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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)

- (1) MAJOR TRANSACTION IN RELATION TO ACQUISITION OF 8% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE;**
(2) MAJOR TRANSACTION IN RELATION TO GRANT OF CALL OPTION AND PUT OPTION; AND
(3) NOMINATION OF DIRECTOR

Financial adviser to the Company



THE ACQUISITION

The Board is pleased to announce that on November 21, 2022 (after trading hours), the Company, as the Purchaser, and the Vendors entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sales Shares which represent 8% of the issued share capital of the Target Company at a total consideration of RMB163,045,449.60 (equivalent to approximately HKD179,520,000). The Consideration will be satisfied by the issue and allotment of a total of 264,000,000 Consideration Shares at the Issue Price of HKD0.68 per Consideration Share by the Company to the Vendors pursuant to the Specific Mandate, among which (i) 158,400,000 Consideration Shares will be issued and allotted to Platinum Wish and (ii) 105,600,000 Consideration Shares will be issued and allotted to View Max.

GRANT OF CALL OPTION AND PUT OPTION

Pursuant to the Agreement, the parties have entered into the following call and put options arrangement:

- (1) The Vendors have been granted at nil consideration a call option (“**Call Option**”) pursuant to which the Vendors have the right to exercise the Call Option within three (3) years after the Completion by requiring the Company to sell all the Sale Shares to the Vendors at RMB203,806.81 per Sale Share totalling the Option Exercise Price, which shall be settled by way of transferring all the Consideration Share at HKD0.68 per Consideration Share to the Company for cancellation; and
- (2) The Company has been granted at nil consideration a put option (“**Put Option**”) pursuant to which the Company has the right to exercise the Put Option within three (3) years after the Completion by requiring the Vendors to acquire all the Sale Shares from the Company at RMB203,806.81 per Sale Share totalling the Option Exercise Price, which shall be settled by way of transferring all the Consideration Share at HKD0.68 per Consideration Share to the Company for cancellation.

NOMINATION OF DIRECTOR

Subject to the approval of the Acquisition at the EGM and passing by the Board and nomination committee of the Board at respective meetings of a relevant resolution on or prior to Completion, Ms. So Pui Man, as nominated collectively by Platinum Wish and View Max, will be appointed as a non-executive Director upon Completion. Upon the appointment of Ms. So Pui Man as a non-executive Director, the Company will publish an announcement setting out her biographical details in compliance with Rule 13.51(2) of the Listing Rules.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As the exercise of the Call Option is not at the discretion of the Company, the grant of the Call Option will be classified as if the Call Option had been exercised under Rule 14.74(1) of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the grant of the Call Option are more than 25% but less than 100%, the grant of the Call Option constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As the exercise of the Put Option is at the discretion of the Company, only premium will be taken into account for the purpose of classification of notifiable transaction on the grant of the Put Option. Given the Put Option will be granted at nil consideration, the applicable percentage ratios calculated in accordance with Rule 14.75(1) of the Listing Rules are less than 5% and the grant of the Put Option does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, as the grant of Put Option and the Call Option are part-and-parcel to the Acquisition, the Board considers it appropriate to put forward a resolution of grant of the Put Option for Shareholders' approval at the EGM.

The Company will also seek Shareholders' approval for exercise of the Put Option at the EGM (in addition to seeking Shareholders' approval for the grant of the Put Option and the Call Option) under Rule 14.76(2) of the Listing Rules.

The Company will comply with all applicable requirements under the Listing Rules upon exercise of the Call Option and the Put Option (as the case may be).

As at the date of this announcement, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and as such, none of the Shareholders is required to abstain from voting at the EGM in respect of the resolution(s) to approve the Acquisition, the grant of the Call Option and the Put Option, the exercise of the Put Option and the Specific Mandate.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, the Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the issue and allotment of the Consideration Shares.

A circular containing, among other things, (i) further information on the Agreement and the transactions contemplated thereunder; (ii) the financial information of the Target Group; (iii) other information as required to be disclosed under the Listing Rules; and (iv) notice of the EGM, will be despatched to the Shareholders on or before December 31, 2022.

Completion is subject to the fulfilment of the conditions precedent set out in the Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on November 21, 2022 (after trading hours), the Company, as the Purchaser, and the Vendors entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sales Shares which represent 8% of the issued share capital of the Target Company at a total consideration of RMB163,045,449.60 (equivalent to approximately HKD179,520,000). The Consideration will be satisfied by the issue and allotment of a total of 264,000,000 Consideration Shares at the Issue Price of HKD0.68 per Consideration Share by the Company to the Vendors pursuant to the Specific Mandate, among which (i) 158,400,000 Consideration Shares will be issued and allotted to Platinum Wish and (ii) 105,600,000 Consideration Shares will be issued and allotted to View Max.

THE AGREEMENT

The principal terms of the Agreement are set out below :

Date

November 21, 2022 (after trading hours)

Parties

- (i) The Company; and
- (ii) The Vendors.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

Subject Matter

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares which represent 8% of the issued share capital of the Target Company in accordance with the terms and subject to the conditions of the Agreement.

Consideration and Payment Terms

Pursuant to the Agreement, the Consideration is RMB163,045,449.60 (equivalent to approximately HKD179,520,000), which shall be satisfied by the issue and allotment of a total of 264,000,000 Consideration Shares by the Company to the Vendors at the Issue Price on Completion, among which (i) 158,400,000 Consideration Shares will be issued and allotted to Platinum Wish and (ii) 105,600,000 Consideration Shares will be issued and allotted to View Max.

The Consideration was determined after arm's length negotiation between the Company and the Vendors on normal commercial terms after considering the value of 8% equity interest in the Target Group of approximately RMB177,000,000 (equivalent to approximately HKD194,884,556) with reference to the valuation conducted by Asia-Pacific Consulting and Appraisal Limited, an independent valuer based on market approach.

The Directors are of the view that the Consideration, which represent a discount of approximately 7.88% to the valuation, is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares

The Consideration Shares comprise a total of 264,000,000 Shares which shall be issued and allotted on the Completion Date pursuant to the Specific Mandate to be obtained from the Shareholders at the EGM. The Consideration Shares, when allotted and issued, shall be credited as fully paid and at all times rank pari passu among themselves and with the Shares in issue. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares, when issued, would represent (i) approximately 26.40% of the existing issued share capital of the Company (15.84% as to Platinum Wish and 10.56% as to View Max) as at the date of this announcement and (ii) approximately 20.88% of the issued share capital of the Company (12.53% as to Platinum Wish and 8.35% as to View Max) as enlarged by issue of the Consideration Shares, assuming there is no change in the issued share capital of the Company other than the issue of the Consideration Shares from the date of this announcement up to Completion.

The Issue Price

The Issue Price of HKD0.68 per Consideration Share represents:

- (i) a premium of approximately 7.94% to the closing price of HKD0.63 per Share as quoted on the Stock Exchange on November 18, 2022, being the last trading day prior to the date of the Agreement;
- (ii) a premium of approximately 3.98% to the average closing price of HKD0.654 per Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the date of the Agreement; and
- (iii) a premium of approximately 2.56% to the average closing price of HKD0.663 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately preceding the date of the Agreement.

The Issue Price was determined after arm's length negotiations between the Company and the Vendors, taking into account the prevailing market performance of the Shares on the Stock Exchange at the time. The Directors consider that the Issue Price is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Condition Precedent

The obligation of the Company to consummate the Acquisition is subject to, among others, the following conditions precedent being fulfilled or waived on or before the Long Stop Date:

- (i) no material breach of the terms and conditions of the Agreement by the Purchaser and the Vendors;
- (ii) all necessary approvals, consents and authorizations required to be obtained from the regulators in respect of the Agreement and the transactions contemplated thereunder having been obtained, and all necessary registrations and filings with the regulators required to be completed in respect of the transfer of the Sale Shares having been completed;
- (iii) the passing by the board of directors of each of the Vendors at respective meetings of a resolution to approve the execution and performance of the Agreement and the transactions contemplated thereunder, including the transfer of the Sale Shares;
- (iv) the passing by the board and shareholders of the Company at respective meetings of a resolution to approve the execution and performance of the Agreement and the transactions contemplated thereunder, including the issue of the Consideration Shares;
- (v) the Vendors having completed and being satisfied with the results of the due diligence on the Group;
- (vi) the Purchaser having completed and being satisfied with the results of the due diligence on the Target Group;
- (vii) no applicable laws, judgments, awards, rulings or injunctions of courts or arbitration institutions or relevant governmental authorities restricting, prohibiting or cancelling the Sale Shares, nor is there any pending decision, potential litigation, arbitration, judgment, award, ruling or injunction that has had or had a material adverse effect on the Sale Shares, and the Vendors' execution, delivery, performance of the Agreement and the transactions contemplated thereunder will not violate any applicable law or regulation; and

(viii) the Purchaser having obtained from the Stock Exchange the approval of or consent to approve (with or without conditions) the listing of and dealing in the Consideration Shares.

Completion

Completion shall take place within five (5) business days immediately following the satisfaction or waiver of all the conditions precedent, or on such other date the Purchaser and the Vendor may agree in writing (but no later than the Long Stop Date). Conditions precedent (ii), (iii), (iv), (vii) and (viii) cannot be waived.

Nomination Right

Prior to or on the Completion Date, the Board and the nomination committee of the Board shall hold respective meetings to consider the appointment of a nominee, as nominated collectively by Platinum Wish and View Max, as a non-executive Director. The appointment of the nominee will be effective from the Completion Date subject to, among others, the provisions of the Company's articles of association and the Listing Rules.

Undertakings

The Company undertakes to the Vendors and the Target Company that, without the prior written consent of the Vendors, the Company will not directly or indirectly from the date of the Agreement until the third (3rd) anniversary after the Completion (1) dispose of any Sale Shares in any means; (2) agree to or enter into a contract with any third party for sale of any Sale Shares; (3) enter into any transaction having the same economic impact, directly or indirectly, as any of the foregoing transactions; or (4) enter into any agreement or arrangement to create any encumbrance on any Sale Shares.

The Vendors jointly and severally undertake to the Company that, without the prior written consent of the Company, the Vendors will not directly or indirectly from the date of the Agreement until the third (3rd) anniversary after the Completion (1) dispose of any Consideration Shares in any means; (2) agree to or enter into a contract with any third party for sale of any Consideration Shares; (3) enter into any transaction having the same economic impact, directly or indirectly, as any of the foregoing transactions; or (4) enter into any agreement or arrangement to create any encumbrance on any Consideration Shares.

For avoidance of doubt, the undertakings do not apply to exercise of the Call Option and the Put Option (as the case may be).

The Vendors undertake to procure the Target Group and other relevant parties to provide undertakings to the Company in form and substance satisfactory to the Company in respect of due diligence on the Target Group.

Call Option and Put Option

Pursuant to the Agreement, the parties have entered into the following call and put options arrangement:

- (1) The Vendors have been granted at nil consideration a call option (“**Call Option**”) pursuant to which the Vendors have the right to exercise the Call Option within three (3) years after the Completion by requiring the Company to sell all the Sale Shares to the Vendors at RMB203,806.81 per Sale Share totalling the Option Exercise Price, which shall be settled by way of transferring all the Consideration Share at HKD0.68 per Consideration Share to the Company for cancellation; and
- (2) The Company has been granted at nil consideration a put option (“**Put Option**”) pursuant to which the Company has the right to exercise the Put Option within three (3) years after the Completion by requiring the Vendors to acquire all the Sale Shares from the Company at RMB203,806.81 per Sale Share totalling the Option Exercise Price, which shall be settled by way of transferring all the Consideration Share at HKD0.68 per Consideration Share to the Company for cancellation.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING THE COMPLETION

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to Completion, the following table set forth the shareholding of the Company (i) as at the date of this announcement, and (ii) upon Completion:

	As at the date of this announcement		Immediately after Completion and allotment and issue of the Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Glorious Group ⁽¹⁾	334,926,750	33.49%	334,926,750	26.50%
Hao Fung ⁽²⁾	170,777,250	17.08%	170,777,250	13.51%
Shanghai CDH Yaojia Venture Capital Center (Limited Partnership)	86,424,000	8.64%	86,424,000	6.84%
Other Shareholders	407,872,000	40.79%	407,872,000	32.27%
The Vendors				
— Platinum Wish	—	—	158,400,000	12.53%
— View Max	—	—	105,600,000	8.35%
Total	<u>1,000,000,000</u>	<u>100%</u>	<u>1,264,000,000</u>	<u>100%</u>

Notes:

- (1) Glorious Group Holdings Limited (“**Glorious Group**”) is wholly-owned by Mr. Zhang Lei, who is a controlling shareholder of the Company and a party acting in concert of Mr. Zhang Peng by virtue of an acting-in-concert agreement entered into between themselves.
- (2) Hao Fung Investment Limited (“**Hao Fung**”) is wholly-owned by Mr. Zhang Peng, who is the chairman of the Board and a non-executive Director.
- (3) Mr. Zhang Lei, Mr. Zhang Peng, Glorious Group and Hao Fung are the controlling shareholders of the Company.

INFORMATION OF THE PARTIES TO THE AGREEMENT

The Company

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares have been listed on the Stock Exchange. The Group is principally engaged in provision of property management services to residential and non-residential buildings in the PRC.

Vendors

Platinum Wish is a company incorporated under the laws of the BVI with limited liability and is an investment holding company. As at the date of this announcement, Platinum Wish is owned by Joy Deep Limited (悦深有限公司) as to 99% and Prime Elegance Limited (至雅有限公司) as to 1%, respectively. Joy Deep Limited is held by Sparkle Fortune Family Trust, the founder and settlor of which is Mr. Huang Tao (黃濤). Mr. Huang Tao and his family members are beneficiaries of Sparkle Fortune Family Trust. Prime Elegance Limited is wholly owned by Mr. Huang Tao.

View Max is a company incorporated under the laws of the BVI with limited liability and is an investment holding company. As at the date of this announcement, View Max is owned by Joy Riding Limited (樂行有限公司) as to 99% and Leisure Light Limited (悠光有限公司) as to 1%, respectively. Joy Riding Limited is held by Leading Trend Family Trust, the founder and settlor of which is Mr. Huang Shiyong (黃世熒). Mr. Huang Shiyong and his family members are beneficiaries of Leading Trend Family Trust. Leisure Light Limited is wholly owned by Mr. Huang Shiyong.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated with limited liability incorporated in the Cayman Islands. It is an investment holding company which wholly owns the entire equity interest in Century Life Property Service Group Co., Ltd. (世紀生活物業服務集團有限公司, “Century Life”). Century Life is a company established under the laws of the PRC with limited liability and is principally engaged in the provision of property management services in the PRC.

As at the date of this announcement, the Target Company is owned by Platinum Wish as to 49.68%, View Max as to 33.12%, Forward Fame Limited as to 8%, Lead Tide Limited (wholly-owned by Mr. Huang Tao) as to 5.52% and Source Coast Limited (wholly-owned by Mr. Huang Shiying) as to 3.68%, respectively, which are all Independent Third Parties.

Upon Completion, the Target Company will be owned by Platinum Wish as to 44.88%, View Max as to 29.92%, the Company as to 8%, Forward Fame Limited as to 8%, Lead Tide Limited (wholly-owned by Mr. Huang Tao) as to 5.52% and Source Coast Limited (wholly-owned by Mr. Huang Shiying) as to 3.68%, respectively.

As the Target Company will not become a subsidiary of the Company, its financial results will not be consolidated into the financial statements of the Group. The investment in the Target Company is expected to be presented as financial assets at fair value through profit or loss in the financial statements of the Group upon Completion.

The table below sets out certain unaudited financial information of the Target Group for end of the three years ended December 31 2021:

	For the year ended December 31,		
	2019	2020	2021
	<i>(RMB in million, unaudited)</i>		
Revenue	1,058.8	1,289.0	1,800.2
Profit before taxation	230.9	314.1	404.5
Profit after taxation	180.9	248.7	288.2

As at June 30, 2022, the unaudited net asset value of the Target Group was approximately RMB704.5 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in provision of property management services to residential and non-residential buildings in the PRC and is committed to provide diversified and high-quality property management services to its customers in different cities of the

PRC by integrating professional property management services in different geographical locations and offering quality services to its customers. The Board has always been looking for investment in businesses which create synergy to the Group.

Having considered (i) the Target Group is one of the leading and successful property management services providers in the PRC; (ii) the potential synergy to be achieved by the Group by building up a closer business relationship with the Target Group in future; and (iii) the financial performance and the prospects of the Target Group, the Company considered that the Acquisition presented a good opportunity for the Group to expand investment portfolio with quality assets, to unlock the potential business synergies of the Group, and create greater value to the Shareholders.

The Board considers that the terms of the Agreement are on normal commercial terms, fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

NOMINATION OF DIRECTOR

Subject to the approval of the Acquisition at the EGM and passing by the Board and nomination committee of the Board at respective meetings of a relevant resolution on or prior to Completion, Ms. So Pui Man, as nominated collectively by Platinum Wish and View Max, will be appointed as a non-executive Director upon Completion.

Ms. So, aged 36, has been an assistant to the president and chief executive officer 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 Shiyong as to 60% and 40%, respectively, since February 2022. She is responsible for providing executive, administrative, and development support to the president and chief executive officer. Prior to that, Ms. So was a professional business English lecturer and business translator with over 15 years of experience. From May 2018 to January 2022, she worked as a senior TOFEL and IELTS teacher at Beijing Zhixue Education Technology Co., Ltd. (北京治學教育科技有限公司), an English training institution which operates under the “Todo Education” (土豆教育) brand. From March 2016 to May 2018, she was the director of creative production centre of 51Talk Online Education Group, a NYSE-listed online education platform in the PRC with core expertise in English education (NYSE: COE), and was responsible for organizing and overseeing English programs and courses as well as supervising academic tutors and teachers. From March 2013 to March 2016, she worked as a TOFEL, IELTS and business English teacher at New Oriental Education & Technology Group Inc, which is listed on the Stock Exchange (stock code: 9901). Ms. So graduated with a bachelor’s degree in translation from Lingnan University in Hong Kong in September 2011. She then obtained her master’s degree in comparative literature from University of Edinburgh in September 2012.

Upon appointment of Ms. So as a non-executive Director, the Company will publish an announcement setting out biographical details of Ms. So in compliance with Rule 13.51(2) of the Listing Rules.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the exercise of the Call Option is not at the discretion of the Company, the grant of the Call Option will be classified as if the Call Option had been exercised under Rule 14.74(1) of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the grant of the Call Option are more than 25% but less than 100%, the grant of the Call Option constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the exercise of the Put Option is at the discretion of the Company, only premium will be taken into account for the purpose of classification of notifiable transaction on the grant of the Put Option. Given the Put Option will be granted at nil consideration, the applicable percentage ratios calculated in accordance with Rule 14.75(1) of the Listing Rules are less than 5% and the grant of the Put Option does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, as the grant of Put Option and the Call Option are part-and-parcel to the Acquisition, the Board considers it appropriate to put forward a resolution of grant of the Put Option for Shareholders' approval at the EGM.

The Company will also seek Shareholders' approval for exercise of the Put Option at the EGM (in addition to seeking Shareholders' approval for the grant of the Put Option and the Call Option) under Rule 14.76(2) of the Listing Rules.

The Company will comply with all applicable requirements under the Listing Rules upon exercise of the Call Option and the Put Option (as the case may be).

As at the date of this announcement, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and as such, none of the Shareholders is required to abstain from voting at the EGM in respect of the resolution(s) to approve the Acquisition, the grant of the Call Option and the Put Option, the exercise of the Put Option and the Specific Mandate.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, the Agreement and the transactions contemplated thereunder, including the Specific Mandate for the issue and allotment of the Consideration Shares.

A circular containing, among other things, (i) further information on the Agreement and the transactions contemplated thereunder; (ii) the financial information of the Target Group; (iii) other information as required to be disclosed under the Listing Rules; and (iv) notice of the EGM, will be despatched to the Shareholders on or before December 31, 2022.

Completion is subject to the fulfilment of the conditions precedent set out in the Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors
“Agreement”	the share transfer agreement dated November 21, 2022 entered into between the Vendors and the Purchaser in relation to the Acquisition after trading hours
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company” or “Purchaser”	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
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement
“Completion Date”	the date falling within the five (5) business days immediately following the satisfaction or waiver of all the conditions precedent, or such other date the parties to the Agreement may agree in writing (but no later than the Long Stop Date)

“Consideration”	the consideration for the Acquisition, being RMB163,045,449.60 (equivalent to approximately HKD179,520,000)
“Consideration Shares”	a total of 264,000,000 Shares to be allotted and issued to the Vendors at the Issue Price as the Consideration
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for Shareholders to consider and approve the Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the issue and allotment of the Consideration Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“IELTS”	the International English Language Testing System
“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 Company’s connected persons and their associates (as defined under the Listing Rules)
“Issue Price”	HKD0.68 per Consideration Share, being the issue price per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	March 31, 2023, or such other date the parties to the Agreement may agree in writing
“NYSE”	New York Stock Exchange
“Option Exercise Price”	RMB163,045,449.60 (equivalent to approximately HKD179,520,000), being the Consideration of the Acquisition

“Platinum Wish”	Platinum Wish Limited (鉑願有限公司), a company incorporated under the laws of the BVI with limited liability and one of the Vendors under the Agreement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share(s)”	800 issued shares of the Target Company, representing 8% of the issued share capital of the Target Company, of which 4.8% was held by Platinum Wish and 3.2% was held by View Max, respectively, as at the date of the Agreement
“Share(s)”	the shares of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	a specific mandate to allot and issue the Consideration Shares to be sought from the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Century Golden Resources Services Group Co., Ltd. (世紀金源服務集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“TOFEL”	the Test of English as a Foreign Language test
“Vendors”	collectively, Platinum Wish and View Max
“View Max”	View Max Limited (景至有限公司), a company incorporated under the laws of the BVI with limited liability and one of the Vendors under the Agreement
“%”	per cent

For the purpose of this announcement, the conversion between RMB and HKD is based on a rate of HKD1 to RMB0.90823. The conversion rate is for illustrative purpose only and does not constitute a representation that any amount have been, could have been, or may be exchanged at the aforesaid rate or any other rates at all.

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

Hong Kong, November 21, 2022

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