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## **First Service Holding Limited**

### **第一服务控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2107)**

## **DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY**

### **FORMATION OF JOINT VENTURE COMPANY**

On May 4, 2023, First Property Anhui, an indirect wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with the Joint Venture Partner under which the parties agreed to establish the Joint Venture Company to engage in providing property management services and other businesses.

Pursuant to the terms of the Joint Venture Agreement, the capital contribution amount of the Joint Venture Company will be RMB10,000,000, among which First Property Anhui will contribute RMB5,000,000 and the Joint Venture Partner will contribute RMB5,000,000. The Joint Venture Company will be owned as to 50% by First Property Anhui and as to 50% by the Joint Venture Partner upon its establishment, and will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Group.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company exceeds 5% and all of the percentage ratios are less than 25%, the transactions contemplated under the Joint Venture Agreement constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **FORMATION OF JOINT VENTURE COMPANY**

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## THE JOINT VENTURE AGREEMENT

The principal terms of the Joint Venture Agreement are set out below:

### Date

May 4, 2023

### Parties

- (i) First Property Anhui; and
- (ii) The Joint Venture Partner.

### Subject matter

The Joint Venture Company will be a limited liability company to be established in accordance with the laws of the PRC and the provisions of the Joint Venture Agreement.

### Main business scope of the Joint Venture Company

The Joint Venture Company will be engaging in the provision of property management services, non-residential real estate leasing, labor services, parking lot services, building cleaning services, urban greening management services and other related businesses.

### Capital contribution

Pursuant to the terms of the Joint Venture Agreement, the capital contribution amount of the Joint Venture Company will be RMB10,000,000. The initial capital injection amount to be contributed by the parties to the Joint Venture Agreement and the shareholding in the Joint Venture Company upon its establishment will be as follows:

<b>Shareholders</b>	<b>Capital contribution</b> <i>RMB'000</i>	<b>Shareholding percentage</b> %
First Property Anhui	5,000	50
The Joint Venture Partner	<u>5,000</u>	<u>50</u>
<b>Total</b>	<b><u><u>10,000</u></u></b>	<b><u><u>100</u></u></b>

The Joint Venture Company will be owned as to 50% by First Property Anhui and as to 50% by the Joint Venture Partner upon its establishment, and will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Group.

The parties to the Joint Venture Agreement shall make their respective capital contribution in cash after the opening of bank account of the Joint Venture Company, and First Property Anhui expects contributions will be made within 30 days after the opening of the bank account.

The amount of capital contribution was determined after arm's length negotiations between the parties with reference to the initial capital requirement of the Joint Venture Company.

The Group intends to finance its investment in the Joint Venture Company from its internal resources.

### **Financing**

Pursuant to the Joint Venture Agreement, First Property Anhui and the Joint Venture Partner agreed to advance shareholders' loan(s) of not more than RMB35,000,000 in aggregate to the Joint Venture Company in the event of any cash flow shortfall of the Joint Venture Company. The shareholders' loan to be advanced by each of First Property Anhui and the Joint Venture Partner shall not exceed RMB17,500,000, and shall be interest free.

### **Management of the Joint Venture Company**

The Joint Venture Company will have a board of directors consisting of four directors, two of which will be nominated by First Property Anhui and two of which will be nominated by the Joint Venture Partner. The chairman of the board, the general manager and chief financial officer of the Joint Venture Company shall be nominated by First Property Anhui. The supervisor of the Joint Venture Company shall be nominated by the Joint Venture Partner.

Material decisions of the Joint Venture Company shall be determined by its board of directors. The financial affairs of the Joint Venture Company will be determined and controlled jointly by the personnels nominated by First Property Anhui and the Joint Venture Partner.

### **Restriction on transfer of equity interests in the Joint Venture Company**

Parties to the Joint Venture Agreement shall have the right to transfer its equity interests in the Joint Venture Company between themselves. Unless with the consents from the majority of other shareholders, each party to the Joint Venture Agreement shall not have the right to

transfer its equity interests in the Joint Venture Company to other parties. In respect of the equity interests agreed to be transferred, the other shareholder shall have pre-emptive rights on the same conditions.

## **INFORMATION OF THE PARTIES TO THE JOINT VENTURE AGREEMENT**

### **The Company**

The Company is principally engaged in providing property management services and green living solutions that cover the full property life-cycle in the PRC.

### **First Property Anhui**

First Property Anhui is a limited liability company established under the laws of the PRC on September 9, 2014. It is an indirect wholly-owned subsidiary of the Company. First Property Anhui is principally engaged in providing property management services.

### **The Joint Venture Partner**

The Joint Venture Partner is a company established in the PRC in 2021 with the business scope of venture capital, commercial complex management services, supply chain management services and finance consulting. It is principally engaged in venture capital.

To the best knowledge, information and belief of the Directors, as at the date of this announcement, the Joint Venture Partner is owned by Jiang Guoqin (姜國芹) as to 36%, Zhou Jiarong (周家榮) as to 25%, Dai Xiumei (戴秀梅) as to 20% and Tian Fushi (田富獅) as to 19%, and the Joint Venture Partner and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF JOINT VENTURE COMPANY**

The Joint Venture Partner and its shareholders has extensive experience and resources in venture capital, property management services, information consulting services and government procurement agency services, etc., whereas First Property Anhui has extensive experience in the provision of property management services and other businesses.

The Directors consider that the formation of the Joint Venture Company will offer the Group a good opportunity to leverage on the parties' respective strength, resources and expertise, so as to maintain a competitive edge and expand in the market, especially for the acquisition of large-scale projects. In view of the foregoing, the Directors believe that the terms of the Joint Venture Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

## LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company exceeds 5% and all of the percentage ratios are less than 25%, the transactions contemplated under the Joint Venture Agreement constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

“Board”	the board of Directors
“Company”	First Service Holding Limited (第一服务控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company
“First Property Anhui”	First Property Service (Anhui) Co., Ltd.* (第一物業服務安徽有限公司), a limited liability company established under the laws of the PRC on September 9, 2014 and an indirect wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not the Company's connected persons and their associates (as defined under the Listing Rules)
“Group”	the Company and its subsidiaries
“Joint Venture Agreement”	the agreement dated May 4, 2023 entered into between First Property Anhui and the Joint Venture Partner in relation to the formation and management of the Joint Venture Company
“Joint Venture Company”	the joint venture company to be established pursuant to the terms of the Joint Venture Agreement
“Joint Venture Partner”	Anhui Peifan Venture Capital Co., Ltd.* (安徽沛繁創業投資有限公司), a company established in the PRC with limited liability on April 22, 2021

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the shares of the Company
“Shareholder(s)”	holder(s) of Share(s)
“%”	per cent

By order of the Board  
**First Service Holding Limited**  
**ZHANG Peng**  
*Chairman*

Hong Kong, May 4, 2023

*As at the date of this announcement, our executive Directors are Mr. Liu Peiqing, Mr. Jia Yan, Mr. Jin Chungang and Ms. Zhu Li, our non-executive Directors are Mr. Zhang Peng and Mr. Long Han, and our independent non-executive Directors are Ms. Sun Jing, Mr. Cheng Peng and Mr. Chen Sheng.*

*\* for identification purpose only*