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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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 amounted to RMB684.1 million, representing an increase of approximately 3.9% as compared to RMB658.6 million for the same period in 2024. Among which, revenue from property management services was RMB504.0 million, representing a period-over-period increase of approximately 7.2%, and revenue from value-added services was RMB106.0 million, representing a period-over-period decrease of approximately 4.8%.
- Gross profit for the six months ended 30 June 2025 amounted to RMB172.2 million, representing a decrease of approximately 4.8% as compared to approximately RMB180.9 million for the same period in 2024.
- Gross profit margin for the six months ended 30 June 2025 was approximately 25.2%. Among which, gross profit margin of property management services was approximately 24.3%, and gross profit margin of value-added services was approximately 30.6%.
- Profit for the six months ended 30 June 2025 amounted to RMB39.6 million, representing a decrease of approximately 16.3% as compared to RMB47.3 million for the same period in 2024. Excluding the impairment loss on trade receivables and contract assets, the core profit for the six months ended 30 June 2025 was RMB83.5 million, representing a period-over-period decrease of approximately 0.9%.
- As of 30 June 2025, the Group's total gross floor area ("GFA") under management amounted to approximately 74.1 million sq.m., representing a period-over-period increase of approximately 0.2%, among which, approximately 71.8% were sourced from third parties. As of 30 June 2025, the Group's contracted GFA was approximately 86.8 million sq.m., representing a period-over-period increase of approximately 2.6%, among which, approximately 71.2% were sourced from third parties.

The board (the “**Board**”) of directors (the “**Directors**”) of First Service Holding Limited (第一服务控股有限公司) (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with comparative figures for the six months ended 30 June 2024.

In this announcement, “we”, “us”, “our” and “First Service Holding” refer to the Company and where the context otherwise requires, the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 — unaudited

*(Expressed in Renminbi (“**RMB**”))*

		Six months ended 30 June	
	<i>Note</i>	2025	2024
		<i>RMB’000</i>	<i>RMB’000</i>
Revenue	3	684,112	658,565
Cost of sales		<u>(511,864)</u>	<u>(477,699)</u>
Gross profit		172,248	180,866
Other net income	4	10,857	11,559
Selling expenses		(10,317)	(8,467)
Administrative expenses		(77,894)	(85,552)
Impairment loss on trade receivables and contract assets		(43,865)	(36,969)
Finance costs	5(a)	(2,524)	(81)
Share of loss of associates		<u>(369)</u>	<u>(377)</u>
Profit before taxation	5	48,136	60,979
Income tax	6	<u>(8,543)</u>	<u>(13,649)</u>
Profit for the period		<u>39,593</u>	<u>47,330</u>

	Six months ended 30 June	
<i>Note</i>	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income for the period		
(after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Equity investment at fair value through other comprehensive income (“FVOCI”) — net movement in fair value reserves (non-recycling)	(600)	(538)
Item that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	<u>(684)</u>	<u>1,167</u>
Other comprehensive income for the period	<u>(1,284)</u>	<u>629</u>
Total comprehensive income for the period	<u>38,309</u>	<u>47,959</u>
Profit attributable to:		
Equity shareholders of the Company	28,240	37,284
Non-controlling interests	<u>11,353</u>	<u>10,046</u>
Profit for the period	<u>39,593</u>	<u>47,330</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	26,956	37,913
Non-controlling interests	<u>11,353</u>	<u>10,046</u>
Total comprehensive income for the period	<u>38,309</u>	<u>47,959</u>
Earnings per share	7	
Basic (<i>RMB</i>)	0.0231	0.0362
Diluted (<i>RMB</i>)	<u>0.0170</u>	<u>0.0362</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited

(Expressed in RMB)

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
	Note		
Non-current assets			
Investment properties		14,991	15,262
Property and equipment		25,270	27,409
Right-of-use assets		12,808	13,824
Intangible assets		30,794	33,441
Goodwill		179,836	179,836
Interest in a joint venture		25	25
Interest in associates		4,087	4,220
Other financial assets		4,284	5,102
Other non-current assets		5,500	5,500
Financial assets measured at fair value through profit or loss (“FVPL”)		18,007	16,500
Deferred tax assets		81,982	73,791
		<u>377,584</u>	<u>374,910</u>
Current assets			
Inventories		1,311	1,647
Contract assets		—	342
Trade and other receivables	8	617,531	554,273
Other current assets		226	226
Financial assets measured at FVPL		273,392	299,055
Restricted cash		16,137	14,968
Cash and cash equivalents		404,593	439,021
		<u>1,313,190</u>	<u>1,309,532</u>

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
	<i>Note</i>		
Current liabilities			
Trade and other payables	9	485,247	458,334
Contract liabilities		308,957	327,961
Bank loan		170	–
Lease liabilities		314	308
Other financial liabilities		207,282	204,844
Current taxation		12,961	12,762
		<u>1,014,931</u>	<u>1,004,209</u>
Net current assets		<u>298,259</u>	<u>305,323</u>
Total assets less current liabilities		<u>675,843</u>	<u>680,233</u>
Non-current liabilities			
Lease liabilities		2,267	2,347
Deferred tax liabilities		6,191	6,557
		<u>8,458</u>	<u>8,904</u>
NET ASSETS		<u>667,385</u>	<u>671,329</u>
CAPITAL AND RESERVES			
Share capital	10(b)	2	2
Reserves		<u>605,999</u>	<u>619,203</u>
Total equity attributable to equity shareholders of the Company		606,001	619,205
Non-controlling interests		<u>61,384</u>	<u>52,124</u>
TOTAL EQUITY		<u>667,385</u>	<u>671,329</u>

NOTES TO THE UNAUDITED INTERIM RESULTS

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

The unaudited interim results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting* issued by the International Accounting Standards Board (“**IASB**”).

The Company was incorporated in the Cayman Islands on 20 January 2020 as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of the Stock Exchange on 22 October 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability*, issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim results announcement as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or revised standard that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are property management services, services in the area of green living solutions and value-added services. Further details regarding the Group’s principal activities are disclosed in Note 3(b).

For the six months ended 30 June 2025 and 2024, the Group’s customer base is diversified and none of them contributed 10% or more of the Group’s revenue during the reporting period.

(a) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

For property management services and energy operation services under the service line of green living solutions, the Group recognises revenue on a monthly basis in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient for not to disclose the remaining performance obligations for this type of contracts. The majority of the property management service contracts and energy operation services under the service line of green living solutions do not have a fixed term.

For sale of goods under the service line of green living solutions, there is no significant unsatisfied performance obligation at the end of the reporting period.

For other services, they are rendered in short period of time and there is no significant unsatisfied performance obligation at the end of the reporting period.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- First Property Management: this segment provides property management services, energy operation services under the service line of green living solutions and value-added services.
- First Living: this segment provides system installation services, sale of goods, and energy operation services under the service line of green living solutions.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets, current assets, interests in associates and joint ventures, investments in financial assets and deferred tax assets. Segment liabilities include trade creditors and accruals and contract liabilities attributable to the revenue generating activities of the individual segment and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Assistance provided by one segment to the other, including sharing of assets and technical know-how, is not measure.

The measure used for reporting segment profit is profit before tax.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, disaggregation of revenue from contracts with customers by major products and service lines, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below.

	First Property Management		First Living		Total	
For the six months ended	2025	2024	2025	2024	2025	2024
30 June	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition						
Revenue recognised over time	668,182	634,428	16,653	18,073	684,835	652,501
Revenue recognised at point in time	<u>4,737</u>	<u>6,183</u>	<u>1,506</u>	<u>6,567</u>	<u>6,243</u>	<u>12,750</u>
Reportable segment revenue	<u>672,919</u>	<u>640,611</u>	<u>18,159</u>	<u>24,640</u>	<u>691,078</u>	<u>665,251</u>
Disaggregated by major products or service lines						
— Property management services	504,266	470,082	—	—	504,266	470,082
— Green living solutions	62,620	59,133	18,159	24,640	80,779	83,773
— Value-added services	<u>106,033</u>	<u>111,396</u>	<u>—</u>	<u>—</u>	<u>106,033</u>	<u>111,396</u>
Reportable segment revenue	<u>672,919</u>	<u>640,611</u>	<u>18,159</u>	<u>24,640</u>	<u>691,078</u>	<u>665,251</u>

	First Property Management		First Living		Total	
For the six months ended						
30 June	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Reportable segment profit	44,893	57,612	1,626	551	46,519	58,163
Interest income	433	666	3	7	436	673
Interest expense	60	47	261	34	321	81
Depreciation and amortisation for the period	5,972	5,593	307	309	6,279	5,902
Impairment losses on trade receivables and contract assets	44,052	37,417	(187)	(448)	43,865	36,969
As at 30 June/ 31 December						
Reportable segment assets	1,341,966	1,337,032	72,454	71,451	1,414,420	1,408,483
Reportable segment liabilities	745,496	774,408	82,071	82,507	827,567	856,915

(ii) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities*

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Reportable segment revenue	691,078	665,251
Elimination of inter-segment revenue	(6,966)	(6,686)
Consolidated revenue	684,112	658,565

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Reportable segment profit		
Reportable segment profit	46,519	58,163
Unallocated head office and corporate net income before taxation	1,617	2,571
Elimination of inter-segment profit	—	245
Consolidated profit before taxation	<u>48,136</u>	<u>60,979</u>
	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Assets		
Reportable segment assets	1,414,420	1,408,483
Unallocated head office and corporate assets	669,160	668,381
Elimination of inter-segment balances	<u>(392,806)</u>	<u>(392,422)</u>
Consolidated total assets	<u>1,690,774</u>	<u>1,684,442</u>
	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Liabilities		
Reportable segment liabilities	827,567	856,915
Unallocated head office and corporate liabilities	254,298	212,861
Elimination of inter-segment balances	<u>(58,476)</u>	<u>(56,663)</u>
Consolidated total liabilities	<u>1,023,389</u>	<u>1,013,113</u>

4 OTHER NET INCOME

	<i>Note</i>	Six months ended 30 June	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Interest income	(i)	2,812	3,779
Government grants	(ii)	4,790	6,157
Net realised gains on financial assets measured at FVPL		340	426
Fair value (loss)/gain of investment properties		(271)	313
Net valuation gains on financial assets measured at FVPL		4,150	899
Rental income		808	684
Net (losses)/gains on disposal of property and equipment		(341)	12
Net losses on disposal of right-of-use assets		(241)	–
Losses on disposal of subsidiaries		–	(31)
Claims and fines		(911)	(460)
Others		(279)	(220)
		10,857	11,559

Notes:

- (i) The interest income primarily represents the interest from cash at bank.
- (ii) The government grants represent subsidies from various PRC authorities. There are no unfulfilled conditions or future obligations attached to these subsidies.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities	51	18
Interest on other payables	35	63
Changes in value of financial liabilities	2,438	–
	2,524	81

(b) Other items

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Amortisation cost of intangible assets	2,647	2,887
Depreciation charge		
— owned property and equipment	3,347	2,923
— right-of-use assets	285	92
Cost of inventories	3,611	7,278
Operating lease expenses relating to short-term leases	640	669

6 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax — PRC Corporate Income Tax		
Provision for the period	16,881	20,415
Deferred tax		
Origination and reversal of temporary differences	(8,338)	(6,766)
	8,543	13,649

Pursuant to the tax rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The income tax rate applicable to the Group’s subsidiary incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the reporting period is 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the reporting period (six months ended 30 June 2024: Nil).

The Group’s PRC subsidiaries are subject to PRC Corporate Income Tax at 25%.

Certain subsidiaries have been approved as High and New Technology Enterprise (“HNTE”) and entitled to a preferential income tax rate of 15% during the reporting period. The HNTE certificate needs to be renewed every three years.

Certain subsidiaries are qualified as Small Low-profit Enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% during the reporting period.

(b) Pillar Two income tax

The Group operates in the Mainland China and has an investment holding company in Hong Kong, which has enacted new tax laws to implement the Global Anti-Base Erosion Model Rules published by the Organisation for Economic Co-operation and Development. The directors of the Company concluded Pillar Two income taxes do not have a significant impact on the Group.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2025 is based on the profit attributable to equity shareholders of the Company of RMB22,148,000 (six months ended 30 June 2024: RMB37,284,000) and the weighted average number of 959,831,000 ordinary shares (six months ended 30 June 2024: 1,030,954,000 ordinary shares) in issue during the interim period, calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to ordinary equity shareholders	28,240	37,284
Effect of consideration shares issued	(6,092)	–
	<hr/>	<hr/>
Profit attributable to ordinary equity shareholders (basic)	22,148	37,284
	<hr/>	<hr/>

(ii) Weighted average number of ordinary shares

	Six months ended 30 June	
	2025	2024
	<i>No. of '000 shares</i>	<i>No. of '000 shares</i>
Issued ordinary shares at 1 January	1,264,000	1,000,000
Effect of shares held by the employee share trusts	(40,169)	(40,123)
Effect of consideration shares issued	–	71,077
Effect of written put option of consideration shares issued	(264,000)	–
	<hr/>	<hr/>
Weighted average number of ordinary shares at 30 June	959,831	1,030,954
	<hr/>	<hr/>

(b) Diluted earnings per share

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended 30 June 2024. The calculation of diluted earnings per share for the six months ended 30 June 2025 is based on the adjusted profit attributable to ordinary equity shareholders of the Company of RMB24,586,000 and the weighted average number of ordinary shares of 1,442,009,000 shares, calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	Six months ended 30 June 2025 <i>RMB'000</i>
Profit attributable to ordinary equity shareholders (basic)	22,148
After tax effect of changes in value of financial liabilities issued (<i>Note 5(a)</i>)	<u>2,438</u>
Profit attributable to ordinary equity shareholders (diluted)	<u><u>24,586</u></u>

(ii) Weighted average number of ordinary shares (diluted)

	Six months ended 30 June 2025 <i>No. of '000 shares</i>
Weighted average number of ordinary shares at 30 June (basic)	959,831
Bonus element in written put option of consideration shares issued	<u>482,178</u>
Weighted average number of ordinary shares at 30 June (diluted)	<u><u>1,442,009</u></u>

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables from third parties	687,397	605,816
Less: Expected credit losses (“ECL”) allowance	(271,289)	(228,043)
	<u>416,108</u>	<u>377,773</u>
Trade receivables from related parties	168,059	167,410
Less: ECL allowance	(145,765)	(143,500)
	<u>22,294</u>	<u>23,910</u>
Total trade receivables	<u>438,402</u>	<u>401,683</u>
Prepayments	30,526	37,789
Payments on behalf of property owners	42,705	45,149
Deposits	31,498	14,331
Value-added tax prepaid	10,582	9,466
	<u>115,311</u>	<u>106,735</u>
Other receivables	64,063	46,100
Less: ECL allowance for other receivables	(245)	(245)
	<u>63,818</u>	<u>45,855</u>
Other receivables	<u>63,818</u>	<u>45,855</u>
	<u>617,531</u>	<u>554,273</u>

Trade receivables are primarily related to revenue generated from property management and services in the area of green living solutions.

As of the end of each reporting period, the ageing analysis of trade receivables based on the date of revenue recognition which is the same as the due date, and net of ECL allowance for trade receivables is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	306,529	279,437
1 to 2 years	74,908	68,116
2 to 3 years	26,883	27,257
3 to 4 years	17,208	16,646
4 to 5 years	10,999	8,562
Over 5 years	1,875	1,665
	438,402	401,683

9 TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	184,445	174,346
Amounts due to related parties	7,564	7,408
Other taxes and charges payable	32,021	28,773
Accrued payroll and other benefits	26,394	46,870
Deposits	69,038	73,451
Dividends payable	47,181	8,281
Other payables and accruals	118,604	119,205
	485,247	458,334

All the trade and other payables (including amounts due to related parties) are expected to be settled within 1 year or are repayable on demand.

As of the end of each reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 year	136,329	131,152
1 to 2 years	13,301	11,945
2 to 3 years	7,713	12,595
Over 3 years	27,102	18,654
	<u>184,445</u>	<u>174,346</u>

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

During the six months ended 30 June 2025, a final dividend of HK\$3.40 cents per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HK\$3.30 cents per share) was declared to the equity shareholders of the Company. The aggregate amount of the final dividend declared during the six months ended 30 June 2025 amounted to HK\$42,976,000 (equivalent to RMB39,797,000) (six months ended 30 June 2024: HK\$41,712,000 (equivalent to RMB37,835,000)), which will be fully paid on 9 September 2025.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(b) Share capital

	At 30 June 2025		At 31 December 2024	
	<i>No. of shares</i>	<i>RMB</i>	<i>No. of shares</i>	<i>RMB</i>
Ordinary shares, issued and fully paid:				
At 1 January	1,264,000,000	1,756	1,000,000,000	1,381
Consideration shares issued	–	–	264,000,000	375
	<u>1,264,000,000</u>	<u>1,756</u>	<u>1,264,000,000</u>	<u>1,756</u>

(c) **Employee share trusts**

On 10 May 2021, the board of directors of the Company (the “**Board**”) resolved to adopt a share award scheme (the “**Share Award Scheme**”), a long-term incentive program to eligible persons, in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Employee share trusts are established for the purposes of awarding shares to eligible persons (including employees and directors of the Company or its subsidiaries, and advisors and agents who provide value-added services to the Company or its subsidiaries) under the Share Award Scheme. The employee share trusts are administered by the Board and the trustees and are funded by the Group’s cash contributions for buying the Company’s shares in the open market and recorded as contributions to employee share trusts, an equity component.

During the six months ended 30 June 2025, the Company had entrusted the trustee to purchase shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share <i>HKD</i>	Lowest price paid per share <i>HKD</i>	Aggregate price paid <i>RMB’000</i>
June 2025	<u>1,245,000</u>	<u>0.33</u>	<u>0.30</u>	<u>363</u>

The trustee of the employee share trusts will transfer the shares of the Company to employees upon vesting. As at 30 June 2025, the employee share trusts has held 41,367,500 shares (31 December 2024: 40,122,500 shares), and no share has been granted and vested.

CHAIRMAN’S STATEMENT

Dear stakeholders,

On behalf of the Board, I am pleased to present the performance review of the Group for the first half of 2025 and the development outlook for the second half of the year.

PERFORMANCE OVERVIEW

In the first half of 2025, driven by both regulatory policies and evolving consumer demands, the property management industry underwent a structural transformation from scale expansion to value reshaping. As the concept of “Quality Houses + Considerate Service” has become a core market expectation, the sector is accelerating the development of a high-standard service system anchored in “safety, comfort, green and smart technology”. This marks the industry’s full entry into a high-quality development phase, characterized by “portfolio optimization as the foundation, technological empowerment as the engine, and value-added services as the breakthrough”.

Since its establishment, First Service Holding has always adhered to the development philosophy of “Technological Living, Homelike Service”, continuously building a service system that covers the “full life cycle + full life scene” to provide customers with a greener, healthier and better living experience.

In 2025, with the strategic focus on “Excellent Services, Stable Growth and Innovative Capabilities”, we achieved stable development.

“Excellent Services”: Quality and Warmth in Harmony

Upgrading Foundational Services. We continued to create new benchmark projects while further enhancing the quality of existing ones. From landscape maintenance to equipment operations, we have implemented over 200 improvement initiatives to deeply revitalize community vitality. New construction and renovation plans have been executed, with multiple projects adopting seamless access systems, intelligent visitor registration systems, and other advanced facilities to comprehensively elevate the living experience. We promoted the construction of “red properties”, leveraging Party-building leadership and tripartite co-governance, to resolve longstanding community issues and improve the quality of community amenities. We systematically organized “Love Our Homeland Community Cultural Activities”, “Love Our Homeland Convenient Services Festivals”, and various community events. We also planned and constructed shared spaces such as gyms, reading room and children’s play areas to strengthen community cultural construction.

Personalized Service Customization. We conducted in-depth customer demand research to customize exclusive service solutions for different groups of property owners. We launched the “Morning Greetings” special service to care for elderly residents living alone, and added services such as child care and vacant property inspections to address property owners’ concerns. Additionally, we have streamlined the renovation application process by offering one-stop services, creating a more convenient channel for our property owners.

Empowerment through Technology with High Efficiency. Leveraging our AI energy management platform, we managed multiple energy operation and maintenance projects, utilizing data models for efficient analysis to significantly improve operational efficiency and optimize the allocation of community resources. Furthermore, we also provided other energy-consuming enterprises with integrated energy operation solutions, including energy system design and planning, energy-saving renovations, efficient operations, and enhancement of health and comfort standards. These efforts have supported our clients in transitioning toward the stage of automated, digitalized and intelligent efficient energy management.

“Stable Growth”: Focus on Scale and Efficiency

Solid Scale Expansion. As of 30 June 2025, the Group’s contracted GFA amounted to approximately 86.8 million sq.m., representing a year-on-year increase of approximately 2.6%, and the GFA under management amounted to approximately 74.1 million sq.m., representing a year-on-year increase of approximately 0.2%. The business layouts covered 108 cities in 22 provinces in China. In addition, we actively expanded our market footprint, successfully securing 85 new projects during the first half of 2025. These projects covered various property types, including residential buildings, shopping malls, rail transit, highway service areas, industrial parks, sport centers and logistics parks, with an annual contract value of approximately RMB89 million.

Solid core cornerstone. The Group’s revenue for the first half of 2025 amounted to RMB684.1 million, representing an increase of approximately 3.9% over the corresponding period last year, of which property management services, as a core cornerstone business, realized revenue of RMB504.0 million, representing a year-on-year increase of approximately 7.2%. Revenue from value-added services amounted to RMB106.0 million, representing a decrease of approximately 4.8% year-on-year, affected by the economic environment. We will continue to strengthen our core business strengths and deepen our “Good Service” system. At the same time, we will build a wider service ecosystem around the needs of families throughout their life cycle, and integrate the development of “property services + life services”.

“Innovative Capabilities”: Breakthroughs in Technology and Ecosystem

Service Matrix Exploration. Guided by the vision of “New Space, New Products, New Living and New Services”, we have actively explored diversified service models, including “green community + elderly care”, “green community + education”, and “green community + wellness”. By integrating convenient services such as psychological counseling, health consultations, in-home elderly care and dry cleaning services, we aim to create a value chain covering all community life scenarios.

Smart Platform Development. We continued to optimize the “green housekeeper” intelligent service platform by refining functional modules such as maintenance reporting, online payment and service reservations to enhance the user experience. Additionally, we have consolidated commercial services, including premium shopping, home decoration, appliance cleaning and community water stations. We also piloted the launch of “local life” services and linked them to “public platforms”, providing property owners with a one-stop convenient lifestyle.

OUTLOOK

In the first half of 2025, First Service Holding steadfastly adhered to its development path of “Excellent Services, Stable Growth and Innovative Capabilities”, achieving phased results while consolidating its foundation. In the second half of 2025, we will remain committed to our original aspiration for service, continuously refining the granularity of our services to ensure tangible and perceptible quality improvements. Through pioneering innovation, we will pursue high-quality growth, sustaining the momentum of our development. Beyond creating value that exceeds the expectations of our customers and delivering stable and robust returns to the shareholders of the Company (the “**Shareholders**”), we are dedicated to contributing new momentum to the high-quality development of the industry through pragmatic action and unwavering responsibility.

In this era of profound transformation, First Service Holding will always uphold its founding principle of “sincerely caring for everyone”. With steady steps, unparalleled service and relentless innovation, we look forward to co-creating a brighter future with our stakeholders.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, customers and suppliers for their continued support and trust. The Board would also like to thank all the employees and management team for implementing our Group's strategies with their professionalism, integrity and dedication.

Zhang Peng

Chairman

28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Revenue

We generate revenue primarily through our three business lines, namely (i) property management services, (ii) value-added services, and (iii) green living solutions. Our revenue increased by approximately 3.9% from RMB658.6 million for the six months ended 30 June 2024 to RMB684.1 million for the same period in 2025.

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	503,979	73.7	469,951	71.4
Value-added services	105,963	15.5	111,396	16.9
Green living solutions	74,170	10.8	77,218	11.7
Total	684,112	100.0	658,565	100.0

Property Management Services

Our property management services consist of cleaning, security, gardening, repair and maintenance services provided to property developers, property owners and residents. Revenue from property management services increased by approximately 7.2% from RMB470.0 million for the six months ended 30 June 2024 to RMB504.0 million for the same period in 2025. This increase was primarily attributable to the increase in GFA under management.

The table below sets forth a breakdown of total number of contracted property management projects/projects under management and our contracted GFA/GFA under management by property type as of the dates indicated or for the periods indicated:

As of or for the six months ended 30 June												
	2025						2024					
	No. of contracted projects	No. of projects under management		GFA under management		No. of contracted projects	No. of projects under management		GFA under management			
		Contracted GFA	%	'000 sq.m.	%		Contracted GFA	%	'000 sq.m.	%		
		'000 sq.m.	%	'000 sq.m.	%		'000 sq.m.	%	'000 sq.m.	%		
Residential												
properties	265	53,367	61.5	235	44,214	59.7	280	55,201	65.3	246	45,999	62.2
Non-residential												
properties	366	33,431	38.5	353	29,868	40.3	325	29,376	34.7	313	27,948	37.8
Total	631	86,798	100.0	588	74,082	100.0	605	84,577	100.0	559	73,947	100.0

In the first half of 2025, the Group focused on market expansion and quality management in order to establish more high-quality projects and scale up its business. The Group concentrated its efforts on the existing property market and achieved steady growth in scale. As of 30 June 2025, the Group's contracted GFA and GFA under management increased by approximately 2.6% and approximately 0.2%, respectively, compared with the same period last year. Among which, the contracted GFA and the GFA under management for residential properties decreased by approximately 3.3% and approximately 3.9%, respectively, compared with the same period last year, and the contracted GFA and the GFA under management for non-residential properties increased by approximately 13.8% and approximately 6.9%, respectively, compared with the same period last year. The non-residential projects served by the Group cover a wide range of high-quality property types such as government office buildings, schools, hospitals, parks, cultural and sports centres, shopping malls, logistics parks and passenger terminals.

The table below sets forth a breakdown of total number of contracted property management projects/projects under management and our contracted GFA/GFA under management, by project source as of the dates indicated or for the periods indicated:

As of or for the six months ended 30 June												
	No. of contracted projects	2025					2024					
		No. of projects under management		GFA under management		No. of contracted project		No. of projects under management		GFA under management		
		Contracted GFA				Contracted GFA				Contracted GFA		
		'000 sq.m.	%	'000 sq.m.	%	'000 sq.m.	%	'000 sq.m.	%	'000 sq.m.	%	
Modern Land Group ⁽¹⁾	86	22,299	25.7	81	19,017	25.7	90	23,524	27.8	83	19,669	26.6
Other associates of our controlling shareholders ⁽²⁾	14	2,687	3.1	9	1,875	2.5	18	2,958	3.5	13	2,012	2.7
Third parties	531	61,812	71.2	498	53,190	71.8	497	58,095	68.7	463	52,266	70.7
Total	631	86,798	100.0	588	74,082	100.0	605	84,577	100.0	559	73,947	100.0

Notes:

- (1) Modern Land Group means Modern Land (China) Co., Limited (當代置業(中國)有限公司) (stock code: 1107) and its subsidiaries.
- (2) Including projects sourced from other associates of our controlling shareholders (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) (excluding Modern Land Group), namely Modern Investment Group Co., Ltd., First MOMA Assets Management (Beijing) Co., Ltd. and Super Land Holdings Limited and each of their respective subsidiaries and 30%-controlled companies (as defined under the Listing Rules).

In 2025, the Group focused on strengthening its independence by expanding projects sourced from third parties. As of 30 June 2025, contracted GFA from third parties increased by approximately 6.4% compared with the same period last year, accounting for 71.2% of the total contracted GFA; GFA under management from third parties increased by approximately 1.8% compared with the same period last year, accounting for 71.8% of the total GFA under management.

Value-Added Services

We primarily provide five types of value-added services to non-property owners, property owners and residents, namely (i) sales assistance services, (ii) preliminary planning and design consultancy services, (iii) parking space management services, (iv) home living services, and (v) communal area leasing services.

The following table sets forth our revenue from value-added services by service type for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Value-added services to non-property owners				
Sales assistance services	6,492	6.1	6,146	5.5
Preliminary planning and design consultancy services	232	0.2	1,179	1.1
Subtotal	6,724	6.3	7,325	6.6
Community value-added services				
Parking space management services	40,022	37.8	40,951	36.8
Home living services	50,322	47.5	54,496	48.9
Communal area leasing services	8,895	8.4	8,624	7.7
Subtotal	99,239	93.7	104,071	93.4
Total	105,963	100.0	111,396	100.0

Revenue from value-added services decreased by approximately 4.8% from RMB111.4 million for the six months ended 30 June 2024 to RMB106.0 million for the same period in 2025. This decrease was primarily due to the decrease in the revenue from home living services affected by the economic environment.

Green Living Solutions

We provide green living solutions to property developers, property owners and residents, comprising (i) energy operation services, where we operate energy stations to provide central heating and cooling as an alternative to government-operated centralized heating systems; and (ii) systems installation and product sales, where we design and install energy systems to enhance indoor comfort, and sales of our self-developed AIRDINO systems, which singly combine comprehensive capabilities such as fresh air ventilation, temperature regulation, humidification control and air purification.

The following table sets forth our revenue from green living solutions by service category for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Energy operation services	72,664	98.0	70,642	91.5
Systems installation and product sales	1,506	2.0	6,576	8.5
Total	74,170	100.0	77,218	100.0

Revenue from green living solutions remained relatively stable at RMB77.2 million and RMB74.2 million for the six months ended 30 June 2024 and 2025, respectively.

Cost of Sales

Our cost of sales increased by approximately 7.2% from RMB477.7 million for the six months ended 30 June 2024 to RMB511.9 million for the same period in 2025, primarily due to business scale expansion.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by approximately 4.8% from RMB180.9 million for the six months ended 30 June 2024 to RMB172.2 million for the same period in 2025. Our gross profit margin decreased from 27.5% for the six months ended 30 June 2024 to 25.2% for the same period in 2025.

	For the six months ended 30 June			
	2025		2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	<i>RMB'000</i>	<i>margin</i>	<i>RMB'000</i>	<i>margin</i>
		<i>%</i>		<i>%</i>
Property management services	122,445	24.3	119,838	25.5
Value-added services	32,469	30.6	42,866	38.5
Green living solutions	17,334	23.4	18,162	23.5
Total	172,248	25.2	180,866	27.5

Gross profit margin of property management services was approximately 24.3% for the six months ended 30 June 2025, representing a decrease of approximately 1.2 percentage points as compared to the same period last year. Such decrease was primarily attributable to the increased investment in renovations to further improve service quality and a further decrease in the gross profit margin of public construction projects.

Gross profit margin of value-added services was approximately 30.6% for the six months ended 30 June 2025, representing a decrease of approximately 7.9 percentage points as compared to the same period last year. Such decrease was primarily attributable to the decrease in the gross profit of home living services affected by the economic environment.

Gross profit margin of green living solutions remained relatively stable at approximately 23.5% and 23.4% for the six months ended 30 June 2024 and 2025, respectively.

Other Net Income

Our other net income decreased by approximately 6.0% from RMB11.6 million for the six months ended 30 June 2024 to RMB10.9 million for the same period in 2025, primarily attributable to the decrease in government grants.

Selling Expenses

Our selling expenses increased by approximately 21.2% from RMB8.5 million for the six months ended 30 June 2024 to RMB10.3 million for the same period in 2025, primarily due to the Group's active business expansion.

Administrative Expenses

Our administrative expenses decreased by approximately 9.0% from RMB85.6 million for the six months ended 30 June 2024 to RMB77.9 million for the same period in 2025, primarily attributable to the Group's continuous improvement in management level coupled with the further adoption of cost reduction and efficiency enhancement measures.

Impairment Loss on Trade Receivables and Contract Assets

Our impairment loss on trade receivables and contract assets increased by approximately 18.6% from RMB37.0 million for the six months ended 30 June 2024 to RMB43.9 million for the same period in 2025, primarily due to the increase in trade receivables as a result of business scale expansion.

Income Tax

Our income tax decreased by approximately 37.5% from RMB13.6 million for the six months ended 30 June 2024 to RMB8.5 million for the same period in 2025. This decrease was primarily attributable to the decrease in taxable income.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by approximately 16.3% from RMB47.3 million for the six months ended 30 June 2024 to RMB39.6 million for the six months ended 30 June 2025.

Trade and Other Receivables

As of 30 June 2025, trade and other receivables amounted to RMB617.5 million, representing an increase of approximately 11.4% as compared with RMB554.3 million as of 31 December 2024. The increase was primarily due to business expansion.

Trade and Other Payables

As of 30 June 2025, trade and other payables amounted to RMB485.2 million, representing an increase of approximately 5.9% as compared with RMB458.3 million as of 31 December 2024. The increase was primarily due to business expansion.

Goodwill

As of 30 June 2025 and 31 December 2024, our goodwill amounted to RMB179.8 million, arising from acquisitions of Dalian Yahang Property Management Co., Ltd.* (大連亞航物業管理有限公司) (“**Dalian Yahang**”) and Qingdao Luohang Enterprises Management Co., Ltd.* (青島洛航企業管理有限公司) (“**Qingdao Luohang**”) in March 2021 in expectation of generating synergies from integrating the acquired companies into the Group’s existing property management business, which is expected to help the Group become a more efficient and effective competitor in the PRC.

Capital Structure

Our total assets increased from RMB1,684.4 million as of 31 December 2024 to RMB1,690.8 million as of 30 June 2025. Our total liabilities increased from RMB1,013.1 million as of 31 December 2024 to RMB1,023.4 million as of 30 June 2025. The liabilities-to-assets ratio increased from 60.1% as of 31 December 2024 to 60.5% as of 30 June 2025.

The current ratio, being current assets divided by current liabilities as of the respective date, remained stable at 1.30 as of 31 December 2024 and 30 June 2025.

Liquidity, Capital Resources and Gearing Ratio

The Group adopts a stable and prudent approach on its finance and treasury policy, aiming to maintain an optimal financial position and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans. For the six months ended 30 June 2025, we financed our operations primarily through internal resources and the proceeds from the global offering (the “**Global Offering**”) of our shares (the “**Shares**”) in connection with the listing of our Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). We mainly utilized our cash on payments on staff costs, purchases for services and materials and other working capital needs. Our cash and cash equivalents, which were mainly denominated in Renminbi, decreased by approximately 7.8% from RMB439.0 million as of 31 December 2024 to RMB404.6 million as of 30 June 2025. Based on the amount of wealth management products held by the Group as of 31 December 2024, totalling RMB94.2 million, and the amount of wealth management products held as of 30 June 2025, totalling RMB66.1 million, the Group’s total liquidity decreased by approximately 11.7% from RMB533.2 million as of 31 December 2024 to RMB470.7 million as of 30 June 2025.

Our gearing ratio, being total interest-bearing borrowings divided by total equity, decreased from 0.27% as of 31 December 2024 to 0.25% as of 30 June 2025.

Capital Expenditure

Our capital expenditure decreased significantly by approximately 73.0% from RMB8.0 million for the six months ended 30 June 2024 to RMB2.3 million for the same period in 2025. Our capital expenditure was used primarily for the purchase of office and other equipment, software and operation rights, and decoration and renovation.

Indebtedness

Bank Loans

As of 30 June 2025, the Group had outstanding bank loans and banking facilities of RMB0.2 million (as of 31 December 2024: nil).

Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

Pledge of Assets

As of 30 June 2025, the Group did not pledge any of its assets.

Significant Events After the Reporting Period

There are no material events subsequent to 30 June 2025 and until the date of this announcement which could have a material impact on the operating and financial performance of the Group.

Foreign Exchange Risk and Hedging

The Group mainly operates in the mainland China with most of the transactions denominated and settled in Renminbi. The Group has not hedged its foreign currency exchange risks, but will closely monitor the exposure and will take measures when necessary to make sure the foreign exchange risks are manageable.

Material Acquisitions and Future Plans for Major Investment

The Group did not conduct any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025. In addition, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the prospectus of the Company dated 12 October 2020 (the “**Prospectus**”), the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

Company Information

The Company was incorporated in the Cayman Islands on 20 January 2020 as an exempted company with limited liability, and the Shares of which were listed on the Main Board of the Stock Exchange on 22 October 2020.

Employees

As of 30 June 2025, we had a total of 3,910 employees, all of whom were based in China.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration package for our employees generally includes salary and discretionary bonuses. We determine employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits.

We believe that the long-term sustainable development of our employees is an important factor to the long-term growth of the Group's performance. We implemented (i) the "Talented Apprentice" (匠才生) recruitment and training scheme to recruit fresh graduates with bachelor's degree and above, so as to provide the Company with long-term core talent pools; (ii) the "Talented Leaders Scheme" (將才計劃) to hunt for and bring in mature business and management talents from external sources; (iii) the "Starlight Training Scheme" (星光培訓計劃) to guarantee the provision of systematic training for the promotion of internal staff; (iv) the "Star Rating Scheme" (星級評定計劃) to attract external talents and retain internal outstanding employees by constructing a differentiated salary system; and (v) the "Long March Scheme" (長征計劃) to focus on the long-term growth of our employees, which includes creating a compliant and dedicated environment, focusing on the vitality of core talents, setting up employee care groups and performance counselling groups to care for the employees and conduct performance coaching to convey warmth of the organization and foster service culture, improving the internal talent mobility mechanisms, and designing an appraisal mechanism related to performance and an incentive and accountability system. We also initiated the "Feng He Scheme" (風禾計劃) to attach importance to the self-improvement of senior management and executives of the Company and lay a solid foundation for the management of the Company, so as to maintain rapid and healthy development for our Company. Moreover, we have adopted a share option scheme to incentivize qualified employees and a share award scheme to retain eligible persons.

No Material Change

Since the publication of the Group's audited financial statements for the year ended 31 December 2024 on 30 April 2025, there has been no material change to the Group's business.

Use of Proceeds

The Company was listed on the Stock Exchange on 22 October 2020. The net proceeds from the Global Offering amounted to approximately HK\$571.2 million, and have been, and are proposed to be, applied in accordance with the intended use of the proceeds as set out in (i) the section headed "Future Plans and Use of Proceeds" of the Prospectus; and (ii) the Company's announcement dated 27 December 2023 in relation to the change in use of proceeds (the "**Announcement**"). The following table sets forth the status of the use of net proceeds from the Global Offering⁽¹⁾ as of 30 June 2025:

Revised intended use of proceeds	Percentage of revised intended use of proceeds %	Revised intended use of proceeds from the Global Offering	Amount of utilized proceeds as of 30 June 2025 <i>In HK\$ millions</i>	Amount of unutilized proceeds as of 30 June 2025	Timeframe for the unutilized balance
Strategic acquisitions or investments in property management companies and market expansion	38.0	217.1	211.4	5.7	By the end of 2026
Distribute to the Shareholders by way of cash dividend	32.0	182.8	139.4	43.4	By the end of 2026
Develop our intelligent community and enhance our information technology systems	10.0	57.1	11.0	46.1	By the end of 2026

Revised intended use of proceeds	Percentage of revised intended use of proceeds %	Revised intended use of proceeds from the Global Offering	Amount of utilized proceeds as of 30 June 2025 <i>In HK\$ millions</i>	Amount of unutilized proceeds as of 30 June 2025	Timeframe for the unutilized balance
Upgraded our internal systems	2.8	16.0	3.2	12.8	By the end of 2026
Develop our intelligent community	7.2	41.1	7.8	33.3	By the end of 2026
Implementation of the “five talents” strategy (五才戰略) and other employee expenses	10.0	57.1	28.9	28.2	By the end of 2026
General business operations and working capital	10.0	57.1	57.1	–	–
Total	100.0	571.2	447.8	123.4	

Notes:

- (1) The figures in the table are approximate figures.
- (2) To the extent that the net proceeds from the Global Offering are not immediately required for the above purposes or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in short-term wealth management products so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized net proceeds in the manner disclosed in the Announcement.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance its corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**Previous CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules before the amendments to the Corporate Governance Code (the “**New CG Code**”) came into effect on 1 July 2025, as its own code of governance during the six months ended 30 June 2025. The Company has complied with all the applicable code provisions set out in the Previous CG Code during the six months ended 30 June 2025. The Company will continue to review and monitor its corporate governance practice to ensure compliance and alignment with the latest measures and standards set out in the New CG Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions. After making specific enquiry to all Directors, the Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

Purchase, Sale or Redemption of the Company’s Listed Securities

During the six months ended 30 June 2025, the Company had entrusted the trustee under the share award scheme adopted by the Company on 10 May 2021 (the “**Share Award Scheme**”) to purchase, in aggregate, 1,245,000 Shares on market at the aggregate consideration of approximately RMB0.4 million, representing 0.1% of the total issued shares of the Company as at 30 June 2025. No award shares under the Share Award Scheme were granted nor vested for the six months ended 30 June 2025, and the trustee held 41,367,500 Shares in trust under the Share Award Scheme, representing approximately 3.3% of the total issued shares of the Company as at 30 June 2025. The trustee is a professional entity authorized to provide trustee services under Hong Kong law and for the purpose of the Share Award Scheme, it is a third party independent of the Company and/or any of its connected persons and has no connection with the Company and/or any of its connected persons.

Save as disclosed above, during the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury Shares, if any) of the Company. As of 30 June 2025 and as of the date of this announcement, the Company did not hold any treasury Shares.

Audit Committee and Review of Financial Statements

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As of the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Ms. Sun Jing (Chairlady), Mr. Cheng Peng and Mr. Yang Xi (with Ms. Sun Jing possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group’s operations and internal controls.

The Audit Committee has discussed with the management and external auditor the accounting principles and policies adopted by the Group, reviewed the interim results for the six months ended 30 June 2025 and considered that the interim results have been prepared in accordance with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements and have made appropriate disclosures accordingly.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.firstservice.hk), and the interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be sent to the Shareholders and published on the above websites in due course.

By order of the Board
First Service Holding Limited
Zhang Peng
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, our executive Directors are Mr. Liu Peiqing, Mr. Jin Chungang and Ms. Zhu Li, our non-executive Directors are Mr. Zhang Peng, Mr. Long Han and Mr. Wang Ziming, and our independent non-executive Directors are Ms. Sun Jing, Mr. Cheng Peng and Mr. Yang Xi.

* *For identification purposes only*