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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

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of Excellence Commercial Property & Facilities Management Group Limited (the “**Company**”) dated 2 February 2024 (the “**CCT Announcement**”) in relation to the renewal of the continuing connected transactions contemplated under the New Agreements. Unless specified otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the CCT Announcement.

This announcement is to provide supplemental information on the pricing policy and payment terms of each of the New Agreements.

(1) 2024 MASTER PARKING SPACES’ USE RIGHT PURCHASE AGREEMENT

Pricing policy

The price of each of the Parking Spaces will be based on market prices and not higher than those offered by Independent Third Parties. The market price is based on the market research of our Group on the prices of car parking spaces in similar property compounds in the vicinity with reference to public data of third party websites. The market research process involves obtaining and comparing no less than three quotations via public data of third party websites. With reference to historical data available to our Group under the Previous Master Parking Spaces’ Use Right Purchase Agreement, the price range of each of the Parking Spaces determined based on the market price in 2023 is in the range of RMB20,000 to RMB40,000.

Payment terms

Purchase price of the right-of-use of the Parking Spaces shall be made in approximately five installments of 10% to 30% of the purchase price at each installment. The full purchase price shall be paid by no later than three months after the acceptance and delivery of the Parking Spaces.

(2) 2024 DECORATION AND MAINTENANCE SERVICES FRAMEWORK AGREEMENT

Pricing policy

The transactions contemplated under the 2024 Decoration and Maintenance Services Framework Agreement shall be priced in accordance with (i) the cost of the Decoration and Maintenance Services as determined in a tendering process, through which Independent Third Party contractors submit their proposals for the provision of Decoration and Maintenance Services to Mr. Li's Companies; and (ii) a profit margin of approximately 3%. In determining the reasonableness of the profit margin, our Group considered, among other things, the average profit margin of not less than five independent companies that engage in the provision of comparable services based on their latest publicly available information. On the basis of the aforesaid, our Company considers that the profit margin charged under the 2024 Decoration and Maintenance Services Framework Agreement are on normal commercial terms. Our Group does not provide similar services to Independent Third Parties. In the event that our Group provides similar services to Independent Third Parties in the future, our Group will ensure that the profit margin charged under the 2024 Decoration and Maintenance Services Framework Agreement is no less favourable to our Group than those charged to Independent Third Parties, by comparing that profit margin against the top three highest profit margin charged to our Independent Third Party customers for similar services.

Payment terms

Payment for the Decoration and Maintenance Services shall be made on a monthly basis at an amount determined with reference to the completion progress of the relevant project, as determined upon inspection by Mr. Li's Companies.

(3) 2024 PROPERTY AGENCY SERVICES FRAMEWORK AGREEMENT

Pricing policy

The commission fees to be charged by our Group for the Property Agency Services shall be determined after arm's length negotiations with reference to (i) the rental or selling price and the GFA of the properties and Car Parking Lots to be leased or sold through our Property Agency Services; and (ii) a commission rate of approximately 1.5% to 5% of the rental or selling price. In determining the reasonableness of the commission rate, our Group considered, among other things, (i) the commission charged by independent companies that provide comparable Property Agency Services in the PRC; and (ii) the commission charged by our Group for comparable services rendered to other customers. Our Group strives to ensure that the commission charged under the 2024 Property Agency Services Framework Agreement is no less favourable than those charged to Independent Third Parties, by comparing that commission fee against the top four highest commission fees charged to our Independent Third Party customers for similar services. On the basis of the aforesaid, our Company considers that the commission rate charged under the 2024 Property Agency Services Framework Agreement are on normal commercial terms and are no less favourable to our Group than the prices offered to other Independent Third Parties of similar services in the market.

Payment terms

Generally, payment for the Property Agency Services provided shall be made in full upon full or partial payment of the corresponding properties and Car Parking Lots leased or sold, or (if applicable) the execution of mortgage in relation to the properties sold.

(4) 2024 MASTER PROPERTY MANAGEMENT SERVICES AGREEMENT

Pricing policy

With reference to historical data available to our Group under the Previous Master Property Management Services Agreement, details of the service fees for the provision of Property Management Services based on the market price in 2023 depending on the type of the property are as follows:

Type of property	Approximate Monthly service fees (per sq.m)
Non-residential	RMB16-30
Residential	RMB2-12

In particular, the service fees for the provision of Property Management Services for residential properties shall be made with reference to government-guided property management services fees for residential properties promulgated by the relevant local regulatory authorities, including but not limited to the “Shenzhen Residential Property Management Service fees Guidance Standards* (深圳市住宅物業服務收費指導標準)”. The range of monthly service fees for residential properties and non-residential properties is wide, which is mainly due to (i) the difference in location of the project, whereby the monthly service fees would be lower in places that are not in the central business district of first-tier cities; and (ii) each property would require a different combination of Property Management Services (i.e. those under the pre-delivery services and the property management services). For illustration purposes, fees for cleaning services would be lower than design consultancy fees.

Our Group strives to ensure that the service fees charged for the Property Management Services are no less favourable to our Group than those charged to Independent Third Parties, by (i) comparing those fees against the top five highest fees charged to our Independent Third Party customers for similar services; and (ii) ensuring that they are in line with the applicable regulatory requirements and government guidelines.

Payment terms

Generally, payment for the service fees for the provision of Property Management Services shall be made on a monthly basis.

(5) 2024 MASTER SUPPLY AND INSTALLATION AGREEMENT

Pricing policy

The transactions contemplated under the 2024 Master Supply and Installation Agreement shall be priced in accordance with (i) the cost of the Systems, and the System Supply and Installation Services as determined in a tendering process, through which Independent Third Party suppliers and contractors submit their proposals for the supply of the Systems and the provision of the System Supply and Installation Services; and (ii) a profit margin of approximately 8%. In determining the reasonableness of the profit margin considered, among other things, the commission charged by our Group for comparable products and services rendered to other customers. Our Group strives to ensure that the profit margin charged under the 2024 Master Supply and Installation Agreement is no less favourable to our Group than those charged to Independent Third Parties, by comparing that profit margin against the top three highest profit margin charged to our Independent Third Party customers for similar services.

Payment terms

The fees for the transactions contemplated under the 2024 Master Supply and Installation Agreement shall be made at the following stages:

1. approximately 70%-80% of the fees shall be payable upon delivery and acceptance of the Systems; and
2. approximately 20%-30% of the fees shall be payable upon inspection and acceptance of the installation of the Systems.

(6) 2024 MASTER COMMERCIAL PROPERTIES LEASE AGREEMENT

Pricing Policy

It is expected that a substantial portion of the fees payable by our Group to associates of Mr. Li's Companies under the 2024 Master Commercial Properties Lease Agreement will be for the lease of Car Parking Lots held by Mr. Li's Companies. The fees for the lease of Car Parking Lots by our Group shall be calculated at 50% to 80% of the total car parking fees received for the Car Parking Lots in a month. Our Group strives to ensure that the fees payable under the 2024 Master Commercial Properties Lease Agreement are no less favourable to our Group than those charged by Independent Third Parties by obtaining and comparing no less than three quotations from Independent Third Party suppliers in the vicinity of the Car Parking Lots.

Payment terms

Generally, payment of the fees for the transactions contemplated under the 2024 Master Commercial Properties Lease Agreement shall be made on a monthly basis. Payment of the fees for the lease of Car Parking Lots shall be made on a monthly basis upon revenue recognition of the total car parking fees received.

(7) 2024 MASTER CONSTRUCTION MATERIAL TRADING AGREEMENT

Pricing Policy

The transactions contemplated under the 2024 Master Construction Material Trading Agreement shall be priced in accordance with (i) the cost of the Construction Materials as determined in a tendering process, through which Independent Third Party suppliers submit their proposals for the supply of the Construction Materials; and (ii) a profit margin of approximately 10%. In determining the reasonableness of the profit margin, our Group considered, among other things, the average profit margin of not less than five independent companies that engage in the provision of comparable services based on their latest publicly available information. On the basis of the aforesaid, our Company considers that the profit margin charged under the 2024 Master Construction Material Trading Agreement are on normal commercial terms. Our Group does not provide similar products and services to Independent Third Parties. In the event that our Group provides similar products and services to Independent Third Parties in the future, our Group will ensure that the profit margin charged under the 2024 Master Construction Material Trading Agreement is no less favourable to our Group than those charged to Independent Third Parties, by comparing that profit margin against the top three highest profit margin charged to our Independent Third Party customers for similar products and services.

Payment terms

The fees for the transactions contemplated under the 2024 Master Construction Material Trading Agreement shall be made at the following stages:

1. 80% of the fees shall be payable within 30 business days upon delivery of the Construction Materials;
2. 19% of the fees shall be payable within 30 business days upon the completion of the inspection and acceptance procedures of the construction projects on which the Construction Materials are being used (“**Project Acceptance Date**”); and
3. 1% of the fees shall be payable within 15 business days upon expiry of the warranty period of 90 business days following the Project Acceptance Date.

(8) 2024 MASTER INTELLIGENT COMMUNITY SERVICES AGREEMENT

Pricing Policy

The transactions contemplated under the 2024 Master Intelligent Community Services Agreement shall be priced in accordance with (i) the cost of the Intelligent Community Services and Intelligent Community Software Development Services as determined in a tendering process, through which Independent Third Party suppliers and contractors submit their proposals for the provision of the Intelligent Community Services and Intelligent Community Software Development Services; and (ii) a profit margin of approximately 30%. In determining the reasonableness of the profit margin, our Group considered, among other things, the average profit margin of not less than five independent companies that engage in the provision of comparable services based on their latest publicly available information. On the basis of the aforesaid, our Company

considers that the profit margin charged under the 2024 Master Intelligent Community Services Agreement are on normal commercial terms. Our Group does not provide similar products and services to Independent Third Parties. In the event that our Group provides similar products and services to Independent Third Parties in the future, our Group will ensure that the profit margin charged under the 2024 Master Intelligent Community Services Agreement is no less favourable to our Group than those charged to Independent Third Parties, by comparing that profit margin against the top three highest profit margin charged to our Independent Third Party customers for similar products and services.

Payment terms

The fees for the transactions contemplated under the 2024 Master Intelligent Community Services Agreement shall be made at the following stages:

1. 35% of the fees shall be payable within 10 business days upon acceptance of a written report relating to the applicability and suitability of Intelligent Community Services and Intelligent Community Software Development Services by Mr. Li's Companies;
2. 50% of the fees shall be payable within 10 business days upon the completion and acceptance by Mr. Li's Companies of the deployment and operation of the Intelligent Community Services and Intelligent Community Software Development Services in a project simulation environment;
3. 15% of the fees shall be payable within 10 business days of the delivery, inspection and acceptance of the software and hardware under the Intelligent Community Services and Intelligent Community Software Development Services.

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

Hong Kong, 3 April 2024

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