**FOLANGSI CO., LTD**
**廣州佛朗斯股份有限公司**
*(A joint stock company incorporated in the People's Republic of China with limited liability)*
**(Stock Code: 2499)**

# POSITIVE PROFIT ALERT

This announcement is made by FOLANGSI CO., LTD (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2024, the Group is expected to record a net profit ranging from approximately RMB96.6 million to approximately RMB106.8 million, which represents an expected increase of approximately RMB65.4 million to approximately RMB75.6 million or of approximately 209.6% to 242.3% as compared with the net profit of approximately RMB31.2 million for the year ended December 31, 2023.

The expected increase in the net profit is primarily attributable to the following reasons: (i) in response to the growing demand in the market for cost reduction and efficiency improvement, the Company has actively expanded its product categories and adjusted its business development strategy. This allows for a richer diversity of products and more flexible service plans to meet the needs of a broad market, thereby rapidly expanding the scale of its operations and improving business performance; (ii) meanwhile, the successful implementation of the Group's "empowering service network" strategy, in particular the expansion strategy through mergers and acquisitions, has significantly increased the number of quality customers and effectively expanded the service network and asset size; and (iii) the Company's consistent "strong internal control" policy has resulted in a reduction in the selling and administrative expense ratio, which in turn has resulted in a substantial increase in net profit. In addition, a non-recurring acquisition gain of approximately RMB30.0 million had been taken into account in the net profit for the year ended December 31, 2024.

As of the date of this announcement, the Company is still in the process of finalizing the Group's consolidated annual results for the year ended December 31, 2024. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Group and the latest unaudited consolidated management accounts of the Group for the year ended December 31, 2024, which have not been audited or reviewed by the Company's independent auditors or the audit committee of the Board and may be subject to corresponding adjustments. Further details of the Group's financial information shall be disclosed in the annual results announcement of the Company for the year ended December 31, 2024 to be released in due course in accordance with the Listing Rules.

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

By order of the Board
**FOLANGSI CO., LTD**
**Hou Zekuan**
*Chairman of the Board and Executive Director*

Guangzhou City, the People's Republic of China
February 19, 2025

*As at the date of this announcement, the Board comprises Mr. Hou Zekuan as the chairman of the Board and executive Director, Mr. Hou Zebing, Mr. Qian Xiaoxuan, Ms. Ma Li and Mr. Zhou Limin as executive Directors, Mr. Yu Chuanfen as non-executive Director, and Mr. Chiang Edward, Dr. Fan Xia and Mr. Du Lizhu as independent non-executive Directors.*