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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on April 17, 2026 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 14,500,000 H Shares at the Subscription Price of HK$6.02 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Subscription Shares represent (i) approximately 4.17% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.00% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Price represents (i) a discount of approximately 2.27% to the closing price of HK$6.16 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 1.63% to the average closing price per Share of approximately HK$6.12 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The gross proceeds and net proceeds from the Subscription will be approximately HK$87.3 million and HK$86.8 million respectively. The net proceeds are intended to be used for the Group's daily operations, to support technological innovation and digital operations, to expand its offline service network, and to make layout in electrification and other business.

Shareholders and potential investors should note that the Subscription is subject to the fulfilment of the conditions precedent of the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on April 17, 2026 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 14,500,000 H Shares at the Subscription Price of HK$6.02 per Subscription Share, on the terms and subject to the conditions set out in the Subscription Agreement.

The Subscription Agreement

Date: April 17, 2026

Parties: (i) The Company; and

(ii) The Subscriber

Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 14,500,000 Subscription Shares, at the Subscription Price.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Subscription Shares represent (i) approximately 4.17% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.00% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK$6.02 per Subscription Share represents:

(i) a discount of approximately 2.27% to the closing price of HK$6.16 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(ii) a discount of approximately 1.63% to the average closing price per Share of approximately HK$6.12 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber with reference to current market conditions, prevailing market price and recent trading volume of the H Shares.

Ranking of Subscription Shares

The Subscription Shares, when fully paid and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Lock-up Period

Pursuant to the terms of the Subscription Agreement, the Subscriber has agreed and undertaken to the Company that, without the prior written consent of the Company, it will not (whether directly or indirectly) at any time during the twelve months from the Completion Date (the "**Lock-up Period**") (i) sell in any way any of the Subscription Shares or any interest in any company or entity holding any of the Subscription Shares, including any convertible, exchangeable, exercisable securities or securities with the right to acquire such securities or any interest in any company or entity holding any of the Subscription Shares, or agree, enter into an agreement or publicly announce its intention to enter into such transaction; (ii) allow itself to undergo a change of control at the level of ultimate beneficial owner (as defined in the Takeovers Code); or (iii) enter into any transaction that has the same economic effect as any of the above transactions. The Subscriber has further agreed and undertaken to the Company that if it sells (or by agreement or contract or notice of intent to sell) any Subscription Shares at any time after the Lock-up Period, the Subscriber will ensure that such sale will comply with all applicable laws.

Conditions Precedent for the Subscription

Completion of the Subscription is conditional upon the following conditions precedent being fulfilled:

(i) the Listing Committee having granted the listing of and permission to deal in the Subscription Shares, and such approval and permission not having been subsequently revoked or withdrawn prior to the Completion;

(ii) all necessary consents, approvals, reporting and filings required for the completion of the Subscription Agreement and the transactions contemplated thereunder having been obtained by the Company and the Subscriber in accordance with the Listing Rules and applicable laws;

(iii) all the representations, warranties and undertakings of the Company remaining true, accurate and not misleading in all material respects; and

(iv) all the representations, warranties and undertakings of the Subscriber remaining true, accurate and not misleading in all material respects.

The Subscriber may by notice in writing to the Company waive the condition precedent (iii) set out above, and the Company may by notice in writing to the Subscriber waive the condition precedent (iv) set out above.

If the above conditions precedent have not been fulfilled (or waived, if applicable) by 4:00 p.m. on May 31, 2026, and the parties fail to agree on an extension, the Subscription Agreement shall terminate and no party shall be liable to the other party or make any claim against the other party for damages, indemnification or otherwise, except for any liability of any party arising from prior breach, which shall remain in full force and effect.

Completion of the Subscription

Completion shall take place on the Completion Date.

General Mandate

Pursuant to the General Mandate granted to the Directors at the AGM, the Board may allot, issue or deal with additional Shares and/or sell treasury shares of the Company, either separately or concurrently, up to a maximum of 69,604,563 Shares, representing 20% of the issued share capital of the Company (excluding treasury shares) as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Share has been allotted and issued by the Company under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares will not be subject to further approval by the Shareholders.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION

The Group has been looking for business opportunities to enhance Shareholders' value. The Board believes that the issue of the Subscription Shares is an important move for the Group to raise additional funds to meet its requirements for general working capital. The issue of the Subscription Shares will not only help the Group to improve its financial condition, enlarge its share capital and optimize its capital structure, but also help the Group to establish a long-term and stable relationship with the Subscriber, which will lay a solid foundation for the future business expansion and sustainable development of the Group.

Accordingly, the Board (including the independent non-executive Directors) considers that the Subscription is in the interests of the Company and the Shareholders as a whole, and the terms of the Subscription Agreement (including the Subscription Price) are on normal commercial terms, fair and reasonable.

INFORMATION ON THE GROUP AND THE SUBSCRIBER

The Company is a joint stock limited company established in the PRC and the Group is principally engaged in the provision of intralogistics equipment subscription services, provision of maintenance and repair services and sale of intralogistics equipment and parts.

The Subscriber is owned as to 75% by Hubei Chunhe Equity Investment Fund Partnership (Limited Partnership)* (湖北春禾股權投資基金合夥企業(有限合夥)) ("**Hubei Chunhe**"), the general partner of which is Shenzhen Qianhai Chunyang Asset Management Co., Ltd. (深圳前海春陽資產管理有限公司) ("**Chunyang Asset Management**"), holding 0.5% partnership interest therein. The ultimate beneficial owner of Chunyang Asset Management is Ms. Wu Min (武敏).

The limited partners of Hubei Chunhe are Hubei Shunyu Industrial Investment and Development Co., Ltd.* (湖北順宇產業投資發展有限公司) ("**Hubei Shunyu**"), Shenzhen Qianhai Chunyang Innovation Investment Partnership (Limited Partnership)* (深圳前海春陽創新投資合夥企業(有限合夥)) ("**Chunyang Innovation**") and Hubei Zhenghe Fund Investment Management Co., Ltd.* (湖北政和基金投資管理有限公司) ("**Hubei Zhenghe**"), holding 70%, 19.5% and 10% partnership interests therein, respectively.

The ultimate beneficial owner of Hubei Shunyu is Xiaochang County People's Government State-owned Assets Supervision and Administration Bureau (孝昌縣人民政府國有資產監督管理局).

The general partner of Chunyang Innovation is Hubei Zhaoxin Zhuoyue Electronic Technology Co., Ltd.* (湖北兆鑫卓越電子科技有限公司) ("**Hubei Zhaoxin**"), holding 2.5% partnership interests therein. The limited partner of Chunyang Innovation is Hubei Dingyue Electronic Technology Co., Ltd.,* (湖北鼎越電子科技有限公司) ("**Hubei Dingyue**"), holding 97.5% partnership interests therein. The ultimate beneficial owner of each of Hubei Zhaoxin and Hubei Dingyue is Mr. Zhao Jinpeng (趙金鵬).

The ultimate beneficial owner of Hubei Zhenghe is Xiaogan Municipal People's Government State-owned Assets Supervision and Administration Commission (孝感市人民政府國有資產監督管理委員會).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owners is an Independent Third Party.

The Subscriber is principally engaged in investment consultation, financial information consultation, asset acquisition, disposition and reorganisation and investment management.

USE OF PROCEEDS

The gross proceeds and net proceeds from the Subscription will be approximately HK$87.3 million and HK$86.8 million respectively. The net proceeds are intended to be used for the Group's daily operations, to support technological innovation and digital operations, to expand its offline service network, and to make layout in electrification and other business.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Subscription (assuming there being no other change in the share capital and shareholding structure of the Company between the date of this announcement and the Completion):

	As at the date of this announcement		**Immediately upon the Completion**	
Shareholder	*No. of Shares*	*Approximate % of the total issued Shares (%)*	*No. of Shares*	*Approximate % of the total issued Shares (%)*
Mr. Hou Zekuan[1]	15,876,204 H Shares	4.56	15,876,204 H Shares	4.38
Mr. Hou Zebing[1]	15,243,384 H Shares	4.38	15,243,384 H Shares	4.20
Guangzhou Daze Investment Partnership (Limited Partnership) (廣州達澤投資合夥企業(有限合夥)) ("**Guangzhou Daze**")[2]	15,550,108 H Shares	4.47	15,550,108 H Shares	4.29
Suzhou Eastern Bell II Investment Center (Limited Partnership) (蘇州鐘鼎創業二號投資中心(有限合夥)) ("**Eastern Bell II**")[3]	50,021,052 H Shares	14.37	50,021,052 H Shares	13.80
Suzhou Eastern Bell III Investment Center (Limited Partnership) (蘇州鐘鼎三號創業投資中心(有限合夥)) ("**Eastern Bell III**")[3]	8,000,000 H Shares	2.30	8,000,000 H Shares	2.21

Shareholder	As at the date of this announcement		Immediately upon the Completion	
	No. of Shares	*Approximate % of the total issued Shares (%)*	*No. of Shares*	*Approximate % of the total issued Shares (%)*
Shanghai Dingmin Investment Management Center (Limited Partnership) (上海鼎民投資管理中心(有限合夥)) ("**Shanghai Dingmin**")[4]	923,100 H Shares	0.26	923,100 H Shares	0.25
Shenzhen Dachen Chuanglian Private Equity Investment Fund Partnership (Limited Partnership) (深圳市達晨創聯私募股權投資基金合夥企業(有限合夥)) ("**Dachen Chuanglian**")[5]	21,440,924 H Shares	6.16	21,440,924 H Shares	5.91
Shenzhen Dachen Chuangtong Private Equity Investment Enterprise (Limited Partnership) (深圳市達晨創通私募股權投資企業(有限合夥)) ("**Dachen Chuangtong**")[5]	19,471,952 H Shares	5.60	19,471,952 H Shares	5.37
The Subscriber	—	—	14,500,000 H Shares	4.00
Other public Shareholders	103,124,980 H Shares	29.63	103,124,980 H Shares	28.45
H Shareholders	**249,651,704 H Shares**	**71.73**	**264,151,704 H Shares**	**72.86**
Mr. Hou Zekuan[1]	37,044,480 Unlisted Shares	10.64	37,044,480 Unlisted Shares	10.22
Mr. Hou Zebing[1]	35,567,896 Unlisted Shares	10.22	35,567,896 Unlisted Shares	9.81
Guangzhou Daze[2]	15,550,108 Unlisted Shares	4.47	15,550,108 Unlisted Shares	4.29
Other Unlisted Shareholders	10,208,628 Unlisted Shares	2.93	10,208,628 Unlisted Shares	2.82
Unlisted Shareholders	**98,371,112 Unlisted Shares**	**28.27**	**98,371,112 Unlisted Shares**	**27.14**
Total	**348,022,816**	**100.00**	**362,522,816**	**100.00**

Notes:

1. Each of Mr. Hou Zekuan and Mr. Hou Zebing is an executive Director.

2. Guangzhou Daze is a limited partnership established in the PRC, the general partner of which is Mr. Hou Zebing.

3. Each of Eastern Bell II and Eastern Bell III is a limited partnership established in the PRC. The general partner of each of Eastern Bell II and Eastern Bell III is Shanghai Dingxiao Enterprise Management Consulting Center (Limited Partnership)* (上海鼎蕭企業管理諮詢中心(有限合夥))* ("**Shanghai Dingxiao**"). The general partner of Shanghai Dingxiao is Shanghai Dingman Enterprise Management Co., Ltd. (上海鼎蔓企業管理有限公司), which is owned as to 52.88% by Mr. Yan Li ("**Mr. Yan**"), a substantial shareholder of the Company.

4. Shanghai Dingmin is a limited partnership established in the PRC, the general partner of which is Suzhou Zhongding Hengtang Equity Investment Management Center (Limited Partnership)* (蘇州鐘鼎恆棠股權投資管理中心(有限合夥)) ("**Suzhou Zhongding**"). The general partner of Suzhou Zhongding is Suzhou Zhongding Venture Capital Management Co., Ltd.* (蘇州鐘鼎創業投資管理有限公司), which is wholly owned by Zhongding (Shanghai) Venture Capital Management Co., Ltd.* (鐘鼎(上海)創業投資管理有限公司), which is in turn owned as to 82% by Mr. Yan.

5. Each of Dachen Chuanglian and Dachen Chuangtong is a limited partnership established in the PRC. The general partner of each of Dachen Chuanglian and Dachen Chuangtong is Shenzhen Dachen Caizhi Venture Capital Management Co., Ltd.* (深圳市達晨財智創業投資管理有限公司) ("**Dachen Caizhi**"). Dachen Caizhi is owned as to 55% by Hunan TV & Broadcast Intermediary Co., Ltd* (湖南電廣傳媒股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock code: 000917.SZ).

6. The aggregate of the percentage figures in the above table may not add up to the total percentage figures due to rounding of the percentage figures to two decimal places.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activities in the past twelve months immediately prior to the date of this announcement.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Upon the Completion, the registered capital and total number of Shares of the Company will be changed to RMB90,630,704 and 362,522,816 Shares, respectively. To reflect such changes in the registered capital and total share capital of the Company, corresponding amendments will be made to the articles of association of the Company (the "**Articles of Association**") (the "**Amendments to the Articles of Association**").

Pursuant to the Company Law of the People's Republic of China and the Articles of Association, as well as the General Mandate granted to the Board at the AGM, the Board is authorized to make corresponding amendments to the Articles of Association as it thinks fit to reflect the new share capital structure following the allotment or issue of Shares. Accordingly, the Amendments to the Articles of Association are not subject to further approval by the Shareholders and will take effect from the Completion Date.

Shareholders and potential investors should note that the Subscription is subject to the fulfilment of the conditions precedent of the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"AGM"	the annual general meeting of the Company held on June 13, 2025
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Company", "the Company" or "our Company"	FOLANGSI CO., LTD (廣州佛朗斯股份有限公司) (formerly known as Guangzhou Folangsi Machinery Co., Ltd.* (廣州佛朗斯機械有限公司)), a limited liability company incorporated in the PRC on December 5, 2007 which was converted into a joint stock company with limited liability on November 25, 2016 and listed on the Stock Exchange on November 10, 2023 (Stock code: 2499)
"Completion"	the completion of the Subscription in accordance with the terms and condition set out in the Subscription Agreement
"Completion Date"	a date within seven Business Days (or such other date as may be agreed by the parties) following the date on which the conditions precedent of the Subscription Agreement are fulfilled
"Director(s)"	the director(s) of the Company

"General Mandate"	the general mandate to allot, issue or deal with additional Shares and/or sell treasury shares of the Company, either separately or concurrently, up to a maximum of 69,604,563 Shares (representing 20% of the issued share capital of the Company (excluding treasury shares) as at the date of the AGM) granted to the Board by a resolution of the Shareholders passed at the AGM
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB0.25 each, subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	has the meaning ascribed to it in the Listing Rules
"Last Trading Day"	April 17, 2026, the date of the Subscription Agreement
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB0.25 each, including both Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Hongkong Chunhe Investment Limited, a limited liability company incorporated in Hong Kong and an Independent Third Party

"Subscription"	the subscription of a total of 14,500,000 Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
"Subscription Agreement"	the conditional subscription agreement entered into between the Company and the Subscriber in respect of the Subscription
"Subscription Price"	HK$6.02 per Subscription Share
"Subscription Shares"	14,500,000 H Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Unlisted Share(s)"	ordinary shares in the share capital of the Company, with a nominal value of RMB0.25 each, which are not listed on any stock exchange
"%"	per cent

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

Guangzhou City, the PRC
April 17, 2026

As at the date of this announcement, the Board comprises Mr. Hou Zekuan as the chairman of the Board and an 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.

* *For identification purpose only*