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First Service Holding Limited

第一服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2107)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Revenue for the year ended 31 December 2025 amounted to RMB1,341.2 million, representing an increase of approximately 1.1% as compared to RMB1,327.0 million for the year ended 31 December 2024.
- Gross profit for the year ended 31 December 2025 amounted to RMB289.2 million, representing a decrease of approximately 6.6% as compared to RMB309.7 million for the year ended 31 December 2024.
- Gross profit margin for the year ended 31 December 2025 was 21.6%, representing a year-on-year decrease of approximately 1.7 percentage points. Among which, gross profit margin of property management services was 20.5%, gross profit margin of value-added services was 26.8%, and gross profit margin of green living solutions was 21.3%.
- Loss for the year ended 31 December 2025 was RMB39.9 million as compared to the loss of RMB6.3 million for the year ended 31 December 2024. The core operating profit (excluding the effect of impairment loss on trade receivables and contract assets and impairment loss on goodwill) was RMB112.8 million for the year ended 31 December 2025, as compared to the core operating profit of RMB141.9 million for the year ended 31 December 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of First Service Holding Limited (第一服务控股有限公司) (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2025, together with comparative figures for 2024.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in Renminbi (“**RMB**”))

	Note	2025 RMB'000	2024 RMB'000
Revenue	3	1,341,167	1,326,976
Cost of sales		<u>(1,051,922)</u>	<u>(1,017,297)</u>
Gross profit		<u>289,245</u>	<u>309,679</u>
Other net income	4	20,082	6,296
Selling expenses		(16,714)	(20,320)
Administrative expenses		(160,106)	(173,188)
Impairment loss on trade receivables and contract assets		(64,429)	(148,189)
Impairment loss on goodwill		(88,233)	–
Impairment loss on right-of-use assets		(681)	–
Finance costs, net		(7,366)	14,671
Share of losses of associates		(654)	(61)
Share of losses of joint ventures		(148)	–
Loss before taxation	5	(29,004)	(11,112)
Income tax	6	<u>(10,858)</u>	<u>4,839</u>
Loss for the year		<u>(39,862)</u>	<u>(6,273)</u>

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Other comprehensive income for the year			
(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)		(2,458)	(2,513)
Item that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(2,473)	2,949
Other comprehensive income for the year		(4,931)	436
Total comprehensive income for the year		(44,793)	(5,837)
Loss for the year attributable to:			
Equity shareholders of the Company		(52,406)	(12,072)
Non-controlling interests		12,544	5,799
Loss for the year		(39,862)	(6,273)
Total comprehensive income attributable to:			
Equity shareholders of the Company		(57,337)	(11,636)
Non-controlling interests		12,544	5,799
Total comprehensive income for the year		(44,793)	(5,837)
Loss per share	7		
Basic (RMB)		(0.0467)	(0.0107)
Diluted (RMB)		(0.0467)	(0.0204)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in RMB)

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Investment properties		13,866	15,262
Property and equipment		30,762	27,409
Right-of-use assets		13,027	13,824
Intangible assets		30,542	33,441
Goodwill		91,603	179,836
Interest in joint ventures		25	25
Interest in associates		3,430	4,220
Other financial assets		2,090	5,102
Other non-current assets		3,000	5,500
Financial assets measured at fair value through profit or loss (“ FVPL ”)		17,327	16,500
Deferred tax assets		81,615	73,791
		287,287	374,910
Current assets			
Inventories		1,216	1,647
Contract assets		–	342
Trade and other receivables	8	564,743	554,273
Other current assets		226	226
Financial assets measured at fair value through profit or loss		267,465	299,055
Restricted cash		19,758	14,968
Cash and cash equivalents		437,172	439,021
		1,290,580	1,309,532

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current liabilities			
Trade and other payables	9	431,084	458,334
Contract liabilities		320,874	327,961
Bank loans		480	–
Lease liabilities		372	308
Other financial liabilities		212,060	204,844
Current taxation		7,300	12,762
		<u>972,170</u>	<u>1,004,209</u>
Net current assets		<u>318,410</u>	<u>305,323</u>
Total assets less current liabilities		<u>605,697</u>	<u>680,233</u>
Non-current liabilities			
Lease liabilities		1,975	2,347
Deferred tax liabilities		5,210	6,557
		<u>7,185</u>	<u>8,904</u>
NET ASSETS		<u>598,512</u>	<u>671,329</u>
CAPITAL AND RESERVES			
Share capital		2	2
Reserves		537,385	619,203
Total equity attributable to equity shareholders of the Company		537,387	619,205
Non-controlling interests		61,125	52,124
TOTAL EQUITY		<u>598,512</u>	<u>671,329</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment property
- financial instruments classified as financial assets measured at FVPL or FVOCI

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The functional currency of the Company and the Company's subsidiaries outside the Chinese Mainland is Hong Kong dollars (“HK\$”). The consolidated financial statements are presented in RMB as all of the Group's operations are conducted by the Company's subsidiaries established in Chinese Mainland and the functional currency of which is RMB.

2. CHANGES IN ACCOUNTING POLICIES

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

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

3. REVENUE AND SEGMENT REPORTING

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 years ended 31 December 2025 and 2024 is set out below.

	First Property Management		First Living		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition						
Revenue recognised over time	1,310,554	1,284,290	34,990	35,780	1,345,544	1,320,070
Revenue recognised at point in time	9,133	11,857	1,520	9,853	10,653	21,710
Reportable segment revenue	<u>1,319,687</u>	<u>1,296,147</u>	<u>36,510</u>	<u>45,633</u>	<u>1,356,197</u>	<u>1,341,780</u>
Disaggregated by major products or service lines						
— Property management services	1,006,218	956,789	—	—	1,006,218	956,789
— Green living solutions	103,535	103,607	36,510	45,633	140,045	149,240
— Value-added services	209,934	235,751	—	—	209,934	235,751
Reportable segment revenue	<u>1,319,687</u>	<u>1,296,147</u>	<u>36,510</u>	<u>45,633</u>	<u>1,356,197</u>	<u>1,341,780</u>
Reportable segment (loss)/profit	(30,801)	29,646	219	(44,650)	(30,582)	(15,004)
Interest income	718	997	5	10	723	1,007
Interest expense	96	75	54	74	150	149
Depreciation and amortisation for the year	11,934	10,983	444	453	12,378	11,436
Impairment losses on trade receivables and contract assets	64,661	105,094	(232)	43,095	64,429	148,189
Impairment loss on goodwill	88,233	—	—	—	88,233	—
Impairment loss on right-of-use assets	681	—	—	—	681	—
Reportable segment assets	1,263,375	1,337,032	68,637	71,451	1,332,012	1,408,483
Reportable segment liabilities	747,684	774,408	80,202	82,507	827,886	856,915

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue		
Reportable segment revenue	1,356,197	1,341,780
Elimination of intersegment revenue	<u>(15,030)</u>	<u>(14,804)</u>
Consolidated revenue	<u><u>1,341,167</u></u>	<u><u>1,326,976</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Reportable segment loss		
Reportable segment loss	(30,582)	(15,004)
Unallocated head office and corporate net income before taxation	1,578	3,646
Elimination of intersegment profit	<u>–</u>	<u>246</u>
Consolidated loss before taxation	<u><u>(29,004)</u></u>	<u><u>(11,112)</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Assets		
Reportable segment assets	1,332,012	1,408,483
Unallocated head office and corporate assets	634,399	668,381
Elimination of intersegment balances	<u>(388,544)</u>	<u>(392,422)</u>
Consolidated total assets	<u><u>1,577,867</u></u>	<u><u>1,684,442</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Liabilities		
Reportable segment liabilities	827,886	856,915
Unallocated head office and corporate liabilities	211,909	212,861
Elimination of intersegment balances	<u>(60,440)</u>	<u>(56,663)</u>
Consolidated total liabilities	<u><u>979,355</u></u>	<u><u>1,013,113</u></u>

4. OTHER NET INCOME

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	<i>(i)</i>	3,639	6,198
Government grants	<i>(ii)</i>	10,578	13,089
Net realised gains on financial assets measured at FVPL		570	1,021
Fair value loss of investment properties		(1,396)	(88)
Net valuation profit/(losses) on financial assets measured at FVPL		8,330	(13,261)
Net losses on disposal of property and equipment		(652)	(105)
Net losses on disposal of intangible assets		–	(555)
Net losses on disposal of right-of-use assets		(711)	–
Net loss on disposal of an associate		(22)	–
Net loss on disposal of a project		–	(2,730)
Gains on disposal of subsidiaries		3,204	159
Rental income		439	1,979
Fair value gain of contingent consideration		–	2,505
Claims and fines		(3,013)	(799)
Others		(884)	(1,117)
		20,082	6,296

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. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs, net

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	96	75
Interest on other payables	52	74
Interest on bank loans	2	–
Changes in value of financial liabilities	7,216	(14,820)
	7,366	(14,671)

(b) Staff costs

	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	366,635	384,931
Contributions to defined contribution retirement plan	62,221	61,416
Termination benefits	2,941	6,604
	<u>431,797</u>	<u>452,951</u>

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

Contributions to the retirement scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contributions. The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	2025	2024
	RMB'000	RMB'000
Amortisation cost of intangible assets	5,399	5,578
Depreciation charge		
— owned property and equipment	6,395	5,493
— right-of-use assets	584	365
	<u>12,378</u>	<u>11,436</u>
Operating lease expenses relating to short-term leases	1,421	1,589
Auditors' remuneration		
— audit services	1,760	1,760
Cost of inventories	4,455	12,818

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax — PRC Corporate Income Tax		
Provision for the year	19,537	26,480
Deferred tax		
Origination and reversal of temporary differences	<u>(8,679)</u>	<u>(31,319)</u>
	<u>10,858</u>	<u>(4,839)</u>

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before taxation	(29,004)	(11,112)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	(7,251)	(2,778)
Tax effect of PRC preferential tax (<i>note (i)</i>)	(5,417)	(1,301)
Tax effect of overseas preferential tax rate (<i>note (ii)</i>)	(394)	(911)
Tax effect of non-deductible expenses	23,361	787
Tax effect of tax losses not recognised	945	1,638
Tax effect on deferred tax balances at 1 January resulting from a change in tax rate	–	516
Tax effect of utilisation of tax losses not recognised in previous years	(386)	(203)
Others	<u>–</u>	<u>(2,587)</u>
	<u>10,858</u>	<u>(4,839)</u>

Notes:

- (i) 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 have been approved as Small Low-profit Enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% during the reporting period.

- (ii) 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 (2024: Nil).

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

(c) Pillar Two income taxes

The Group operates in Chinese Mainland 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. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for 2025 is based on the loss attributable to equity shareholders of the Company of RMB44,704,000 (2024: RMB10,265,000) after adjusting for the effect of consideration shares issued and the weighted average number of 956,568,000 ordinary shares (2024: 959,877,000 ordinary shares) in issue during the year, calculated as follows:

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

	2025	2024
	RMB’000	RMB’000
Loss attributable to ordinary equity shareholders	(52,406)	(12,072)
Effect of consideration shares issued	7,702	1,807
Loss attributable to ordinary equity shareholders (basic)	<u>(44,704)</u>	<u>(10,265)</u>

(ii) *Weighted average number of ordinary shares*

	2025	2024
	<i>No. of '000 shares</i>	<i>No. of '000 shares</i>
Issued ordinary shares at 1 January	1,264,000	1,000,000
Effect of shares held by the employee share trusts	(43,432)	(40,123)
Effect of consideration shares issued	–	168,989
Effect of written put option of consideration shares issued	<u>(264,000)</u>	<u>(168,989)</u>
Weighted average number of ordinary shares at 31 December	<u>956,568</u>	<u>959,877</u>

(b) **Diluted loss per share**

Diluted loss per share were the same as the basic loss per share as the Group had no dilutive potential shares for the year ended 31 December 2025. Bonus element were not included in the calculation of diluted loss per share for the year ended 31 December 2025 as their inclusion would have been anti-dilutive. The calculation of diluted loss per share for the year ended 31 December 2024 is based on the adjusted loss attributable to ordinary equity shareholders of the Company of RMB25,085,000 and the weighted average number of ordinary shares of 1,227,581,000 shares, calculated as follows:

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

	2024
	<i>RMB'000</i>
Loss attributable to ordinary equity shareholders (basic)	(10,265)
After tax effect of changes in value of financial liabilities issued	<u>(14,820)</u>
Loss attributable to ordinary equity shareholders (diluted)	<u>(25,085)</u>

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

	2024
	<i>No. of '000 shares</i>
Weighted average number of ordinary shares at 31 December (basic)	959,877
Bonus element in written put option of consideration shares issued	<u>267,704</u>
Weighted average number of ordinary shares at 31 December (diluted)	<u>1,227,581</u>

8. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables from third parties	647,170	605,816
Less: expected credit losses (“ECL”) allowance	<u>(274,886)</u>	<u>(228,043)</u>
	372,284	377,773
Trade receivables from related parties	166,241	167,410
Less: ECL allowance	<u>(144,949)</u>	<u>(143,500)</u>
	21,292	23,910
Total trade receivables	<u>393,576</u>	<u>401,683</u>
Prepayments	38,963	37,789
Payments on behalf of property owners	42,746	45,149
Deposits	14,428	14,331
Value-added tax prepaid	<u>9,702</u>	<u>9,466</u>
	<u>105,839</u>	<u>106,735</u>
Other receivables	65,573	46,100
Less: ECL allowance for other receivables	<u>(245)</u>	<u>(245)</u>
Other receivables	<u>65,328</u>	<u>45,855</u>
	<u>564,743</u>	<u>554,273</u>

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

(a) Ageing analysis

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	274,576	279,437
1 to 2 years	67,446	68,116
2 to 3 years	24,885	27,257
3 to 4 years	11,167	16,646
4 to 5 years	9,001	8,562
Over 5 years	6,501	1,665
	<u>393,576</u>	<u>401,683</u>

Trade receivables are due when the receivables are recognised.

(b) ECL allowance for trade receivables

The movements in the ECL allowance for trade receivables during the reporting period are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	371,543	226,888
Credit loss recognised	64,429	147,497
Transfer from contract assets	2,319	–
Written-off	(16,086)	(2,840)
Effect on disposal of subsidiaries	(2,370)	(2)
	<u>419,835</u>	<u>371,543</u>

9. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	163,098	174,346
Amounts due to related parties	7,074	7,408
Other taxes and charges payable	30,056	28,773
Accrued payroll and other benefits	42,509	46,870
Deposits	62,107	73,451
Dividends payable	45	8,281
Receipts on behalf of property owners	85,907	74,667
Other payables and accruals	40,288	44,538
	<u>431,084</u>	<u>458,334</u>

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

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	113,652	131,152
1 to 2 years	15,328	11,945
2 to 3 years	7,040	12,595
Over 3 years	27,078	18,654
	<u>163,098</u>	<u>174,346</u>

10. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period of HK\$Nil (2024: HK\$3.40 cents) per ordinary share	–	39,797

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$3.40 cents per share (2024: HK\$3.30 cents)	<u>39,797</u>	<u>37,835</u>

In 2024, in order to support the Company's development, Mr. Zhang Lei returned the dividend of 2023 amounted to RMB9,985,000 to the Company.

On 5 September 2025, the Company 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 deeds of the waiver of dividends, pursuant to which the Company would waive all dividends declared by Century Golden Resources Services Group Co., Ltd. (世紀金源服務集團有限公司) (the “**Target Company**”), and the Vendors would waive all dividends declared by the Company, in respect of the three years after 13 May 2024. Accordingly, the Vendors' entitled dividend for 2023 and 2024 of the Company amounting to RMB16,214,000 were waived and recognised as capital contribution from non-controlling interests, which were non-cash transactions. The Target Company did not declare dividends during the reporting period.

CHAIRMAN’S STATEMENT

Dear Stakeholders,

On behalf of the Board, I am pleased to present the performance review of the Group for the year 2025 and the development outlook for the year 2026.

PERFORMANCE OVERVIEW

In 2025, the property service industry officially entered a period of profound adjustment, shifting from “incremental expansion to stock optimization, scale to quality”. Market structures were reshaped, value logic redefined, and competitive paradigms evolved. Anchored by the strategic pillars of “Excellent Service, Steady Growth and Innovation Capability”, First Service Holding strengthened its foundation and advanced with resilience, responding to uncertainty with strategic determination.

To address industry transformation, we established a three-dimensional strategic framework of “Service Upgrade – Value Creation – AI Empowerment”, advancing in a coordinated manner to secure the foundation for high quality development. During 2025, the Group recorded total revenue of RMB1,341.2 million and gross profit of RMB289.2 million, and a loss for the year of RMB39.9 million. Excluding the impact of impairment loss on trade receivables and contract assets and impairment loss on goodwill, core operating profit reached RMB112.8 million.

Excellent Service, Striving for Perfection. We believe service excellence lies in the details, and quality derives from commitment. Guided by the principles of “Smile Service, Clean Spaces, Immediate Action and Prompt Response”, we delivered warmth and resonance in every interaction. During the year, we established 21 “tripartite co-governance” benchmark projects. The Beijing Shangdi MOMA project received government funding support, while the Yingkou Linchang Tianbo project attracted provincial media attention. Reputation was earned through word of mouth, and trust was built through quality.

Steady Growth, Breakthrough and Shared Success. In an era of stock competition, we expanded with openness and deepened with focus. Despite intensifying market competition, the Group maintained steady progress, securing 147 new property service projects with contracted value of approximately RMB200 million (including mergers and acquisitions; 2024 contracted value was approximately RMB290 million). We successfully entered new sectors such as mining services, rail transit and expressway service areas, enhancing our multi-business capabilities. Revenue from value-added services continued to innovate, cultivating new growth curves while safeguarding the core business, achieving qualitative improvement.

Innovation Capability, Leading the Future with Intelligence. We bring technology back to the essence of service and harness intelligence to enrich living. Leveraging over 20 years of expertise in green buildings and energy system operations, we launched a smart AI cloud platform to provide intelligent operation and maintenance solutions for buildings across all sectors, delivering more energy-efficient and comfortable living experiences. The platform now manages an area of over 2 million square meters. A new “human-machine collaboration” service model has begun to take shape, quietly transforming the drivers of growth.

OUTLOOK

In 2026, our core objective is “Value Beyond Expectations”, enabling brand, service and technology to achieve genuine market premium and elevating high-quality development to new heights.

Uncompromising Quality, Building a Foundation of Trust. We will establish a graded service quality certification system, deepen operations of existing projects, and implement the service philosophy of “genuine care for every individual” at every touchpoint. We aim to achieve new highs in property owners’ satisfaction, ensuring our “Four Safeguards and One Service” deliver true value and earn long-term trust through quality.

Unforgettable Experience, Creating Emotional Connection. We will upgrade the “Love My Community” initiative, weaving warm memories through festive themes and strengthening neighborhood bonds with convenient services. Property brokerage will evolve into “community life service integration”, building a full-chain service ecosystem from housing transactions to community living. Communities will become not only places of residence but also spiritual homes with warmth.

Unrivaled Brand Strength, Unleashing Green Potential. We will transform our deep expertise in “green and low-carbon, energy management and technology property services”, combined with innovative AI technology, into core capabilities that are priced, exportable and replicable. We will scale up AI smart energy management, making “green technology” a competitive edge in the market and seizing opportunities in the “dual carbon” era.

APPRECIATION

In 2026, we will remain true to our original aspirations with steadfast determination to “return to the essence”, and advance with vigor through “consolidating our foundation and seeking innovation”. Quality will grow in the details, and value will accumulate over time, as we jointly lead First Service Holding into a new era of high-quality development.

The Board extends heartfelt gratitude to our shareholders for their trust, to our clients for their support, and to our partners for their collaboration. Special thanks go to all employees and management, who embody professionalism in service, integrity in character, and dedication in executing our strategic blueprint.

A new journey has begun, and the drums of progress are sounding. Let us march forward together, across mountains and seas, to compose a new chapter.

Zhang Peng

Chairman

27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

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 1.1% from RMB1,327.0 million for the year ended 31 December 2024 to RMB1,341.2 million for the year ended 31 December 2025.

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Property management services	1,005,463	75.0	956,352	72.1
Value-added services	209,934	15.6	235,751	17.8
Green living solutions	125,770	9.4	134,873	10.1
Total	1,341,167	100.0	1,326,976	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 5.1% from RMB956.4 million for the year ended 31 December 2024 to RMB1,005.5 million for the year ended 31 December 2025. This increase was primarily attributable to the transition of certain newly delivered projects in the previous year to normal operation this year.

The Group has shifted its focus from scale-driven growth to quality earnings growth and will no longer disclose gross floor area data of its projects.

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 years indicated:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Value-added services to non-property owners				
Sales assistance services	9,683	4.6	12,920	5.5
Preliminary planning and design consultancy services	230	0.1	1,534	0.6
<i>Subtotal</i>	9,913	4.7	14,454	6.1
Community value-added services				
Parking space management services	81,070	38.6	80,140	34.0
Home living services	101,012	48.1	123,338	52.3
Communal area leasing services	17,939	8.6	17,819	7.6
<i>Subtotal</i>	200,021	95.3	221,297	93.9
Total	209,934	100.0	235,751	100.0

Revenue from value-added services decreased by approximately 11.0% from RMB235.8 million for the year ended 31 December 2024 to RMB209.9 million for the year ended 31 December 2025. This decrease was primarily due to our strategic contraction of certain low-margin and less resilient businesses in light of current macroeconomic volatility and weakening consumer expectations.

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 years indicated:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Energy operation services	124,250	98.8	125,020	92.7
Systems installation and product sales	1,520	1.2	9,853	7.3
Total	125,770	100.0	134,873	100.0

Revenue from green living solutions decreased by approximately 6.7% from RMB134.9 million for the year ended 31 December 2024 to RMB125.8 million for the year ended 31 December 2025. Such decrease was primarily attributable to the contraction in system installation and product sales businesses as affected by the real estate cycle.

Cost of Sales

Our cost of sales increased by approximately 3.4% from RMB1,017.3 million for the year ended 31 December 2024 to RMB1,051.9 million for the same period in 2025, primarily due to our continued investments in quality enhancement and service upgrades.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 6.6% from RMB309.7 million for the year ended 31 December 2024 to RMB289.2 million for the same period in 2025. Our gross profit margin decreased from 23.3% for the year ended 31 December 2024 to 21.6% for the same period in 2025.

	For the year ended 31 December			
	2025		2024	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Property management services	206,147	20.5	206,621	21.6
Value-added services	56,280	26.8	76,784	32.6
Green living solutions	26,818	21.3	26,274	19.5
Total	289,245	21.6	309,679	23.3

Gross profit margin of property management services was 20.5% for the year ended 31 December 2025, representing a decrease of approximately 1.1 percentage points as compared to the same period last year. Such decrease was primarily attributable to (i) the increase in fixed operating costs resulting from certain newly delivered projects transitioning to normal operation; (ii) our continued focus on service quality, leading to increased investments in quality enhancement and service upgrades; and (iii) a further decrease in the gross profit margin of the public properties.

Gross profit margin of value-added services was 26.8% for the year ended 31 December 2025, representing a decrease of approximately 5.8 percentage points as compared to the same period last year, which was primarily due to the decrease in gross profit from community value-added services, particularly home living services, impacted by macroeconomic conditions and consumer spending.

Gross profit margin of green living solutions was 21.3% for the year ended 31 December 2025, representing an increase of approximately 1.8 percentage points as compared to the same period last year, which was primarily due to our deepened application of green technology and increased utilization of the AI smart cloud platform, which delivered notable energy saving results.

Other Net Income

Our other net income increased by approximately 219.1% from RMB6.3 million for the year ended 31 December 2024 to RMB20.1 million for the year ended 31 December 2025. This increase was primarily attributable to (i) net valuation profit on financial assets measured at fair value through profit or loss of approximately RMB8.3 million recorded during the year (representing a significant improvement compared with the net loss in 2024); and (ii) increased gains on the strategic disposal of certain non-core subsidiaries.

Selling Expenses

Our selling expenses decreased by approximately 17.7% from RMB20.3 million for the year ended 31 December 2024 to RMB16.7 million for the year ended 31 December 2025. This decrease was primarily attributable to our further optimization of the market expansion system, which allowed us to effectively manage and control costs while ensuring steady business development.

Administrative Expenses

Our administrative expenses decreased by approximately 7.6% from RMB173.2 million for the year ended 31 December 2024 to RMB160.1 million for the year ended 31 December 2025, primarily attributable to our effective cost management and control through comprehensive advancement of lean operations and organizational structure upgrades, supported by the deep coverage of middle and back office management systems.

Impairment Loss on Trade Receivables and Contract Assets

Our impairment loss on trade receivables and contract assets decreased by approximately 56.5% from RMB148.2 million for the year ended 31 December 2024 to RMB64.4 million for the year ended 31 December 2025. This decrease was primarily due to the substantial one-off provision for impairment loss on trade receivables from related-party real estate customers recognized in the same period last year, whereas no such large impairment was recognized in the current year.

Income Tax

We recorded income tax of RMB-4.8 million for the year ended 31 December 2024 while we recorded income tax of RMB10.9 million for the year ended 31 December 2025. This was primarily because (i) in the prior year, the Group made a substantial provision for impairment loss on trade receivables from related-party real estate customers and correspondingly recognized incidental deferred tax assets, whereas no such one-off tax disturbance occurred in the current year; and (ii) in the current year, a significant impairment loss on goodwill was recognized, which was not deductible for tax purposes and therefore could not generate tax benefits to offset current tax.

Loss for the Year

As a result of the foregoing, our loss for the year increased by approximately 535.5% from RMB6.3 million for the year ended 31 December 2024 to RMB39.9 million for the year ended 31 December 2025.

Trade and Other Receivables

As of 31 December 2025, trade and other receivables amounted to RMB564.7 million, representing an increase of approximately 1.9% as compared to RMB554.3 million as of 31 December 2024.

Trade and Other Payables

As of 31 December 2025, trade and other payables amounted to RMB431.1 million, representing a decrease of approximately 5.9% as compared to RMB458.3 million as of 31 December 2024.

Goodwill

As of 31 December 2025, our goodwill amounted to RMB91.6 million, representing a decrease of approximately 49.1% from RMB179.8 million as of 31 December 2024. This decrease was primarily attributable to the recognition of a provision for impairment loss on goodwill, as the operating results of Qingdao Luohang Enterprises Management Co., Ltd.* (青島洛航企業管理有限公司), a subsidiary acquired by the Group, fell short of expectations in 2025 and its future business development and profit recovery were expected to face challenges.

Capital Structure

Our total assets decreased from RMB1,684.4 million as of 31 December 2024 to RMB1,577.9 million as of 31 December 2025. Our total liabilities decreased from RMB1,013.1 million as of 31 December 2024 to RMB979.4 million as of 31 December 2025. Liabilities-to-assets ratio increased from 60.1% as of 31 December 2024 to 62.1% as of 31 December 2025.

The current ratio, being current assets divided by current liabilities as of the respective date, increased from 1.30 as of 31 December 2024 to 1.33 as of 31 December 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 year ended 31 December 2025, we financed our operations primarily through internal resources and the proceeds from the global offering (the “**Global Offering**”) of our shares (the “**Shares**”) in connection with the listing of our Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). We mainly utilized our cash on payments on staff costs, purchases for services and materials and other working capital needs. Our cash and cash equivalents, which were mainly denominated in Renminbi, decreased by approximately 0.4% from RMB439.0 million as of 31 December 2024 to RMB437.2 million as of 31 December 2025. Taking into account the wealth management products amounting to RMB94.2 million and RMB55.4 million held by the Group as of 31 December 2024 and 2025, respectively, the Group’s total liquidity decreased by approximately 7.6% from RMB533.2 million as of 31 December 2024 to RMB492.6 million as of 31 December 2025.

Our gearing ratio, being total interest-bearing borrowings divided by total equity, increased from 0.27% as of 31 December 2024 to 0.33% as of 31 December 2025. In addition to bank loans of RMB0.5 million, our interest-bearing borrowings as of 31 December 2025 consisted of an amount due to a related party, being the payment of bank loans on behalf of the Group by a company controlled by Mr. Zhang Peng of RMB1.5 million (31 December 2024: RMB1.8 million) which bore an interest rate of 3.45% per annum.

Capital Expenditure

Our capital expenditure decreased by approximately 65.1% from RMB15.2 million for the year ended 31 December 2024 to RMB5.3 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.

Indebtedness

Bank Loans

As of 31 December 2025, the Group had bank loans of RMB0.5 million (as of 31 December 2024: Nil) which were interest-bearing at a fixed rate of 2.85% per annum and repayable within one year.

Contingent Liabilities

As of 31 December 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that were likely to have a material and adverse effect on our business, financial condition or results of operations.

Fulfillment of Performance Guarantee

Pursuant to the Previous Transaction Documents (as defined in the announcement of the Company dated 10 March 2021), Mr. Bai Ding (白丁) and Dalian Chunhui Enterprise Management Service Centre* (大連春暉企業管理服務中心) covenanted, among others, that during the period from 1 January 2024 to 31 December 2033 (the “**Second Performance Undertaking Period**”), the revenue of Dalian Yahang Property Management Co., Ltd.* (大連亞航物業管理有限公司) (“**Dalian Yahang**”) in each year shall reach RMB90 million (the “**Dalian Yahang Guaranteed Revenue**”). If the Dalian Yahang Guaranteed Revenue is not met for any year during the Second Performance Undertaking Period, Mr. Bai Ding shall have no right to participate in the distribution of the net profits of Dalian Yahang for the relevant year.

Based on the financial information of Dalian Yahang for the year ended 31 December 2025, the actual revenue of Dalian Yahang has reached RMB90 million. Accordingly, the Dalian Yahang Guaranteed Revenue for the year ended 31 December 2025 had been fulfilled.

For details, please refer to the announcement of the Company dated 10 March 2021.

Final Dividend

The Board did not recommend the payment of any final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: a final dividend of HK3.4 cents per Share, being HK\$43.0 million in aggregate).

Pledge of Assets

As of 31 December 2025, the Group did not pledge any of its assets.

Foreign Exchange Risk and Hedging

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

Material Acquisitions and Future Plans for Major Investment

The Group did not conduct any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2025. In addition, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the prospectus of the Company dated 12 October 2020 (the “**Prospectus**”), the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development. The Group did not hold any significant investment as of 31 December 2025. In particular, the aggregate carrying amount of the Group’s investments in wealth management products accounted for less than 5% of its total assets as of 31 December 2025.

Significant Events After the Reporting Period

There is no significant event subsequent to 31 December 2025 and up to the date of this announcement which could have a material impact on the operating and financial performance of the Group.

Change of Executive Director

On 26 January 2026, Mr. Jin Chungang resigned as an executive Director due to a shift in his primary focus of work arrangements. He will continue to serve as the deputy general manager of the Group and remain fully responsible for the overall operation and daily management of

companies in the northwest region of China. Mr. Jin has confirmed that he has no claim against the Company in respect of his resignation, has no disagreement with the Board, and there are no other matters relating to his resignation that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) or the Stock Exchange. On the same date, Mr. Wang Song was appointed as an executive Director. Mr. Wang has over 15 years of experience in property management and currently serves as the chief operating officer of the Group, responsible for assisting the general manager in implementing the Group’s strategic business plans and supervising the daily management and overall operation of the Group’s property management business. For details, please refer to the announcement of the Company dated 26 January 2026.

Annual General Meeting

The annual general meeting of the Company (the “**AGM**”) will be held on Tuesday, 23 June 2026. A notice convening the AGM will be published and sent to the Shareholders in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

Closure of Register of Members

For determining the entitlement of the Shareholders to attend the AGM, the register of members of the Company will be closed from Wednesday, 17 June 2026 to Tuesday, 23 June 2026 (both days inclusive). The record date is Tuesday, 23 June 2026. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 16 June 2026.

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 31 December 2025, we had a total of 3,782 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 source, (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 organisation 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 managements and executives of the Company and lay a solid foundation for the management of the Company, so as to maintain a rapid and healthy development for our Company. Moreover, we have adopted a Share Option Scheme (as defined below) to incentivize qualified employees and a Share Award Scheme (as defined below) to retain eligible persons.

Use of Proceeds

The Company was listed on the Stock Exchange on 22 October 2020 (the "**Listing Date**"). 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 31 December 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 31 December 2025	Amount of unutilized proceeds balance as of 31 December 2025	Timeframe for the unutilized balance
			<i>In HK\$ millions</i>		
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	182.4	0.4	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	29.8	27.3	By the end of 2026
General business operations and working capital	10.0	57.1	57.1	–	–
Total	100.0	571.2	491.7	79.5	

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 unutilised net proceeds in the manner disclosed in the Announcement.

SHARE OPTION SCHEME

The 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 incentivizing 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 our 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 four years and five months as at the date of this announcement. 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 31 December 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 31 December 2025, the total number of new Shares available for further grant under the Share Option Scheme was 100,000,000, representing approximately 7.9% of the issued share capital of the Company as of 1 January 2025 and 31 December 2025, and the Company has not yet adopted a service provider sublimit.

SHARE AWARD SCHEME

The Company adopted the share award scheme (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 one month as at the date of this announcement. 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 year ended 31 December 2025. As of 31 December 2025, the employee share trusts held 48,582,500 Shares, representing approximately 3.8% of the issued share capital of the Company as of 31 December 2025.

As of 1 January 2025 and 31 December 2025, the total number of new Shares available for further grant under the Share Award Scheme was 40,122,500 and 48,582,500, representing approximately 3.2% and 3.8% of the issued share capital of the Company as of 1 January 2025 and 31 December 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 announcement.

On 29 July 2021, the Company was informed that Cedar Group Management Limited (“**Cedar Group**”), one of the controlling Shareholders of the Company, 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 for the year ended 31 December 2025.

ROUNDING

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

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance its corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules as its own code of governance. The Company has complied with all the applicable code provisions set out in the CG Code during the year ended 31 December 2025. The Company will continue to review and monitor its corporate governance practice to ensure compliance with the CG Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules 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 year ended 31 December 2025.

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

During the year ended 31 December 2025, the Company had entrusted the trustee under the Share Award Scheme to purchase, in aggregate, 8,460,000 Shares on market at the aggregate consideration of approximately RMB2.3 million, representing approximately 0.7% of the total issued Shares as at 31 December 2025. No award shares under the Share Award Scheme were granted nor vested during the year ended 31 December 2025, and the trustee held 48,582,500 Shares in trust under the Share Award Scheme, representing approximately 3.8% of the total issued Shares as at 31 December 2025. The trustee is a professional entity authorised 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 year ended 31 December 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 31 December 2025 and as of the date of this announcement, the Company did not hold any treasury Shares.

Audit Committee and Review of Financial Statements

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

The Audit Committee has discussed with the management and external auditor the accounting principles and policies adopted by the Group, reviewed the annual results for the year ended 31 December 2025 and considered that the annual 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.

Scope of Work of KPMG

The financial figures in respect of the Group's consolidated statement of financial position as of 31 December 2025, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

Publication of Annual Results and Annual Report 2025

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.firstservice.hk), and the annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be sent to the Shareholders and published on the above websites in due course.

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

Hong Kong, 27 March 2026

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

* *For identification purposes only*