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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)**

**PERFORMANCE GUARANTEES IN RELATION TO THE ACQUISITIONS  
OF DALIAN YAHANG PROPERTY MANAGEMENT CO., LTD.\* AND  
QINGDAO LUOHANG ENTERPRISES MANAGEMENT CO., LTD\***

References are made to (i) the announcement of First Service Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated March 10, 2021 in relation to the acquisition of 80% equity interest in Dalian Yahang Property Management Co., Ltd.\* (大連亞航物業管理有限公司) (the “**Dalian Yahang Acquisition Announcement**”), (ii) the announcement of the Company dated March 30, 2021 in relation to the acquisition of 100% equity interest in Qingdao Luohang Enterprises Management Co., Ltd\* (青島洛航企業管理有限公司) (the “**Qingdao Luohang Acquisition Announcement**”, together with the Dalian Yahang Acquisition Announcement, the “**Announcements**”) and (iii) the annual report of the Company for the year ended December 31, 2022 (the “**2022 Annual Report**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those set out in the Announcements and the 2022 Annual Report.

In addition to the information contained in the 2022 Annual Report, the Board would like to provide the following supplementary information pursuant to Rule 14.36B of the Listing Rules, which should be read in conjunction with the 2022 Annual Report.

**PERFORMANCE GUARANTEE IN RELATION TO THE ACQUISITION OF  
DALIAN YAHANG**

As disclosed in the Dalian Yahang Acquisition Announcement, Mr. Bai Ding and Dalian Chunhui covenanted, among others, that (i) for the years ended December 31, 2021, 2022 and 2023, the net profit of Dalian Yahang in each year shall be no less than RMB10 million (the “**Dalian Yahang Guaranteed Profit**”), and (ii) for the years ended December 31, 2021, 2022 and 2023, the revenue of Dalian Yahang shall exceed RMB94,500,000, RMB99,220,000 and RMB104,180,000, respectively (the “**Dalian Yahang Guaranteed Revenue**”).

Based on the financial information of Dalian Yahang for the years ended December 31, 2021 and 2022, the actual performance of Dalian Yahang is as follows:

	<b>For the year ended December 31,</b>	
	<b>2021</b>	<b>2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Actual revenue	134,564 <sup>Note</sup>	157,037
Actual net profit	<u>10,966<sup>Note</sup></u>	<u>10,037</u>

*Note: Including the actual revenue and actual net profit of Dalian Yahang recorded during the period from January 1, 2021 to the date of acquisition, which had not been consolidated into the Group's audited consolidated financial statements for the year ended December 31, 2021.*

Accordingly, the Dalian Yahang Guaranteed Revenue and the Dalian Yahang Guaranteed Profit for the years ended December 31, 2021 and 2022 had been fulfilled.

Pursuant to the equity transfer agreement in relation to the acquisition of Dalian Yahang, First Property Beijing shall pay bonuses of RMB2,003,200 and RMB2,890,600 for the years ended December 31, 2021 and 2022, respectively, to Mr. Bai Ding (on behalf of the members of his team). However, considering the Group's comprehensive financial benefits from Dalian Yahang, being the actual net profit of Dalian Yahang deducting the proposed payment of bonuses to Mr. Bai Ding, would fall below the Dalian Yahang Guaranteed Profit, the Group negotiated with Mr. Bai Ding who then agreed to forgo his bonuses for the years ended December 31, 2021 and 2022.

## **PERFORMANCE GUARANTEE IN RELATION TO THE ACQUISITION OF QINGDAO LUOHANG**

As disclosed in the Qingdao Luohang Acquisition Announcement, Vendor I, Vendor II, Weihai Shangcheng and Ms. Wang Zhilan covenanted, among others, that (i) the net profit of Shangcheng Property in each year from January 1, 2021 to December 31, 2023 shall be no less than RMB15,000,000 (the "**Shangcheng Property Guaranteed Profit**"), and (ii) for the years ended December 31, 2021, 2022 and 2023, the revenue of Shangcheng Property shall be no less than RMB132,000,000, RMB145,000,000 and RMB159,500,000, respectively (the "**Shangcheng Property Guaranteed Revenue**").

Based on the financial information of Shangcheng Property for the years ended December 31, 2021 and 2022, the actual performance of Shangcheng Property is as follows:

	<b>For the year ended December 31,</b>	
	<b>2021</b>	<b>2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Actual revenue	125,871 <sup>Note</sup>	129,031
Actual net profit	<u>15,512<sup>Note</sup></u>	<u>8,355</u>

*Note: Including the actual revenue and actual net profit of Shangcheng Property recorded during the period from January 1, 2021 to the date of acquisition, which had not been consolidated into the Group's audited consolidated financial statements for the year ended December 31, 2021.*

Accordingly, the Shangcheng Property Guaranteed Profit had been fulfilled for the year ended December 31, 2021 but the Shangcheng Property Guaranteed Profit for the year ended December 31, 2022 and the Shangcheng Property Guaranteed Revenue for the years ended December 31, 2021 and 2022 had not been fulfilled.

Pursuant to the equity transfer agreements in relation to the acquisition of Qingdao Luohang, (i) First Property Beijing has the right to deduct Adjustment Sum A in the amounts of RMB796,770 and RMB2,075,970 for the years ended December 31, 2021 and 2022, respectively, and Adjustment Sum B in the amount of RMB6,645,000 for the year ended December 31, 2022 from the Balance of Consideration or the profit distributable to Weihai Shangcheng, provided that (i) Adjustment Sum A shall equal to zero if the aggregate actual revenue of Shangcheng Property during the Performance Undertaking Period is no less than RMB436,500,000 and (ii) Adjustment Sum B shall equal to zero if the aggregate actual net profit of Shangcheng Property during the Performance Undertaking Period is no less than RMB45,000,000. The Company will closely monitor the performance of Shangcheng Property for the year ending December 31, 2023 and determine the final amount of Balance of Consideration to be paid by First Property Beijing by March 31, 2024.

The Board is of the view that, (i) the parties have fulfilled their obligations under the equity transfer agreements in relation to the acquisition of Qingdao Luohang; and (ii) the Group is not provided with any option to sell any part of the equity interest in Qingdao Luohang back to any of the Vendors.

The supplemental information in this announcement does not affect other information contained in the 2022 Annual Report. Save as disclosed in this announcement, the remaining content of the 2022 Annual Report remains unchanged.

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

Hong Kong, August 1, 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 purposes only*