

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Anhui Folangsi”	Anhui Folangsi Machinery Co., Ltd. (安徽佛朗斯機械有限公司), a limited liability company incorporated in the PRC on August 17, 2018 and one of our subsidiaries
“Articles” or “Articles of Association”	the articles of association to be adopted by our Company with effect upon [REDACTED] (as amended from time to time), a summary of which is set out in Appendix V to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compound annual growth rate
“Capital Market Intermediary(ies)” or “capital market intermediary(ies)” or “CMI(s)”	the capital market intermediary(ies) as named in the section headed “Directors, Supervisors and Parties Involved in the [REDACTED]” in this document
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

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[REDACTED]

“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual, joint individuals or a corporation
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “the PRC”	the People’s Republic of China excluding, for the purposes of this document, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Hou, Mr. Hou Zebing (侯澤兵) and Guangzhou Daze for further details of which, please see the section headed “Relationship with Our Controlling Shareholders” in this document
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“Employee Incentive Platform”	Guangzhou Daze
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“Ferretto Intelligent”	Ferretto Intelligent Equipment (Shanghai) Co., Ltd. (弗蘭度智能設備(上海)有限公司) (formerly known as Shanghai Audiofly Warehousing Equipment Co., Ltd. (上海音訊飛倉儲設備有限公司)), a limited liability company incorporated in the PRC on January 15, 2013 and is directly held as to 28.5% by our Company

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“Foshan Folangsi” Foshan Folangsi Forklift Co., Ltd. (佛山市佛朗斯叉車有限公司), a limited liability company incorporated in the PRC on August 3, 2006 and one of our subsidiaries

“General Rules of CCASS” General Rules of CCASS published by the Stock Exchange and as amended from time to time

[REDACTED]

“Group”, “our Group”, “our”, “we”, or “us” the Company and all of its subsidiaries, or any one of them as the context may require

“Guangzhou Daze” Guangzhou Daze Investment Partnership (Limited Partnership) (廣州達澤投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 16, 2011 and one of our Controlling Shareholders upon [REDACTED]

“Guangzhou Pengze” Guangzhou Pengze Machinery Equipment Co., Ltd. (廣州鵬澤機械設備有限公司), a limited liability company incorporated in the PRC on March 19, 2010 and one of our subsidiaries

“Guangzhou Xinze” Guangzhou Xinze Forklift Leasing Co., Ltd. (廣州新澤叉車租賃有限公司), a limited liability company incorporated in the PRC on June 7, 2010 and one of our subsidiaries

“H Share(s)” overseas [REDACTED] foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB[0.25] each, which are to be [REDACTED] for and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Hong Kong Stock Exchange

[REDACTED]

“Hefei Langyun” Hefei Langyun Intelligent Equipment Co., Ltd. (合肥朗雲物聯科技有限公司), a limited liability company incorporated in the PRC on February 19, 2019 and one of our subsidiaries

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“Hefei Xunyun” Hefei Xunyun Intelligent Equipment Co., Ltd. (合肥訊雲智能裝備有限公司), a limited liability company incorporated in the PRC on August 1, 2019 and is wholly owned by Forretto Intelligent, which in turn is held as to 28.5% by our Company

“HKFRS” Hong Kong Financial Reporting Standard

[REDACTED]

“HKSCC” the Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

“HKSCC Nominees” HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC

“Hong Kong” or “HK” the Hong Kong Special Administrative Region of the PRC

“Hong Kong dollars” or “HK\$” Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange” The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

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[REDACTED]

“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

“International Sanctions”	any measures enacted by jurisdictions as trade or economic sanctions against foreign countries, governments, entities or persons by restricting the enacting jurisdictions’ nationals from making assets or services available, directly or indirectly, to them, dealing with their assets or otherwise conducting commercial transactions with them
“International Sanctions Legal Adviser” or “DLA Piper”	DLA Piper Singapore Pte. Ltd., our legal adviser as to International Sanctions laws in connection with the [REDACTED]

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[REDACTED]

“Latest Practicable Date” October 23, 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Committee” the listing committee of the Hong Kong Stock Exchange

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)

“Main Board” the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

“MOF” Ministry of Finance of the PRC (中華人民共和國財政部)

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“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Hou”	Hou Zekuan (侯澤寬), our executive Director and one of our Controlling Shareholders upon [REDACTED]
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)

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“PRC Government” the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

“PRC Legal Advisers” Jingtian & Gongcheng

[REDACTED]

“Pre-[REDACTED] Investment(s)” the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors pursuant to the respective equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in this document

“Pre-[REDACTED] Investor(s)” the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in the section headed “History, Development and Corporate Structure” in this document

“Primary Sanctioned Activity” any activity in a Sanctioned Country or (1) with; or (2) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by a [REDACTED] applicant, such as the Company, incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation

“Regulation S” Regulation S under the U.S. Securities Act

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“Relevant Jurisdiction”	any jurisdiction that is relevant to a [REDACTED] applicant, such as the Company, and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise [REDACTED] in assets of certain countries, governments, persons, or entities targeted by such law or regulation
“Relevant Persons”	the Company, together with its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the [REDACTED], [REDACTED], [REDACTED] and [REDACTED] of its shares, including the Stock Exchange and related group companies
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國市場監督管理總局), formerly known as the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“Sanctioned Activity”	Primary Sanctioned Activity and Secondary Sanctionable Activity
“Sanctioned Country”	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction
“Sanctioned Target”	any person or entity: (1) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (2) that is, or is owned or controlled by, a government of a Sanctioned Country; or (3) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (1) or (2)

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“Secondary Sanctionable Activity”	certain activity by a [REDACTED] applicant that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the [REDACTED] applicant is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB[0.25] each after Subdivision, including both Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shenyang Tianshun”	Shenyang Tianshun Toyota Forklift Sales Co., Ltd. (瀋陽天順豐田叉車銷售有限公司), a limited liability company incorporated in the PRC on November 26, 2010 and one of our subsidiaries

[REDACTED]

“Sole Sponsor”	Haitong International Capital Limited
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DEFINITIONS

[REDACTED]

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Subdivision”	the subdivision of each authorized issued and unissued Share of a par value of RMB1.00 each in the Company into four Shares of a par value of RMB0.25 each pursuant to the resolutions passed by our Shareholders on April 21, 2023, the details of which are set out in “History, Development and Corporate Structure – Subdivision of Our Shares”
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buybacks published by the SFC (as amended, supplemented or otherwise modified from time to time)
“Track Record Period”	the financial years ended December 31, 2020, 2021, 2022 and the four months ended April 30, 2023

[REDACTED]

“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Shares”	ordinary shares in the share capital of our Company, with a nominal value of RMB[0.25] each after Subdivision, which are not listed on any stock exchange
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States

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“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended
“VAT”	value-added tax; all amounts are exclusive of VAT in this document except where indicated otherwise
“Zhongshan TCM”	Zhongshan TCM Forklift Sales Co., Ltd. (中山梯西埃姆叉車銷售有限公司), a limited liability company incorporated in the PRC on March 19, 2003 and one of our subsidiaries
“Zhuhai TCM”	Zhuhai TCM Forklift Co., Ltd. (珠海梯西埃姆叉車有限公司), a limited liability company incorporated in the PRC on October 12, 2004 and one of our subsidiaries
“%”	percent

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.