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## **EXCELLENCE COMMERCIAL PROPERTY & FACILITIES MANAGEMENT GROUP LIMITED**

**卓越商企服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6989)**

### **INSIDE INFORMATION**

#### **ANNOUNCEMENT ON LITIGATION INVOLVING A SUBSIDIARY**

This announcement is made by Excellence Commercial Property & Facilities Management Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **Introduction**

On 20 June 2023, the Company received a notification from Beijing Global Wealth Property Management Co., Ltd.\* (北京環球財富物業管理有限公司) (“**Beijing Global**”), a non wholly-owned subsidiary of the Company (the “**Subsidiary**” or “**6th Defendant**”), that it had been served with a statement of claim (民事起訴狀), the notice of response (應訴通知書) and other documents from Beijing Financial Court (北京金融法院) (the “**Relevant Documents**”) in relation to a dispute of the outstanding loan (the “**Loan**”) between China Great Wall Asset Management Co., Ltd. Beijing Branch\* (中國長城資產管理股份有限公司北京市分公司) (the “**Plaintiff**”) as creditor and Beijing Guanghua Road No.5 Trading Co., Ltd.\* (北京光華路五號貿易有限公司) (the “**1st Defendant**”) as borrower (the “**Litigation**”). Pursuant to the Relevant Documents, the Loan was jointly and severally guaranteed by Beijing Shiyuan Guanghua Real Estate Development Co., Ltd.\* (北京世源光華房地產開發有限公司) (the “**2nd Defendant**”), Beijing Jingmufang Commercial Management Co., Ltd.\* (北京京木坊商業管理有限公司) (the “**3rd Defendant**”), Mr. Wei Ping (衛平) (the “**4th Defendant**”), Ms. Yang Yaning (楊亞寧) (the “**5th Defendant**”), the Subsidiary, Beijing Guanghua Road No.5 Media Development Co., Ltd.\* (北京光華路五號傳媒發展有限公司) (the “**7th Defendant**”) and Beijing Guanghua Road No.5 Catering Management Co., Ltd.\* (北京光華路五號餐飲管理有限公司) (the “**8th Defendant**”) (collectively the “**Defendants**”). In addition, the 2nd Defendant also pledged its property located in Building 1, Courtyard No. 5, Guanghua Road, Chaoyang District, Beijing (the “**Pledged Property**”) for the Loan.

## **Plaintiff's claims**

Pursuant to the Relevant Documents, the Plaintiff claimed against the Defendants the following:

- (1) an order that the 1st Defendant to repay the Plaintiff a total sum of approximately RMB240,227,643 (including the outstanding amount of the loan principal of approximately RMB183,432,680 and the total sum of the default penalty and interest of approximately RMB56,794,963 as of 30 April 2023). From 1 May 2023 to the date of actual repayment, the interest should be paid quarterly at an annual rate of 13% and the default penalty for the overdue interest should be calculated at an annual rate of 13% plus 50%;
- (2) an order confirming that the Plaintiff has the priority right over the Pledged Property;
- (3) an order that the 2nd Defendant, the 3rd Defendant, the 4th Defendant, the 5th Defendant, the 6th Defendant, the 7th Defendant and the 8th Defendant be jointly and severally liable for the Loan; and
- (4) an order that the Defendants to bear all litigation costs, including but not limited to case acceptance fees, preservation fees and announcement fees.

## **Actions to be taken by the Group**

The Group will engage legal advisers in the People's Republic of China to handle the Litigation and assess the merits of the alleged claims depending on the circumstances of the Litigation, and expects that the Subsidiary will defend in the Litigation to protect its legitimate interests. The Company assessed the expected credit loss ("ECL") allowance for the guarantee provided by the Subsidiary based on the expected payments including any additional interests and penalty on overdue payments to reimburse the Plaintiff, taking into account the liquidation value of the Pledged Property. As at 31 December 2022, the guarantee provided by the Subsidiary was measured at an amount equal to the ECL allowance of RMB62,371,000. The liquidation value of the Pledged Property of RMB195,000,000 as at 31 December 2022. It is expected that the total amount that may be reimbursed to the Plaintiff (if any) will be set off against the liquidation value of the Pledged Property and ECL allowance for the guarantee provided by the Subsidiary. For further details, please refer to the pages 83 and 84 of the annual report of the Company dated 28 April 2023.

The Company will keep the shareholders of the Company and the potential investors informed of any related progress by way of further announcement(s) as and when appropriate in accordance with relevant requirements.

## **Impact of the Litigation on the Group**

Based on the current assessment and as of the date of this announcement, the Litigation has no material impact on the daily operation of the Group as a whole. As at the date of this announcement, the Subsidiary is carrying out its operation as usual. While it is expected that the Subsidiary will defend the Litigation, as the Litigation is still at an early stage, it is difficult to predict the final outcome of the Litigation with certainty and the Company is still assessing the merits of the Litigation and financial impact of the Litigation on the Group. Further announcement(s) will be made by the Company as and when appropriate in accordance with relevant requirements.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Excellence Commercial Property &  
Facilities Management Group Limited**  
**Li Xiaoping**  
*Chairman*

Hong Kong, 12 July 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Li Xiaoping and Ms. Guo Ying; the non-executive directors of the Company are Mr. Wang Dou and Mr. Wang Yinhu; and the independent non-executive directors of the Company are Mr. Huang Mingxiang, Mr. Kam Chi Sing and Ms. Liu Xiaolan.*

\* *For identification purposes only*