

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

CONTINUING CONNECTED TRANSACTIONS
FUJIAN YONGFENG MASTER MAINTENANCE SERVICES AGREEMENT

THE FUJIAN YONGFENG MASTER MAINTENANCE SERVICES AGREEMENT

Reference is made to the announcement of the Company dated May 13, 2024 in relation to, among others, certain continuing connected transactions entered into between the Group and Fujian Yongfeng.

On July 12, 2024, the Company and Fujian Yongfeng entered into the Fujian Yongfeng Master Maintenance Services Agreement, pursuant to which members of the Group shall procure maintenance services from members of the Fujian Yongfeng Group, which comprise elevator system maintenance services.

IMPLICATIONS UNDER THE LISTING RULES

Fujian Yongfeng is ultimately owned as to 64.74% by Mr. Huang Tao (黃濤), a substantial Shareholder, indirectly holding approximately 12.53% of the entire issued share capital of the Company. Hence, Fujian Yongfeng, being an associate of Mr. Huang Tao, is a connected person of the Company and the transactions contemplated under the Fujian Yongfeng Master Maintenance Services Agreement constitute continuing connected transactions of the Company.

As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the highest annual cap contemplated under the Fujian Yongfeng Master Maintenance Services Agreement exceed 0.1% but are all less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but are exempted from the circular (including advice from the independent financial advisor) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated May 13, 2024 in relation to, among others, certain continuing connected transactions entered into between the Group and Fujian Yongfeng (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

THE FUJIAN YONGFENG MASTER MAINTENANCE SERVICES AGREEMENT

On July 12, 2024, the Company and Fujian Yongfeng entered into the Fujian Yongfeng Master Maintenance Services Agreement, pursuant to which members of the Group shall procure maintenance services from members of the Fujian Yongfeng Group, which comprise elevator system maintenance services.

The salient terms of the Fujian Yongfeng Master Maintenance Services Agreement are set out below:

Date	:	July 12, 2024
Parties	:	(a) the Company; and (b) Fujian Yongfeng
Term	:	From July 12, 2024 (the date of the Fujian Yongfeng Master Maintenance Services Agreement) to December 31, 2025 (both days inclusive)
Description of transactions	:	Pursuant to the Fujian Yongfeng Master Maintenance Services Agreement, members of the Group shall procure maintenance services from members of the Fujian Yongfeng Group, which comprise elevator system maintenance services.

From time to time, as required during the term of the Fujian Yongfeng Master Maintenance Services Agreement, members of the Group will enter into individual maintenance services agreements with members of the Fujian Yongfeng Group which will set out specific terms and conditions such as particulars of the services, service fees, payment terms and method, quality standard and service period.

- Terms and pricing policies : The individual agreements to be entered into between members of the Group and members of the Fujian Yongfeng Group under the Fujian Yongfeng Master Maintenance Services Agreement will be on normal commercial terms. The service fees will be determined by the parties in a fair and reasonable manner, with reference to market price for similar services.
- In particular, the Group will obtain not less than 3 quotations (including the quotation from the relevant members of the Fujian Yongfeng Group) before entering into the individual agreements. The Group would compare the price offered by the relevant members of the Fujian Yongfeng Group with those offered by Independent Third Parties and select the most competitive service provider(s) through quotation or open tender taking into account the particulars of the services, service fees, payment terms and method, quality standard and service period.
- Historical transaction amounts : The historical aggregate service fees paid to members of the Fujian Yongfeng Group for elevator system maintenance services were RMB0.34 million and RMB0.50 million for the year ended December 31, 2023 and for the five months ended May 31, 2024, respectively.
- Annual caps : The annual caps for the Fujian Yongfeng Master Maintenance Services Agreement for the years ending December 31, 2024 and 2025 shall be RMB8.0 million and RMB12.0 million, respectively.

In determining the annual caps for the Fujian Yongfeng Master Maintenance Services Agreement, the Directors have considered (i) the historical service fees, (ii) the prevailing market rate for similar maintenance services provided at nearby locations, and (iii) the expected increase in demand for maintenance services by the Group (a) as indicated by the continued increase in transaction amounts of similar maintenance services procured by the Group for the years ended December 31, 2021, 2022 and 2023 being RMB10.22 million, RMB12.99 million and RMB17.44 million, respectively, and (b) with reference to the fact that the Group plans to enhance efforts in business expansion and service improvement in 2024 and 2025. In particular, for elevator system maintenance services, the Directors have considered the estimated service fees based on historical transaction amounts and the estimated number of elevator systems that would require maintenance services based on the Group's current and expected number of properties under management.

INFORMATION OF THE PARTIES

The Company

The Company is principally engaged in providing property management services and green living solutions that cover the full property life-cycle in the PRC.

Fujian Yongfeng

Fujian Yongfeng is a limited liability company established under the laws of the PRC on January 25, 2017. Fujian Yongfeng is principally engaged in the provision of elevator installation, renovation and maintenance services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of Fujian Yongfeng is Mr. Huang Tao.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The entering into of the Fujian Yongfeng Master Maintenance Services Agreement will allow the Group to procure maintenance services needed for its ordinary and usual course of business at prevailing market price and terms with assured stable quality, contributing towards the Group's efforts in efficiency improvement. The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Fujian Yongfeng Master Maintenance Services Agreement are and will be entered into in the ordinary and usual course of business of the Group and are and will be on normal commercial terms and the terms thereof and the annual caps in relation thereto are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Directors has a material interest in the transactions contemplated under the Fujian Yongfeng Master Maintenance Services Agreement or is required to abstain from voting on the relevant Board resolutions approving the Fujian Yongfeng Master Maintenance Services Agreement and the transactions contemplated thereunder. However, to demonstrate good corporate governance practice, Mr. Wang Ziming, a non-executive Director, voluntarily abstained from voting on the relevant Board resolutions since he has been an investment manager of Century Golden Resources Investment Group Co., Ltd. (世紀金源投資集團有限公司), an asset management company based in Beijing, the PRC which is owned by Mr. Huang Tao and Mr. Huang Shiying (黃世熒) as to 60% and 40%, respectively, as at the date of this announcement, since August 2020.

IMPLICATIONS UNDER THE LISTING RULES

Fujian Yongfeng is ultimately owned as to 64.74% by Mr. Huang Tao, a substantial Shareholder, indirectly holding approximately 12.53% of the entire issued share capital of the Company. Hence, Fujian Yongfeng, being an associate of Mr. Huang Tao, is a connected person of the Company and the transactions contemplated under the Fujian Yongfeng Master Maintenance Services Agreement constitute continuing connected transactions of the Company.

As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the highest annual cap contemplated under the Fujian Yongfeng Master Maintenance Services Agreement exceed 0.1% but are all less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but are exempted from the circular (including advice from the independent financial advisor) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

DEFINITIONS

“30%-controlled companies”	has the meaning ascribed to it under the Listing Rules
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fujian Yongfeng”	Fujian Yongfeng Jiye Mechanical and Electrical Installation Engineering Co., Ltd.* (福建永豐基業機電安裝工程有限公司), a limited liability company established under the laws of the PRC on January 25, 2017
“Fujian Yongfeng Group”	Fujian Yongfeng and its subsidiaries and 30%-controlled companies
“Fujian Yongfeng Master Maintenance Services Agreement”	the master maintenance services agreement dated July 12, 2024 entered into between the Company and Fujian Yongfeng
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholders other than Mr. Huang Tao, his associates and parties acting in concert

“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not the connected persons or associates of the connected persons as defined under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the shares of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, July 12, 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, Mr. Long Han and Mr. Wang Ziming, and our independent non-executive Directors are Ms. Sun Jing, Mr. Cheng Peng and Mr. Chen Sheng.

* *For identification purposes only*