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BAGUIO GREEN GROUP LIMITED

碧瑤綠色集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1397)

VOLUNTARY ANNOUNCEMENT TENDER RESULTS

This announcement is made by Baguio Green Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors of the Company is pleased to announce that the Group was awarded two glass management contracts (the “**Glass Management Contract(s)**”) for Hong Kong Island (including Islands District) and the New Territories regions respectively in October 2017 by the Environmental Protection Department of the Government (the “**Government**”) of the Hong Kong Special Administrative Region (“**Hong Kong**”) for an aggregate contract sum of approximately HK\$273.3 million. The Group is the first contractor being awarded a Glass Management Contract in Hong Kong.

The Glass Management Contracts have commenced on 10 November 2017 each for a term of 5 years. Under the Glass Management Contracts, the Group is responsible for collecting properly rinsed glass beverage containers and other waste glass containers and arranging gainful reuse and recycling of such waste glass containers, including recovery for proper treatment turning them into reusable materials and for re-bottling. To achieve the above objectives, the Group is required to establish a collection network and treatment facility for glass containers. In addition, in order to encourage the public to return properly rinsed waste glass containers to us for recycling, the Group will establish and operate a participation incentive scheme.

The Glass Management Contracts form part of the features introduced by the Government in connection with the producer responsibility scheme on glass beverage containers which is expected to be implemented next year following the enactment of the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Ordinance 2016 in May 2016.

The Board is of the view that it is the global trend to develop an effective ecosystem for recyclable waste. Our Directors are of the view that (i) the Glass Management Contracts; (ii) the tender lease for Lot T6 in EcoPark in Tuen Mun, details of which were set out in the announcement of the Company dated 9 October 2017; and (iii) the sub-contract between the Group (as the sub-contractor) and The Jardine Engineering Corporation, Limited in relation to the operation of the Animal Waste Composting Plant at Ngau Tam Mei in composting and turning collected animal waste into organic compost under a main contract awarded by the Electrical and Mechanical Services Department of Hong Kong, details of which were set out in the interim results announcement and the interim report of the Company published on 30 August 2017 and 11 September 2017 respectively, collectively serve to enable the Group to further expand its recycling business comprehensively and in line with the global trend and the environmental policy of the Government.

This announcement is made by the order of the Board, the members of which individually and jointly accept responsibility for the accuracy of the information disclosed in this announcement.

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

Hong Kong, 21 November 2017

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.