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

INTERIM REPORT 2026

First Service Holding Limited
Interim Report 2026

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Company Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Peiqing (劉培慶)
(Chief executive officer and general manager)
Ms. Zhu Li (朱莉)
Mr. Wang Song (王松)
(appointed with effect from 26 January 2026)
Mr. Jin Chungang (金純剛)
(resigned with effect from 26 January 2026)

Non-executive Directors

Mr. Zhang Peng (張鵬) *(Chairman of the Board)*
Mr. Long Han (龍晗)
Mr. Wang Ziming (王子鳴)

Independent Non-executive Directors

Mr. Cheng Peng (程鵬)
Mr. Yang Xi (楊熙)
Ms. Zhou Rui (周銳)
(appointed with effect from 11 September 2026)
Ms. Sun Jing (孫靜)
(resigned with effect from 11 September 2026)

COMPANY SECRETARY

Ms. Ng Sau Mei (伍秀薇) *(FCG, HKFCG)*

AUTHORIZED REPRESENTATIVES

Mr. Liu Peiqing
Ms. Ng Sau Mei

AUDIT COMMITTEE

Ms. Zhou Rui *(Chairlady)*
(appointed with effect from 11 September 2026)
Mr. Cheng Peng
Mr. Yang Xi
Ms. Sun Jing *(Former Chairlady)*
(resigned with effect from 11 September 2026)

REMUNERATION COMMITTEE

Mr. Cheng Peng *(Chairman)*
Mr. Zhang Peng
Ms. Zhou Rui
(appointed with effect from 11 September 2026)
Ms. Sun Jing
(resigned with effect from 11 September 2026)

NOMINATION COMMITTEE

Mr. Yang Xi *(Chairman)*
Ms. Zhu Li
Mr. Cheng Peng

HONG KONG LEGAL ADVISER

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INDEPENDENT AUDITOR

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THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Cayman Islands

Company Information

HONG KONG SHARE REGISTRAR

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COMPANY'S WEBSITE

www.firstservice.hk

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE

2107

Financial Highlights

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**648,483**	684,112
Profit before taxation	**32,259**	48,136
Profit for the period	**27,349**	39,593
Total comprehensive income for the period	**24,404**	38,309

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Assets		
Non-current assets	**288,338**	287,287
Current assets	**1,301,285**	1,290,580
Total assets	**1,589,623**	1,577,867
Equity and liabilities		
Equity attributable to the equity owners of the Company	**552,726**	537,387
Total equity	**615,972**	598,512
Non-current liabilities	**5,871**	7,185
Current liabilities	**967,780**	972,170
Total liabilities	**973,651**	979,355
Total equity and liabilities	**1,589,623**	1,577,867

Chairman's Statement

Dear stakeholders,

On behalf of the Board, I am pleased to present the performance review of the Group for the first half of 2026 and the development outlook for the second half of the year.

PERFORMANCE OVERVIEW

As time progresses, only the pragmatic will advance. In the first half of 2026, the property service industry stood at a historic juncture, marking the beginning of the "15th Five-Year Plan". The "Quality Houses + Considerate Service" initiative has evolved from policy advocacy to standard implementation, "value for money" has become a market consensus, and artificial intelligence is reshaping the operational methods and cost structures of services. The dynamics of competition in the industry have been rewritten, shifting from a contest of scale to a competition based on upholding the essence of service and technological capabilities. Amid this great tide of change, only companies with strong foundations can go the distance.

Facing this profound transformation, First Service Holding has adopted "Returning to the Essence, Consolidating the Core for Innovation" as its annual strategy: with the resolve of "Returning to the Essence", we embed the foundations of service into every detail; and with the drive of "Consolidating the Core for Innovation", we revitalize growth momentum in the era of the stock economy.

In the first half of 2026, the Group achieved revenue of RMB648.5 million and gross profit of RMB153.2 million; excluding the impact of impairment losses, we achieved a core operating profit of RMB67.1 million. During the market's deep adjustment period, we maintained our strategic resolve, maintained stable operations, which further highlighted our developmental resilience.

Returning to the Essence: Quality as the Root, Trust as the Foundation

The essence of service lies in day-to-day perseverance; the power of quality stems from a meticulous pursuit of detail. In the first half of 2026, we pushed forward with the transformation of high-frequency customer touchpoints, making quality improvements both visible and tangible; we organized hundreds of property owner forums and tripartite co-governance meetings, collected issues to formulate dedicated plans, and supervised their closed-loop resolution. We believe that the value of service is ultimately measured by the experience and trust of property owners.

Quality is not a one-time investment, but a replicable organizational capability. We insisted on leading by example and expanding from points to a wider area, organizing on-site observations at benchmark projects such as Nanjing Wanguofu and Taiyuan Wanguocheng. Through a "verification-review-promotion" process, we refined our methods and established standards, elevating high quality from being exceptional to being the common standard, thereby solidifying our foundation to navigate through cycles.

Chairman's Statement

Consolidating the Core for Innovation: Deepening Core Strengths, Pioneering with Innovation

In an era of competition over existing market share, growth no longer comes from aggressive expansion but from in-depth cultivation and synergy. In the first half of 2026, we shifted our market expansion from "passive waiting" to "proactive engagement", creating greater efficiency with a more streamlined organization; the annual contract value of newly signed projects reached RMB94.4 million; the project types involved various formats such as industrial parks, transportation hubs, as well as government and corporate offices, further expanding the boundaries of our service capabilities; the synergy between investment and expansion continued to unfold, with newly signed projects transitioning from system integration to value co-creation.

We are resolutely driving the transformation of our diversified operations towards "profit orientation and high-quality development": our mature businesses have achieved a closed-loop model; our emerging businesses are opening up external markets, and our value-added services are cultivating new and sustainable growth drivers while securing their existing core businesses. We adhere to the principle of "leaving rule-based tasks to AI and human-touch tasks to people". Artificial intelligence has been implemented across multiple service scenarios, and the new "human-machine collaboration" service model is transitioning from pilot stages to broader implementation.

OUTLOOK

In the second half of 2026, we will continue to press forward with determination, employing a definitive strategy to navigate an uncertain environment.

Deepen market penetration, pursuing both quality and efficiency. We will strengthen our resolve to tackle key challenges. On one hand, we will firmly secure our operational fundamentals and solidify our existing service base; on the other hand, we will focus on developing high-quality incremental business, concentrating on premium sectors and strategic clients, leveraging in-depth cultivation to expand our market space and amplifying value through synergy to drive high-quality and sustainable growth in market expansion.

Deepen our focus on quality, delivering an experience of exceptional value. We will return service to its core of caring for people, simultaneously implementing comprehensive business processes and standardization. We will solidify our operational foundation with standardized management and win long-term trust through quality, safeguarding the Company's long-term and stable development.

Deepen innovation, nurturing new growth and strengthening the core. We will continue to deepen the comprehensive empowerment of artificial intelligence, enhancing overall organizational efficiency through digital innovation. We will promote the deep penetration of AI technology into all functional departments, drive the Company's development and upgrading through intelligent transformation, and turn "Embracing AI" from a slogan into a tangible capability.

In addition to creating value that exceeds customer expectations and delivering stable returns to the Shareholders, we are committed to injecting new momentum into the high-quality development of the industry through pragmatic actions and a sense of responsibility.

Chairman's Statement

APPRECIATION

The Board would like to express its sincere gratitude to our Shareholders for their trust and confidence, to our valued customers for their support and loyalty, and to all our partners for their collaboration. Special thanks go to all our staff and the management team for embodying the true meaning of service with their professionalism, for building the Company's cornerstone with their integrity, and for implementing the strategic blueprint with their dedication.

As time surges forward, our original aspiration remains as firm as ever. With the resolve of "Returning to the Essence" and the drive of "Consolidating the Core for Innovation", let us act diligently and advance towards the new!

Zhang Peng
Chairman
26 August 2026

Management Discussion and Analysis

Overview

Revenue

We generate revenue primarily through our three business lines, namely (i) property management services, (ii) value-added services, and (iii) green living solutions. Our revenue decreased by approximately 5.2% from RMB684.1 million for the six months ended 30 June 2025 to RMB648.5 million for the same period in 2026.

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**%**	*RMB'000*	%
Property management services	**493,670**	**76.1**	503,979	73.7
Value-added services	**82,575**	**12.8**	105,963	15.5
Green living solutions	**72,238**	**11.1**	74,170	10.8
Total	**648,483**	**100.0**	684,112	100.0

Property Management Services

Our property management services consist of cleaning, security, gardening, repair and maintenance services provided to property developers, property owners and residents. Revenue from property management services decreased by approximately 2.0% from RMB504.0 million for the six months ended 30 June 2025 to RMB493.7 million for the same period in 2026. The decrease was mainly attributable to the Group's proactive optimization of its portfolio of projects under management and the orderly exit from certain projects with lower gross profit margins, which led to a decline in revenue, while operating costs did not reduce proportionately in the short term, resulting in a decrease in gross profit.

Value-Added Services

We primarily provide five types of value-added services to non-property owners, property owners and residents, namely (i) sales assistance services, (ii) preliminary planning and design consultancy services, (iii) parking space management services, (iv) home living services, and (v) communal area leasing services.

Management Discussion and Analysis

The following table sets forth our revenue from value-added services by service type for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**%**	*RMB'000*	%
Value-added services to non-property owners				
Sales assistance services	**3,155**	**3.8**	6,492	6.1
Preliminary planning and design consultancy services	**–**	**–**	232	0.2
Subtotal	**3,155**	**3.8**	6,724	6.3
Community value-added services				
Parking space management services	**38,246**	**46.3**	40,022	37.8
Home living services	**34,783**	**42.2**	50,322	47.5
Communal area leasing services	**6,391**	**7.7**	8,895	8.4
Subtotal	**79,420**	**96.2**	99,239	93.7
Total	**82,575**	**100.0**	105,963	100.0

Revenue from value-added services decreased by approximately 22.1% from RMB106.0 million for the six months ended 30 June 2025 to RMB82.6 million for the same period in 2026. The decrease was primarily due to the decline in revenue from community value-added services, which resulted from the reduction in scale due to the orderly optimization of the project portfolio and the impact of the macroeconomic environment.

Green Living Solutions

We provide green living solutions to property developers, property owners and residents, comprising (i) energy operation services, where we operate energy stations to provide central heating and cooling as an alternative to government-operated centralized heating systems; and (ii) systems installation and product sales, where we design and install energy systems to enhance indoor comfort, and sales of our self-developed AIRDINO systems, which singly combine comprehensive capabilities such as fresh air ventilation, temperature regulation, humidification control and air purification.

Management Discussion and Analysis

The following table sets forth our revenue from green living solutions by service category for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**%**	*RMB'000*	%
Energy operation services	**72,238**	**100.0**	72,664	98.0
Systems installation and product sales	**–**	**–**	1,506	2.0
Total	**72,238**	**100.0**	74,170	100.0

Revenue from green living solutions decreased by approximately 2.6% from RMB74.2 million for the six months ended 30 June 2025 to RMB72.2 million for the same period in 2026. The decrease was mainly due to the absence of revenue from system installation and product sales during the period due to the impact of the property market conditions, while the energy operation services remained stable overall.

Cost of Sales

Our cost of sales decreased by approximately 3.2% from RMB511.9 million for the six months ended 30 June 2025 to RMB495.3 million for the same period in 2026, such decline was smaller than the decrease in revenue. This was primarily because the labor, outsourcing and basic operation and maintenance costs for property management projects are relatively rigid, while the Group continued to invest in maintaining service quality.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by approximately 11.1% from RMB172.2 million for the six months ended 30 June 2025 to RMB153.2 million for the same period in 2026. Our gross profit margin decreased from 25.2% for the six months ended 30 June 2025 to 23.6% for the same period in 2026.

	For the six months ended 30 June			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	**%**	*RMB'000*	%
Property management services	**113,566**	**23.0**	122,445	24.3
Value-added services	**21,816**	**26.4**	32,469	30.6
Green living solutions	**17,775**	**24.6**	17,334	23.4
Total	**153,157**	**23.6**	172,248	25.2

Management Discussion and Analysis

Gross profit margin of property management services was approximately 23.0% for the six months ended 30 June 2026, representing a decrease of approximately 1.3 percentage points as compared to the same period last year. The decrease was mainly attributable to the relatively fixed nature of costs relating to property service personnel, outsourcing and basic operation and maintenance, as such costs had not been fully adjusted in the short term following project exits, coupled with the Group's continued necessary investment in service quality.

Gross profit margin of value-added services was approximately 26.4% for the six months ended 30 June 2026, representing a decrease of approximately 4.2 percentage points as compared to the same period last year. The decrease was mainly attributable to the reduction in the scale of revenue from value-added services resulting from the Group's orderly optimization of project portfolio and the impact of the macroeconomic environment, while the related platform and operating costs did not reduce proportionately in the short term.

Gross profit margin of green living solutions was approximately 24.6% for the six months ended 30 June 2026, representing an increase of approximately 1.2 percentage points as compared to the same period last year. The increase was mainly attributable to the deployment of AI smart cloud platform and refined energy management applications, which improved operational efficiency and reduced project energy consumption costs.

Other Net Income

Our other net income decreased by approximately 19.5% from RMB10.9 million for the six months ended 30 June 2025 to RMB8.7 million for the same period in 2026, primarily attributable to the increases in the fair value loss of investment properties and net losses on disposal of other current assets as compared to the same period last year, which was partially offset by an increase in net valuation gains on financial assets measured at FVPL.

Selling Expenses

Our selling expenses decreased by approximately 44.3% from RMB10.3 million for the six months ended 30 June 2025 to RMB5.8 million for the same period in 2026, primarily due to the Group's continued optimization of its market expansion system, strengthening of output management and cost control for business development initiatives, thereby reducing inefficient expenditures while maintaining market expansion capabilities.

Administrative Expenses

Our administrative expenses decreased by approximately 4.5% from RMB77.9 million for the six months ended 30 June 2025 to RMB74.4 million for the same period in 2026, primarily attributable to the Group's continuous promotion of lean operations, enhancement of organizational efficiency, and deepened application of its middle and back-office management systems, which further improved management efficiency and cost management and control capabilities.

Impairment Loss on Trade Receivables

Our impairment loss on trade receivables decreased by approximately 9.3% from RMB43.9 million for the six months ended 30 June 2025 to RMB39.8 million for the same period in 2026, primarily due to the Group's continued strengthening of the full-cycle management of receivables, collection from key customers, and disposal of at-risk projects, which collectively achieved certain positive results.

Management Discussion and Analysis

Income Tax

Our income tax decreased by approximately 42.5% from RMB8.5 million for the six months ended 30 June 2025 to RMB4.9 million for the same period in 2026, primarily attributable to the decrease in profit before taxation.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by approximately 30.9% from RMB39.6 million for the six months ended 30 June 2025 to RMB27.3 million for the six months ended 30 June 2026.

Trade and Other Receivables

As of 30 June 2026, trade and other receivables amounted to RMB589.5 million, representing an increase of approximately 4.4% as compared with RMB564.7 million as of 31 December 2025.

Trade and Other Payables

As of 30 June 2026, trade and other payables amounted to RMB436.5 million, representing an increase of approximately 1.3% as compared with RMB431.1 million as of 31 December 2025.

Goodwill

As of 30 June 2026 and 31 December 2025, our goodwill amounted to RMB91.6 million.

Capital Structure

Our total assets increased from RMB1,577.9 million as of 31 December 2025 to RMB1,589.6 million as of 30 June 2026. Our total liabilities decreased from RMB979.4 million as of 31 December 2025 to RMB973.7 million as of 30 June 2026. Liabilities-to-assets ratio decreased from 62.1% as of 31 December 2025 to 61.3% as of 30 June 2026.

The current ratio, being current assets divided by current liabilities as of the respective date, increased from 1.33 as of 31 December 2025 to 1.34 as of 30 June 2026.

Liquidity, Capital Resources and Gearing Ratio

The Group adopts a stable and prudent approach on its finance and treasury policy, aiming to maintain an optimal financial position and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans. For the six months ended 30 June 2026, we financed our operations primarily through internal resources and the proceeds from the Global Offering of our Shares in connection with the Listing on the Stock Exchange. We mainly utilized our cash on payments on staff costs, purchases for services and materials and other working capital needs. Our cash and cash equivalents, which were mainly denominated in Renminbi, decreased by approximately 5.4% from RMB437.2 million as of 31 December 2025 to RMB413.4 million as of 30 June 2026. Taking into account the wealth management products amounting to RMB55.4 million and RMB51.8 million and time deposit amounting to nil and RMB10.1 million held by the Group as of 31 December 2025 and 30 June 2026, respectively, the Group's total available funds decreased by approximately 3.5% from RMB492.6 million as of 31 December 2025 to RMB475.3 million as of 30 June 2026.

Our gearing ratio, being total interest-bearing borrowings (comprising a bank loan and amount due to a company controlled by a family member of our chairman of the Board) divided by total equity, decreased from 0.33% as of 31 December 2025 to 0.28% as of 30 June 2026.

Capital Expenditure

Our capital expenditure increased by approximately 23.4% from RMB2.3 million for the six months ended 30 June 2025 to RMB2.8 million for the same period in 2026. Our capital expenditure was used primarily for the purchase of office and other equipment, software and operation rights.

Indebtedness

Bank Loan

As of 30 June 2026, the Group had a bank loan of RMB0.2 million (as of 31 December 2025: RMB0.5 million) which were interest-bearing at a fixed rate of 2.6% per annum and repayable within one year.

Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

Pledge of Assets

As of 30 June 2026, the Group did not pledge any of its assets.

Significant Events After the Reporting Period

There is no material events subsequent to 30 June 2026 and up to the date of this interim report which could have a material impact on the operating and financial performance of the Group.

Foreign Exchange Risk and Hedging

The Group mainly operates in the mainland China with most of the transactions denominated and settled in Renminbi. The Group has not hedged its foreign currency exchange risks, but will closely monitor the exposure and will take measures when necessary to make sure the foreign exchange risks are manageable.

Significant Investment, Material Acquisitions and Disposals and Future Plans for Material Investment

The Group did not conduct any significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, the Company's announcement dated 17 July 2026 and its supplemental announcement dated 12 August 2026 in relation to change in use of proceeds, the Group has no specific plan for material investment or acquisition for capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

Management Discussion and Analysis

Company Information

The Company was incorporated in the Cayman Islands on 20 January 2020 as an exempted company with limited liability, and the Shares of which were listed on the Main Board of the Stock Exchange on 22 October 2020.

Employees

As of 30 June 2026, we had a total of 3,671 employees, all of whom were based in China.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration package for our employees generally includes salary and discretionary bonuses. We determine employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits.

We believe that the long-term sustainable development of our employees is an important factor to the long-term growth of the Group's performance. We implemented (i) the "Talented Apprentice" (匠才生) recruitment and training scheme to recruit fresh graduates with bachelor's degree and above, so as to provide the Company with long-term core talent pools; (ii) the "Talented Leaders Scheme" (將才計劃) to hunt for and bring in mature business and management talents from external source; (iii) the "Starlight Training Scheme" (星光培訓計劃) to guarantee the provision of systematic training for the promotion of internal staff; (iv) the "Star Rating Scheme" (星級評定計劃) to attract external talents and retain internal outstanding employees by constructing a differentiated salary system; and (v) the "Long March Scheme" (長征計劃) to focus on the long-term growth of our employees, which includes creating a compliant and dedicated environment, focusing on the vitality of core talents, setting up employee care groups and performance counselling groups to care for the employees and conduct performance coaching to convey warmth of the organization and foster service culture, improving the internal talent mobility mechanisms, and designing an appraisal mechanism related to performance and an incentive and accountability system. We also initiated the "Feng He Scheme" (風禾計劃) to attach importance to the self-improvement of senior managements and executives of the Company and lay a solid foundation for the management of the Company, so as to maintain a rapid and healthy development for our Company. Moreover, we have adopted a share option scheme to incentivize qualified employees and a share award scheme to retain eligible persons.

No Material Change

Since the publication of the Company's annual report for the year ended 31 December 2025 on 24 April 2026, there has been no material change to the Group's business.

Management Discussion and Analysis

Use of Proceeds

The Company was listed on the Stock Exchange on 22 October 2020. The net proceeds from the Global Offering amounted to approximately HK$571.2 million, and have been, and are proposed to be, applied in accordance with the intended use of the proceeds as set out in (i) the section headed "Future Plans and Use of Proceeds" of the Prospectus; (ii) the Company's announcement dated 27 December 2023 in relation to the change in use of proceeds (the "**2023 Announcement**"); (iii) the Company's announcement dated 17 July 2026 in relation to the change in use of proceeds (the "**2026 Announcement**"); and (iv) the Company's supplemental announcement dated 12 August 2026 in relation to the change in use of proceeds. The following table sets forth the status of the use of net proceeds from the Global Offering[1] as of 30 June 2026 and as at the date of the 2026 Announcement:

Original intended use of net proceeds as disclosed in the 2023 Announcement	Revised intended use of net proceeds	Net proceeds for the original intended use as disclosed in the 2023 Announcement	Net proceeds for the revised intended use	Amount of unutilized net proceeds as of 1 January 2026	Actual use of net proceeds during the six months ended 30 June 2026	Amount of utilized net proceeds as of 30 June 2026	Amount of unutilized net proceeds for the original intended use as of 30 June 2026 and as at the date of the 2026 Announcement	Amount of unutilized net proceeds for the revised intended use as at the date of the 2026 Announcement	Updated timeframe for the unused balance
					(In HK$ million)				
Strategic acquisitions or investments in property management companies and market expansion	**Strategic acquisitions or investments in property management companies and market expansion**	**217.1**	**251.4**	**5.7**	**–**	**211.4**	**5.7**	**40.0**	By the end of 2029
Distribute to the Shareholders by way of cash dividend	**Distribute to the Shareholders by way of cash dividend**	**182.8**	**182.4**	**0.4**	**–**	**182.4**	**0.4**	**–**	By the end of 2029
Develop our intelligent community and enhance our information technology systems	**Develop our intelligent community**	**57.1**	**16.0**	**46.1**	**–**	**11.0**	**46.1**	**5.0**	By the end of 2029
Upgraded our internal system		16.0	3.2	12.8	–	3.2	12.8	–	
Develop our intelligent community		41.1	12.8	33.3	–	7.8	33.3	5.0	

Management Discussion and Analysis

Original intended use of net proceeds as disclosed in the 2023 Announcement	Revised intended use of net proceeds	Net proceeds for the original intended use as disclosed in the 2023 Announcement	Net proceeds for the revised intended use	Amount of unutilized net proceeds as of 1 January 2026	Actual use of net proceeds during the six months ended 30 June 2026	Amount of utilized net proceeds as of 30 June 2026	Amount of unutilized net proceeds for the original intended use as of 30 June 2026 and as at the date of the 2026 Announcement	Amount of unutilized net proceeds for the revised intended use as at the date of the 2026 Announcement	Updated timeframe for the unused balance
					(In HK$ million)				
Implementation of the "five talents" strategy (五才戰略) and other employee expenses	Implementation of the "five talents" strategy (五才戰略) and other employee expenses	57.1	35.4	27.3	0.6	30.4	26.7	5.0	By the end of 2029
General business operations and working capital	General business operations and working capital	57.1	86.0	–	–	57.1	–	28.9	By the end of 2029
Total		**571.2**	**571.2**	**79.5**	**0.6**	**492.3**	**78.9**	**78.9**	

Notes:

(1) The figures in the table are approximate figures.

(2) To the extent that the net proceeds from the Global Offering are not immediately required for the above purposes or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in short-term wealth management products so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized net proceeds in the manner disclosed in the 2026 Announcement.

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance its corporate value and accountability. The Company has adopted the CG Code as its own code of governance. The Company has complied with all the applicable code provisions set out in the CG Code during the six months ended 30 June 2026. The Company will continue to review and monitor its corporate governance practice to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. After making specific enquiry to all Directors, the Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established an Audit Committee with written terms of reference in compliance with the CG Code. As of the date of this interim report, the Audit Committee consists of three independent non-executive Directors, namely Ms. Zhou Rui (Chairlady), Mr. Cheng Peng and Mr. Yang Xi (with Ms. Zhou Rui possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls.

On 26 August 2026, the Audit Committee, comprising Ms. Sun Jing, Mr. Cheng Peng and Mr. Yang Xi, has discussed with the management and external auditor the accounting principles and policies adopted by the Group, reviewed the interim results for the six months ended 30 June 2026 and considered that the interim results have been prepared in accordance with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements and have made appropriate disclosures accordingly.

CHANGES IN DIRECTORS' INFORMATION

(i) Mr. Jin Chungang resigned as an executive Director with effect from 26 January 2026.

(ii) Mr. Wang Song was appointed as an executive Director with effect from 26 January 2026.

(iii) Ms. Sun Jing resigned as an independent non-executive Director, the chairperson of the Audit Committee and a member of the Remuneration Committee with effect from 11 September 2026.

(iv) Ms. Zhou Rui was appointed as an independent non-executive Director, the chairperson of the Audit Committee and a member of the Remuneration Committee with effect from 11 September 2026.

For further details, please refer to the announcements of the Company dated 26 January 2026 and 11 September 2026.

Save as disclosed above, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the six months ended 30 June 2026 and up to the date of this interim report.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, the Company had entrusted the trustee under the Share Award Scheme to purchase, in aggregate, 14,997,500 Shares on market at the aggregate consideration of approximately RMB2.7 million. No share awards under the Share Award Scheme were granted nor vested during the six months ended 30 June 2026 and 63,580,000 Shares were held by the trustee as of 30 June 2026. The trustee is a professional entity authorized to provide trustee services under Hong Kong law and for the purpose of the Share Award Scheme, it is a third party independent of the Company and/or any of its connected persons and has no connection with the Company and/or any of its connected persons.

Save as disclosed above, during the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury Shares, if any) of the Company. As of 30 June 2026 and as of the date of this interim report, the Company did not hold any treasury Shares.

USE OF PROCEEDS

The Shares were listed on the Main Board of the Stock Exchange on 22 October 2020, with a total of 250,000,000 Shares being issued. Based on the final offer price of HK$2.40 per Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees and commission, and other estimated expenses payable by the Company in connection with the Global Offering are approximately HK$571.2 million. Details of the Group's use of proceeds from the Global Offering as of 30 June 2026 are set out in the section headed "Management Discussion and Analysis — Use of Proceeds" in this interim report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

1. Interests in the Company

Name of Director	Nature of interest	Number of Shares held[6]	Approximate percentage of shareholding interest[1]
Zhang Peng[5]	Beneficial owner	8,225,000	0.65%
	Interest in controlled corporation[2]	170,777,250	13.51%
Liu Peiqing	Interest in controlled corporation[3]	12,991,250	1.03%
Long Han	Interest in controlled corporation[4]	10,511,250	0.83%
Zhu Li	Beneficial owner	676,155	0.05%

Notes:

(1) The percentage represents the number of Shares interested divided by the number of issued Shares as of 30 June 2026 (i.e. 1,264,000,000).

(2) The Shares are registered under the name of Hao Fung, which is wholly owned by Mr. Zhang Peng. Accordingly, Mr. Zhang Peng is deemed to be interested in all the Shares held by Hao Fung.

(3) The Shares are registered under the name of Liu Pei Qing Management, which is wholly owned by Mr. Liu Peiqing. Accordingly, Mr. Liu Peiqing is deemed to be interested in all the Shares held by Liu Pei Qing Management.

(4) The Shares are registered under the name of Long Han Management, which is wholly owned by Mr. Long Han. Accordingly, Mr. Long Han is deemed to be interested in all the Shares held by Long Han Management.

(5) Mr. Zhang Peng, together with Mr. Zhang Lei, being parties acting in concert, were interested in 513,929,000 Shares, representing approximately 40.66% of the number of the issued Shares as of 30 June 2026.

(6) All interests stated are long positions.

2. Interests in associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Amount of share capital held	Approximate percentage of shareholding[(1)]
Zhang Peng	First Living[(1)]	Beneficial owner	RMB1,317,397	3.8%

Note:

(1) First Living, a non-wholly owned subsidiary of the Company and thus an associated corporation of the Company.

Save as disclosed above, as of 30 June 2026, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2026, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares[9]	Approximate percentage of shareholding[1]
Zhang Lei[2]	Interest in controlled corporation	334,926,750	26.50%
Yu Jinmei[3]	Interest of spouse	334,926,750	26.50%
Glorious Group[2]	Beneficial owner	334,926,750	26.50%
Printrust Company (Singapore) Limited [4][5]	Trustee	264,000,000	20.89%
Wang Yujuan[6]	Interest of spouse	179,002,250	14.16%
Hao Fung[7]	Beneficial owner	170,777,250	13.51%
Huang Tao[5]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	158,400,000	12.53%
Platinum Wish Limited[5]	Beneficial owner	158,400,000	12.53%
Joy Deep Limited[5]	Beneficial owner	158,400,000	12.53%
Huang Shiying[4]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	105,600,000	8.35%
View Max Limited[4]	Beneficial owner	105,600,000	8.35%
Joy Riding Limited[4]	Beneficial owner	105,600,000	8.35%
Shanghai CDH Yaojia Venture Capital Center (Limited Partnership)	Beneficial owner	86,424,000	6.84%
Bank of Communications Trustee Limited[8]	Trustee	63,580,000	5.03%

Notes:

(1) The percentage represents the number of Shares interested divided by the number of the issued Shares as of 30 June 2026 (i.e. 1,264,000,000).

(2) Glorious Group is wholly owned by Mr. Zhang Lei. Therefore, Mr. Zhang Lei is deemed under the SFO to be interested in the 334,926,750 Shares held by Glorious Group as of 30 June 2026.

(3) Ms. Yu Jinmei, the spouse of Mr. Zhang Lei, is deemed under the SFO to be interested in the 334,926,750 Shares in which Mr. Zhang Lei is deemed to be interested.

(4) View Max Limited (景至有限公司) is interested in 105,600,000 Shares, which 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 Shiying (黃世熒). Printrust Company (Singapore) Limited is the trustee of Leading Trend Family Trust. Mr. Huang Shiying and his family members are beneficiaries of Leading Trend Family Trust. As such, each of Printrust Company (Singapore) Limited, Joy Riding Limited and Mr. Huang Shiying are deemed to be interested in the 105,600,000 Shares held by View Max Limited.

(5) Platinum Wish Limited (鉑願有限公司) is interested in 158,400,000 Shares, which is owned by Joy Deep Limited (悅深有限公司) 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). Printrust Company (Singapore) Limited is the trustee of Sparkle Fortune Family Trust. Mr. Huang Tao and his family members are beneficiaries of Sparkle Fortune Family Trust. As such, each of Printrust Company (Singapore) Limited, Joy Deep Limited and Mr. Huang Tao is deemed to be interested in the 158,400,000 Shares held by Platinum Wish Limited.

(6) Ms. Wang Yujuan, the spouse of Mr. Zhang Peng, is deemed under the SFO to be interested in the 179,002,250 Shares in which Mr. Zhang Peng is deemed to be interested.

(7) Hao Fung is wholly owned by Mr. Zhang Peng. Therefore, Mr. Zhang Peng is deemed under the SFO to be interested in the 170,777,250 Shares held by Hao Fung.

(8) Bank of Communications Trustee Limited is the trustee of the Share Award Scheme, which held 63,580,000 Shares on trust as of 30 June 2026.

(9) All interests stated are long positions.

Save as disclosed above, as of 30 June 2026, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by our Shareholders on 25 September 2020 and effective upon Listing. The purpose of the Share Option Scheme is to provide our Company with a means of incentivizing any Eligible Person (as defined in the Prospectus) who has contributed or will contribute to our Group and retaining employees, and to encourage employees to work towards enhancing the value of our Company and promote the long-term growth of our Company. The Share Option Scheme will link the value of the Company with the interests of the participants, enabling the participants and the Company to develop together and promote the Company's corporate culture.

Subject to earlier termination by our Company in general meeting or by our Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on 25 September 2020, with a remaining life of four years as at the date of this interim report. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option schemes existing at such time shall not exceed 10% of the total number of Shares in issue as of the Listing Date. The maximum number of Shares which may be awarded to an Eligible Person under the Share Option Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Subject to the terms of grant of any option, an option may be exercised by the grantee at any time during the option period and in accordance with the vesting schedule and other terms specified in the grant offer. The participants of the Share Option Scheme are required to pay HK$1.00 as consideration for the acceptance of an option granted to them.

Other Information

The exercise price shall be a price determined by the Board at the Board's absolute discretion and notified to an Eligible Person but in any event shall be at least the higher of (i) the closing price of the Shares on the offer date; (ii) the average of the closing price of the Shares for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share on the offer date. Since the adoption of the Share Option Scheme and up to 30 June 2026, no options had been granted or agreed to be granted, and thus no options had been exercised, cancelled or lapsed under the Share Option Scheme.

As of 1 January 2026 and 30 June 2026, the total number of options available for further grant under the Share Option Scheme was 100,000,000, representing approximately 7.9% of the issued share capital of the Company as of 1 January 2026 and 30 June 2026, and the Company has not yet adopted a service provider sublimit.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 10 May 2021 to recognise the contributions by certain Eligible Participants (as defined in the announcement of the Company dated 10 May 2021) and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a term of ten years commencing on 10 May 2021, with a remaining life of four years and eight months as at the date of this interim report. The Board shall not make any further award of such number of Shares as awarded by the Board to a Selected Participant (as defined in the announcement of the Company dated 10 May 2021) which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme being equal to or greater than 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. No award shares under the Share Award Scheme were granted nor vested since the adoption of the Share Award Scheme and for the six months ended 30 June 2026. As of 30 June 2026, the employee share trusts held 63,580,000 Shares, representing approximately 5.0% of the issued share capital of the Company as of 30 June 2026.

As of 1 January 2026 and 30 June 2026, the total number of award shares available for further grant under the Share Award Scheme was 48,582,500 and 63,580,000, representing approximately 3.8% and 5.0% of the issued share capital of the Company as of 1 January 2026 and 30 June 2026, respectively.

The total number of new Shares which is available for issue under the Share Option Scheme and the Share Award Scheme is 100,000,000, representing approximately 7.9% of the issued Shares (excluding treasury Shares) as of the date of this interim report.

On 29 July 2021, the Company was informed that Cedar Group, one of the controlling Shareholders of the Company, adopted a share award scheme (the "**Cedar Share Award Scheme**") for eligible persons in order to retain them for the continuous operation and development of the Group, and to attract suitable personnel for further development of the Group. The award shares will be satisfied by the existing Shares beneficially owned by Cedar Group and no new Share will be issued by the Company as a result of the grant of award shares under the Cedar Share Award Scheme. As of the date of this interim report, the Company was informed by Cedar Group that the Cedar Share Award Scheme had been early terminated. In 2021, a total of 63,782,250 Shares, representing all Shares held by Cedar Group before the adoption of the Cedar Share Award Scheme which were available for grant, have been granted and vested. Since then, no further award shares have been granted under the Cedar Share Award Scheme. Prior to its termination, Cedar Group did not hold any Shares available for grant under the Cedar Share Award Scheme.

ROUNDING

Certain amounts and percentage figures included in this interim report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period were there rights to acquire benefits by means of the acquisition of Shares or debentures of the Company granted to any Directors or their respective spouse or children under the age of 18, or were there any such rights exercised by the Directors, or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other company.

Review Report to the Board of Directors of First Service Holding Limited

Review report to the board of directors of First Service Holding Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 53, which comprises the consolidated statement of financial position of First Service Holding Limited (the "**Company**") as of 30 June 2026 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**648,483**	684,112
Cost of sales		**(495,326)**	(511,864)
Gross profit		**153,157**	172,248
Other net income	*4*	**8,744**	10,857
Selling expenses		**(5,750)**	(10,317)
Administrative expenses		**(74,371)**	(77,894)
Impairment loss on trade receivables		**(39,780)**	(43,865)
Finance costs	*5(a)*	**(9,400)**	(2,524)
Profits less losses of associates		**(285)**	(369)
Share of losses of joint ventures		**(56)**	–
Profit before taxation	*5*	**32,259**	48,136
Income tax	*6*	**(4,910)**	(8,543)
Profit for the period		**27,349**	39,593

The notes on pages 31 to 53 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Equity investment at fair value through other comprehensive income ("**FVOCI**") — net movement in fair value reserves (non-recycling)		**(296)**	(600)
Item that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(2,649)**	(684)
Other comprehensive income for the period		**(2,945)**	(1,284)
Total comprehensive income for the period		**24,404**	38,309
Profit attributable to:			
Equity shareholders of the Company		**20,954**	28,240
Non-controlling interests		**6,395**	11,353
Profit for the period		**27,349**	39,593
Total comprehensive income attributable to:			
Equity shareholders of the Company		**18,009**	26,956
Non-controlling interests		**6,395**	11,353
Total comprehensive income for the period		**24,404**	38,309
Earnings per share	*7*		
Basic (RMB)		**0.0221**	0.0231
Diluted (RMB)		**0.0156**	0.0170

The notes on pages 31 to 53 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 12.

Consolidated Statement of Financial Position

at 30 June 2026 — unaudited
(Expressed in RMB)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Investment properties		**10,780**	13,866
Property and equipment		**24,716**	30,762
Right-of-use assets	*13*	**12,402**	13,027
Intangible assets		**27,940**	30,542
Goodwill		**91,603**	91,603
Interest in joint ventures		**–**	25
Interest in associates		**3,175**	3,430
Other financial assets		**1,696**	2,090
Other non-current assets		**–**	3,000
Financial assets measured at fair value through profit or loss ("**FVPL**")	*9(a)*	**17,327**	17,327
Other financial assets measured at amortised cost		**10,069**	–
Deferred tax assets		**88,630**	81,615
		288,338	287,287
Current assets			
Inventories		**1,276**	1,216
Trade and other receivables	*8*	**589,526**	564,743
Other current assets		**6,533**	226
Financial assets measured at FVPL	*9(a)*	**273,190**	267,465
Restricted cash	*10*	**17,394**	19,758
Cash and cash equivalents	*10*	**413,366**	437,172
		1,301,285	1,290,580
Current liabilities			
Trade and other payables	*11*	**436,541**	431,084
Contract liabilities		**299,343**	320,874
Bank loan		**200**	480
Lease liabilities		**379**	372
Other financial liabilities	*9(b)*	**221,380**	212,060
Current taxation		**9,937**	7,300
		967,780	972,170
Net current assets		**333,505**	318,410
Total assets less current liabilities		**621,843**	605,697

The notes on pages 31 to 53 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2026 — unaudited
(Expressed in RMB)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Lease liabilities		**1,887**	1,975
Deferred tax liabilities		**3,984**	5,210
		5,871	7,185
NET ASSETS		**615,972**	598,512
CAPITAL AND RESERVES			
Share capital	*12(b)*	**2**	2
Reserves		**552,724**	537,385
Total equity attributable to equity shareholders of the Company		**552,726**	537,387
Non-controlling interests		**63,246**	61,125
TOTAL EQUITY		**615,972**	598,512

Approved and authorised for issue by the board of directors on 26 August 2026.

Liu Peiqing
Director

Zhu Li
Director

The notes on pages 31 to 53 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 — unaudited
(Expressed in RMB)

		Attributable to equity shareholders of the Company										
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Employee share trusts *RMB'000*	Capital reserve *RMB'000*	Statutory surplus reserves *RMB'000*	Exchange reserve *RMB'000*	Fair value reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2025		2	443,636	(19,204)	(66,442)	44,279	11,502	(3,474)	208,906	619,205	52,124	671,329
Changes in equity for the six months ended 30 June 2025:												
Profit for the period		–	–	–	–	–	–	–	28,240	28,240	11,353	39,593
Other comprehensive income for the period		–	–	–	–	–	(684)	(600)	–	(1,284)	–	(1,284)
Total comprehensive income		–	–	–	–	–	(684)	(600)	28,240	26,956	11,353	38,309
Dividends approved in respect of the previous year	*12(a)*	–	(39,797)	–	–	–	–	–	–	(39,797)	(2,636)	(42,433)
Acquisition of shares for a share award scheme	*12(c)*	–	–	(363)	–	–	–	–	–	(363)	–	(363)
Capital contribution from non-controlling shareholders		–	–	–	–	–	–	–	–	–	543	543
Balance at 30 June 2025		2	403,839	(19,567)	(66,442)	44,279	10,818	(4,074)	237,146	606,001	61,384	667,385
Balance at 1 January 2026		**2**	**420,053**	**(20,102)**	**(66,442)**	**48,211**	**9,029**	**(5,932)**	**152,568**	**537,387**	**61,125**	**598,512**
Changes in equity for the six months ended 30 June 2026:												
Profit for the period		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20,954**	**20,954**	**6,395**	**27,349**
Other comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**(2,649)**	**(296)**	**–**	**(2,945)**	**–**	**(2,945)**
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**(2,649)**	**(296)**	**20,954**	**18,009**	**6,395**	**24,404**
Dividends approved in respect of the previous year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,392)**	**(3,392)**
Acquisition of shares for a share award scheme	*12(c)*	**–**	**–**	**(2,670)**	**–**	**–**	**–**	**–**	**–**	**(2,670)**	**–**	**(2,670)**
Disposal of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(490)**	**(490)**
Capital withdrawal by a non-controlling shareholder		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(392)**	**(392)**
Balance at 30 June 2026		**2**	**420,053**	**(22,772)**	**(66,442)**	**48,211**	**6,380**	**(6,228)**	**173,522**	**552,726**	**63,246**	**615,972**

The notes on pages 31 to 53 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2026 — unaudited
(Expressed in RMB)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Operating activities			
Cash generated from/(used in) operations		**1,207**	(44,379)
Income tax paid		**(10,417)**	(16,682)
Net cash used in operating activities		**(9,210)**	(61,061)
Investing activities			
Proceeds from disposal of financial assets measured at FVPL		**3,918**	28,646
Interest received		**603**	2,812
Proceeds from disposal of other current assets		**2,597**	–
Proceeds from disposal of property and equipment		**173**	738
Proceeds from disposal of right-of-use assets		**475**	490
Net cash outflow from disposal of a subsidiary		**(26)**	–
Purchases of other financial assets measured at amortised cost		**(10,000)**	–
Purchases of property and equipment		**(2,822)**	(2,287)
Capital injection into an associate		**–**	(66)
Net cash (used in)/generated from investing activities		**(5,082)**	30,333
Financing activities			
Capital injection from non-controlling interests		**–**	543
Proceeds from bank loan		**200**	170
Profit distribution paid to non-controlling shareholders of subsidiaries		**(3,392)**	(2,636)
Acquisition of the Company's shares		**(2,670)**	(363)
Repayment of bank loan		**(480)**	–
Withdrawal by a non-controlling shareholder due to capital reduction		**(392)**	–
Capital element of lease rentals paid		**(94)**	(91)
Interest element of lease rentals paid		**(31)**	(34)
Interest paid		**(6)**	–
Net cash used in financing activities		**(6,865)**	(2,411)
Net decrease in cash and cash equivalent		**(21,157)**	(33,139)
Cash and cash equivalents at 1 January		**437,172**	439,021
Effects of foreign exchange rate changes		**(2,649)**	(1,289)
Cash and cash equivalents at 30 June	*10*	**413,366**	404,593

The notes on pages 31 to 53 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of First Service Holding Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting* issued by the International Accounting Standards Board ("**IASB**").

The Company was incorporated in the Cayman Islands on 20 January 2020 as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange on 22 October 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the board of directors on 26 August 2026. The interim financial report has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). KPMG's independent review report to the board of directors is included on page 24.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The adoption of the amendments does not have a material impact on the Group's consolidated financial statements for the periods presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are property management services, services in the area of green living solutions and value-added services. Further details regarding the Group's principal activities are disclosed in Note 3(b).

For the six months ended 30 June 2026 and 2025, the Group's customer base is diversified and none of them contributed 10% or more of the Group's revenue during the reporting period.

(a) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

For property management services and energy operation services under the service line of green living solutions, the Group recognises revenue on a monthly basis in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient for not to disclose the remaining performance obligations for this type of contracts. The majority of the property management service contracts and energy operation services under the service line of green living solutions do not have a fixed term.

For sale of goods under the service line of green living solutions, there is no significant unsatisfied performance obligation at the end of the reporting period.

For other services, they are rendered in short period of time and there is no significant unsatisfied performance obligation at the end of the reporting period.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- First Property Management: this segment provides property management services, energy operation services under the service line of green living solutions and value-added services.

- First Living: this segment provides system installation services, sale of goods, and energy operation services under the service line of green living solutions.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets, current assets, interests in associates and joint ventures, investments in financial assets and deferred tax assets. Segment liabilities include trade creditors and accruals and contract liabilities attributable to the revenue generating activities of the individual segment and bank borrowings managed directly by the segments.

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities (Continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Assistance provided by one segment to the other, including sharing of assets and technical know-how, is not measure.

The measure used for reporting segment profit is profit before tax.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, disaggregation of revenue from contracts with customers by major products and service lines, as well as information about reportable segments as provided to the Group's most senior executive management for resource allocation and performance assessment for the six months ended 30 June 2026 and 2025, are set out below.

	First Property Management		First Living		Total	
For the six months ended 30 June	**2026**	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Disaggregated by timing of revenue recognition						
Revenue recognised over time	**634,296**	668,182	**16,839**	16,653	**651,135**	684,835
Revenue recognised at point in time	**4,006**	4,737	**–**	1,506	**4,006**	6,243
Reportable segment revenue	**638,302**	672,919	**16,839**	18,159	**655,141**	691,078
Disaggregated by major products or service lines						
— Property management services	**493,792**	504,266	**–**	–	**493,792**	504,266
— Green living solutions	**61,708**	62,620	**16,839**	18,159	**78,547**	80,779
— Value-added services	**82,802**	106,033	**–**	–	**82,802**	106,033
Reportable segment revenue	**638,302**	672,919	**16,839**	18,159	**655,141**	691,078

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) ***Segment results, assets and liabilities*** *(Continued)*

	First Property Management		First Living		Total	
For the six months ended 30 June	**2026**	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment profit	**29,356**	44,893	**3,226**	1,626	**32,582**	46,519
Interest income	**325**	433	**2**	3	**327**	436
Interest expense	**44**	60	**192**	261	**236**	321
Depreciation and amortisation for the period	**6,040**	5,972	**253**	307	**6,293**	6,279
Impairment losses on trade receivables	**41,301**	44,052	**(1,521)**	(187)	**39,780**	43,865
As at 30 June/31 December						
Reportable segment assets	**1,271,466**	1,263,375	**73,864**	68,637	**1,345,330**	1,332,012
Reportable segment liabilities	**735,439**	747,684	**82,660**	80,202	**818,099**	827,886

(ii) ***Reconciliations of reportable segment revenues, profit or loss, assets and liabilities***

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**655,141**	691,078
Elimination of inter-segment revenue	**(6,658)**	(6,966)
Consolidated revenue	**648,483**	684,112

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) ***Reconciliations of reportable segment revenues, profit or loss, assets and liabilities*** *(Continued)*

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reportable segment profit		
Reportable segment profit	**32,582**	46,519
Unallocated head office and corporate net (expense)/income before taxation	**(323)**	1,617
Consolidated profit before taxation	**32,259**	48,136

	At 30 June	At 31 December
	2026	2025
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**1,345,330**	1,332,012
Unallocated head office and corporate assets	**627,616**	634,399
Elimination of inter-segment balances	**(383,323)**	(388,544)
Consolidated total assets	**1,589,623**	1,577,867

	At 30 June	At 31 December
	2026	2025
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**818,099**	827,886
Unallocated head office and corporate liabilities	**221,220**	211,909
Elimination of inter-segment balances	**(65,668)**	(60,440)
Consolidated total liabilities	**973,651**	979,355

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 OTHER NET INCOME

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Interest income		**598**	2,812
Government grants	*(i)*	**4,670**	4,790
Net realised gains on financial assets measured at FVPL		**75**	340
Fair value loss of investment properties		**(3,086)**	(271)
Net valuation gains on financial assets measured at FVPL		**9,568**	4,150
Rental income		**564**	808
Net losses on disposal of other current assets		**(1,882)**	–
Net losses on disposal of property and equipment		**(408)**	(341)
Net losses on disposal of right-of-use assets		**(342)**	(241)
Claims and fines		**(1,635)**	(911)
Others		**622**	(279)
		8,744	10,857

Note:

(i) The government grants represent subsidies from various PRC authorities. There are no unfulfilled conditions or future obligations attached to these subsidies.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on lease liabilities	**44**	51
Interest on bank loans	**6**	–
Interest on other payables	**30**	35
Changes in value of other financial liabilities	**9,320**	2,438
	9,400	2,524

(b) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Amortisation cost of intangible assets	**2,602**	2,647
Depreciation charge		
— owned property and equipment	**3,384**	3,347
— right-of-use assets	**307**	285
	3,691	3,632
Cost of inventories	**626**	3,611
Operating lease expenses relating to short-term leases	**702**	640

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

6 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax — PRC Corporate Income Tax		
Provision for the period	**13,054**	16,881
Deferred tax		
Origination and reversal of temporary differences	**(8,144)**	(8,338)
	4,910	8,543

Pursuant to the tax rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The income tax rate applicable to the Group's subsidiary incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the reporting period is 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the reporting period (six months ended 30 June 2025: Nil).

The Group's PRC subsidiaries are subject to PRC Corporate Income Tax at 25%.

Certain subsidiaries have been approved as High and New Technology Enterprise ("**HNTE**") and entitled to a preferential income tax rate of 15% during the reporting period. The HNTE certificate needs to be renewed every three years.

Certain subsidiaries are qualified as Small Low-profit Enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% during the reporting period.

(b) Pillar Two income tax

The Group operates in the Chinese Mainland and has an investment holding company in Hong Kong, which has enacted new tax laws to implement the Global Anti-Base Erosion Model Rules published by the Organisation for Economic Co-operation and Development. The directors of the Company concluded Pillar Two income taxes do not have a significant impact on the Group.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2026 is based on the profit attributable to equity shareholders of the Company of RMB20,954,000 (six months ended 30 June 2025: RMB22,148,000) and the weighted average number of 948,668,000 ordinary shares (six months ended 30 June 2025: 959,831,000 ordinary shares) in issue during the interim period, calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders	**20,954**	28,240
Effect of consideration shares issued *(Note 9(b)(ii))*	**–**	(6,092)
Profit attributable to ordinary equity shareholders (basic)	**20,954**	22,148

(ii) Weighted average number of ordinary shares

	Six months ended 30 June	
	2026	2025
	No. of '000 shares	*No. of '000 shares*
Issued ordinary shares at 1 January	**1,264,000**	1,264,000
Effect of shares held by the employee share trusts	**(51,332)**	(40,169)
Effect of written put option of consideration shares issued *(Note 9(b)(ii))*	**(264,000)**	(264,000)
Weighted average number of ordinary shares at 30 June	**948,668**	959,831

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

7 EARNINGS PER SHARE *(Continued)*

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2026 is based on the adjusted profit attributable to ordinary equity shareholders of the Company of RMB30,274,000 (six months ended 30 June 2025: RMB24,586,000) and the weighted average number of ordinary shares of 1,942,751,000 shares (six months ended 30 June 2025: 1,442,009,000 ordinary shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders (basic)	**20,954**	22,148
After tax effect of changes in value of other financial liabilities issued *(Note 5(a))*	**9,320**	2,438
Profit attributable to ordinary equity shareholders (diluted)	**30,274**	24,586

(ii) Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2026	2025
	No. of '000 shares	*No. of '000 shares*
Weighted average number of ordinary shares at 30 June (basic)	**948,668**	959,831
Bonus element in written put option of consideration shares issued	**994,083**	482,178
Weighted average number of ordinary shares at 30 June (diluted)	**1,942,751**	1,442,009

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade receivables from third parties	**712,663**	647,170
Less: expected credit losses ("**ECL**") allowance	**(314,181)**	(274,886)
	398,482	372,284
Trade receivables from related parties	**162,658**	166,241
Less: ECL allowance	**(141,735)**	(144,949)
	20,923	21,292
Total trade receivables	**419,405**	393,576
Prepayments	**29,002**	38,963
Payments on behalf of property owners	**43,826**	42,746
Deposits	**15,555**	14,428
Value-added tax prepaid	**9,665**	9,702
	98,048	105,839
Other receivables	**72,318**	65,573
Less: ECL allowance for other receivables	**(245)**	(245)
Other receivables	**72,073**	65,328
	589,526	564,743

Trade receivables are primarily related to revenue generated from property management and services in the area of green living solutions.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

8 TRADE AND OTHER RECEIVABLES *(Continued)*

As of the end of each reporting period, the ageing analysis of trade receivables based on the date of revenue recognition which is the same as the due date, and net of ECL allowance for trade receivables is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 1 year	**288,015**	274,576
1 to 2 years	**77,803**	67,446
2 to 3 years	**24,499**	24,885
3 to 4 years	**9,751**	11,167
4 to 5 years	**9,292**	9,001
Over 5 years	**10,045**	6,501
	419,405	393,576

9 FINANCIAL ASSETS MEASURED AT FVPL AND OTHER FINANCIAL LIABILITIES

(a) Financial assets measured at FVPL

	Note	**At 30 June 2026**	At 31 December 2025
		RMB'000	*RMB'000*
Non-current assets			
Equity instruments measured at FVPL	*(i)*	**17,327**	17,327
Current assets			
Wealth management products		**51,810**	55,405
Equity instruments measured at FVPL	*(ii)*	**221,380**	212,060
		273,190	267,465
		290,517	284,792

(b) Other financial liabilities

	Note	**At 30 June 2026**	At 31 December 2025
		RMB'000	*RMB'000*
Other financial liabilities	*(ii)*	**221,380**	212,060

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

9 FINANCIAL ASSETS MEASURED AT FVPL AND OTHER FINANCIAL LIABILITIES *(Continued)*

Notes:

(i) On 23 December 2024, First Property Service (Beijing) Co., Ltd. ("**First Property**"), an indirect wholly-owned subsidiary of the Company, and Beijing Tengyun Century Enterprise Management Consulting Partnership (Limited Partnership) (北京騰雲世紀企業管理諮詢合夥企業(有限合夥)) ("**Beijing Tengyun**"), a company ultimately owned as to 35.93% by a shareholder, indirectly holding approximately 12.53% of the entire issued share capital of the Company, entered into an investment agreement, pursuant to which, First Property agreed to make capital injection amounted to RMB16,500,000 into Beijing Tengyun for the purpose of enabling Beijing Tengyun to make a corresponding investment to hold 16.8% interest in Wuhu Dezhixin Project Investment Partnership Enterprise (Limited Partnership) (蕪湖德致信項目投資合夥企業(有限合夥)) ("**Target Partnership**") as a limited partner. The capital injection shall be used solely for the purpose of making investment into the Target Partnership for the purpose of acquiring certain investment properties from a company controlled by Mr. Zhang Lei.

Upon completion of the capital injection, the Company indirectly held 6.15% interest in the Target Partnership which is accounted for as financial assets measured at FVPL.

(ii) On 21 November 2022, the Company as the purchaser, and Platinum Wish Limited (鉑願有限公司) and View Max Limited (景至有限公司) (collectively, as the "**Vendors**") entered into the share transfer agreement (the "**Agreement**"), pursuant to which the Company would acquire 8% equity interest of Century Golden Resources Services Group Co., Ltd. (世紀金源服務集團有限公司) (the "**Target Company**"), which represents 8% of the issued share capital of the Target Company (the "**Sale Shares**"), at a total consideration of RMB163,045,449.60 (equivalent to approximately HK$179,520,000). The consideration would be satisfied by the issue and allotment of a total of 264,000,000 ordinary shares of the Company as consideration shares (the "**Consideration Shares**") at the issue price of HK$0.68 per consideration share to the Vendors. The transaction was completed in 2024 (the "**Completion**").

Pursuant to the Agreement, the Vendors have been granted at nil consideration a call option pursuant to which the Vendors have the right to exercise the call option within three years after the Completion (the "**Option Period**") by requiring the Company to sell all the Sale Shares to the Vendors, the consideration of which shall be settled by way of transferring all the Consideration Shares to the Company for cancellation.

Pursuant to the Agreement, the Company has been granted at nil consideration a put option pursuant to which the Company has the right to exercise the put option within three years after the Completion by requiring the Vendors to acquire all the Sale Shares from the Company, the consideration of which shall be settled by way of transferring all the Consideration Shares to the Company for cancellation.

Upon the Completion, the investments in the Sale Shares are accounted for as financial assets measured at FVPL. The put option granted to and the call option written by the Company are a compound financial instrument and are not separated presented in the consolidated financial statements. The Company's obligation to purchase the Consideration Shares for investments in the Sales Shares gives rise to a financial liability for the present value of the redemption determined by reference to the fair value of the Sales Shares at the end of the reporting period.

On 5 September 2025, the Company and the Vendors entered into deeds of the waiver of dividends, pursuant to which the Company would waive all dividends declared by the Target Company and the Vendors would waive all dividends declared by the Company, in respect of the Option Period. Accordingly, the Vendors' entitled dividend for 2023 and 2024 of the Company amounting to RMB16,214,000 were waived and recognised as capital contribution from non-controlling interests during the year ended 31 December 2025, which were non-cash transactions. The Target Company did not declare dividends during the reporting period.

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(Expressed in RMB unless otherwise indicated)

10 CASH AND CASH EQUIVALENTS

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Cash on hand		**186**	43
Cash at bank		**430,574**	456,887
Less: restricted cash	*(i)*	**(17,394)**	(19,758)
		413,366	437,172

Note:

(i) At 30 June 2026, the ending balance of restricted cash primarily represents RMB3,223,000 (31 December 2025: RMB6,118,000) held by employee share trusts for the purchase or subscription of shares as awarded to the eligible persons pursuant to the Share Award Scheme ("the **Scheme**") (see Note 12(c)), and RMB12,537,000 (31 December 2025: RMB12,195,000) collected on behalf of the property owners' associations in Group's property management service business. Pursuant to property management agreements, the Group opens and manages these bank accounts on behalf of the property owners' associations.

11 TRADE AND OTHER PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade payables	**178,076**	163,098
Amounts due to related parties	**7,050**	7,074
Other taxes and charges payable	**31,287**	30,056
Accrued payroll and other benefits	**27,308**	42,509
Deposits	**58,408**	62,107
Dividends payable	**–**	45
Receipts on behalf of property owners	**95,376**	85,907
Other payables and accruals	**39,036**	40,288
	436,541	431,084

All the trade and other payables (including amounts due to related parties) are expected to be settled within 1 year or are repayable on demand.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11 TRADE AND OTHER PAYABLES *(Continued)*

As of the end of each reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**131,004**	113,652
1 to 2 years	**9,782**	15,328
2 to 3 years	**5,955**	7,040
Over 3 years	**31,335**	27,078
	178,076	163,098

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

During the six months ended 30 June 2026, no final dividend in respect of the year ended 31 December 2025 (six months ended 30 June 2025: HK$3.40 cents per share) was declared to the equity shareholders of the Company. The aggregate amount of the final dividend declared during the six months ended 30 June 2025 amounted to HK$42,976,000 (equivalent to RMB39,797,000), which had been fully paid on 9 September 2025.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Share capital

	At 30 June 2026		At 31 December 2025	
	No. of shares	***RMB***	*No. of shares*	*RMB*
Ordinary shares, issued and fully paid:				
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	**1,264,000,000**	**1,756**	1,264,000,000	1,756

12 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(c) Employee share trusts

On 10 May 2021, the Board resolved to adopt the Scheme, a long-term incentive program to eligible persons, in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Employee share trusts are established for the purposes of awarding shares to eligible persons (including employees and directors of the Company or its subsidiaries, and advisors and agents who provide value-added services to the Company or its subsidiaries) under the Scheme. The employee share trusts are administered by the Board and the trustees and are funded by the Group's cash contributions for buying the Company's shares in the open market and recorded as contributions to employee share trusts, an equity component.

During the six months ended 30 June 2026, the Company had entrusted the trustee to purchase shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share *HK$*	Lowest price paid per share *HK$*	Aggregate price paid *RMB'000*
April 2026	2,362,500	0.19	0.16	369
May 2026	4,385,000	0.18	0.15	654
June 2026	8,250,000	0.27	0.18	1,647
	14,997,500			2,670

The trustee of the employee share trusts will transfer the shares of the Company to employees upon vesting. As at 30 June 2026, the employee share trusts has held 63,580,000 shares (31 December 2025: 48,582,500 shares), and no share has been granted and vested.

13 RIGHT-OF-USE ASSETS

As at 30 June 2026, right-of-use assets represent operation rights of carparks, and buildings and premises amounted to RMB10,491,000 (31 December 2025: RMB10,919,000) and RMB1,911,000 (31 December 2025: RMB2,108,000) respectively.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*.

During the reporting period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

	Fair value at 30 June 2026	**Fair value measurements as at 30 June 2026 categorised into**		
		Level 1	**Level 2**	**Level 3**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Recurring fair value measurements				
Assets:				
Equity securities designated at FVOCI (non-recycling)	**1,696**	**–**	**–**	**1,696**
Financial assets measured at FVPL				
— Wealth management products	**51,810**	**–**	**51,810**	**–**
— Equity instruments measured at FVPL-current	**221,380**	**–**	**–**	**221,380**
— Equity instruments measured at FVPL-non current	**17,327**	**–**	**–**	**17,327**

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Equity securities designated at FVOCI (non-recycling)	2,090	–	–	2,090
Financial assets measured at FVPL				
— Wealth management products	55,405	–	55,405	–
— Equity instruments measured at FVPL-current	212,060	–	–	212,060
— Equity instruments measured at FVPL-non current	17,327	–	–	17,327

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial assets measured at FVPL is determined based on the estimated amount that the Group would receive to redeem the financial assets at the end of each reporting period. The estimated redeemable amount is calculated based on the most recent transaction price or the daily quotation published by the financial institutions.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Weighted average/range
Equity instruments designated at FVOCI	Market approach	Discount for lack of marketability	33.8% (2025: 33.8%)
Equity instruments measured at FVPL — current	Market approach	Discount for lack of marketability	24.0% (2025: 24.0%)
Equity instruments measured at FVPL — non-current	Asset-based approach	Market price per sqm of investment properties	RMB10,092–RMB46,788 (2025: RMB10,092–RMB46,788)

The fair value of the equity instruments designated at FVOCI is determined by using enterprise value per sales of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2026, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's other comprehensive income by RMB26,000 (2025: RMB32,000).

The fair value of the equity instruments measured at FVPL is determined by using enterprise value per EBITDA of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability.

At 30 June 2026 and 31 December 2025, the fair value of the equity instruments measured at FVPL non-current is determined by using enterprise value after having adjusted investment properties to reflect fair value, which is estimated based on comparable transactions for properties in similar location, accessibility, age, quality, size and other factors.

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

Information about Level 3 fair value measurements (Continued)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	At 30 June 2026 ***RMB'000***	At 31 December 2025 *RMB'000*
Equity instruments designated at FVOCI:		
At 1 January	**2,090**	5,102
Net unrealised losses recognised in other comprehensive income during the period/year	**(394)**	(3,012)
At 30 June/31 December	**1,696**	2,090
Equity instruments measured at FVPL:		
At 1 January	**229,387**	221,344
Net unrealised gains recognised in profit or loss during the period/year	**9,320**	8,043
At 30 June/31 December	**238,707**	229,387
Total gains for the period/year included in profit or loss for assets held at the end of the reporting period	**9,320**	8,043

Any gain or loss arising from the remeasurement of the Group's equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 MATERIAL RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

The principal transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Provision of property management services and other services		
— Companies controlled by Mr. Zhang Lei	**870**	478
— Companies jointly controlled by Mr. Zhang Lei	**–**	566

(b) Balances with related parties

		At 30 June	At 31 December
		2026	2025
	Note	***RMB'000***	*RMB'000*
Amounts due from:			
— Companies controlled by Mr. Zhang Lei		**114,249**	117,431
— Companies jointly controlled by Mr. Zhang Lei		**48,409**	48,810
	(ii)	**162,658**	166,241
Amounts due to:			
— Companies controlled by Mr. Zhang Lei		**6,948**	6,972
— Companies jointly controlled by Mr. Zhang Lei		**102**	102
		7,050	7,074

15 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties *(Continued)*

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Contract liabilities:		
— Companies controlled by Mr. Zhang Lei	**6,373**	7,630

* At 30 June 2026, the directors consider the ultimate controlling party of the Group to be Mr. Zhang Lei, together with Mr. Zhang Peng acting as a concert group.

Notes:

(i) Amounts due from/to related parties are all trade nature, unsecured and interest-free.

(ii) The outstanding balances with these related parties are trading balances included in "trade and other receivables" (Note 8) against which a lump sum expected credit loss allowance amounted to RMB141,735,000 was provided at 30 June 2026 (31 December 2025: RMB144,949,000).

16 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of IFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of IFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of IFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Continued)

IFRS 18, Presentation and disclosure in financial statements *(Continued)*

(a) Structure of the statement of profit or loss

IFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

- Interest income, net gains on financial assets measured at FVPL, the income and expenses from investment properties, which are currently presented in the Group's other net income subtotal, as well as the share of profits less losses of associates and joint venture are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";

- The Group is assessing the classification of income and expenses as currently included in the finance cost line item and expects that this line item will be disaggregated into "income and expenses on liabilities arising solely from raising of finance" and "interest expenses on other liabilities" in the financing category;

- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort; and

- The Group currently presents operating expenses by function. The Group is assessing whether its current presentation, or a mixed presentation by nature and function, will provide the most useful structured summary of its operating expenses under IFRS 18. If the Group continues to present one or more operating expense line item by function, information about five specific expenses by nature will be provided in a single note to the financial statements.

*(b) Management-defined performance measures ("**MPM**")*

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. The Group is developing a process to identify its public communications and assess whether other measures reported in those communications meet the definition of an MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

16 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Continued)

IFRS 18, Presentation and disclosure in financial statements *(Continued)*

(c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to Group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has been consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

IFRS 18 also introduces consequential amendments to IAS 7, Statement of cash flows. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying IFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.

Definitions

"Audit Committee"	the audit committee of the Company;
"Board"	the board of Directors;
"BVI"	the British Virgin Islands;
"Cedar Group"	Cedar Group Management Limited (雪松集団管理有限公司), a BVI business company incorporated in the BVI with limited liability on 19 December 2019 and deregistered on 18 June 2026;
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules;
"China" or "PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this interim report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. "Chinese" shall be construed accordingly;
"Company", "our Company", "the Company" or "First Service Holding"	First Service Holding Limited (第一服务控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 20 January 2020, and, except where the context otherwise requires, all of its subsidiaries;
"Director(s)"	the director(s) of the Company;
"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), a limited liability company established in the PRC on 3 December 2014 and an indirect non-wholly owned subsidiary of our Company;
"GFA"	gross floor area;
"Global Offering"	the Hong Kong public offering and the international offering of the Shares;
"Glorious Group"	Glorious Group Holdings Limited (世家集团控股有限公司), a BVI business company incorporated in the BVI with limited liability on 19 December 2019;
"Group", "our Group", "we", "our" or "us"	our Company, its subsidiaries from time to time, or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the business operated by such subsidiaries or their predecessors (as the case may be);

Definitions

"Hao Fung"	Hao Fung Investment Limited (皓峰投资有限公司), a BVI business company incorporated in the BVI with limited liability on 18 December 2019;
"HK$", "Hong Kong Dollars" or "cents"	Hong Kong dollars or cents respectively, the lawful currency of Hong Kong;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange;
"Listing Date"	the date, being 22 October 2020, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
"Liu Pei Qing Management"	Liu Pei Qing Management Limited (刘培庆管理有限公司), a BVI business company incorporated in the BVI with limited liability on 17 December 2019;
"Long Han Management"	Long Han Management Limited (龙晗管理有限公司), a BVI business company incorporated in the BVI with limited liability on 17 December 2019;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
"Prospectus"	the prospectus of the Company dated 12 October 2020;
"Remuneration Committee"	the remuneration committee of the Company;
"Renminbi" or "RMB"	the lawful currency of the PRC;
"Reporting Period"	the six months ended 30 June 2026;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
"Shareholder(s)"	holder(s) of the Share(s);

Definitions

"Share(s)"	ordinary share(s) in the capital of our Company with nominal value of US$0.0000002 each;
"Share Award Scheme"	the share award scheme adopted by the Board on 10 May 2021;
"Share Option Scheme"	the share option scheme conditionally adopted pursuant to the written resolutions passed by our Shareholders on 25 September 2020;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

In this interim report, the terms "associate", "connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

* *For identification purposes only*