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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)

CONTINUING CONNECTED TRANSACTIONS

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References are made to the Prospectus, the First Assets Announcement and the First Assets Circular in relation to, among others, the Existing Master Agreements. The Group has been carrying on transactions pursuant to the Existing Master Agreements which constitute continuing connected transactions of the Company. Each of the Existing Master Agreements shall expire on December 31, 2022 and it is expected that the Group will continue to enter into transactions of a similar nature from time to time. In view of the foregoing, on November 17, 2022, the Company has entered into the First Living New Master Energy Operation Services Agreement, the First Assets New Master Maintenance Services Agreement, the Modern Land New Master Contracting Services Agreement, the Super Land New Master Contracting Services Agreement, the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of transactions contemplated under the First Living New Master Energy Operation Services Agreement and the First Assets New Master Maintenance Services Agreement, on standalone basis, exceed 0.1% but all are 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 IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Modern Land New Master Contracting Services Agreement and (ii) the Super Land New Master Contracting Services Agreement, on both standalone and aggregate basis, 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 IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

As the highest applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Modern Land New Master Property Management Agreement, (ii) the Super Land New Master Property Management Agreement, (iii) the First Assets New Master Property Management Agreement, (iv) the Modern Investment New Master Property Management Agreement, on aggregate basis, exceed 5%, such transactions are subject to the reporting, announcement, annual review, circular (including advice from the IFA) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

References are made to the Prospectus, the First Assets Announcement and the First Assets Circular in relation to, among others, the Existing Master Agreements. The Group has been carrying on transactions pursuant to the Existing Master Agreements which constitute continuing connected transactions of the Company. Each of the Existing Master Agreements shall expire on December 31, 2022 and it is expected that the Group will continue to enter into transactions of a similar nature from time to time. In view of the foregoing, on November 17, 2022, the Company has entered into the following agreements:

- (i) the First Living New Master Energy Operation Services Agreement;
- (ii) the First Assets New Master Maintenance Services Agreement;
- (iii) the Modern Land New Master Contracting Services Agreement;
- (iv) the Super Land New Master Contracting Services Agreement;
- (v) the Modern Land New Master Property Management Agreement;
- (vi) the Super Land New Master Property Management Agreement;
- (vii) the First Assets New Master Property Management Agreement; and
- (viii) the Modern Investment New Master Property Management Agreement.

CONTINUING CONNECTED TRANSACTIONS

The salient terms of the each of the New Master Agreements are summarized below:

1. Transactions exempt from Independent Shareholders' approval requirement

1.1. Procurement of Energy Operation Services from the First Living Group

1.1.1 First Living New Master Energy Operation Services Agreement

Date : November 17, 2022

Parties : (1) the Company; and
(2) First Living

Term: : From January 1, 2023 to December 31, 2025 (both dates inclusive)

Description of transactions : Pursuant to the First Living New Master Energy Operation Services Agreement, members of the Group will procure energy operation services from members of the First Living Group, where it operates energy stations to provide central heating and central cooling.

From time to time, as required during the term of the First Living New Master Energy Operation Services Agreement, members of the Group will enter into individual energy operation services agreements with members of the First Living 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 First Living Group under the First Living New Master Energy Operation Services Agreement will be on normal commercial terms. The service fees will be determined by the parties in a fair and reasonable manner, having regard to the scale of the energy operation services provided by members of the First Living Group, fair market and government guidance prices and energy station operating costs. In particular, the price of heat supply shall generally be government-guided or be government-determined in principle, which shall be formulated by the competent pricing department under the provincial (district, municipal) government or authorized municipal or county government of the PRC, pursuant to the Interim Measures of the Price Control of Urban Heat Supply, while taking into account the local authorities' energy unit guidance prices, whereas the prices of central cooling shall be determined by the parties based on the energy station operating costs, related taxes and reasonable profit margin. The terms and conditions offered by members of the First Living Group to members of the Group shall be compliant with the government guidance prices (if applicable) and shall not be less favorable than to those of the same type of energy operation services offered by an Independent Third Party to members of the Group.
- Historical transaction amounts : The historical service fees paid to members of the First Living Group for the transactions under the First Living Existing Master Energy Operation Services Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB11.9 million, RMB12.5 million and RMB11.0 million, respectively.
- Caps on future transaction amounts : The annual caps for the First Living New Master Energy Operation Services Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB19.0 million, RMB19.0 million and RMB19.0 million, respectively.

In considering the annual caps for the First Living New Master Energy Operation Services Agreement, the Directors have considered (i) the historical service fees, (ii) the prevailing market rate for similar energy operation services provided at nearby locations, (iii) the estimated service fees based on contracts already entered into and (iv) the level of energy operation services that is expected to be provided via members of the First Living Group, taking into account the potential increase in demand of energy operation services from the First Living Group required by the Group.

- Relationship between the Company and the connected persons : First Living is a non-wholly owned subsidiary of the Company. It is owned as to (i) 72.1% by the Company, (ii) 8.1% by New Momentum (Beijing) Construction Technology Co., Ltd.* (新動力(北京)建築科技有限公司) (“**New Momentum**”) and Zhihui Hongye Investment (Beijing) Co., Ltd.* (智慧鴻業投資(北京)有限公司) (“**Zhihui Hongye**”), and (iii) 3.8% by Mr. Zhang Lei, a substantial shareholder of the Company. As New Momentum and Zhihui Hongye are ultimately owned by Mr. Zhang Lei, First Living is therefore a connected subsidiary under to Rule 14A.16(1) of the Listing Rules.
- Listing Rules implications : As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of the transactions contemplated under the First Living New Master Energy Operation Services Agreement exceed 0.1% but are all less than 5% on an annual basis, the First Living New Master Energy Operation Services Agreement and the continuing connected transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but are exempt from the circular (including the advice from the IFA) and Independent Shareholders’ approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

1.2. Procurement of Maintenance Services from the First Assets Group

1.2.1 First Assets New Master Maintenance Services Agreement

- Date : November 17, 2022
- Parties : (1) the Company; and
(2) First Assets
- Term: : From January 1, 2023 to December 31, 2025 (both dates inclusive)
- Description of transactions : Pursuant to the First Assets New Master Maintenance Services Agreement, members of the Group shall procure maintenance services from members of the First Assets Group, which comprise mainly of elevator system and other ad hoc maintenance services.

From time to time, as required during the term of the First Assets New Master Maintenance Services Agreement, members of the Group will enter into individual maintenance services agreements with members of the First Assets 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 First Assets Group under the First Assets New 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, (i) elevator system maintenance services will be charged on a lump sum basis — members of the Group will typically obtain quotations from at least three other third-party service providers for projects requiring such services in each city involved to determine if the terms are fair and reasonable; and (ii) ad hoc maintenance services will be charged on a lump sum basis, taking into account the nature of service required, costs of labor, materials, utilities and supplies. The terms and conditions offered by members of the First Assets Group to members of the Group shall not be less favorable than to those of the same type of maintenance services offered by an Independent Third Party to the Group.
- Historical transaction amounts : The historical service fees paid to members of the First Assets Group for the transactions under the Modern Investment Existing Master Maintenance Services Agreement and the First Assets Existing Master Maintenance Services Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB9.6 million, RMB4.3 million and RMB2.7 million, respectively. Since the reorganization of Modern Investment on October 25, 2021, the First Assets Group was no longer part of the Modern Investment Group.
- Caps on future transaction amounts : The annual caps for the First Assets New Master Maintenance Services Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB12.0 million, RMB15.0 million and RMB17.0 million, respectively.

In considering the annual caps for the First Assets New Master Maintenance Services Agreement, the Directors have considered (i) the historical service fees, (ii) the prevailing market rate for similar maintenance services and (iii) the expected demand for maintenance services by the Group. In particular, for elevator maintenance services, the Directors have considered the estimated service fees based on contracts already entered into and the estimated number of elevator systems that would require maintenance based on the Group's current and expected properties under management including the properties under management by Dalian Yahang and Qingdao Luohang, two property management companies acquired by the Group in 2021, which may commence procuring elevator maintenance services from First Asset Group going forward. For general maintenance services, the Directors have also considered the estimated amount of other maintenance services required based on the type, age and GFA of the current and expected properties under the Group's management including the properties under management by Dalian Yahang and Qingdao Luohang, two property management companies acquired by the Group in 2021, which may commence procuring general maintenance services from First Asset Group going forward.

- Relationship between the Company and the connected persons : First Assets is indirectly owned by Mr. Zhang Peng as to 99.9% and Mr. Long Han as to 0.1%. Mr. Zhang Peng is the chairman of the Board and a non-executive Director. Mr. Long Han is a non-executive Director. Hence, First Assets is an associate of Mr. Zhang Peng and is a connected person of the Company.
- Listing Rules implications : As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of the transactions contemplated under the First Assets New Master Maintenance Services Agreement exceed 0.1% but are all less than 5% on an annual basis, the First Assets New Master Maintenance Services Agreement and the continuing connected transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but are exempt from the circular (including the advice from the IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

1.3. Provision of Contracting Services to the Modern Land Group and the Super Land Group

1.3.1 Modern Land New Master Contracting Services Agreement

- Date : November 17, 2022
- Parties : (1) First Living; and
(2) Modern Land
- Term: : From January 1, 2023 to December 31, 2025 (both dates inclusive)
- Description of transactions : Pursuant to the Modern Land New Master Contracting Services Agreement, members of the First Living Group shall provide systems installation services to members of the Modern Land Group.

From time to time, as required during the term of the Modern Land New Master Contracting Services Agreement, members of the First Living Group will enter into individual contracting services agreements with members of the Modern Land 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 First Living Group and members of the Modern Land Group under the Modern Land New Master Contracting Services Agreement will be on normal commercial terms. Members of the First Living Group will be engaged by members of the Modern Land Group through tender bidding procedures, with fee quotes set out in the tender documents. The system installation service fees will be charged on a lump sum basis, having regard to the contracting services and systems required, fair market prices, materials costs, and labor costs. More specifically, it will be determined based on a cost-plus basis, and the profit margin will be determined by reference to the degree of customization of the contracting services required, and the relevant profit margins of the real estate industry in the PRC. The service fees shall be determined in a fair and reasonable manner and the terms and conditions offered to members of the Modern Land Group by members of the First Living Group shall not be less favorable than those for the same type of contracting services and systems offered to an Independent Third Party by members of the First Living Group.

- Historical transaction amounts : The historical service fees paid by members of the Modern Land Group for the transactions under the Modern Land Existing Master Contracting Services Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB28.4 million, RMB30.9 million and RMB20.4 million, respectively.
- Caps on future transaction amounts : The annual caps for the Modern Land New Master Contracting Services Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB8.0 million, RMB7.0 million and RMB7.0 million, respectively.

In considering the annual caps for the Modern Land New Master Contracting Services Agreement, the Directors have considered (i) the historical service fees, (ii) contracts that have already been entered into, (iii) the estimated decrease in demand based on the expected number, scale and type of properties to be developed by members of the Modern Land Group which would require the First Living Group's systems installation services, taking into account the general downturn of the real estate market in the PRC and (iv) other factors including the estimated installation fees for the systems and the estimated costs of materials and labor.

1.3.2 Super Land New Master Contracting Services Agreement

- Date : November 17, 2022
- Parties : (1) First Living; and
(2) Super Land
- Term: : From January 1, 2023 to December 31, 2025 (both dates inclusive)
- Description of transactions : Pursuant to the Super Land New Master Contracting Services Agreement, members of the First Living Group shall provide systems installation services to members of the Super Land Group.

From time to time, as required during the term of the Super Land New Master Contracting Services Agreement, members of the First Living Group will enter into individual contracting services agreements with members of the Super Land 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 First Living Group and members of Super Land Group under the Super Land New Master Contracting Services Agreement will be on normal commercial terms. Members of the First Living Group will be engaged by members of the Super Land Group through tender bidding procedures, with fee quotes set out in the tender documents. The system installation service fees will be charged on a lump sum basis, having regard to the systems installation services required, fair market prices, materials costs, and labor costs. More specifically, it will be determined based on a cost-plus basis, and the profit margin will be determined by reference to the degree of customization of the contracting services required, and the relevant profit margins of the real estate industry in the PRC. The service fees shall be determined in a fair and reasonable manner and the terms and conditions offered to members of the Super Land Group by members of the First Living Group shall not be less favorable than those for the same type of contracting services and systems offered to an Independent Third Party by members of the First Living Group.
- Historical transaction amounts : The historical service fees paid by members of the Super Land Group for the transactions under the Super Land Existing Master Contracting Services Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB4.8 million, RMB20.2 million and RMB3.3 million, respectively.
- Caps on future transaction amounts : The annual caps for the Super Land New Master Contracting Services Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB6.0 million, RMB6.0 million and RMB6.0 million, respectively.

In considering the annual caps for the Super Land New Master Contracting Services Agreement, the Directors have considered (i) the historical service fees, (ii) contracts already entered into, (iii) demand for services based on the estimated scale and number of the properties to be completed by members of the Super Land Group which would require the First Living Group's systems installation services considering the property development plans of Super Land Group currently available to the Group and in view of the general downturn of the real estate market in the PRC and (iv) other factors including the estimated installation fees for the systems and the estimated costs of materials and labor.

Relationship between the Company and the connected persons

Modern Land is ultimately owned as to 66.11% by Mr. Zhang Lei, a substantial shareholder of the Company. Hence, Modern Land is an associate of Mr. Zhang Lei and a connected person of the Company.

Super Land is ultimately and wholly-owned by a discretionary family trust, of which Mr. Zhang Lei, his family members and certain other individuals are beneficiaries. As Mr. Zhang Lei is a substantial shareholder of the Company, Super Land is an associate of Mr. Zhang Lei and a connected person of the Company.

Listing Rules implications

As the transactions contemplated under (i) the Modern Land New Master Contracting Services Agreement and (ii) the Super Land New Master Contracting Services Agreement are of same nature and are entered into by First Living, a non-wholly owned subsidiary of the Company, with parties who are connected with or associated with Mr. Zhang Lei, such transactions should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Modern Land New Master Contracting Services Agreement and (ii) the Super Land New Master Contracting Services Agreement, on both standalone and aggregate basis, exceed 0.1% but are all less than 5%, such transactions are subject to reporting, annual review and announcement requirements but are exempt from the circular (including advice from the IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

2. Transactions requiring Independent Shareholders' approval

2.1 Provision of Property Management Services to the Modern Land Group, Super Land Group, First Assets Group and Modern Investment Group

2.1.1 Modern Land New Master Property Management Agreement

Date : November 17, 2022

Parties : (1) the Company; and
(2) Modern Land

Term: : From January 1, 2023 to December 31, 2025 (both dates inclusive), subject to the approval of the Modern Land New Master Property Management Agreement and the annual caps in relation thereto by the Independent Shareholders

Description of transactions : Pursuant to the Modern Land New Master Property Management Agreement, members of the Group shall provide property management services, energy operation services and value-added services, including parking space management services and sales assistance services to the Modern Land Group.

From time to time, as required during the term of the Modern Land New Master Property Management Agreement, members of the Group will enter into individual property management agreements with members of the Modern Land Group which will set out specific terms and conditions such as the type of management services required, service fees and service period.

Terms and pricing policies : The individual agreements to be entered into between members of the Group and members of Modern Land Group under the Modern Land New Master Property Management Agreement shall be entered into on normal commercial terms. Members of the Group will be engaged by members of the Modern Land Group through tender bidding procedures in accordance with the relevant PRC laws and regulations, with fee quotes set out in the tender documents. The management fees will be determined by the parties having regard to fair market prices and historical management fees. In particular, (i) property management services will be priced by taking into account requirements under applicable laws and regulations, government guidance prices (which will be determined by the price authorities of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government of the PRC in conjunction with the real estate administrative authorities), characteristics, including nature, age, infrastructure features and locations of the properties, the contracted scope of services and expected quality standards, and expected costs, (ii) fees for energy operation services will be determined by forecasting demand and taking into account expected costs and government guidance prices (the price of heat supply shall generally be government-guided or be government-determined in principle, which shall be formulated by the competent pricing department under the provincial (district, municipal) government or authorized municipal or county government of the PRC, pursuant to the Interim Measures of the Price Control of Urban Heat Supply, while taking into account the local authorities' energy unit guidance prices, whereas the prices of central cooling shall be determined by the parties considering the energy station operating costs and related taxes), (iii) sales assistance services will be priced by taking into account the number of staff members on the ground, the unit price based on staff costs and relevant expenses, and the length of time such services are required, (iv) parking space management services will be quoted at a fixed price per month, which will be determined based on local market conditions and prices for similar services provided at nearby locations and (v) fees for other value-added services will generally be determined based on the costs of providing the relevant services. The management fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the Group to the Modern Land Group shall be on an arm's length basis and on normal commercial terms, shall be compliant with the government guidance prices (if applicable), and shall not be less favorable than those of the same type of property management services offered to an Independent Third Party by the Group.

Historical transaction amounts : The historical service fees paid by members of the Modern Land Group for the transactions under the Modern Land Existing Master Property Management Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB111.3 million, RMB107.1 million and RMB13.0 million, respectively.

Caps on future transaction amounts : The annual caps for the Modern Land New Master Property Management Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB40.0 million, RMB41.0 million and RMB44.0 million, respectively.

In determining the above annual caps, the Directors have considered (i) the current GFA the Group manages for the Modern Land Group and the current monthly management fees under the property management service contracts already entered into, (ii) the estimated GFA under the property management services projects or contracts that had been identified and expected to be managed by the Group; (iii) the expected GFA that the Group will be engaged by the Modern Land Group to manage, taking into account (a) the estimated additional GFA which would require property management services from the Group under the Modern Land Group's development plan currently available to the Group and (b) prevailing market conditions noting the decrease in both number of projects under management and contracted projects with Modern Land Group during the six months ended June 30, 2022 as compared to June 30, 2021 primarily due to the general downturn of the real estate market in the PRC, and (iv) the expected demand for pre-delivery, sales assistance services, energy operation services and other value-added services by Modern Land Group, taking into account the Group's plan and proposed initiatives to continuously scale up its property management services.

Others : The Modern Land New Master Property Management Agreement is conditional upon the approval by the Independent Shareholders of the Modern Land New Master Property Management Agreement and the caps in relation thereto.

2.1.2 Super Land New Master Property Management Agreement

Date : November 17, 2022

Parties : (1) the Company; and
(2) Super Land

Term: : From the later of (i) January 1, 2023 and (ii) date of the approval of the Super Land New Master Property Management Agreement and the annual caps in relation thereto by the Independent Shareholders, to December 31, 2025 (both dates inclusive)

Description of transactions : Pursuant to the Super Land New Master Property Management Agreement, members of the Group shall provide property management services and value-added services, including parking space management services and sales assistance services to the Super Land Group.

From time to time, as required during the term of the Super Land New Master Property Management Agreement, members of the Group will enter into individual property management agreements with members of the Super Land Group which will set out specific terms and conditions such as the type of management services required, service fees and service period.

Terms and pricing policies : The individual agreements to be entered into between members of the Group and members of Super Land Group under the Super Land New Master Property Management Agreement shall be entered into on normal commercial terms. Members of the Group will be engaged by members of the Super Land Group through standard tender bidding procedures in accordance with the relevant PRC laws and regulations, with fee quotes set out in the tender documents. The management fees will be determined by the parties having regard to fair market prices, historical management fees and costs of management services. In particular, (i) property management services will be priced by taking into account requirements under applicable laws and regulations, government guidance prices (which will be determined by the price authorities of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government of the PRC in conjunction with the real estate administrative authorities), characteristics, including nature, age, infrastructure features and locations of the properties, the contracted scope of services and expected quality standards, and expected costs, (ii) fees for energy operation services will be determined by forecasting demand and taking into account expected costs and government guidance prices (the price of heat supply shall generally be government-guided or be government-determined in principle, which shall be formulated by the competent pricing department under the provincial (district, municipal) government or authorized municipal or county government of the PRC, pursuant to the Interim Measures of the Price Control of Urban Heat Supply, while taking into account the local authorities' energy unit guidance prices, whereas the prices of central cooling shall be determined by the parties considering the energy station operating costs and related taxes), (iii) sales assistance services will be priced by taking into account the number of staff members on the ground, the unit price based on staff costs and relevant expenses, and the length of time such services are required, (iv) parking space management services will be quoted at a fixed price per month, which are determined based on local market conditions and prices for similar services provided at nearby locations and (v) fees for other value-added services will generally be determined based on the costs of providing the relevant services. The management fees shall be determined in a fair and reasonable manner and the terms and conditions offered to the Super Land Group by the Group shall be on an arm's length basis and on normal commercial terms, shall be compliant with the government guidance prices (if applicable), and shall not be less favorable than those of the same type of property management services offered to an Independent Third Party by the Group.

Historical transaction amounts : The historical service fees paid by members of the Super Land Group for the transactions under the Super Land Existing Master Property Management Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB37.9 million, RMB19.2 million and RMB7.1 million, respectively.

Caps on future transaction amounts : The annual caps for the Super Land New Master Property Management Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB20.0 million, RMB23.0 million and RMB27.0 million, respectively.

In considering the annual caps for the Super Land New Master Property Management, the Directors have considered (i) the current GFA the Group manages for the Super Land Group and the current management fees under the property management services contracts already entered into, (ii) the estimated GFA under the property management services projects or contracts that had been identified and expected to be managed by the Group; (iii) the expected GFA that the Group will be engaged by the Super Land Group to manage based on its development plan, taking into account the gradual resumption and completion of suspended construction projects, which would create demand for property management services, and the expected increase in contracts and (iv) the expected demand for parking space management services and sales assistance services and other value-added services by the Super Land Group.

Others : The Super Land New Master Property Management Agreement is conditional upon the approval by the Independent Shareholders of the Super Land New Master Property Management Agreement and the caps in relation thereto.

2.1.3 First Assets New Master Property Management Agreement

Date : November 17, 2022

Parties : (1) the Company; and

(2) First Assets

Term: : From the later of (i) January 1, 2023 and (ii) date of the approval of the First Assets New Master Property Management Agreement and the annual caps in relation thereto by the Independent Shareholders, to December 31, 2025 (both dates inclusive)

Description of transactions : Pursuant to the First Assets New Master Property Management Agreement, members of the Group agreed to provide property management services, energy operation services and value-added services, including communal area leasing services to members of the First Assets Group.

From time to time, as required during the term of the First Assets New Master Property Management Agreement, members of the Group will enter into individual property management services agreements with members of the First Assets Group which will set out specific terms and conditions such as the type of management services required, service fees and service period.

Terms and pricing policies : The individual agreements to be entered into between members of the Group and members of the First Assets Group under the First Assets New Master Property Management Agreement will be on normal commercial terms. Members of the Group will be engaged by members of the First Assets Group through standard tender bidding procedures in accordance with the relevant PRC laws and regulations, with fee quotes set out in the tender documents. The management fees will be determined by each of the parties having regard to the fair market prices, historical management fees and costs of management services. In particular, (i) property management services will be priced by taking into account requirements under applicable laws and regulations, government guidance prices (which will be determined by the price authorities of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government of the PRC in conjunction with the real estate administrative authorities), characteristics, including nature, age, infrastructure features and locations of the properties, the contracted scope of services and expected quality standards, and expected costs, (ii) fees for energy operation services will be determined by forecasting demand and taking into account expected costs and government guidance prices (the price of heat supply shall generally be government-guided or be government-determined in principle, which shall be formulated by the competent pricing department under the provincial (district, municipal) government or authorized municipal or county government of the PRC, pursuant to the Interim Measures of the Price Control of Urban Heat Supply, while taking into account the local authorities' energy unit guidance prices, whereas the prices of central cooling shall be determined by the parties considering the energy station operating costs and related taxes), (iii) parking space management services will be quoted at a fixed price per month, which are determined based on local market conditions and prices for similar services provided at nearby locations, and (iv) fees for other value-added services will generally be determined based on the costs of providing the relevant services. The management fees shall be determined in a fair and reasonable manner and the terms and conditions offered by members of the Group to members of the First Assets Group shall be on an arm's length basis and on normal commercial terms, shall be compliant with the government guidance prices (if applicable), and shall not be less favorable than those of the same type of property management services offered to an Independent Third Party by the Group.

Historical transaction amounts : The historical service fees paid by members of the First Assets Group in 2020, 2021 and the nine months ended September 30, 2022 for the transactions under the Modern Investment Existing Master Property Management Agreement and the First Assets Existing Master Property Management Agreement amounted to RMB11.5 million, RMB8.0 million and RMB3.8 million, respectively. Since the reorganization of Modern Investment on October 25, 2021, the First Assets Group was no longer part of the Modern Investment Group.

Caps on future transaction amounts : The annual caps for the First Assets New Master Property Management Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB4.0 million, RMB4.0 million and RMB4.0 million, respectively.

In determining the above annual caps, the Directors have considered (i) the current GFA that members of the Group manage for members of the First Assets Group and the current monthly management fee under the property management service contracts already entered into, (ii) the estimated GFA under property management services projects or contracts that had been identified and expected to be managed by the Group; (iii) the expected GFA of properties that members of the Group will be engaged by members of the First Assets Group to manage based on its business plan, and (iv) the expected demand for communal area leasing services and other value-added services.

Others : The First Assets New Master Property Management Agreement is conditional upon the approval by the Independent Shareholders of the First Assets New Master Property Management Agreement and the caps in relation thereto.

2.1.4 Modern Investment New Master Property Management Agreement

Date : November 17, 2022

Parties : (1) the Company; and
(2) Modern Investment

Term: : From the later of (i) January 1, 2023 and (ii) date of the approval of the Modern Investment New Master Property Management Agreement and the annual caps in relation thereto by the Independent Shareholders, to December 31, 2025 (both dates inclusive)

Description of transactions : Pursuant to the Modern Investment New Master Property Management Agreement, members of the Group shall provide property management services, energy operation services and value-added services, including communal area leasing services to the Modern Investment Group.

From time to time, as required during the term of the Modern Investment New Master Property Management Agreement, members of the Group will enter into individual property management services agreements with members of the Modern Investment Group which will set out specific terms and conditions such as the type of management services required, service fees and service period.

Terms and pricing policies : The individual agreements to be entered into between members of the Group and members of Modern Investment Group under the Modern Investment New Master Property Management Agreement shall be entered into on normal commercial terms. Members of the Group will be engaged by members of the Modern Investment Group through standard tender bidding procedures in accordance with the relevant PRC laws and regulations, with fee quotes set out in the tender documents. The management fees will be determined by the parties having regard to the fair market prices, historical management fees and costs of management services. In particular, (i) property management services will be priced by taking into account requirements under applicable laws and regulations, government guidance prices (which will be determined by the price authorities of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government of the PRC in conjunction with the real estate administrative authorities), characteristics, including nature, age, infrastructure features and locations of the properties, the contracted scope of services and expected quality standards, and expected costs, (ii) fees for energy operation services will be determined by forecasting demand and taking into account expected costs and government guidance prices (the price of heat supply shall generally be government-guided or be government-determined in principle, which shall be formulated by the competent pricing department under the provincial (district, municipal) government or authorized municipal or county government of the PRC, pursuant to the Interim Measures of the Price Control of Urban Heat Supply, while taking into account the local authorities' energy unit guidance prices, whereas the prices of central cooling shall be determined by the parties considering the energy station operating costs and related taxes), (iii) parking space management services will be quoted at a fixed price per month, which are determined based on local market conditions and prices for similar services provided at nearby locations and (iv) fees for other value-added services will generally be determined based on the costs of providing the relevant services. The management fees shall be determined in a fair and reasonable manner and the terms and conditions offered to Modern Investment Group by the Group shall be on an arm's length basis and on normal commercial terms, shall be compliant with the government guidance prices (if applicable), and shall not be less favorable than those of the same type of property management services offered to an Independent Third Party by the Group.

- Historical transaction amounts : The historical service fees paid by members of the Modern Investment Group for the transactions under the Modern Investment Existing Master Property Management Agreement in 2020, 2021, and the nine months ended September 30, 2022 amounted to RMB12.9 million (RMB11.5 million of which was paid to members of the First Assets Group), RMB7.2 million (RMB6.8 million of which was paid to members of the First Assets Group) and RMB1.0 million, respectively. Since the reorganization of Modern Investment on October 25, 2021, the First Assets Group was no longer part of the Modern Investment Group.
- Caps on future transaction amounts : The annual caps for the Modern Investment New Master Property Management Agreement for the years ending December 31, 2023, 2024 and 2025 amount to RMB2.0 million, RMB2.0 million and RMB2.0 million, respectively.
- In determining the above annual caps, the Directors have considered (i) the current GFA the Group manages for the Modern Investment Group and the current monthly management fee under the property management service contracts already entered into, (ii) the expected GFA of properties that the Group will be engaged by the Modern Investment Group to manage based on its business plan and noting the general downturn of the real estate market in the PRC, and (iii) the expected demand for communal area leasing services and other value-added services.
- Others : The Modern Investment New Master Property Management Agreement is conditional upon the approval by the Independent Shareholders of the Modern Investment New Master Property Management Agreement and the caps in relation thereto.

Relationship between the Company and the connected persons

Modern Land is ultimately owned as to 66.11% by Mr. Zhang Lei, a substantial shareholder of the Company. Hence, Modern Land is an associate of Mr. Zhang Lei and a connected person of the Company.

Super Land is ultimately and wholly-owned by a discretionary family trust, of which Mr. Zhang Lei, his family members and certain other individuals are beneficiaries. As Mr. Zhang Lei is a substantial shareholder of the Company, Super Land is an associate of Mr. Zhang Lei and a connected person of the Company.

First Assets is indirectly owned by Mr. Zhang Peng as to 99.9% and Mr. Long Han as to 0.1%. Mr. Zhang Peng is the chairman of the Board and a non-executive Director. Mr. Long Han is a non-executive Director. Hence, First Assets is an associate of Mr. Zhang Peng and a connected person of the Company.

Modern Investment is indirectly owned by Mr. Zhang Peng as to 99.9% and Mr. Long Han as to 0.1%. Mr. Zhang Peng is the chairman of the Board and a non-executive Director. Mr. Long Han is a non-executive Director. Hence, Modern Investment is an associate of Mr. Zhang Peng and a connected person of the Company.

Listing Rules implications

As the highest applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps under the Modern Land New Master Property Management Agreement, on standalone basis, exceed 5%, such transactions are subject to the reporting, announcement, annual review, circular (including advice from the IFA) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Super Land New Master Property Management Agreement and (ii) the First Assets New Master Property Management Agreement, each on standalone basis, exceed 0.1% but are all less than 5%, such transactions are subject to reporting, annual review and announcement requirements but are exempt from the circular (including the advice from the IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

As all applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of transactions contemplated under the Modern Investment New Master Property Management Agreement, on standalone basis, are all less than 5% and each annual cap amount is less than HK\$3,000,000, such transactions are fully exempt from reporting, annual review, announcement and the Independent Shareholders' approval requirements pursuant to Rule 14A.76(1)(c) of the Listing Rules.

As the transactions contemplated under the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement, are of same nature and are entered into by the Group with parties who are connected with or associated with Mr. Zhang Lei, such transactions should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules.

As the highest applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Modern Land New Master Property Management Agreement, (ii) the Super Land New Master Property Management Agreement, (iii) the First Assets New Master Property Management Agreement, (iv) the Modern Investment New Master Property Management Agreement and the continuing connected transactions contemplated thereunder, on aggregate basis, exceed 5%, such transactions are subject to the reporting, announcement, annual review, circular (including advice from the IFA) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW MASTER AGREEMENTS

The entering into of the New Master Agreements will enable the Group to leverage on the service providers' familiarity with the Group's service specifications and quality requirements from the previous transactions in relation to the Existing Master Agreements since the Group's Listing and onwards. Furthermore, the New Master Agreements will continue to allow the Group to provide and/or procure services needed for its ordinary and usual course of business at market price and terms and with assured stable quality, contributing towards the Group's efforts in cost control and improving efficiency.

The Directors (excluding all the independent non-executive Directors whose views will be given after taking into account the advice from the IFA) are of the view that the transactions contemplated under the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management 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.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the First Living New Master Energy Operation Services Agreement, the First Assets New Master Maintenance Services Agreement, the Modern Land New Master Contracting Services Agreement, the Super Land New Master Contracting Services Agreement are and will be entered into in the ordinary and usual course of business of the Group, including First Living, a non-wholly owned subsidiary of the Company, and its subsidiaries, and are and will be on normal commercial terms and the terms thereof and the caps in relation thereto are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Mr. Zhang Peng is the chairman of the Board and a non-executive Director. Mr. Long Han is a non-executive Director. Therefore, Mr. Zhang Peng and Mr. Long Han are required to abstain from voting on the relevant Board resolutions approving the New Master Agreements.

In addition, Mr. Jia Yan, an executive Director, is also a director of First Living and directly holds approximately 3.5% of the equity interest in First Living. Therefore, Mr. Jia Yan is required to abstain from voting on the relevant Board resolutions approving the First Living New Master Energy Operation Services Agreement, the Modern Land New Master Contracting Services Agreement and the Super Land New Master Contracting Services Agreement.

Save for the above, to the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has a material interest in the New Master Agreements or are required to abstain from voting on the relevant Board resolutions approving the transactions in relation to the New Master Agreements.

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.

Modern Land

Modern Land is an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange. It is indirectly owned as to 66.11% by Mr. Zhang Lei. Modern Land is a property developer focusing on the development of green, energy-saving and eco-friendly residences in the PRC.

Modern Investment

Modern Investment is a company incorporated in the PRC with limited liability. It is indirectly and owned as to 99.9% by Mr. Zhang Peng and indirectly owned as to 0.1% by Mr. Long Han, a non-executive Director. Modern Investment primarily engages in property related ancillary services.

Super Land

Super Land is a company incorporated in the BVI with limited liability. It is indirectly and wholly-owned by a discretionary family trust, of which Mr. Zhang Lei, his family members and certain other individuals are beneficiaries. Super Land primarily engages in property development, property investment and hotel operation through its holding companies.

First Living

First Living is a limited liability company established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company, which is owned as to (i) 72.1% by the Company, (ii) 8.1% by New Momentum and Zhihui Hongye, and (iii) 3.8% by Mr. Zhang Lei. New Momentum and Zhihui Hongye are ultimately owned by Mr. Zhang Lei. First Living is primarily engaged in the provision of energy saving related services in the PRC.

First Assets

First Assets is a limited liability company established under the laws of the PRC and is indirectly owned as to 99.9% by Mr. Zhang Peng, the chairman of the Board and a non-executive Director, and indirectly owned as to 0.1% by Mr. Long Han, a non-executive Director. First Assets is primarily engaged in investment holding business in the PRC.

INTERNAL CONTROL PROCEDURES

The Company has adopted internal control procedures with a view to ensuring timely compliance with the Listing Rules supervising and monitoring the continuing connected transactions contemplated under the New Master Agreements and the annual caps related thereto, namely:

- (1) preparing a continuing connected transaction report (the “**CCT Report**”) once every six months on continuing connected transactions which will be submitted internally to such dedicated team within the Group for consideration. The contents of the CCT Report will include (i) the aggregate amount of transactions; and (ii) the status of compliance with the annual caps;
- (2) regularly reminding connected persons that if there is a change in shareholding, which may affect connected transactions of the Company, they must notify the Company in advance to determine whether there are any Listing Rules implications;
- (3) ensuring that the senior management/personnel of relevant member(s) of the Group should report any potential connected transaction or event where the counterparty(ies) or the subject company(ies) of the proposed transaction may in any way relate to any of the substantial shareholders, chief executives or directors (as defined under the Listing Rules) of any member of the Group (including their relatives and related trusts or companies) to the senior management/personnel of the Company in advance in order to ascertain whether there will be any implications under the Listing Rules;

- (4) providing regular special and in-depth training sessions for the Directors, senior management/personnel of relevant member(s) of the Group to remind them, to report transactions which may constitute notifiable and/or connected transactions under the Listing Rules to the Group's compliance personnel and seek professional advice if necessary;
- (5) for proposed transaction(s) which may constitute new connected transaction(s) of the Group, consulting legal advisers and the Stock Exchange (where necessary) in a timely manner prior to entering into such transaction(s);
- (6) before entering into each individual agreement, the operation department and management of the Company will examine and compare the proposed pricing terms for each individual agreement entered into pursuant to and during the term of the New Master Agreements with the terms offered to or from other Independent Third Parties, in order to ensure that such pricing terms are determined based on arm's length negotiations between the parties and are fair and reasonable, on normal commercial terms and on terms that are no less favorable to the Group than terms available to or from Independent Third Parties;
- (7) before entering into each individual agreement, the finance department of the Company will (i) review whether the continuing connected transactions have been conducted in accordance with the terms of the New Master Agreements, and (ii) monitor the amounts under the continuing connected transactions contemplated under the New Master Agreements to ensure that the annual caps are not exceeded; and
- (8) if it is expected that the transaction amount of any continuing connected transaction under the New Master Agreements that is or will be incurred in the financial year will reach or exceed the relevant annual cap, the finance department of the Group shall report to the management of the Company and consider the measures to be taken to ensure that the requirements under the Listing Rules are complied with, including obtaining the approval of Independent Shareholders (if required).

The Company will also adopt adequate internal control measures to comply with the Listing Rules requirements with respect to the supervision and monitoring of the annual caps of the transactions contemplated under the New Master Agreements.

The Company's external auditor will review the continuing connected transaction under the New Master Agreements annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the annual caps have been exceeded. The independent non-executive Directors will also review the continuing connected transactions under the New Master Agreements annually to check and confirm whether such continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole, and whether the internal

control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (other than profits ratio) as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of transactions contemplated under the First Living New Master Energy Operation Services Agreement and the First Assets New Master Maintenance Services Agreement, on standalone basis, exceed 0.1% but all are 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 IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Modern Land New Master Contracting Services Agreement and (ii) the Super Land New Master Contracting Services Agreement, on both standalone and aggregate basis, 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 IFA) and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

As the highest applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the annual caps of transactions contemplated under (i) the Modern Land New Master Property Management Agreement, (ii) the Super Land New Master Property Management Agreement, (iii) the First Assets New Master Property Management Agreement, (iv) the Modern Investment New Master Property Management Agreement, on aggregate basis, exceed 5%, such transactions are subject to the reporting, announcement, annual review, circular (including advice from the IFA) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The Independent Board Committee, comprising Ms. Sun Jing, Mr. Cheng Peng and Mr. Chen Sheng, has been formed to advise the Independent Shareholders as to whether the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms and are in the interests of the Group and the Shareholders as a whole and

whether the terms thereof are fair and reasonable and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the IFA, in respect of such matters at the EGM.

As at the date of this announcement, (i) Mr. Zhang Peng directly holds approximately 0.82% of the total number of the issued Shares, (ii) Hao Fung, which is wholly owned by Mr. Zhang Peng, holds approximately 17.08% of the total number of the issued Shares, and (iii) Long Han Management, which is wholly owned by Mr. Long Han, holds approximately 1.05% of the total number of the issued Shares. Mr. Zhang Peng, together with Mr. Zhang Lei, being parties acting in concert, were interested in 513,929,000 Shares, representing approximately 51.39% of the total number of the issued Shares as at the date of this announcement. In accordance with the Listing Rules, Mr. Zhang Peng, Mr. Long Han, their respective associates and parties acting in concert, including Hao Fung, Long Han Management and Mr. Zhang Lei, will abstain from voting on the ordinary resolutions to approve the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement and the proposed caps in relation thereto at the EGM.

A circular containing, amongst other things, further details on the transactions under the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement, a letter from the Independent Board Committee to the Independent Shareholders and a letter from the IFA to the Independent Board Committee and the Independent Shareholders, together with the notice of the EGM will be despatched to the Shareholders on or before December 12, 2022.

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
“BVI”	the British Virgin Islands
“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
“Dalian Yahang”	Dalian Yahang Property Management Co., Ltd.* (大連亞航物業管理有限公司), a company established in the PRC with limited liability on January 12, 2006
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for Independent Shareholders to consider and approve the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement (including the proposed annual cap)
“Existing Master Agreements”	collectively, the First Living Existing Master Energy Operation Services Agreement, the First Assets Existing Master Maintenance Services Agreement, the Modern Investment Existing Master Maintenance Services Agreement, the Modern Land Existing Master Contracting Services Agreement, the Super Land Existing Master Contracting Services Agreement, the Modern Land Existing Master Property Management Agreement, the Super Land Existing Master Property Management Agreement, the First Assets Existing Master Property Management Agreement, and the Modern Investment Existing Master Property Management Agreement
“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 under the laws of the PRC with limited liability, primarily engaged in investment holding business, which is indirectly owned as to 99.9% by Mr. Zhang Peng, the chairman of the Board and a non-executive Director, and indirectly owned as to 0.1% by Mr. Long Han, a non-executive Director
“First Assets Announcement”	the announcement of the Company dated June 28, 2022 in relation to certain continuing connected transactions entered into between the Group and First Assets

“First Assets Circular”	the circular of the Company dated August 11, 2022 in relation to certain continuing connected transactions entered into between the Group and First Assets
“First Assets Group”	First Assets, its subsidiaries and 30%-controlled companies
“First Assets Existing Master Maintenance Services Agreement”	the master maintenance services agreement dated June 28, 2022 entered into between the Company and First Assets, details of which are set out in the First Assets Announcement and the First Assets Circular
“First Assets Existing Master Property Management Agreement”	the master property management agreement dated June 28, 2022 entered into between the Company and First Assets, details of which are set out in the First Assets Announcement and the First Assets Circular
“First Assets New Master Maintenance Services Agreement”	the master maintenance services agreement dated November 17, 2022 entered into between the Company and First Assets, details of which are set out in this announcement
“First Assets New Master Property Management Agreement”	the master property management agreement dated November 17, 2022 entered into between the Company and First Assets, details of which are set out in this announcement
“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 December 3, 2014, and an indirect non-wholly owned subsidiary of the Company
“First Living Group”	First Living and its subsidiaries
“First Living Existing Master Energy Operation Services Agreement”	the master energy operation services agreement dated September 28, 2020 entered into between the Company and First Living, details of which are set out in the Prospectus
“First Living New Master Energy Operation Services Agreement”	the master energy operation services agreement dated November 17, 2022 entered into between the Company and First Living, details of which are set out in this announcement

“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hao Fung”	Hao Fung Investment Limited (皓峰投資有限公司), a BVI business company incorporated in the BVI with limited liability and is wholly owned by Mr. Zhang Peng
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFA”	Altus Capital Limited, a corporation licensed under the Securities and Futures Ordinance to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, appointed as independent financial adviser to advise the Independent Board Committee and Independent Shareholders
“Independent Board Committee”	an independent board committee of the Board comprising all independent non-executive Directors, namely Ms. Sun Jing, Mr. Cheng Peng and Mr. Chen Sheng
“Independent Shareholder(s)”	Shareholders other than Mr. Zhang Peng and Mr. Long Han, their 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
“Interim Measures of the Price Control of Urban Heat Supply”	the Interim Measures of the Price Control of Urban Heat Supply (《城市供熱價格管理暫行辦法》) promulgated by the National Development and Reform Commission and the Ministry of Construction on June 3, 2007
“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

“Long Han Management”	Long Han Management Limited (龙哈管理有限公司), a BVI business company incorporated in the BVI with limited liability and wholly owned by Mr. Long Han
“Modern Investment”	Modern Investment Group Co., Ltd.* (當代投資集團有限公司), a company established in the PRC with limited liability on November 10, 1999, is indirectly owned as to 99.9% by Mr. Zhang Peng, the chairman of the Board and a non-executive Director, and indirectly owned as to 0.1% by Mr. Long Han, a non-executive Director
“Modern Investment Group”	Modern Investment, its subsidiaries and 30%-controlled companies
“Modern Investment Existing Master Property Management Agreement”	the master property management agreement dated September 28, 2020 entered into between the Company and Modern Investment, details of which are set out in the Prospectus
“Modern Investment Existing Master Maintenance Services Agreement”	the master maintenance services agreement dated September 28, 2020 entered into between the Company and Modern Investment, details of which are set out in the Prospectus
“Modern Investment New Master Property Management Agreement”	the master property management agreement dated November 17, 2022 entered into between the Company and Modern Investment, details of which are set out in this announcement
“Modern Land”	Modern Land (China) Co., Limited (當代置業(中國)有限公司) (stock code: 1107), an exempted company with limited liability incorporated in the Cayman Islands on June 28, 2006 and the shares of which are listed on the Main Board of the Stock Exchange, is indirectly owned as to 66.11% by Mr. Zhang Lei
“Modern Land Group”	Modern Land and its subsidiaries
“Modern Land Existing Master Contracting Services Agreement”	the master contracting services agreement dated December 4, 2019 entered into between the Company and Modern Land, details of which are set out in the Prospectus
“Modern Land Existing Master Property Management Agreement”	the master property management agreement dated December 4, 2019 entered into between the Company and Modern Land, details of which are set out in the Prospectus

“Modern Land New Master Contracting Services Agreement”	the master contracting services agreement dated November 17, 2022 entered into between First Living and Modern Land, details of which are set out in this announcement
“Modern Land New Master Property Management Agreement”	the master property management agreement dated November 17, 2022 entered into between the Company and Modern Land, details of which are set out in this announcement
“New Master Agreements”	collectively, the First Living New Master Energy Operation Services Agreement, the First Assets New Master Maintenance Services Agreement, the Modern Land New Master Contracting Services Agreement, the Super Land New Master Contracting Services Agreement, the Modern Land New Master Property Management Agreement, the Super Land New Master Property Management Agreement, the First Assets New Master Property Management Agreement and the Modern Investment New Master Property Management Agreement
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated October 12, 2020
“Qingdao Luohang”	Qingdao Luohang Enterprises Management Co., Ltd.* (青島洛航企業管理有限公司), a company established in the PRC with limited liability on March 8, 2021
“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
“Super Land”	Super Land Holdings Limited, a BVI business company incorporated in the BVI with limited liability on October 24, 2006, is indirectly and wholly owned by a discretionary family trust, of which Mr. Zhang Lei, his family members and certain other individuals are beneficiaries
“Super Land Group”	Super Land, its subsidiaries and 30%-controlled companies (excluding the Modern Land Group)

“Super Land Existing Master Contracting Services Agreement”	the master contracting services agreement dated September 28, 2020 entered into between the Company and Super Land, details of which are set out in the Prospectus
“Super Land Existing Master Property Management Agreement”	the master property management agreement dated September 28, 2020 entered into between the Company and Super Land, details of which are set out in the Prospectus
“Super Land New Master Contracting Services Agreement”	the master contracting services agreement dated November 17, 2022 entered into between First Living and Super Land, details of which are set out in this announcement
“Super Land New Master Property Management Agreement”	the master property management agreement dated November 17, 2022 entered into between the Company and Super Land, details of which are set out in this announcement
“%”	per cent

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

Hong Kong, November 17, 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*