicine, and social sciences. About 300 types of new cooperative journals were added in the year 2024. Among the 450 journals selected by the Founder Hongyun Academic Publishing and Cloud Service Platform (方正鴻雲學術出版雲服務平台) for the second phase of the Excellence Action Plan (卓越行動計劃二期項目) for Science and Technology Journals, many of them used the Founder Hongyun Academic Publishing and Cloud Service Platform (方正鴻雲學術出版雲服務平台). Among them, 47% were Chinese leading journals, 39% were Chinese tier journals, and 17% were English leading journals.

## **PROSPECTS**

The management of the Group will closely monitor changes in the economy and IT market of the People's Republic of China (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 2024, the number of employees of the Group was 1,020 (31 December 2023: 1,043).

## **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 2024, the Group had no interest-bearing bank borrowings (31 December 2023: Nil).

As at 31 December 2024, the Group recorded total assets of HK\$1,444.5 million which were financed by liabilities of HK\$324.6 million and equity of HK\$1,119.9 million. The Group's net asset value per share as at 31 December 2024 amounted to HK\$0.93 (31 December 2023: HK\$0.92). The increase in net asset value per share was due to net effect of profit, 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\$811.4 million as at 31 December 2024 (31 December 2023: HK\$753.9 million). As at 31 December 2024, the Group's gearing ratio, measured by the ratio of total borrowings (including lease liabilities) to total shareholders' equity, was 0.1% (31 December 2023: 0.3%) while the Group's working capital ratio was 3.93 (31 December 2023: 3.39). The increase in prepayments, deposits and other receivables by 21.5% to HK\$57.3 million (31 December 2023: HK\$47.2 million) was due to increase in prepayments and deposits for performance of contracts. The decrease in other payables and accruals by 15.0% to HK\$175.8 million (31 December 2023: HK\$206.7 million) was due to decrease in accrued salaries and bonus as a result of decrease in number of staff and decrease in subcontracting fee payable as a result of decrease in sale of font library business and media business.

As at 31 December 2024, 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 2024, the major contracts in hand amounted to approximately HK\$211.1 million (31 December 2023: HK\$329.2 million), which are all expected to be completed within one year.

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

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

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 2024.

### **Charges on assets**

As at 31 December 2024, the Group’s bank deposits of approximately HK\$6.0 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 2024. 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 2024, 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 2024.

## **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 (the “Listing Rules”), throughout the year ended 31 December 2024.

## **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 2024.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

## **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 2024 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 The Hong Kong Exchanges and Clearing Limited (the “Stock Exchange”) ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.irasia.com/listco/hk/founder](http://www.irasia.com/listco/hk/founder)). The 2024 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 Stock Exchange and the Company in due course.

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

Hong Kong, 27 March 2025

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

\* *For identification purpose only*