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First Service Holding Limited
第一服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2107)

PERFORMANCE GUARANTEES
IN RELATION TO THE ACQUISITION OF
QINGDAO LUOHANG ENTERPRISES MANAGEMENT CO., LTD*

References are made to (i) the announcement of First Service Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated March 30, 2021 in relation to the acquisition of 100% equity interest in Qingdao Luohang Enterprises Management Co., Ltd* (青島洛航企業管理有限公司) (“**Qingdao Luohang**”) (the “**Qingdao Luohang Acquisition Announcement**”) and (ii) the announcements of the Company dated August 1, 2023 and November 20, 2023 in relation to, among others, the updates on the performance guarantees under the equity transfer agreements in relation to the acquisition (the “**Performance Guarantee Update Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those set out in the Qingdao Luohang Acquisition Announcement and the Performance Guarantee Update Announcements.

PERFORMANCE GUARANTEES IN RELATION TO THE ACQUISITION OF
QINGDAO LUOHANG

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

Pursuant to the equity transfer agreements in relation to the acquisition of Qingdao Luohang, First Property Beijing has the right to deduct 13% of the difference between the Shangcheng Property Guaranteed Revenue and the actual revenue of Shangcheng Property for the year (“**Adjustment Sum A**”), and the difference between RMB15,000,000 and the

actual net profit of Shangcheng Property for the year (“**Adjustment Sum B**”) from the remaining balance of the consideration in the sum of RMB22,680,000 (“**Balance of Consideration**”) or the profit distributable to Weihai Shangcheng, provided that (i) Adjustment Sum A shall equal to zero if the aggregate actual revenue of Shangcheng Property during the period from 1 January 2021 to 31 December 2023 (the “**Performance Undertaking Period**”) is no less than RMB436,500,000, and (ii) Adjustment Sum B shall equal to zero if the aggregate actual net profit of Shangcheng Property during the Performance Undertaking Period is no less than RMB45,000,000.

ACTUAL PERFORMANCE

Based on the financial information of Shangcheng Property during the Performance Undertaking Period, the actual performance of Shangcheng Property is as follows:

	Shangcheng Property		Fulfilment of Shangcheng Property		Fulfilment of Shangcheng Property	
	Guaranteed Revenue	Actual revenue	Guaranteed Revenue	Guaranteed Profit	Actual net profit	Guaranteed Profit
	(RMB)	(RMB)		(RMB)	(RMB)	
For the year ended						
December 31, 2021	132,000,000	125,871,338	No	15,000,000	15,511,664	Yes
For the year ended						
December 31, 2022	145,000,000	129,030,943	No	15,000,000	8,354,646	No
For the year ended						
December 31, 2023	159,500,000	160,816,399	Yes	15,000,000	10,052,811	No
Aggregate	436,500,000	415,718,680		45,000,000	33,919,121	

ADJUSTMENT TO CONSIDERATION

As the actual annual revenue of Shangcheng Property is more than RMB111,600,000 for the years ended December 31, 2021, 2022 and 2023, First Property Beijing does not have the right to request Weihai Shangcheng and Ms. Wang Zhilan to transfer the management rights of the property projects that are managed by Shangcheng Property to First Property Beijing during the Performance Undertaking Period.

As of the date of this announcement, parties to the equity transfer agreements are in the course of negotiation with respect to the final adjustment to the Balance of Consideration. The Company will closely monitor the situation and publish a further announcement pursuant to Rule 14.36B of the Listing Rules in relation to (i) the final amount of Balance

of Consideration to be paid by First Property Beijing and (ii) the Board's opinion on whether the counterparty has fulfilled its obligations under the performance undertaking as soon as practicable.

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

Hong Kong, April 19, 2024

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