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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
THE 2024 ANNUAL REPORT**

References are made to (i) the annual report of Excellence Commercial Property & Facilities Management Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2024 published on 29 April 2025 (the “**2024 Annual Report**”), (ii) and the annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (the “**2023 Annual Report**”), and (iii) the announcement dated 6 April 2021 (the “**2021 Announcement**”) in relation to the acquisition of 75% equity interest in Beijing Global Wealth Property Management Co., Ltd.\* (北京市環球財富物業管理有限公司) (“**Beijing Global Wealth**”) by the Group. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2024 Annual Report, the 2023 Annual Report and the 2021 Announcement (as the case may be).

This announcement is made by the Company pursuant to paragraph 11A of Appendix D2 to and Rule 14.36B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to inform the shareholders and potential investors of the Company about the latest status and updates of the use of the Net Proceeds and the Acquisition of the Target Company.

**USE OF PROCEEDS IN 2024 ANNUAL REPORT**

During the year ended 31 December 2024, the Net Proceeds brought forward from the previous financial year (equivalent to the unutilized Net Proceeds as of 31 December 2023 as disclosed in the 2023 Annual Report) amounted to HKD1,825.6 million, details of which are set out below.

Major Categories	Specific Plans	% of actual Net proceeds	Planned use of proceeds <sup>(1)</sup> (HKD million)	Amount brought forward (HKD million)	Amount of	Actual
					proceeds unutilized as at 31 December 2024 <sup>(2)</sup> (HKD million)	amount of proceeds utilized as at 31 December 2024 <sup>(2)</sup> (HKD million)
Business expansion	Strategically acquire or invest in interests in companies with operational scale or profitability prospect	55.00%	1,853.8	1,240.9	352.3	659.3
	Acquire or invest in interests in third party service providers to provide specialized value-added services or to expand the Group's scope of services when opportunities arise					
	Acquire or invest in quality assets with revenue prospects to enhance the Group's profitability when opportunities arise					
Development of information system	Develop and optimise smart technology management information platform and provide other related support for the development and optimisation of smart management information platform; provide technology-enabled services to enhance customer experience and management efficiency	3.00%	91.2	73.2	54.8	4.9
	Develop and optimise "O+" platform and provide other related support for the development and optimisation of "O+" platform. Achieve basic property services (property charges, parking fees, service orders, notices) and value-added services (shopping malls, food delivery, etc.) online					
	Upgrade or introduce new business management systems to enhance internal control and improve management efficiency (e.g., improve automation, reduce error rates and provide timely analysis of operations and effective operational management); provide resources to support IT system upgrades					

Major Categories	Specific Plans	% of actual Net proceeds	Planned use of proceeds <sup>(1)</sup> (HKD million)	Amount brought forward (HKD million)	Amount of proceeds unutilized as at 31 December 2024 <sup>(2)</sup> (HKD million)	Actual amount of proceeds utilized as at 31 December 2024 <sup>(2)</sup> (HKD million)
Facility upgrades for the properties under our management	Upgrade the facilities in some old residential properties under the Group's management to develop intelligent communities	4.00%	131.1	105.8	3.3	26.9
Attracting and nurturing talent	Recruit and nurture professional talents strategically to provide the Group's customers with quality services and fully satisfy their needs, thereby enhancing customer satisfaction. The Company will also: <ul style="list-style-type: none"> <li>(i) provide professional trainings to our employees at key positions and identify and train up our future team leaders;</li> <li>(ii) recruit key personnel (supervisory level and above) strategically to support our business growth;</li> <li>(iii) recruit new employees to improve the strategic talent pool and provide professional functional trainings to the new employees; and</li> <li>(iv) other expenses for providing talent support for the Group</li> </ul>	18.00%	611.7	324.3	56.0	264.4
General corporate purposes	Working capital and general corporate purposes	20.00%	671.7	81.4	4.0	62.4

*Notes:*

- (1) Please also refer to the Company's Annual Report for the year ended 31 December 2023 for planned use of proceeds.
- (2) Calculated based on the exchange rate of RMB to HKD as at 31 December 2024, being 1 HKD = 0.926 RMB, for the purpose of presentation in this announcement.

## UPDATES ON PROFIT GUARANTEE

Pursuant to the Agreement and as disclosed in the 2021 Announcement, if the actual revenue generated from the property management projects managed by Beijing Global Wealth is less than the Guaranteed Revenue during the Relevant Periods (i.e., each of the five financial years ending 31 December 2025), Beijing Global Wealth will receive a compensation amount equivalent to the difference between the actual revenue and the Guaranteed Revenue from the Vendors, the Guarantor and the Remaining Shareholder (collectively, the “**Relevant Parties**”).

As disclosed in the 2024 Annual Report, the revenue generated from the property management projects managed by Beijing Global Wealth for the year ended 31 December 2024 was approximately RMB60.44 million, which was RMB1.75 million (the “**Shortfall**”) lower than the Guaranteed Revenue of RMB62.2 million for the year ended 31 December 2024. The Shortfall represented approximately 0.04% of the Group’s total revenue and approximately 0.5% of the Group’s profit for the year ended 31 December 2024.

The Relevant Parties have yet to fulfil their obligations under the Agreement. From the time the Shortfall was ascertained in late March 2025 when the Target Company’s audited financial statements of the Target Company for the year ended 31 December 2024 was finalized, the Company had actively engaged in discussions with the Relevant Parties to agree on the settlement mechanism and timing for the Shortfall.

Having considered that (i) the Shortfall is only RMB1,754,023.44, representing only approximately 0.04% of the Group’s revenue and 0.5% of the Group’s profit for the year ended December 31, 2024; (ii) the estimated direct legal costs would represent a significant portion of the recoverable amount, (iii) the legal process (from filing to enforcement) would take approximately two years to complete, and (iv) such costs would have to be borne by the Company upfront and could only be recovered upon completion of the entire court proceedings, the Board considered that immediate legal action would be neither cost-effective nor commercially justified, and has decided to continue to engage the Relevant Parties in constructive dialogue to recover the Shortfall, without resorting to formal legal action. The estimated direct cost of initiating legal action is approximately RMB280,000, and if an appeal is involved, approximately RMB400,000, representing approximately 16.0% and 22.8% of the Shortfall, respectively.

In light of the progress in negotiations and the deteriorating financial condition of the PRC property market, the Company had reason to believe that the Relevant Parties may be facing liquidity constraints. To further assess their financial standing, in early October 2025, the Company conducted searches under the PRC judgment enforcement system (被執行人綜合信息查詢) and found that three of the four Relevant Parties were listed as judgment debtors (被執行人).

Considering that initiating legal proceedings may not be cost-effective, particularly in light of the three Relevant Parties' current status as judgment debtors, and that granting an extended grace period may enhance their repayment ability should the PRC property market recover, the Group has determined 31 March 2026 as the final negotiation deadline for the receipt of the Shortfall. This date corresponds to the timing when the financial performance of Beijing Global Wealth for the final assessment year (the year ended 31 December 2025) will be reflected in the Group's audited consolidated financial statements, which is expected to be published by the end of March 2026. Accordingly, the Company considers 31 March 2026 as a reasonable timeframe for constructive discussions with the Relevant Parties.

If the Shortfall remains unpaid after 31 March 2026, the Company will further assess the repayment capability of the Relevant Parties and, where appropriate, consider initiating formal legal proceedings to recover the outstanding amount. In the meantime, the Company has engaged PRC legal advisers to issue formal demand letters to each of the Relevant Parties for the Shortfall.

Furthermore, the Company has already strengthened its internal control measures over merger and acquisition projects that are subject to industry cyclicalities since the Acquisition in April 2021. In particular, for long-term investment projects involving performance guarantee or profit compensation arrangements, the Company has adopted the following measures to manage investment risks: (i) clearly specifying the payment mechanism for any compensation; and (ii) including an option for the Group to request the counterparty to repurchase the relevant equity interest in the event of non-performance.

Therefore, the Board is of the view that the Relevant Parties have not fulfilled their obligations, that the Company has taken sufficient steps to safeguard its assets, and that it is fair and reasonable and in the interests of the Shareholders as a whole to continue to engage the Relevant Parties in constructive dialogue to recover the Shortfall.

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

Hong Kong, 5 November 2025

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

\* *For identification purposes only*