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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of FOLANGSI CO., LTD (the "**Company**") dated April 17, 2026 (the "**Announcement**") in relation to subscription of new shares under the general mandate. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless otherwise defined.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all the conditions precedent have been fulfilled, and the Completion took place on May 11, 2026. Upon the Completion, 14,500,000 H Shares, representing approximately 4.00% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares, have been allotted and issued under the General Mandate to the Subscriber at the Subscription Price of HK$6.02 per Subscription Share in accordance with the terms and conditions of the Subscription Agreement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The respective shareholding structure of the Company immediately before and immediately after the Completion is summarised as follows:

	Immediately before the Completion		**Immediately after 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
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

Shareholder	Immediately before the Completion *No. of Shares*	*Approximate % of the total issued Shares (%)*	Immediately after the Completion *No. of Shares*	*Approximate % of the total issued Shares (%)*
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**").

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.

INFORMATION ON THE SUBSCRIBER

In addition to the information disclosed in the section headed "Information on the Group and the Subscriber" in the Announcement, the Board would like to supplement that, Chunyang Asset Management is held as to 80% by Shenzhen Chunyang Chuangxian Information Consulting Partnership Enterprise (Limited Partnership)* (深圳春陽創先信息諮詢合夥企業(有限合夥)) ("**Chunyang Chuangxian**"). The general partner of Chunyang Chuangxian is Mr. Fu Junru (傅軍如), holding 10% partnership interests therein. The limited partner of Chunyang Chuangxian is Ms. Wu Min (武敏), holding 90% partnership interests therein. Therefore, Chunyang Chuangxian is ultimately controlled by Mr. Fu Junru.

USE OF PROCEEDS

In addition to the information disclosed in the section headed "Use of Proceeds" in the Announcement, this announcement is intended to provide Shareholders and potential investors of the Company with the following further information regarding the 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 Company intends to apply the net proceeds in the following manner:

	Usage	**Detailed Usage**	**Expected Timeline of Utilisation**
1	Approximately HK$39.06 million, equivalent to 45.00% of the net proceeds, for making layout in electrification and other business	Mainly used for expanding the scale of fleet for electrified equipment and diversifying the equipment categories of the Company. The Company plans to acquire electrified intralogistics equipment, and expand the categories to include the areas such as cleaning equipment and intelligent logistics equipment, while providing integrated solutions covering the entire lifecycle of equipment.	By June 30, 2028

	Usage	Detailed Usage	Expected Timeline of Utilisation
2	Approximately HK$26.04 million, equivalent to 30.00% of the net proceeds, for expanding the Company's offline service network	Mainly used for deepening the construction of the Company's service network nationwide, improving service efficiency and customer acquisition capability. The Company plans to further increase the density of its service outlets in major manufacturing and logistics hubs across the PRC, thereby expanding its service radius, reaching potential customers more effectively, and precisely addressing their diverse needs through faster service response.	By June 30, 2028
3	Approximately HK$13.02 million, equivalent to 15.00% of the net proceeds, for the Group's daily operations	Mainly used for supplementing the Company's daily working capital, supporting general corporate operational needs, and enhancing overall fund utilization flexibility and operational efficiency. The Company plans to use such net proceeds for the payment of staff costs, headquarters expenses, utilities, professional fees and other general administrative and operating expenses.	By June 30, 2028

	Usage	Detailed Usage	Expected Timeline of Utilisation
4	Approximately HK$8.68 million, equivalent to 10.00% of the net proceeds, for supporting technological innovation and digital operations	Mainly used for continuously improving the Company's technological capabilities and infrastructure in areas such as digitalization and intelligentization. The Company plans to, at the hardware level, to deploy high-performance servers and IoT sensing devices to strengthen its foundation for computing power; at the software level, to structure a big data analytics platform and an AI algorithm middle platform to develop intelligent operation, maintenance and decision-making systems; at the data level, to establish a data pool and a data governance system to ensure data security and compliance.	By June 30, 2028

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Upon the Completion, the registered capital of the Company and the total number of Shares have been changed to RMB90,630,704 and 362,522,816 Shares, respectively. To reflect such changes in the registered capital and the total share capital of the Company, corresponding Amendments to the Articles of Association have been made by the Board pursuant to the authorization granted to the Board at the AGM, the particulars of which are as follows:

Before amendments	After amendments
Article 2 FOLANGSI CO., LTD (hereinafter referred to as the "**Company**") is a joint stock company with limited liability established in accordance with the Company Law.	**Article 2** FOLANGSI CO., LTD (hereinafter referred to as the "**Company**") is a joint stock company with limited liability established in accordance with the Company Law.

Before amendments	After amendments
The Company was established by way of conversion of net assets into shares by Guangzhou Folangsi Machinery Co., Ltd. (廣州佛朗斯機械有限公司) on an integral basis. The Company was registered with and obtained the business license from Guangzhou Municipal Administration for Market Regulation with the unified social credit code of 914401136699550284. As approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Stock Exchange**") and filed with China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**"), the Company issued 12,136,000 overseas listed foreign shares (H shares) through its initial public offering, which were listed and traded on the main board of the Hong Kong Stock Exchange on November 10, 2023.	The Company was established by way of conversion of net assets into shares by Guangzhou Folangsi Machinery Co., Ltd. (廣州佛朗斯機械有限公司) on an integral basis. The Company was registered with and obtained the business license from Guangzhou Municipal Administration for Market Regulation with the unified social credit code of 914401136699550284. As approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Stock Exchange**") and filed with China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**"), the Company **initially** issued 12,136,000 overseas listed foreign shares (H shares) through its initial public offering, which were listed and traded on the main board of the Hong Kong Stock Exchange on November 10, 2023.
Article 5 The registered capital of the Company is RMB87,005,704.	**Article 5** The registered capital of the Company is RMB~~87,005,704~~**90,630,704**.
Article 21 The total number of shares of the Company is 348,022,816 shares with each share having a par value of RMB0.25, all of which are RMB-denominated ordinary shares. In particular, 141,428,080 shares are unlisted domestic shares, representing 40.64% of the total number of shares of the Company; and 206,594,736 shares are H shares, representing 59.36% of the total number of shares of the Company.	**Article 21** The total number of shares of the Company is ~~348,022,816~~**362,522,816** shares with each share having a par value of RMB0.25, all of which are RMB-denominated ordinary shares. In particular, ~~141,428,080~~**98,371,112** shares are unlisted domestic shares, representing ~~40.64~~**27.14**% of the total number of shares of the Company; and ~~206,594,736~~**264,151,704** shares are H shares, representing ~~59.36~~**72.86**% of the total number of shares of the Company.

Save for the Amendments to the Articles of Association, other contents in the Articles of Association remain unchanged. The Company will carry out the registration and filing procedures for the Amendments to the Articles of Association with the relevant government or regulatory authorities in the PRC. The full text of the amended Articles of Association is available on the website of the Stock Exchanges at www.hkexnews.hk and the website of the Company at www.fls123.com. Shareholders should be aware that the English version of the Articles of Association is the translation of the Chinese version. The Chinese version of the Articles of Association shall prevail in the case of any inconsistencies between the two versions.

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

Guangzhou City, the PRC
May 11, 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*