

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**RESIGNATION AND PROPOSED APPOINTMENT OF DIRECTORS
AND
CHANGES IN COMPOSITION OF BOARD COMMITTEES
AND
RESIGNATION AND PROPOSED APPOINTMENT OF SUPERVISOR**

RESIGNATION OF DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of FOLANGSI CO., LTD (the “**Company**”) hereby announces that Mr. Zhu Yingchun (“**Mr. Zhu**”) has resigned as non-executive Director; Mr. Shu Xiaowu (“**Mr. Shu**”) has resigned as non-executive Director; and Mr. Wang Chuanbang (“**Mr. Wang**”) has resigned as independent non-executive Director, each with effect from the date of the Company’s forthcoming annual general meeting (the “**Annual General Meeting**”), being June 14, 2024, due to their personal career plans. Following the aforesaid resignations, Mr. Zhu has resigned as a member of the Audit Committee and a member of the Strategy Committee; Mr. Shu has resigned as a member of the Strategy Committee; and Mr. Wang has resigned as the chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Zhu, Mr. Shu and Mr. Wang have confirmed that they have no disagreement with the Board and the Company, and there is no matter regarding their resignations that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) and/or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to take this opportunity to thank Mr. Zhu, Mr. Shu and Mr. Wang for their valuable contributions and service to the Company during their terms of office.

PROPOSED APPOINTMENT OF DIRECTORS

In consideration of the recommendation of the Nomination Committee of the Company, the Board will propose as ordinary resolutions at the Annual General Meeting the consideration and approval of the proposed appointments of Mr. Zhou Limin (“**Mr. Zhou**”) as executive Director; Mr. Yu Chuanfen (“**Mr. Yu**”) as non-executive Director; and Mr. Du Lizhu (“**Mr. Du**”) as independent non-executive Director. The nomination of each of Mr. Zhou, Mr. Yu, and Mr. Du was made in accordance with the nomination policy of the Company and the diversity policy of the Company has been taken into account.

Upon the approval of the respective appointments of Mr. Zhou as executive Director, Mr. Yu as non-executive Director and Mr. Du as independent non-executive Director at the Annual General Meeting, the Company will (i) enter into service contracts and/or appointment letter (as appropriate) with each of Mr. Zhou, Mr. Yu and Mr. Du with a term commencing from the date of approval at the Annual General Meeting and ending on the expiration of the term of the current session of the Board; (ii) appoint Mr. Yu as a member of the Strategy Committee; and (iii) appoint Mr. Du as the chairman of the Audit Committee and a member of the Remuneration Committee. Each of Mr. Zhou, Mr. Yu and Mr. Du are subject to retirement by rotation and re-election at the annual general meeting of the Company under the Company's Articles of Association and the applicable Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Mr. Zhou will not receive any director's fee, and the annual remuneration of Mr. Zhou as deputy general manager will be approximately RMB400,000 (tax inclusive), which is subject to the business performance of the Company; Mr. Yu will not receive any directors' fee; and Mr. Du will receive RMB84,000 per year (tax inclusive) as directors' fee. The proposed remuneration of Mr. Zhou, Mr. Yu and Mr. Du has been determined by the Board based on the recommendations made by the Remuneration Committee taking into account of the main scope, responsibilities, importance and remuneration level of relevant positions in other similar enterprises.

Please refer to the biographical details of Mr. Zhou, Mr. Yu and Mr. Du as set out below:

Mr. Zhou Limin (周利民), aged 56, has been a deputy general manager of the Company since December 2007. He is primarily responsible for the product technology research and development management.

He joined the Company and its subsidiaries (collectively, the "**Group**") on December 5, 2007 and served as a sales manager of Zhongshan TCM Forklift Sales Co., Ltd. (中山梯西埃姆叉車銷售有限公司), and he was responsible for sales management from March 2006 to December 2007. He also served as a director of the Company from October 2012 to November 2016, where he was responsible for product technology and research and development management.

He has extensive experience in the manufacturing industry. Prior to joining the Group, he served as a sales manager of Xi'an Tiexi Em Forklift Sales Co., Ltd. (西安梯西埃姆叉車銷售有限公司), a company engaged in forklift sales and service, and he was responsible for corporate service from February 2002 to March 2006. He also worked at Xi'an Aviation Engine (Group) Co., Ltd. (西安航空發動機(集團)有限公司), a company engaged in aircraft engine manufacturing, from December 1985 to December 2000.

He received his college's degree in mechanical design and manufacturing through online education from Wuhan University of Technology (武漢理工大學) in the People's Republic of China (the "**PRC**") in July 2016.

Mr. Yu Chuanfen (俞傳芬), aged 51, has extensive experience in the construction machinery industry. From July 1994 to September 2002, he held various positions in Liuzhou Kangda Engineering Machinery Co., Ltd. (柳州康達工程機械有限公司), a subsidiary of Guangxi Liugong Group Co., Ltd. (廣西柳工集團有限公司) (“**LiuGong Group**”), and his last position was the vice general manager. Since September 2002, he worked in Guangxi LiuGong Machinery Co., Ltd. (廣西柳工機械股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000528.SZ) (“**Guangxi Liugong**”), a subsidiary of LiuGong Group, where he has since held various positions, including as the vice president, the president, the deputy secretary of the party committee, vice chairman, senior vice president, etc. Specifically, he served as the vice chairman of the board of Guangxi Liugong from December 2013 to December 2021 and senior vice president of Guangxi Liugong since December 2021. From March 2015 to December 2020, he successively served as a member of the party committee and the vice president of LiuGong Group. From November 2019 to December 2021, he also successively served as the vice president and senior vice president of Guangxi Liugong Group Machinery Co., Ltd. (廣西柳工集團機械有限公司). He is also currently the chairman of the board of (i) Guangxi Zhongyuan Machinery Co. Ltd. (廣西中源機械有限公司) since February 2017; (ii) Sineng Petroleum Chemical Co., Ltd. (司能石油化工有限公司) since August 2017; (iii) Liuzhou Liugong Forklift Co., Ltd. (柳州柳工叉車有限公司) since February 2021; and (iv) Guangxi Weixiang Machinery Co., Ltd. (廣西威翔機械有限公司) since March 2022, respectively.

Mr. Yu obtained a bachelor’s degree in welding processes and equipment from the department of Materials Science and Engineering of Huazhong University of Science and Technology (華中理工大學材料科學與工程系) in the PRC in July 1994. He also obtained the Qualification Certificate of Intermediate Level of Specialty and Technology (中級專業技術資格證書) for engineers issued by the Personnel Department of Guangxi Zhuang Autonomous Region (廣西壯族自治區人事廳) in September 1999.

Mr. Du Lizhu (杜立柱), aged 48, has extensive experience in the accounting field. From February 1997 to October 1997, he was a statistician at Binzhou Head Crankshaft Co., Ltd. (濱州海得曲軸有限責任公司) (formerly known as Binzhou Crankshaft Factory (濱州曲軸廠)). From November 1997 to June 1998, he was an accountant at Zhaoqing Cailian Building (肇慶財聯大廈). He subsequently served as an assistant auditor at the Bureau of Foreign Trade of Guangzhou Dongshan District (Guangzhou Xinlian Accounting Firm) (廣州東山區外經貿局(廣州信聯會計師事務所) from July 1998 to May 2002. He later served as an assistant auditor at Guangzhou Huihua Accounting Firm Co., Ltd. (廣州會華會計師事務所有限公司) (“**Guangzhou Huihua**”) from June 2002 to July 2003. From August 2003 to August 2005, he worked as an inspector at the Department of Finance of Guangdong Province. He was subsequently the vice president of Guangzhou Huihua and Guangzhou Mingxin Accounting Firm Co., Ltd. (廣州明信會計師事務所有限公司), from September 2005 to September 2008, and from October 2008 to May 2015, respectively. From June 2015 to June 2018, he served as the vice general manager of Jonten Certified Public Accountants (Limited Liability Partnership). Since July 2018, he has been the responsible person of the Guangzhou Branch of Guangdong Jingxin Real Estate & Land & Assets Appraisal Co., Ltd. (廣東京信房地產土地資產評估有限公司廣州分公司).

Mr. Du received a college degree in accounting from China Central Radio and TV University (中央廣播電視大學) in the PRC in January 2007 and later obtained a bachelor's degree in accounting from Hunan Institute of Science and Technology (湖南理工學院) in the PRC in June 2013. Mr. Du obtained the Qualification Certificate of Specialty and Technology for accountants (專業技術資格證書) issued by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) in May 1999, and passed the Advanced Diploma in Accounting awarded by the International Association of Accounting Professionals (IAAP) and obtained the Certificate of International Certified Public Accountants awarded by the Enterprise Financial Management Association of China in May 2023.

Save as disclosed above, as at the date of this announcement, Mr. Zhou, Mr. Yu and Mr. Du did not (i) have any relationship with any other Directors, supervisors of the Company (“Supervisors”), senior management or substantial or controlling Shareholders; (ii) hold any other position in the Company and other members of the Group; (iii) hold any directorships in other listed public companies in Hong Kong or overseas in the last three years; and (iv) hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Further, Mr. Du has confirmed that (i) he meets the independence criteria set out in Rule 3.13 of the Listing Rules; (ii) he has no past or present financial or other interest in the business of the Group or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and (iii) there are no other factors that may affect his independence at the time of appointment. After taking into account the confirmation of his independence to the Company under Rule 3.13 of the Listing Rules and his educational background, rich experiences in the past and professional knowledge, the Board proposed to appoint Mr. Du as the independent non-executive Director. Mr. Du has expertise in accounting and auditing and other work experience required to fulfil the role of independent non-executive Director. The appointment of Mr. Du will provide contributions to the Group and enhance the Board diversity.

Saved as disclosed above, there is no information in relation to Mr. Zhou, Mr. Yu and Mr. Du required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there other matters in relation to their appointments that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome Mr. Zhou, Mr. Yu and Mr. Du for their new appointments at the Company.

CHANGES IN COMPOSITION OF BOARD COMMITTEES

The Board also announces that, with effect from the date of the Annual General Meeting, being June 14, 2024:

- (1) Mr. Qian Xiaoxuan, an executive Director, will be appointed as a member of the Strategy Committee; and
- (2) Mr. Chiang Edward, an independent non-executive Director and a member of the Nomination Committee and a member of the Strategy Committee, will also be appointed as a member of the Audit Committee.

RESIGNATION OF SUPERVISOR

The Board hereby announces that Mr. Zhang Xiaolong (“**Mr Zhang**”) has resigned as Supervisor with effect from the date of the Annual General Meeting, being June 14, 2024, due to his personal career plan. Mr. Zhang has confirmed that he has no disagreement with the Board, the supervisory committee of the Company (the “**Supervisory Committee**”) and the Company, and there is no matter regarding his resignation that needs to be brought to the attention of the Shareholders and/or the Stock Exchange.

The Board would like to take this opportunity to thank Mr. Zhang for his valuable contribution and service to the Company during his term of office.

PROPOSED APPOINTMENT OF SUPERVISOR

In consideration of the recommendation of the Supervisory Committee, the Board will propose as ordinary resolution at the Annual General Meeting the consideration and approval of the proposed appointment of Ms. Liu Xiaoli (“**Ms. Liu**”) as Supervisor. Upon the approval of the appointment of Ms. Liu as Supervisor at the Annual General Meeting, the Company will enter into an engagement letter with Ms. Liu with a term commencing from the date of approval at the Annual General Meeting and ending on the expiration of the term of the current session of the Supervisory Committee. Ms. Liu receives remuneration according to her position at the Company and will not receive additional remuneration as Supervisor. Please refer to the biographical details of Ms. Liu as set out below:

Ms. Liu Xiaoli (劉小麗), aged 38, has extensive experience in the logistics equipment industry. Ms. Liu joined the Company in May 2008 and has served as the director of the logistics management centre since then.

Ms. Liu received a college degree in logistics management from Sun Yat-sen University (中山大學) in the PRC in June 2017 and later obtained a bachelor’s degree in international economics and trade from Jinan University (暨南大學) in the PRC in December 2020.

Save as disclosed above, as at the date of this announcement, Ms. Liu did not (i) have any relationship with any other Directors, Supervisors, senior management or substantial or controlling Shareholders; (ii) hold any other position in the Company and other members of the Group; (iii) hold any directorships in other listed public companies in Hong Kong or overseas in the last three years; and (iv) hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Saved as disclosed above, there is no information in relation to Ms. Liu required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there other matters in relation to her appointment that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome Ms. Liu for her new appointment at 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
March 20, 2024

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 and Ms. Ma Li as executive Directors, Mr. Zhu Yingchun and Mr. Shu Xiaowu as non-executive Directors, and Mr. Chiang Edward, Dr. Fan Xia and Mr. Wang Chuanbang as independent non-executive Directors.