

【For Immediate Release】

Baguio Green Group Announces 2023 Interim Results

(Stock Code: 01397)

**Adjusted Net Profit* increased by 3.5 times
3 consecutive Positive Profit Alerts
Contracts on hand surged to Historical High**

(29 August 2023 - Hong Kong) Baguio Green Group Limited (“**Baguio**” or the “**Group**”, Stock Code: 01397.HK) is pleased to announce its unaudited interim results for the six months ended 30 June 2023 (the “**Period**”). During the **Period**, revenue was approximately HK\$1.11 billion, representing an increase of approximately 55.0% as compared with the same period last year, mainly due to the increase in the Group’s cleaning, waste management and recycling businesses during the **Period**. Profit for the **Period** was approximately HK\$21.7 million, representing an increase of approximately 27.0% as compared with the same period last year. Adjusted net profit* was HK\$21.3 million, representing an increase of approximately 352.0%, as compared with the same period last year. Gross profit margin was 7.8%.

Business Overview and Prospects

In the first half of 2023, new contracts awarded to the Group amounted to a total of HK\$2.04 billion. As a result, the Group recorded a historical high for its contracts on hand of approximately HK\$4.56 billion (as of 30 June 2023), representing an increase of approximately 27.0% from approximately HK\$3.59 billion as of 31 December 2022, providing strong revenue growth in the second half of 2023 and the subsequent years.

The Group’s core business, cleaning services, recorded significant growth in the first half of 2023. Revenue from cleaning services increased by 72.8% to approximately HK\$861.5 million, accounting for 77.8% of the Group’s total revenue during the **Period**. During the **Period**, the Group secured a number of new contracts with a total amount of approximately HK\$1,780 million.

The Group’s street cleaning services cover a total of eight districts in Hong Kong (Tsuen Wan, Mong Kok, Sha Tin, Yuen Long, Western, Eastern, Sham Shui Po and Tai Po districts), serving a population of approximately 3 million, marking Baguio’s leading position in the Hong Kong cleaning services market. The Group’s cleaning business cover a wide range of different places, such as airports, sports venues, hospitals, parks, markets, schools, housing estates, and private institutions, demonstrating the Group’s strong execution capabilities.

In terms of waste management and recycling business, the Group provided waste collection services to five districts during the **Period**, including Tsuen Wan, Wong Tai

碧瑤綠色集團成員 Member of Baguio Green Group (上市編號 Stock Code: 1397.HK)

碧瑤清潔服務有限公司	Baguio Cleaning Services Co. Ltd.	碧瑤廢物處理及回收有限公司	Baguio Waste Management & Recycling Ltd.
碧瑤蟲害管理有限公司	Baguio Pest Management Ltd.	碧瑤塑料回收有限公司	Baguio rPlastic Ltd.
碧瑤園藝工程有限公司	Baguio Landscaping Services Ltd.	碧瑤綠色科技有限公司	Baguio Green Technology Ltd.
德泰園景工程有限公司	Tak Tai Enviroscape Ltd.	碧瑤綠色科技(深圳)有限公司	Baguio Green Technology (Shenzhen) Ltd.

Sin, Mong Kok, Wan Chai and Eastern districts, serving a population of approximately 1.6 million. The Group is contracted by the Environmental Protection Department (“EPD”) to handle around 5,000 recycling spots (including plastic, glass bottles, metals and waste paper) across Hong Kong. During the Period, Baguio continued to provide plastic collection services for three districts (Eastern, Kwun Tong and Central & Western) under the EPD Plastic Recycling Pilot Scheme contract. Baguio also provides plastic collection services for Recycling Stations of “GREEN@COMMUNITY” and Reverse Vending Machines, which were introduced by EPD and other institutions in Hong Kong. In addition, the Group also provides collection and management services of glass bottles for Hong Kong Island, the New Territories and Islands District.

During the Period, the Group made impressive progress in providing the Government with Smart Recycling Machines (“SRMs”) and a Big Data Analytics Platform. SRMs are now available in different places of Hong Kong, providing the public with a convenient recycling experience 24 hours a day and helping to increase the overall recycling volume in Hong Kong. The Government is proactively considering to increase the number of SRMs to meet the huge demand for recycling arising from the launch of the “Municipal Solid Waste (MSW) Charging Scheme” in April next year.

During the Period, the Group was awarded a contract by the Food and Environmental Hygiene Department of the Government for the provision of people counting services servicing at over 800 public toilets, aqua privies and bathhouses through the system powered by Time-of-flight and Internet of Things technologies to assist the Government in monitoring flow and optimising service standard.

Last year, the Group was awarded EPD’s first contract for using bioconversion technology (Black Soldier Flies) to help solve Hong Kong’s chicken manure problem. The project has commenced production. The Group is actively exploring the application of bioconversion technology to food waste, so as to capture enormous business opportunities.

With regard to recyclable food waste collection services, the Group provides recyclable food waste collection services in Kowloon District and New Territories West. Among the total four EPD’s similar contracts granted by EPD, the Group has secured half of them, highlighting Baguio’s position as Hong Kong’s market leader in food waste collection.

For the landscaping services, the Group was awarded a professional tree transplanting contract for the Urban Council Centenary Garden during the Period. In addition, the Group also provides landscaping services to the Hong Kong University of Science and Technology, the Hong Kong Science Park, the Government and a wide range of private clients including shopping malls, hotels and large private residences. For pest management business, during the Period, the Group won pest management service contracts for a number of tertiary institutions, including the University of Hong Kong, the Hong Kong University of Science and Technology and Lingnan University.

碧瑤綠色集團成員 Member of Baguio Green Group (上市編號 Stock Code: 1397.HK)

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 Baguio Waste Management & Recycling Ltd.
碧瑤塑料回收有限公司 Baguio rPlastic Ltd.
碧瑤綠色科技有限公司 Baguio Green Technology Ltd.
碧瑤綠色科技(深圳)有限公司 Baguio Green Technology (Shenzhen) Ltd.

九龍荔枝角瓊林街93號龍翔工業大廈4樓A室 Unit A, 4/F, Dragon Industrial Building, No. 93 King Lam Street, Lai Chi Kok, Kowloon
T: (852) 2541 3388 F: (852) 2544 8668 www.baguio.com.hk

Meanwhile, since the launch of ESG+ last year, Baguio has helped clients of different listed companies to promote the “Environmental, Social and Governance” policies, enabling customers to use the Group’s sustainable environmental services while supporting green procurement to achieve a circular economy.

Mr. Ng Wing Hong, Chairman of Baguio, commented, “Among the contracts on hand, approximately HK\$1.15 billion is expected to be recognised as revenue in the second half of 2023. Adding this figure to the revenue for the first half of 2023 (approximately HK\$1.11 billion), we can see strong revenue growth compared to the revenue for last year (2022 revenue: approximately HK\$1.79 billion).

Looking forward, with the implementation of the MSW Charging Scheme and the “Producer Responsibility Scheme on Plastic Beverage Containers”, it is expected that the recycling market will grow by 2 to 3 times in 3 years. This will directly drive the growth of Baguio’s recycling business. The Group expects that the recycling business will become one of its growth drivers. After strategic deployment in recent years, the green technology business achieved remarkable results during the Period. Baguio continued to offer smart city, Internet of Things, big data, AI and biotechnology solutions, and expects its green technology business to become one of the future growth engines. The Government has actively promoted the construction of the Northern Metropolis and Lantau Tomorrow in recent years, which is expected to bring business opportunities to the Group. In the future, the Group will continue to adopt a number of innovative and digitized technologies to enhance and optimize its existing services, increase productivity and further expanding the market share of the Group’s businesses, while actively exploring suitable mergers and acquisitions, joint ventures or new business projects in Hong Kong and beyond to accelerate the growth and deliver substantial and long-term returns to shareholders.”

For details of the Group’s 2023 interim results announcement, please visit the following website:

<http://www.baguio.com.hk/en-US/Investor%20Relations/Announcements%20and%20Notices>

* *Net profit excluding government grants and subsidies*

- End -

About Baguio Green Group

Established in 1980, Baguio Green Group (Stock code: 01397.HK) is one of Hong Kong’s largest integrated environmental services groups. It provides a full spectrum of professional services including professional cleaning, waste collection & recycling, waste management, green technology, organic fertilizer and animal feed production, horticulture & landscaping, and pest control. It serves a wide range of customers in various sectors including Government departments, statutory organizations and multinational corporations. Fully committed to ESG, the Group works relentlessly to advance sustainable development and create a cleaner, greener, healthier city.

碧瑤綠色集團成員 Member of Baguio Green Group (上市編號 Stock Code: 1397.HK)

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 Baguio Waste Management & Recycling Ltd.
碧瑤塑料回收有限公司 Baguio rPlastic Ltd.
碧瑤綠色科技有限公司 Baguio Green Technology Ltd.
碧瑤綠色科技(深圳)有限公司 Baguio Green Technology (Shenzhen) Ltd.

九龍荔枝角瓊林街93號龍翔工業大廈4樓A室 Unit A, 4/F, Dragon Industrial Building, No. 93 King Lam Street, Lai Chi Kok, Kowloon
T: (852) 2541 3388 F: (852) 2544 8668 www.baguio.com.hk

For further information, please contact:
Baguio Green Group Limited
Investor Relations Department
Tel: (852) 2541 3388
Email: ir@baguio.com.hk

碧瑤綠色集團成員 Member of Baguio Green Group (上市編號 Stock Code: 1397.HK)

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 Baguio Waste Management & Recycling Ltd.
碧瑤塑料回收有限公司 Baguio rPlastic Ltd.
碧瑤綠色科技有限公司 Baguio Green Technology Ltd.
碧瑤綠色科技(深圳)有限公司 Baguio Green Technology (Shenzhen) Ltd.

九龍荔枝角瓊林街93號龍翔工業大廈4樓A室 Unit A, 4/F, Dragon Industrial Building, No. 93 King Lam Street, Lai Chi Kok, Kowloon
T: (852) 2541 3388 F: (852) 2544 8668 www.baguio.com.hk