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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)

INSIDE INFORMATION SUPPLEMENTAL AGREEMENT IN RELATION TO THE RIGHT TO GUARANTEED RETURN OF A SHAREHOLDER

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

BACKGROUND

Reference is made to the Prospectus.

As disclosed in the Prospectus, pursuant to an agreement between Mr. Zhang Lei, Mr. Zhang Peng, Glorious Group, Cedar Group, First Assets and Shanghai CDH Yaojia, Shanghai CDH Yaojia, is, among others, entitled to the Guaranteed Return, which represents a compound return rate of 19% per annum from July 5, 2017, to the earlier of July 4, 2021 or the date of disposal. Such rate of return is to be calculated based on the total investment costs of RMB60.00 million.

If, in a sale of part or all of the Shares held by Shanghai CDH Yaojia, there is a discrepancy between the actual return from the sale of such Shares (as adjusted for any share dividends to be or historically distributed) and the Guaranteed Return, Holding Companies or Shanghai CDH Yaojia shall pay the other party such shortfalls or excess of proceeds in cash to achieve the Guaranteed Return with respect to such Shares. This is provided however that where the Holding Companies could, on substantially similar terms, secure an alternative offer for the purchase of such Shares at a higher price, Shanghai CDH Yaojia must take such offer. This right to Guaranteed Return will only apply to the sale of part or all such Shares by Shanghai CDH Yaojia on or before December 31, 2022 (the aforesaid arrangement in relation to Shanghai CDH Yaojia's right to Guaranteed Return is referred to as the "**Arrangement**").

As of the date of Listing and of this announcement, Shanghai CDH Yaojia is interested in 86,424,000 Shares (the “**Target Shares**”), representing approximately 8.64% of the total issued share capital of the Company.

THE SUPPLEMENTAL AGREEMENT

The Board has been notified that, on December 21, 2022 (after trading hours), Glorious Group, Cedar Group, Mr. Zhang Lei, Mr. Zhang Peng, First Assets and Shanghai CDH Yaojia entered into a supplemental agreement in relation to the Arrangement pursuant to which:–

- (i) the right to Guaranteed Return was extended to apply only to the sale of part or all the Target Shares by Shanghai CDH Yaojia on or before June 30, 2023;
- (ii) the revised Guaranteed Return be fixed at RMB73.28 million, which has already included the investment costs of RMB60.00 million and deducted the share dividends of approximately RMB27.17 million historically distributed on or before November 30, 2022; and
- (iii) the actual amount (if any) payable by or to Shanghai CDH Yaojia pursuant to the Arrangement, being the discrepancy between the actual return from the sale of such Target Shares and the Guaranteed Return, shall be adjusted for (a) any share dividends with respect to the Target Shares to be distributed by the Company after November 30, 2022 and (b) any share dividends distributed by First Property Management to Shanghai CDH Yaojia or its affiliate after November 30, 2022.

Save as disclosed above, the other terms of the Arrangement remain unchanged and continue in full force and effect.

DEFINITIONS

“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 December 19, 2019, which is wholly owned by Mr. Zhang Lei
“Company”	First Service Holding Limited (第一服务控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules

“Director(s)”	the director(s) of the Company
“First Assets”	First MOMA Assets Management (Beijing) Co., Ltd.* (第一摩碼資產管理(北京)有限公司), a company established in the PRC on September 20, 2002
“First Property Management”	First Property Service (Beijing) Co., Ltd.* (第一物業服務(北京)有限公司) (formerly known as Beijing Modern and First Property (Beijing) Joint Stock Limited Company (第一物業(北京)股份有限公司), a limited liability company established in the PRC on December 6, 1999, and an indirect wholly-owned subsidiary of the Company
“Glorious Group”	Glorious Group Holdings Limited (世家集團控股有限公司), a BVI business company incorporated in the BVI with limited liability on December 19, 2019, which is wholly-owned by Mr. Zhang Lei
“Guaranteed Return”	the guaranteed fixed rate of return, which represents a compound return rate of 19% per annum from July 5, 2017, to the earlier of July 4, 2021 or the date of disposal
“Holding Companies”	collectively, Glorious Group, Cedar Group and First Assets
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Zhang Lei”	Mr. Zhang Lei, a controlling shareholder of the Company
“Mr. Zhang Peng”	Mr. Zhang Peng, non-executive Director and a controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated October 12, 2020
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

“Shanghai CDH Yaojia”	Shanghai CDH Yaojia Venture Capital Center (Limited Partnership)* (上海鼎暉耀家創業投資中心 (有限合夥)), a limited partnership established in the PRC on June 26, 2015, whose general partner is Dinghui Equity Investment Management (Tianjin) Company Limited* (鼎暉股權投資管理 (天津) 有限公司)
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, December 21, 2022

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

** for identification purposes only*