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Folangsi

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 six months ended June 30, 2024, the Group is expected to record a net profit ranging from approximately RMB40.1 million to approximately RMB44.3 million, which represents an expected increase of approximately RMB29.5 million to approximately RMB33.7 million or of approximately 278.3% to 317.9% as compared with the net profit of approximately RMB10.6 million for the six months ended June 30, 2023.

The expected increase in the net profit is primarily due to the increase in demand from existing customers and the increase in utilization rates of intralogistics equipment as a result of business expansion and improvement in operational capacity of the Group, as well as the revenue brought by new customers from the Group’s active expansion into domestic and overseas markets. In addition, the non-recurring listing expenses of approximately RMB18.7 million in relation to the listing of the Group had been taken into account in the net profit for the six months ended June 30, 2023.

As of the date of this announcement, the Company is still in the process of finalizing the Group’s consolidated interim results for the six months ended June 30, 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 six months ended June 30, 2024, which have not been audited or reviewed by the Company’s 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 interim results announcement of the Company for the six months ended June 30, 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
July 29, 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, 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.