

TARGET

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EXCELLENCE COMMERCIAL PROPERTY AND FACILITIES MANAGEMENT GROUP LTD: THE CONTROLLING SHAREHOLDER IS THE GUARANTOR OF BANK DEBTS !

The history of Excellence Commercial Property and Facilities Management Group Ltd has all the appearances of being very much a success story.

Its Revenue has risen by about 94 percent in respect of the three Financial Years, ended December 31, 2019, while its Net Profit Attributable to Shareholders had shot up by about 64 percent, during those Financial Years.

The Company went public on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** on or about Wednesday, October 7, 2020.

For reason(s) that this Company determined to seek a listing of its shares on the premier equity market of the HKSAR, only Senior Management is privy.

But it is noted that, as at December 31, 2019, in the vernacular of Americans, the Company was, very much, on a roll; and, going public, one would have thought, should have been the last item on the business platform of senior management.

Logic indicates that one does not share one's good fortune with strangers – unless one is philanthropic, of course.

And philanthropy is rarely the favourite dish of hard-nosed businessmen.

The Initial Public Offering (IPO) Of Excellence Commercial Property And Facilities Management Group Ltd

Excellence Commercial Property and Facilities Management Group Ltd (卓越商企服務集團有限公司) (Code: 6989, Main Board, The Stock Exchange of Hongkong Ltd) published and disseminated its Global Offering Prospectus on October 7, 2020.

Management made an Offering of 300 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK9.30 to a high of \$HK10.68.

Investors of the HKSAR were enticed to subscribe to 30 million Offer Shares in what was labelled as the Public Offer Shares tranche.

International Investors, on the other hand, that is Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors has very material interests by virtue of equity controls, were induced to subscribe to 270 million Placing Shares (the International Placing Shares tranche).

On Friday, October 16, 2020, Management of Excellence Commercial Property and Facilities Management Group Ltd made a formal Announcement as to the Offer Price and Allotment Results, stating that the Offer Price Per Share had been struck at the highest level of the Indicative Offer Price range, being \$HK10.68.

Shareholders were informed that the Global Offering had caused the Company's coffers to be enriched by the addition of about \$HK3,066.30 million.

With regard to the Public Offer Shares tranche, shareholders were informed that it had '*been significantly over-subscribed*', with Management, having received a total of 379,873 valid applications for 19,561,871,000 HKSAR Public Offer Shares, representing approximately 652.06 times the 30 million Offer Shares, initially available under the tranche.

As for the International Placing Shares tranche, one was told that it, too, had '*been significantly over-subscribed*.'

Management stated that subscriptions for International Placing Shares were for about 9,016,832,906 Shares, equivalent to about 33.40 times the 270 million International Placing Shares, initially available under this tranche.

At Page Eight of the October 16, 2020 Announcement, one was told as to how Management presently intended to utilise the net proceeds of the Global Offering:

1. Approximately, 70 percent of the net proceeds, that is about \$HK2,146.40 million, '*will be used for our business expansion, including strategic acquisitions and investments*';
2. Approximately, 10 percent of the net proceeds, that is about \$HK306.60 million, '*will be used to invest in advanced information technology system*';
3. Approximately, five percent of the net proceeds, that is about \$HK153.30 million, '*will be used for facility upgrades for the properties under our management*';
4. Approximately, five percent of the net proceeds, that is about \$HK153.30 million, '*will be used for attracting and nurturing talent*'; and,
5. Approximately, 10 percent of the net proceeds, that is about \$HK306.60 million, '*will be used for general corporate purposes*'.

The History And Business Of Excellence Commercial Property And Facilities Management Group Ltd

At Page 129 of the Global Offering Prospectus, one was informed that Excellence Commercial Property and Facilities Management Group Ltd had a history of 21 years, going back to 1999.

Management incorporated Shenzhen Excellence Property Management Company Ltd (深圳市卓越物業管理有限責任公司) on October 27, 1999, in the PRC, this company, being an indirect, wholly owned subsidiary of Excellence Commercial Property and Facilities Management Group Ltd, today.

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