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

INTERIM REPORT 2025

CONTENTS

Company Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Peiqing (劉培慶)
(Chief executive officer and general manager)
Mr. Jin Chungang (金純剛)
Ms. Zhu Li (朱莉)

Non-executive Directors

Mr. Zhang Peng (張鵬) *(Chairman of the Board)*
Mr. Long Han (龍晗)
Mr. Wang Ziming (王子鳴)

Independent Non-executive Directors

Ms. Sun Jing (孫靜)
Mr. Cheng Peng (程鵬)
Mr. Yang Xi (楊熙)

COMPANY SECRETARY

Ms. Ng Sau Mei (伍秀薇) *(FCG, HKFCG)*

AUTHORIZED REPRESENTATIVES

Mr. Liu Peiqing
Ms. Ng Sau Mei

AUDIT COMMITTEE

Ms. Sun Jing *(Chairlady)*
Mr. Cheng Peng
Mr. Yang Xi

REMUNERATION COMMITTEE

Mr. Cheng Peng *(Chairman)*
Mr. Zhang Peng
Ms. Sun Jing

NOMINATION COMMITTEE

Mr. Yang Xi *(Chairman)*
(appointed with effect from 30 June 2025)
Ms. Zhu Li (appointed with effect from 30 June 2025)
Mr. Cheng Peng
Mr. Zhang Peng *(Former chairman)*
(resigned with effect from 30 June 2025)

HONG KONG LEGAL ADVISER

Eric Chow & Co. in Association with Commerce & Finance Law Offices
3401, Alexandra House
18 Chater Road
Central
Hong Kong

INDEPENDENT AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman, KY1–1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Company Information

PRINCIPAL BANK

China Guangfa Bank, Beijing Dongzhimen Branch
1/F, Tower A
Donghuan Plaza
9 Dongzhong Street, Dongcheng District
Beijing, PRC

REGISTERED OFFICE

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Grand Cayman, KY1–1104
Cayman Islands

HEADQUARTERS

3rd Floor, Building 10
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Dongcheng District
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPANY'S WEBSITE

www.firstservice.hk

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE

2107

Financial Highlights

	(Unaudited) Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**684,112**	658,565
Profit before taxation	**48,136**	60,979
Profit for the period	**39,593**	47,330
Total comprehensive income for the period	**38,309**	47,959

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Assets		
Non-current assets	**377,584**	374,910
Current assets	**1,313,190**	1,309,532
Total assets	**1,690,774**	1,684,442
Equity and liabilities		
Equity attributable to the equity owners of the Company	**606,001**	619,205
Total equity	**667,385**	671,329
Non-current liabilities	**8,458**	8,904
Current liabilities	**1,014,931**	1,004,209
Total liabilities	**1,023,389**	1,013,113
Total equity and liabilities	**1,690,774**	1,684,442

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.

Chairman's Statement

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.

Chairman's Statement

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, 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	
	RMB'000	**%**	*RMB'000*	%
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	**Contracted GFA**		**No. of projects under management**	**GFA under management**		No. of contracted projects	Contracted GFA		No. of projects under management	GFA under management	
		'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

Management Discussion and Analysis

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										
	2025						2024					
	No. of contracted projects	Contracted GFA		No. of projects under management	GFA under management		No. of contracted project	Contracted GFA		No. of projects under management	GFA under management	
		'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 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.

Management Discussion and Analysis

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	
	RMB'000	**%**	*RMB'000*	%
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	
	RMB'000	**%**	*RMB'000*	%
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 margin**	Gross profit	Gross profit margin
	RMB'000	**%**	*RMB'000*	%
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.

Management Discussion and Analysis

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) and Qingdao Luohang Enterprises Management Co., Ltd.* (青島洛航企業管理有限公司) 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 of our Shares in connection with the Listing on 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.

Management Discussion and Analysis

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 interim report 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.

Significant Investment, Material Acquisitions and Disposals and Future Plans for Major Investment

The Group did not conduct any significant investment, 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, 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 issuance of the Group's audited financial statements for the year ended 31 December 2024 and up to the date of this interim report, there has been no material change to the Group's business.

Management Discussion and Analysis

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	Amount of unutilized proceeds as of 30 June 2025	Timeframe for the unutilized balance
	%		*In HK$ millions*		
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**
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.

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 Previous CG Code before 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 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.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established an Audit Committee with written terms of reference in compliance with the CG Code. As of the date of this interim report, 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.

CHANGES IN DIRECTORS' INFORMATION

With effect from 30 June 2025, the composition of the Nomination Committee was adjusted as follows:

(i) Mr. Zhang Peng, a non-executive Director, ceased to serve as the chairman and a member of the Nomination Committee;

(ii) Ms. Zhu Li, an executive Director, was appointed as a member of the Nomination Committee; and

(iii) Mr. Yang Xi, an independent non-executive Director, was appointed as the chairman of the Nomination Committee.

Save as disclosed above, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the six months ended 30 June 2025.

Other Information

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 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 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 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 interim report, the Company did not hold any treasury Shares.

USE OF PROCEEDS

The Shares were listed on the Main Board of the Stock Exchange on 22 October 2020, with a total of 250,000,000 Shares being issued. Based on the final offer price of HK$2.40 per Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees and commission, and other estimated expenses payable by the Company in connection with the Global Offering are approximately HK$571.2 million. Details of the Group's use of proceeds from the Global Offering as of 30 June 2025 are set out in the section headed "Management Discussion and Analysis — Use of Proceeds" in this interim report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

1. Interests in the Company

Name of Director	Nature of interest	Number of Shares held(6)	Approximate percentage of shareholding interest(1)
Zhang Peng(5)	Beneficial owner	8,225,000	0.65%
	Interest in controlled corporation(2)	170,777,250	13.51%
Liu Peiqing	Interest in controlled corporation(3)	12,991,250	1.03%
Long Han	Interest in controlled corporation(4)	10,511,250	0.83%
Zhu Li	Beneficial owner	676,155	0.05%
Jin Chungang	Beneficial owner	1,007,282	0.08%

Notes:

(1) The percentage represents the number of ordinary shares interested divided by the number of issued Shares as at 30 June 2025 (i.e. 1,264,000,000).

(2) The Shares are registered under the name of Hao Fung, which is wholly owned by Mr. Zhang Peng. Accordingly, Mr. Zhang Peng is deemed to be interested in all the Shares held by Hao Fung.

(3) The Shares are registered under the name of Liu Pei Qing Management, which is wholly owned by Mr. Liu Peiqing. Accordingly, Mr. Liu Peiqing is deemed to be interested in all the Shares held by Liu Pei Qing Management.

(4) The Shares are registered under the name of Long Han Management, which is wholly owned by Mr. Long Han. Accordingly, Mr. Long Han is deemed to be interested in all the Shares held by Long Han Management.

(5) Mr. Zhang Peng, together with Mr. Zhang Lei, being parties acting in concert, were interested in 513,929,000 Shares, representing approximately 40.66% of the number of issued Shares as at 30 June 2025.

(6) All interests stated are long positions.

Other Information

2. Interests in associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Amount of share capital held	Approximate percentage of shareholding[1]
Zhang Peng	First Living[1]	Beneficial owner	RMB1,317,397	3.8%

Note:

(1) First Living, a non-wholly owned subsidiary of the Company and thus an associated corporation of the Company.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following persons (not being a Director or a chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares[8]	Approximate percentage of shareholding[1]
Zhang Lei[2]	Interest in controlled corporation	334,926,750	26.50%
Yu Jinmei[3]	Interest of spouse	334,926,750	26.50%
Glorious Group[2]	Beneficial owner	334,926,750	26.50%
Printrust Company (Singapore) Limited[4][5]	Trustee	264,000,000	20.89%
Wang Yujuan[6]	Interest of spouse	179,002,250	14.16%
Hao Fung[7]	Beneficial owner	170,777,250	13.51%
Huang Tao[5]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	158,400,000	12.53%

Other Information

Name of Shareholder	Nature of interest	Number of Shares[8]	Approximate percentage of shareholding[1]
Platinum Wish[5]	Beneficial owner	158,400,000	12.53%
Joy Deep Limited[5]	Beneficial owner	158,400,000	12.53%
Huang Shiying[4]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	105,600,000	8.35%
View Max[4]	Beneficial owner	105,600,000	8.35%
Joy Riding Limited[4]	Beneficial owner	105,600,000	8.35%
Shanghai CDH Yaojia Venture Capital Center (Limited Partnership)	Beneficial owner	86,424,000	6.84%

Notes:

(1) The percentage represents the number of ordinary shares interested divided by the number of the issued Shares as at 30 June 2025 (i.e. 1,264,000,000).

(2) Glorious Group is wholly owned by Mr. Zhang Lei. Therefore, Mr. Zhang Lei is deemed under the SFO to be interested in 334,926,750 Shares held by Glorious Group as at 30 June 2025.

(3) Ms. Yu Jinmei, the spouse of Mr. Zhang Lei, is deemed under the SFO to be interested in these 334,926,750 Shares in which Mr. Zhang Lei is deemed to be interested.

(4) View Max Limited (景至有限公司) ("**View Max**") holds in 105,600,000 Shares, which is owned by Joy Riding Limited (樂行有限公司) as to 99% and Leisure Light Limited (悠光有限公司) as to 1%, respectively. Joy Riding Limited is held by Leading Trend Family Trust, the founder and settlor of which is Mr. Huang Shiying (黃世熒). Printrust Company (Singapore) Limited is the trustee of Leading Trend Family Trust. Mr. Huang Shiying and his family members are beneficiaries of Leading Trend Family Trust. As such, each of Printrust Company (Singapore) Limited, Joy Riding Limited and Mr. Huang Shiying is deemed to be interested in the 105,600,000 Shares held by View Max.

(5) Platinum Wish Limited (鉑願有限公司) ("**Platinum Wish**") holds 158,400,000 Shares, which is owned by Joy Deep Limited (悅深有限公司) as to 99% and Prime Elegance Limited (至雅有限公司) as to 1%, respectively. Joy Deep Limited is held by Sparkle Fortune Family Trust, the founder and settlor of which is Mr. Huang Tao (黃濤). Printrust Company (Singapore) Limited is the trustee of Sparkle Fortune Family Trust. Mr. Huang Tao and his family members are beneficiaries of Sparkle Fortune Family Trust. As such, each of Printrust Company (Singapore) Limited, Joy Deep Limited and Mr. Huang Tao is deemed to be interested in the 158,400,000 Shares held by Platinum Wish.

(6) Ms. Wang Yujuan, the spouse of Mr. Zhang Peng, is deemed under the SFO to be interested in these 179,002,250 Shares in which Mr. Zhang Peng is deemed to be interested.

(7) Hao Fung is wholly-owned by Mr. Zhang Peng. Therefore, Mr. Zhang Peng is deemed under the SFO to be interested in these 170,777,250 Shares held by Hao Fung.

(8) All interests stated are long positions.

Other Information

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by our Shareholders on 25 September 2020 and effective upon Listing. The purpose of the Share Option Scheme is to provide our Company with a means of incentivising any Eligible Person (as defined in the Prospectus) who has contributed or will contribute to our Group and retaining employees, and to encourage employees to work towards enhancing the value of our Company and promote the long-term growth of our Company. The Share Option Scheme will link the value of the Company with the interests of the participants, enabling the participants and the Company to develop together and promote the Company's corporate culture.

Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on 25 September 2020, with a remaining life of five years as at the date of this interim report. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option schemes existing at such time shall not exceed 10% of the total number of Shares in issue as of the Listing Date. The maximum number of Shares which may be awarded to an Eligible Person under the Share Option Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Subject to the terms of grant of any option, an option may be exercised by the grantee at any time during the option period and in accordance with the vesting schedule and other terms specified in the grant offer. The participants of the Share Option Scheme are required to pay HK$1.00 as consideration for the acceptance of an option granted to them.

The exercise price shall be a price determined by the Board at the Board's absolute discretion and notified to an Eligible Person but in any event shall be at least the higher of (i) the closing price of the Shares on the offer date; (ii) the average of the closing price of the Shares for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share on the offer date. Since the adoption of the Share Option Scheme and up to 30 June 2025, no options had been granted or agreed to be granted, and thus no options had been exercised, cancelled or lapsed under the Share Option Scheme.

As of 1 January 2025 and 30 June 2025, the total number of new Shares available for further grant under the Share Option Scheme was 100,000,000, representing approximately 7.9% and 7.9% of the issued share capital of the Company as of 1 January 2025 and 30 June 2025, respectively, and the Company has not yet adopted a service provider sublimit.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 10 May 2021 to recognise the contributions by certain Eligible Participants (as defined in the announcement of the Company dated 10 May 2021) and to provide them with incentives 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.

The Share Award Scheme shall be valid and effective for a term of ten years commencing on 10 May 2021, with a remaining life of five years and seven months as at the date of this interim report. The Board may, from time to time at its absolute discretion, select any Eligible Participants for participation in the Share Award Scheme, and grant such number of award shares to any Eligible Participants at any consideration deemed appropriate by the Board (including, for the avoidance of doubt, no consideration payable) on and subject to such terms and conditions as it may in its absolute discretion determine. The Board shall not make any further award of such number of shares as awarded by the Board to a Selected Participant (as defined in the announcement of the Company dated 10 May 2021) which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme being equal to or greater than 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. No award shares under the Share Award Scheme were granted nor vested since the adoption of the Share Award Scheme and for the six months ended 30 June 2025. As of 30 June 2025, the employee share trusts held 41,367,500 Shares, representing approximately 3.3% of the issued share capital of the Company as of 30 June 2025.

As of 1 January 2025 and 30 June 2025, the total number of new Shares available for further grant under the Share Award Scheme was 40,122,500 and 41,367,500, representing approximately 3.2% and 3.3% of the issued share capital of the Company as of 1 January 2025 and 30 June 2025, respectively.

The total number of new Shares which is available for issue under the Share Option Scheme and the Share Award Scheme is 100,000,000, representing approximately 7.9% of the issued Shares (excluding treasury Shares) as of the date of this interim report.

On 29 July 2021, the Company was informed that Cedar Group, one of the controlling Shareholders, adopted a share award scheme (the "**Cedar Share Award Scheme**") for eligible persons in order to retain them for the continuous operation and development of the Group, and to attract suitable personnel for further development of the Group. The award shares will be satisfied by the existing Shares beneficially owned by Cedar Group and no new Share will be issued by the Company as a result of the grant of award shares under the Cedar Share Award Scheme. In 2021, a total of 63,782,250 Shares, representing all Shares held by Cedar Group before the adoption of the Cedar Share Award Scheme which were available for grant, have been granted and vested. No awards were granted under the Cedar Share Award Scheme during the six months ended 30 June 2025.

ROUNDING

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

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period were there rights to acquire benefits by means of the acquisition of Shares or debentures of the Company granted to any Directors or their respective spouse or children under the age of 18, or were there any such rights exercised by the Directors, or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other company.

Review Report to the Board of Directors of First Service Holding Limited

Review report to the board of directors of First Service Holding Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 51 which comprises the consolidated statement of financial position of First Service Holding Limited (the "**Company**") and its subsidiaries (the "**Group**") as of 30 June 2025 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August 2025

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	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**684,112**	658,565
Cost of sales		**(511,864)**	(477,699)
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		**(369)**	(377)
Profit before taxation	*5*	**48,136**	60,979
Income tax	*6*	**(8,543)**	(13,649)
Profit for the period		**39,593**	47,330

The notes on pages 31 to 51 form part of this interim financial report.

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	
		2025	2024
	Note	***RMB'000***	*RMB'000*
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		**(684)**	1,167
Other comprehensive income for the period		**(1,284)**	629
Total comprehensive income for the period		**38,309**	47,959
Profit attributable to:			
Equity shareholders of the Company		**28,240**	37,284
Non-controlling interests		**11,353**	10,046
Profit for the period		**39,593**	47,330
Total comprehensive income attributable to:			
Equity shareholders of the Company		**26,956**	37,913
Non-controlling interests		**11,353**	10,046
Total comprehensive income for the period		**38,309**	47,959
Earnings per share	*7*		
Basic (RMB)		**0.0231**	0.0362
Diluted (RMB)		**0.0170**	0.0362

The notes on pages 31 to 51 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 12.

Consolidated Statement of Financial Position

at 30 June 2025 — unaudited
(Expressed in RMB)

	Note	**At 30 June 2025 RMB'000**	At 31 December 2024 RMB'000
Non-current assets			
Investment properties		**14,991**	15,262
Property and equipment		**25,270**	27,409
Right-of-use assets	*13*	**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**")	*9*	**18,007**	16,500
Deferred tax assets		**81,982**	73,791
		377,584	374,910
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	*9*	**273,392**	299,055
Restricted cash	*10*	**16,137**	14,968
Cash and cash equivalents	*10*	**404,593**	439,021
		1,313,190	1,309,532
Current liabilities			
Trade and other payables	*11*	**485,247**	458,334
Contract liabilities		**308,957**	327,961
Bank loan		**170**	–
Lease liabilities		**314**	308
Other financial liabilities	*9*	**207,282**	204,844
Current taxation		**12,961**	12,762
		1,014,931	1,004,209
Net current assets		**298,259**	305,323
Total assets less current liabilities		**675,843**	680,233

The notes on pages 31 to 51 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2025 — unaudited
(Expressed in RMB)

	Note	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Non-current liabilities			
Lease liabilities		**2,267**	2,347
Deferred tax liabilities		**6,191**	6,557
		8,458	8,904
NET ASSETS		**667,385**	671,329
CAPITAL AND RESERVES			
Share capital	*12(b)*	**2**	2
Reserves		**605,999**	619,203
Total equity attributable to equity shareholders of the Company		**606,001**	619,205
Non-controlling interests		**61,384**	52,124
TOTAL EQUITY		**667,385**	671,329

Approved and authorised for issue by the board of directors on 28 August 2025.

Liu Peiqing
Director

Zhu Li
Director

The notes on pages 31 to 51 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 — unaudited
(Expressed in RMB)

		Attributable to equity shareholders of the Company										
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Employee share trusts *RMB'000*	Capital reserve *RMB'000*	Statutory surplus reserves *RMB'000*	Exchange reserve *RMB'000*	Fair value reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2024		1	471,487	(20,405)	(66,442)	37,709	8,553	(961)	227,548	657,490	56,380	713,870
Changes in equity for the six months ended 30 June 2024:												
Profit for the period		–	–	–	–	–	–	–	37,284	37,284	10,046	47,330
Other comprehensive income for the period		–	–	–	–	–	1,167	(538)	–	629	–	629
Total comprehensive income		–	–	–	–	–	1,167	(538)	37,284	37,913	10,046	47,959
Dividends approved in respect of the previous year	*12(a)*	–	(37,835)	–	–	–	–	–	–	(37,835)	(1,714)	(39,549)
Consideration shares issued	*12(b)*	*	219,663	–	–	–	–	–	–	219,664	–	219,664
Grant of put option of consideration shares issued	9	–	(219,664)	–	–	–	–	–	–	(219,664)	–	(219,664)
Acquisition of subsidiaries from third parties		–	–	–	–	–	–	–	–	–	166	166
Capital contribution from non-controlling shareholders		–	–	–	–	–	–	–	–	–	637	637
Disposal of subsidiaries		–	–	–	–	–	–	–	–	–	31	31
Balance at 30 June 2024		2	433,651	(20,405)	(66,442)	37,709	9,720	(1,499)	264,832	657,568	65,546	723,114
Balance at 1 January 2025		**2**	**443,636**	**(19,204)**	**(66,442)**	**44,279**	**11,502**	**(3,474)**	**208,906**	**619,205**	**52,124**	**671,329**
Changes in equity for the six months ended 30 June 2025:												
Profit for the period		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**28,240**	**28,240**	**11,353**	**39,593**
Other comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**(684)**	**(600)**	**–**	**(1,284)**	**–**	**(1,284)**
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**(684)**	**(600)**	**28,240**	**26,956**	**11,353**	**38,309**
Dividends approved in respect of the previous year	*12(a)*	**–**	**(39,797)**	**–**	**–**	**–**	**–**	**–**	**–**	**(39,797)**	**(2,636)**	**(42,433)**
Acquisition of shares for a share award scheme	*12(c)*	**–**	**–**	**(363)**	**–**	**–**	**–**	**–**	**–**	**(363)**	**–**	**(363)**
Capital contribution from non-controlling shareholders		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**543**	**543**
Balance at 30 June 2025		**2**	**403,839**	**(19,567)**	**(66,442)**	**44,279**	**10,818**	**(4,074)**	**237,146**	**606,001**	**61,384**	**667,385**

* Amounts less than RMB1,000.

The notes on pages 31 to 51 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025 — unaudited
(Expressed in RMB)

	Note	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
Operating activities			
Cash used in operations		**(44,379)**	(6,739)
Income tax paid		**(16,682)**	(18,902)
Net cash used in operating activities		**(61,061)**	(25,641)
Investing activities			
Proceeds from disposal of financial assets measured at FVPL		**28,646**	203,820
Interest received		**2,812**	3,779
Proceeds from disposal of property and equipment		**738**	243
Proceeds from disposal of right-of-use assets		**490**	–
Net cash inflow from disposals of subsidiaries		**–**	453
Acquisition of subsidiaries, net of cash acquired		**–**	(18,208)
Purchase of financial assets measured at FVPL		**–**	(332,675)
Loan to non-controlling interests		**–**	(3,000)
Purchases of property and equipment		**(2,287)**	(5,484)
Purchases of other non-current assets		**–**	(2,500)
Capital injection into an associate		**(66)**	(60)
Net cash generated from/(used in) investing activities		**30,333**	(153,632)
Financing activities			
Capital injection from non-controlling interests		**543**	637
Proceeds from bank loan		**170**	–
Profit distribution paid to non-controlling shareholders of subsidiaries		**(2,636)**	(1,714)
Acquisition of the Company's shares		**(363)**	–
Capital element of lease rentals paid		**(91)**	–
Interest element of lease rentals paid		**(34)**	–
Net cash used in financing activities		**(2,411)**	(1,077)
Net decrease in cash and cash equivalent		**(33,139)**	(180,350)
Cash and cash equivalents at 1 January		**439,021**	509,829
Effects of foreign exchange rate changes		**(1,289)**	1,402
Cash and cash equivalents at 30 June	*10*	**404,593**	330,881

The notes on pages 31 to 51 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of First Service Holding Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") has 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the board of directors on 28 August 2025. The interim financial report has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). KPMG's independent review report to the board of directors is included on page 24.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

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 report 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 or revised standard that is not yet effective for the current accounting period.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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.

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities (Continued)

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 30 June	**2025** ***RMB'000***	2024 *RMB'000*	**2025** ***RMB'000***	2024 *RMB'000*	**2025** ***RMB'000***	2024 *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	**4,737**	6,183	**1,506**	6,567	**6,243**	12,750
Reportable segment revenue	**672,919**	640,611	**18,159**	24,640	**691,078**	665,251
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	**106,033**	111,396	**–**	–	**106,033**	111,396
Reportable segment revenue	**672,919**	640,611	**18,159**	24,640	**691,078**	665,251

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities *(Continued)*

For the six months ended 30 June	First Property Management 2025 RMB'000	First Property Management 2024 RMB'000	First Living 2025 RMB'000	First Living 2024 RMB'000	Total 2025 RMB'000	Total 2024 RMB'000
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 RMB'000	Six months ended 30 June 2024 RMB'000
Revenue		
Reportable segment revenue	**691,078**	665,251
Elimination of inter-segment revenue	**(6,966)**	(6,686)
Consolidated revenue	**684,112**	658,565

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
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	**48,136**	60,979

	At 30 June	At 31 December
	2025	2024
	RMB'000	*RMB'000*
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	**(392,806)**	(392,422)
Consolidated total assets	**1,690,774**	1,684,442

	At 30 June	At 31 December
	2025	2024
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**827,567**	856,915
Unallocated head office and corporate liabilities	**254,298**	212,861
Elimination of inter-segment balances	**(58,476)**	(56,663)
Consolidated total liabilities	**1,023,389**	1,013,113

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 OTHER NET INCOME

		Six months ended 30 June	
	Note	**2025**	2024
		RMB'000	*RMB'000*
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
	RMB'000	*RMB'000*
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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders	**28,240**	37,284
Effect of consideration shares issued	**(6,092)**	–
Profit attributable to ordinary equity shareholders (basic)	**22,148**	37,284

(ii) Weighted average number of ordinary shares

	Six months ended 30 June	
	2025	2024
	No. of '000 shares	*No. of '000 shares*
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)**	–
Weighted average number of ordinary shares at 30 June	**959,831**	1,030,954

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

7 EARNINGS PER SHARE *(Continued)*

(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 *RMB'000*
Profit attributable to ordinary equity shareholders (basic)	22,148
After tax effect of changes in value of financial liabilities issued *(Note 5(a))*	2,438
Profit attributable to ordinary equity shareholders (diluted)	24,586

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

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

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
Trade receivables from third parties	**687,397**	605,816
Less: expected credit losses ("**ECL**") allowance	**(271,289)**	(228,043)
	416,108	377,773
Trade receivables from related parties	**168,059**	167,410
Less: ECL allowance	**(145,765)**	(143,500)
	22,294	23,910
Total trade receivables	**438,402**	401,683
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
	115,311	106,735
Other receivables	**64,063**	46,100
Less: ECL allowance for other receivables	**(245)**	(245)
Other receivables	**63,818**	45,855
	617,531	554,273

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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

8 TRADE AND OTHER RECEIVABLES *(Continued)*

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	At 31 December 2024
	RMB'000	*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 FINANCIAL ASSETS MEASURED AT FVPL AND OTHER FINANCIAL LIABILITIES

(a) Financial assets measured at FVPL

	Note	**At 30 June 2025**	At 31 December 2024
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Equity instruments measured at FVPL	*(i)*	**18,007**	16,500
Current assets			
Wealth management products		**66,110**	94,211
Equity instruments measured at FVPL	*(ii)*	**207,282**	204,844
		273,392	299,055
		291,399	315,555

(b) Other financial liabilities

	Note	**At 30 June 2025**	At 31 December 2024
	Note	***RMB'000***	*RMB'000*
Other financial liabilities	*(ii)*	**207,282**	204,844

9 FINANCIAL ASSETS MEASURED AT FVPL AND OTHER FINANCIAL LIABILITIES *(Continued)*

(b) Other financial liabilities *(Continued)*

Notes:

(i) On 23 December 2024, First Property Management (Beijing) Co., Ltd. ("**First Property**"), an indirect wholly-owned subsidiary of the Company, and Beijing Tengyun Century Enterprise Management Consulting Partnership (Limited Partnership) (北京騰雲世紀企業管理諮詢合夥企業(有限合夥)) ("**Beijing Tengyun**"), a company ultimately owned as to 35.93% by a shareholder, indirectly holding approximately 12.53% of the entire issued share capital of the Company, entered into an investment agreement, pursuant to which, First Property agreed to make capital injection amounted to RMB16,500,000 into Beijing Tengyun for the purpose of enabling Beijing Tengyun to make a corresponding investment to hold 16.8% interest in Wuhu Dezhixin Project Investment Partnership Enterprise (Limited Partnership) (蕪湖德致信項目投資合夥企業(有限合夥)) ("**Target Partnership**") as a limited partner. The capital injection shall be used solely for the purpose of making investment into the Target Partnership for the purpose of acquiring certain investment properties from a company controlled by Mr. Zhang Lei.

Upon completion of the capital injection, the Company indirectly held 6.15% interest in the Target Partnership which is accounted for as financial assets measured at FVPL.

(ii) On 21 November 2022, the Company as the purchaser, and Platinum Wish Limited (鉑願有限公司) and View Max Limited (景至有限公司) (collectively, as the "**Vendors**") entered into the share transfer agreement (the "**Agreement**"), pursuant to which the Company would acquire 8% equity interest of Century Golden Resources Services Group Co., Ltd. (世紀金源服務集團有限公司) (the "**Target Company**"), which represents 8% of the issued share capital of the Target Company (the "**Sale Shares**"), at a total consideration of RMB163,045,449.60 (equivalent to approximately HK$179,520,000). The consideration would be satisfied by the issue and allotment of a total of 264,000,000 ordinary shares of the Company as consideration shares (the "**Consideration Shares**") at the issue price of HK$0.68 per consideration share to the Vendors. The transaction was completed in 2024 (the "**Completion**").

Pursuant to the Agreement, the Vendors have been granted at nil consideration a call option pursuant to which the Vendors have the right to exercise the call option within three years after the Completion by requiring the Company to sell all the Sale Shares to the Vendors, the consideration of which shall be settled by way of transferring all the Consideration Shares to the Company for cancellation.

Pursuant to the Agreement, the Company has been granted at nil consideration a put option pursuant to which the Company has the right to exercise the put option within three years after the Completion by requiring the Vendors to acquire all the Sale Shares from the Company, the consideration of which shall be settled by way of transferring all the Consideration Shares to the Company for cancellation.

Upon the Completion, the investments in the Sale Shares are accounted for as financial assets measured at FVPL. The put option granted to and the call option written by the Company are a compound financial instrument and are not separated presented in the consolidated financial statements. The Company's obligation to purchase the Consideration Shares for investments in the Sales Shares gives rise to a financial liability for the present value of the redemption determined by reference to the fair value of the Sales Shares at the end of the reporting period.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

10 CASH AND CASH EQUIVALENTS

	Note	**At 30 June 2025** *RMB'000*	At 31 December 2024 *RMB'000*
Cash on hand		**191**	209
Cash at bank		**420,539**	453,780
Less: restricted cash	*(i)*	**(16,137)**	(14,968)
		404,593	439,021

Note:

(i) At 30 June 2025, the ending balance of restricted cash primarily represents RMB6,715,000 (31 December 2024: RMB7,178,000) held by employee share trusts for the purchase or subscription of shares as awarded to the eligible persons pursuant to the First Service Share Award Scheme ("**the Scheme**") (see Note 12(c)), RMB9,422,000 (31 December 2024: RMB7,790,000) collected on behalf of the property owners' associations in Group's property management service business. Pursuant to property management agreements, the Group opens and manages these bank accounts on behalf of the property owners' associations.

11 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.

11 TRADE AND OTHER PAYABLES *(Continued)*

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	At 31 December 2024
	RMB'000	*RMB'000*
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
	184,445	174,346

12 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	
	Note	***No. of shares***	***RMB***	*No. of shares*	*RMB*
Ordinary shares, issued and fully paid:					
At 1 January		**1,264,000,000**	**1,756**	1,000,000,000	1,381
Consideration shares issued	*9(ii)*	**–**	**–**	264,000,000	375
		1,264,000,000	**1,756**	1,264,000,000	1,756

12 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(c) Employee share trusts

On 10 May 2021, the Board resolved to adopt the 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 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** *HKD*	**Lowest price paid per share** *HKD*	**Aggregate price paid** *RMB'000*
June 2025	1,245,000	0.33	0.30	363

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.

13 RIGHT-OF-USE ASSETS

As at 30 June 2025, right-of-use assets represent operation rights of carparks and buildings & premises amounted to RMB10,503,000 (31 December 2024: RMB11,322,000) and RMB2,305,000 (31 December 2024: RMB2,502,000) respectively.

For the year ended 31 December 2024, the Group entered into a series of set-off agreements with related parties and third parties, pursuant to which the Group offset its trade receivables amounted to RMB10,321,000 (out of which RMB7,868,000 were from related parties) and recognised contract liabilities amounted to RMB1,060,000 (out of which RMB931,000 were from related parties) upon receiving operation rights of carparks from certain property developers, which were non-cash transactions. During the six months ended 30 June 2025, there was no new set-off arrangement.

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*.

During the reporting period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

	Fair value at 30 June 2025	Fair value measurements as at 30 June 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Equity securities designated at FVOCI (non-recycling)	**4,284**	**–**	**–**	**4,284**
Financial assets measured at FVPL				
— Wealth management products	**66,110**	**–**	**66,110**	**–**
— Equity instruments measured at FVPL-current	**207,282**	**–**	**–**	**207,282**
— Equity instruments measured at FVPL-non current	**18,007**	**–**	**–**	**18,007**

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Equity securities designated at FVOCI (non-recycling)	5,102	–	–	5,102
Financial assets measured at FVPL				
— Wealth management products	94,211	–	94,211	–
— Equity instruments measured at FVPL-current	204,844	–	–	204,844
— Equity instruments measured at FVPL-non current	16,500	–	–	16,500

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial assets measured at FVPL is determined based on the estimated amount that the Group would receive to redeem the financial assets at the end of each reporting period. The estimated redeemable amount is calculated based on the most recent transaction price or the daily quotation published by the financial institutions.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Weighted average
Equity instruments designated at FVOCI	Market approach	Discount for lack of marketability	32.3% (31 December 2024: 32.3%)
Equity instruments measured at FVPL-current	Market approach	Discount for lack of marketability	30.0% (31 December 2024: 30.0%)

The fair value of the equity instruments designated at FVOCI is determined by using enterprise value per sales of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's other comprehensive income by RMB63,000 (2024: RMB64,000).

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

Information about Level 3 fair value measurements *(Continued)*

The fair value of the equity instruments measured at FVPL is determined by using enterprise value per EBITDA of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Equity instruments designated at FVOCI:		
At 1 January	**5,102**	4,718
Additions	**–**	3,000
Net unrealised losses recognised in other comprehensive income during the period	**(818)**	(2,616)
At 30 June/31 December	**4,284**	5,102
Equity instruments measured at FVPL:		
At 1 January	**204,844**	–
Additions	**–**	219,664
Net unrealised gains/(losses) recognised in profit or loss during the period	**2,438**	(14,820)
At 30 June/31 December	**207,282**	204,844
Contingent consideration:		
At 1 January	**–**	30,546
Payment for contingent consideration	**–**	(17,600)
Offset by other settlement matters	**–**	(10,441)
Changes in fair value recognised in profit or loss during the period	**–**	(2,505)
At 30 June/31 December	**–**	–
Total gains or losses for the period/year included in profit or loss for assets held at the end of the reporting period	**2,438**	(14,820)

Any gain or loss arising from the remeasurement of the Group's equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

15 MATERIAL RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

The principal transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Provision of property management services and other services		
— Companies controlled by Mr. Zhang Lei	**478**	3,834
— Companies controlled by Mr. Zhang Peng	**–**	344
— Companies jointly controlled by Mr. Zhang Lei	**566**	2,206
Receiving services		
— A company controlled by Mr. Zhang Peng	**–**	749

(b) Balances with related parties

		At 30 June	At 31 December
		2025	2024
	Note	***RMB'000***	*RMB'000*
Amounts due from:			
— Companies controlled by Mr. Zhang Lei		**117,023**	116,296
— Companies jointly controlled by Mr. Zhang Lei		**51,036**	51,114
	(ii)	**168,059**	167,410
Amounts due to:			
— Companies controlled by Mr. Zhang Lei		**7,462**	7,306
— Companies jointly controlled by Mr. Zhang Lei		**102**	102
		7,564	7,408

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties *(Continued)*

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Contract assets:			
— Companies controlled by Mr. Zhang Lei	*(iii)*	–	2,326
Contract liabilities:			
— Companies controlled by Mr. Zhang Lei		**7,725**	7,850

* At 30 June 2025, the directors consider the ultimate controlling party of the Group to be Mr. Zhang Lei, together with Mr. Zhang Peng acting as a concert group.

Notes:

(i) Amounts due from/to related parties are all trade nature, unsecured and interest-free.

(ii) The outstanding balances with these related parties are trading balances included in "trade and other receivables" (Note 8) against which a lump sum expected credit loss allowance amounted to RMB145,765,000 was provided at 30 June 2025 (31 December 2024: RMB143,500,000).

(iii) At 30 June 2025, the Group had nil balance with these related parties. At 31 December 2024, the outstanding balances with these related parties are included in "contract assets" against which a lump sum expected credit loss allowance amounted to RMB2,091,000.

(iv) In February 2024, Mr. Zhang Peng disposed of certain companies controlled by him to a sibling. The directors consider these companies are no longer related parties of the Group under IAS 24, *Related Party Disclosures*.

(v) Details of set-off arrangements with related parties are set out in Note 13.

Definitions

"Audit Committee"	the audit committee of the Company;
"Board"	the board of Directors;
"BVI"	the British Virgin Islands;
"Cedar Group"	Cedar Group Management Limited (雪松集团管理有限公司), a BVI business company incorporated in the BVI with limited liability on 19 December 2019;
"China" or "PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this interim report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. "Chinese" shall be construed accordingly;
"Company", "our Company", "the Company" or "First Service Holding"	First Service Holding Limited (第一服务控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 20 January 2020, and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the time before it became the holding company of its present subsidiaries, its present subsidiaries;
"Director(s)" or "our Director(s)"	the director(s) of the Company;
"First Living"	First MOMA Human Environment Technology (Beijing) Co., Ltd. (第一摩碼人居環境科技（北京）有限公司) (formerly known as First MOMA Human Environment Technology (Beijing) Joint Stock Limited Company (第一摩碼人居環境科技（北京）股份有限公司)), a limited liability company established in the PRC on 3 December 2014 and an indirect non-wholly owned subsidiary of our Company;
"GFA"	gross floor area;
"Global Offering"	the Hong Kong public offering and the international offering of the Shares;
"Glorious Group"	Glorious Group Holdings Limited (世家集团控股有限公司), a BVI business company incorporated in the BVI with limited liability on 19 December 2019;
"Group", "our Group", "we", "our" or "us"	our Company, its subsidiaries from time to time, or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the business operated by such subsidiaries or their predecessors (as the case may be);

Definitions

"Hao Fung"	Hao Fung Investment Limited (皓峰投资有限公司), a BVI business company incorporated in the BVI with limited liability on 18 December 2019;
"HK$" or "cents"	Hong Kong dollars or cents respectively, the lawful currency of Hong Kong;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange;
"Listing Date"	the date, being 22 October 2020, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
"Liu Pei Qing Management"	Liu Pei Qing Management Limited (刘培庆管理有限公司), a BVI business company incorporated in the BVI with limited liability on 17 December 2019;
"Long Han Management"	Long Han Management Limited (龙晗管理有限公司), a BVI business company incorporated in the BVI with limited liability on 17 December 2019;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
"New CG Code"	the amended Previous CG Code which came into effect on 1 July 2025;
"Nomination Committee"	the nomination committee of the Company;
"Previous CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules before the New CG Code came into effect on 1 July 2025;
"Prospectus"	the prospectus of the Company dated 12 October 2020;
"Renminbi" or "RMB"	the lawful currency of the PRC;
"Reporting Period"	the six months ended 30 June 2025;

Definitions

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
"Shareholder(s)"	holder(s) of the Share(s);
"Share(s)"	ordinary share(s) in the capital of our Company with nominal value of US$0.0000002 each;
"Share Award Scheme"	the share award scheme adopted by the Board on 10 May 2021;
"Share Option Scheme"	the share option scheme conditionally adopted pursuant to the written resolutions passed by our Shareholders on 25 September 2020;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

In this interim report, the terms "associate", "connected person", "controlling shareholder", "subsidiary", "substantial shareholder" and "30%-controlled companies" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

* *For identification purposes only*