

【For Immediate Release】



Baguio Green Announces 2021 Interim Results

(Stock Code: 1397)

**High operating efficiency increases contract margin,
driving net profit growth by nearly 10%
One-stop recycling service will continue to benefit from
the implementation of MSW Charging bill**

(30th August 2021 - Hong Kong) Baguio Green Group Limited, a professional integrated environmental service provider in Hong Kong (“Baguio” or the “Group”, Stock Code: 1397.HK) is pleased to announce its unaudited interim results for the six months ended 30 June 2021 (the “Reviewing Period”). During the Reviewing Period, the Group’s revenue was approximately HK\$587.2 million, representing a decrease of approximately 0.7% as compared with the preceding period. The profit attributable to shareholders reached approximately HK\$12.2 million, representing an increase of approximately 9.8% as compared with the preceding period. Gross profit margin increased from 5.6% to approximately 8.4% due to the increase of new contracts with higher profit margin and higher operation efficiency. Earnings per share was HK2.95 cents, representing an increase of HK\$0.26 cent as compared with the preceding period.

Mr. Ng Wing Hong, Chairman of Baguio, commented, “The MSW Charging bill may have been delayed for 16 years. However, Baguio has been developing local recycling services since 2014 and is well prepared for these steps forward in local waste reduction and recycling. We already own and operate various local recycling facilities. We have also developed various recycling solutions and established a large network of collection points together with a fleet of vehicles.

With the Charging for Municipal Solid Waste (Amendment) Bill being passed on 26 August 2021, the need for professional recycling and waste management services in the market will greatly increase. We believe that our solid experiences in one-stop waste management and recycling services is key to clients successfully implementing individualised recycling and waste reduction initiatives to prepare for the MSW charging scheme. We predict that more incentive schemes will be introduced to promote recycling along with new regulations that put the burden firmly on producers and end users to treat their waste more responsible. The

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碧瑤清潔服務有限公司

Baguio Cleaning Services Co. Ltd.

碧瑤蟲害管理有限公司

Baguio Pest Management Ltd.

碧瑤園藝工程有限公司

Baguio Landscaping Services Ltd.

德泰園景工程有限公司

Tak Tai Enviroscape Ltd.

碧瑤廢物處理及回收有限公司

碧瑤塑料回收有限公司

碧瑤綠色科技有限公司

碧瑤綠色科技(深圳)有限公司

Baguio Waste Management & Recycling Ltd.

Baguio rPlastic Ltd.

Baguio Green Technology Ltd.

Baguio Green Technology (Shenzhen) Ltd.

Group has therefore great confidence in the local recycling industry's long-term prospects.

Looking forward, the Group will take the initiative to develop its own proprietary technology platform for waste recycling and management. Making waste fully traceable will help increase the waste management efficiency and recycling rate. Collected big data can provide to the clients to enhance their sustainable performance. We will also continue to strengthen our cleaning, landscaping and pest management core businesses. As one of Hong Kong's leading green companies, we will make every effort to build a cleaner more sustainable city and achieve sustainable returns for shareholders."

Business Overview

During the Reviewing Period, the Group has strengthened its comprehensive one-stop service by offering different types of professional and niche environmental services such as recycling, clinical waste collection, food waste collection and management, disinfection and antimicrobial coating services, specialty cleaning services for hospitals, and waste management service for large scale institutions. These strategies have been successful in adding new sources of income and enhancing profitability.

During the Period, the Group won new contracts worth approximately HK\$1.05 billion from government tenders. These included cleaning and waste collections services for public streets, waste management services for public utilities and cleaning services for leisure and recreation venues. New business driven by private-sector demand was also promising. Awareness of sustainability within the commercial sector is increasing, mainly due to the impact of the pandemic and also the trend among large private companies to act more responsibly on the ESG front.

With regard to waste management and recycling, revenue from the waste treatment and recycling segment increased to HK\$117.6 million for the Reviewing Period, representing an increase of approximately 47.4% as compared with the preceding period. The Group secured new contracts with the Food and Environmental Hygiene Department and the Airport Authority of Hong Kong for the provision of waste collection and management contracts, during the Period. The Group continued to expand its operational capacity and waste collection network, including operating the 35,000 sq. ft. waste paper recycling plant in Sheung Shui with a maximum daily capacity of 100 tonnes, and the 50,000 sq. ft. new waste sorting plant in Tuen Mun will be commenced in Q3 2021 with a maximum daily capacity of 20 tonnes.

For details of the Group's 2021 interim results announcement, please visit the following website:
<http://www.baguio.com.hk/en-US/Investor%20Relations/Announcements%20and%20Notices>



碧瑤綠色集團有限公司
Baguio Green Group Limited

(於開曼群島註冊成立之有限公司 Incorporated in the Cayman Islands with limited liability)



Introduction of Baguio Green Group Limited:

Baguio Green Group (Stock Code : 1397.HK) has been committed to creating a green and clean environment since 1980. To date, Baguio has become a professional integrated environmental service provider, including sanitation and cleaning, resource recovery, waste management and collection, landscaping and integrated pest management. Besides implementing the principles of sustainable development and environmental protection, Baguio, as a socially responsible enterprise, actively assists in building a greener, healthier and better environment.

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