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## **BAGUIO GREEN GROUP LIMITED**

**碧瑤綠色集團有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 1397)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY**

The Board wishes to announce that on 28 September 2018 after trading hours, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Formal Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$42,886,050.00.

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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#### **THE FORMAL AGREEMENT**

**Date:**

28 September 2018

**Parties:**

Purchaser: Baguio Cleaning Services Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company; and

**Vendor:** CAI Group Limited, a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor is principally engaged in general trading; and (ii) the Vendor and its ultimate beneficial owners are Independent Third Parties.

**Property to be acquired:**

The Property to be acquired is Unit D, 4th Floor, Dragon Industrial Building, No. 93 King Lam Street, Kowloon, Hong Kong. The Property is an industrial property with a total gross floor area of approximately 7,869 square feet. Part of the area of the Property (approximately 3,169 square feet) is currently occupied by the Group ("**Property A**") while the remaining area of the Property (approximately 4,700 square feet) is currently occupied by an existing tenant ("**Property B**"). Pursuant to the Formal Agreement, the Vendor shall deliver the Property upon Completion.

**Consideration:**

The Consideration for the Acquisition is HK\$42,886,050.00 which shall be paid by the Purchaser to the Vendor as follows:

- (a) an initial deposit in the aggregate of HK\$2,144,303.00 has been paid upon signing of the Preliminary Agreement on 14 September 2018;
- (b) a further deposit in the aggregate of HK\$2,144,302.00 has been paid upon signing of the Formal Agreement on the date of this announcement; and
- (c) the remaining balance of the Consideration in the sum of HK\$38,597,445.00 shall be paid upon Completion which is scheduled to take place on or before 26 November 2018.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations with reference to, amongst other things, the current market value of the Property. The Consideration will be financed by internal resources and bank financing.

**Completion:**

Completion shall take place on or before 26 November 2018.

**Other:**

The Purchaser has agreed to purchase the Property subject to the existing tenancy agreements of Property A and Property B, at a monthly rental of HK\$42,000 and HK\$68,000 respectively (inclusive of management fee, government rates and rent). The tenancy agreement for Property A will be terminated immediately upon Completion whereas that for Property B will expire on 31 July 2020. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the existing tenant of Property B and its ultimate beneficial owners are Independent Third Parties.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the provision of cleaning and environmental services.

## **REASONS FOR THE BENEFITS OF THE ACQUISITION**

To cope with the business development and expansion of the Group and as the Property is located within walking distance on the same floor of the principal place of business of the Group, the Directors consider that the purchase of the Property is beneficial to the Group by providing additional stable office space for the Group. The Property is intended to be held by the Group for its own use as office and administrative purposes.

In the view of the above, the Directors are of the view that the terms of the Formal Agreement are fair and reasonable and the entering into of the Formal Agreement is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirement under the Listing Rules.

## **DEFINITIONS**

“Acquisition”	acquisition of the Property by the Purchaser from the Vendor pursuant to the Formal Agreement
“Board”	board of Directors
“Company”	Baguio Green Group Limited (Stock Code: 01397), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	total consideration for the Acquisition, being HK\$42,886,050.00
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement dated 28 September 2018 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries from time to time

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“Preliminary Agreement”	the preliminary agreement dated 14 September 2018 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Property”	Unit D, 4th Floor, Dragon Industrial Building, No. 93 King Lam Street, Kowloon, Hong Kong
“Purchaser”	Baguio Cleaning Services Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	CAI Group Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

By order of the Board of  
**Baguio Green Group Limited**  
**Ng Wing Hong**  
*Chairman*

Hong Kong, 28 September 2018

*As at the date of this announcement, the Board comprises Mr. Ng Wing Hong, Ms. Ng Yuk Kwan Phyllis, Mr. Ng Wing Chuen, Ms. Leung Shuk Ping, Ms. Chan Shuk Kuen and Ms. Cheung Siu Chun as executive directors of the Company and Mr. Sin Ho Chiu, Dr. Law Ka Hung and Mr. Lau Chi Yin Thomas as independent non-executive directors of the Company.*