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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL SUMMARY

- Revenue for the year ended 31 December 2023 amounted to approximately HK\$2,327.5 million (2022: HK\$1,793.1 million), representing an increase of approximately 29.8% as compared with the preceding year.
- Gross profit for the year ended 31 December 2023 was approximately HK\$206.1 million (2022: HK\$151.0 million), representing an increase of approximately 36.5% as compared with the preceding year.
- The Group's profit attributable to equity shareholders of the Company for the year ended 31 December 2023 was approximately HK\$47.1 million (2022: HK\$53.7 million), representing a decrease of approximately 12.3% as compared with the preceding year.
- A final dividend of HK3.4 cents (2022: HK3.8 cents) per share, totalling HK\$14,110,000 (2022: HK\$15,770,000) was recommended by the Board for the year ended 31 December 2023.

The board of directors (the "Directors" and the "Board" respectively) of Baguio Green Group Limited (the "Company", and together with its subsidiaries, the "Group" or "Baguio") is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2023 ("2023" or the "Year").

MANAGEMENT DISCUSSION & ANALYSIS

MARKET REVIEW

In early 2023, with the lift of the quarantine order and mask order, all social distancing measures were officially ended, and the society returned to normal. The HKSAR Government (the “Government”) announced full resumption of free travel, which marks the end of the three years COVID-19 pandemic. After the pandemic, citizens’ awareness of public health generally increased, and the demand for cleaning services continued to be strong. However, global inflation spurred higher interest rates and geopolitical instability slowed the pace of Hong Kong’s economic recovery.

In the past year, the frequent occurrence of extreme weather has aroused public awareness of the importance of environmental protection, climate change and sustainable development, which has benefited the development of the Group’s core businesses. In order to achieve the target of “Zero Landfill” in Hong Kong by 2035 as set out in the Waste Blueprint for Hong Kong 2035, the Government during the Year announced that the “Municipal Solid Waste (MSW) charging scheme” (“Waste Charging”) will be officially implemented on 1 August 2024, supporting the rapid development of the Group’s recycling and green technology businesses.

BUSINESS REVIEW

The Group’s core business, cleaning services, recorded a significant growth during the Year. Revenue from cleaning services increased by 37.3% to approximately HK\$1,827.3 million, accounting for approximately 78.5% of the Group’s total revenue. Total revenue was approximately HK\$2,327.5 million, representing an increase of 29.8% as compared to the same period in 2023, successfully driving revenue growth of the Group.

The Group’s Government-related street cleaning services cover a total of eight districts (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. During the Year, the Group’s Government market related cleaning services cover a total of five districts (Tai Po, Southern, Sham Shui Po, Kowloon City and Wong Tai Sin districts). During the Year, the Group’s Government-related leisure venues cleaning services cover the Islands, Sham Shui Po, Sai Kung and Yau Tsim Mong districts. The Group’s other cleaning sites covered hospitals (North Lantau Hospital, Caritas Medical Centre and Kwai Chung Hospital), clinics (clinics of the Department of Health in Kowloon East and Kowloon West), Hong Kong International Airport, schools, housing estates and private institutions, demonstrating that the Group’s professional services are widely recognized.

In terms of waste management, the Group provided Government-related waste collection services to five districts, including Tsuen Wan, Wong Tai Sin, Mong Kok, Wan Chai and Eastern districts, serving a population of approximately 1.6 million.

In preparation for the implementation of Waste Charging, the Government has already awarded a number of relevant contracts, which provided growth momentum for the Group's recycling and green technology businesses during the Year.

In terms of recycling, the Group is contracted by the Environmental Protection Department ("EPD") of the Government to handle around 5,000 recycling spots (including plastic, glass bottles, metals, waste paper and food waste) across Hong Kong, and is one of the market leaders. The Group was granted by EPD during the Year to provide collection services for recycling bins in public places and schools. Baguio continued to provide plastic collection services for Eastern, Kwun Tong and Central & Western districts 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. With regard to recyclable food waste collection services, the Group was engaged by the EPD to provide recyclable food waste collection services in Kowloon district and New Territories West, and is one of the market leaders in Hong Kong in providing recyclable food waste collection services.

After strategic deployment in recent years, the green technology business achieved rapid growth. The Group made impressive progress in providing the Government with smart recycling machines and a big data analytics platform. Smart recycling machines 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.

In addition, in early 2024, the Group won two contracts to provide smart food waste recycling machines and maintenance services for large private residential estates, helping residents to recycle food waste efficiently and reduce Waste Charging expenses.

During the Year, the Group was awarded a contract by the Food and Environmental Hygiene Department 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. Data are collected and analysed on a dedicated big data platform, providing the Government a comprehensive and holistic perspective with current utilisation insights and predictive analytics. This information will support the future strategic development of public toilets, including service standard enhancement, and redeployment and refurbishment of public toilet facilities in Hong Kong.

The Group's bioconversion technology (Black Soldier Flies) project has successfully "converted waste into useful resources", which not only solves the problem of chicken manure in Hong Kong, but also supplies converted insect protein and organic fertilizer for fisheries and agriculture in Hong Kong.

In partnership with Jardine Engineering Corporation Limited, the Pilot Biochar Production Plant at the EcoPark in Tuen Mun commenced trial operation in the Year. By converting yard waste into high-quality biochar with pyrolysis technology for various applications, the production plant effectively "turns waste into useful resources".

As for the landscaping business, the Group won the Yuen Long barrage and flood barrier improvement works and the Tuen Ma Line Extension - Tuen Mun Swimming Pool reconfiguration project. In addition, the Group's landscaping services cover some large private residences, schools, shopping malls, hotels, the Hong Kong Science Park and the Hong Kong University of Science and Technology.

For pest management business, the Group provided pest management services in Wong Tai Sin, Tai Po and Yau Tsim districts during the Year. During the Year, the Group provided termite control and monitoring services to 29 monuments under the Antiquities and Monuments Office and 24 temples under the Chinese Temples Committee respectively.

Results

For the Year, the Group's revenue was approximately HK\$2,327.5 million, representing an increase of approximately 29.8% from approximately HK\$1,793.1 million for 2022. Gross profit increased by approximately 36.5% to approximately HK\$206.1 million (2022: HK\$151.0 million) and gross profit margin increased by 0.5 percentage points ("p.p.") to approximately 8.9% (2022: 8.4%). Profit attributable to equity shareholders of the Company amounted to approximately HK\$47.1 million, representing in a year-on-year decrease of approximately 12.3% (2022: HK\$53.7 million), with net profit margin decreased by 0.8 p.p. to approximately 2.1% (2022: 2.9%). Earnings per share was HK11.4 cents (2022: HK12.9 cents).

Final Dividend

The Board recommends the payment of a final dividend for the Year at HK3.4 cents (2022: HK3.8 cents) per ordinary share, totalling HK\$14,110,000 (2022: HK\$15,770,000), subject to approval by the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting (the "Annual General Meeting") of the Company to be held on Friday, 31 May 2024. If so approved by the Shareholders, it is expected that the final dividend will be paid on or around Monday, 8 July 2024 to the Shareholders whose names appear on the register of members of the Company on Monday, 24 June 2024.

Revenue breakdown of major business segments

	For the year ended				Change
	31 December 2023		31 December 2022		
	<i>Revenue</i>	<i>% of total</i>	<i>Revenue</i>	<i>% of total</i>	
	<i>(HK\$ million)</i>	<i>revenue</i>	<i>(HK\$ million)</i>	<i>revenue</i>	
Cleaning	1,827.3	78.5%	1,330.7	74.2%	+37.3%
Waste management and recycling	278.9	12.0%	243.2	13.6%	+14.7%
Landscaping	130.6	5.6%	122.2	6.8%	+6.9%
Pest management	90.7	3.9%	97.0	5.4%	-6.5%
Total	<u>2,327.5</u>	<u>100%</u>	<u>1,793.1</u>	<u>100.0%</u>	+29.8%

Gross profit margin of major business segments

	For the year ended			Change
	31 December	31 December		
	2023	2022		
Cleaning	8.8%	9.6%	-0.8 p.p.	
Waste management and recycling	7.6%	0.4%	+7.2 p.p.	
Landscaping	14.6%	8.9%	+5.7 p.p.	
Pest management	4.6%	11.6%	-7.0 p.p.	

Riding on our professional management, quality services and stringent control in safety precaution, the Group continued to maintain a high tender success rate at approximately 36.3% in 2023 (2022: 43.7%).

We continuously strive to expand our services scope in order to enhance our competitiveness. During the Year, the Group was driven by the strong performance with the increase in revenue of approximately 37.3% from cleaning segment. This remarkable growth was attributable to the Group's enormous effort in securing new contracts with the Food and Environmental Hygiene Department, Department of Health and the Leisure and Cultural Services Department for the provision of cleaning services.

During the Year, the Group successfully secured contracts from the EPD for providing recycling services, leading to an increase in revenue of approximately 14.7% in the waste management and recycling segment. Additionally, the implementation of effective cost control measures led to a notable improvement in the profit margin for this segment with a substantial increase from approximately 0.4% to 7.6%.

Furthermore, the award of new contracts from landscaping with higher profit margin and effective cost control, the profit margin for this segment was improved satisfactorily from approximately 8.9% to 14.6%.

However, the pest management market faced challenges due to the high demand for service levels and intense competition. The intense competition in the pest management market, along with the challenging market conditions further hindered the tender results of new contracts.

The overall gross profit amount and margin of the Group were increased from approximately HK\$151.0 million to HK\$206.1 million, and from approximately 8.4% to 8.9% respectively.

Contracts on hand

As of 31 December 2023, the Group had a total amount of approximately HK\$4,430.8 million worth of unexpired contracts on hand, of which, approximately HK\$2,238.0 million will be recognised by the end of 2024, approximately HK\$1,540.1 million will be recognised in 2025 and the rest of approximately HK\$652.7 million will be recognised in 2026 and beyond. From January to March 2024, the Group has been awarded additional contracts of total value over HK\$1,329.1 million. As of 27 March 2024, the estimated total value of the unexpired contracts on hand is approximately HK\$5,127.3 million.

	Backlog contract value <i>HK\$'million</i>	Contract value to be recognised by 31 Dec 2024 <i>HK\$'million</i>	Contract value to be recognised by 31 Dec 2025 <i>HK\$'million</i>	Contract value to be recognised in 2026 and beyond <i>HK\$'million</i>
Cleaning services	3,637.9	1,873.7	1,296.0	468.2
Waste management and recycling services	499.0	183.2	150.4	165.4
Landscaping services	175.5	109.6	46.9	19.0
Pest management services	118.4	71.5	46.8	0.1
Total	<u>4,430.8</u>	<u>2,238.0</u>	<u>1,540.1</u>	<u>652.7</u>

PROSPECTS

In 2023, new contracts awarded to the Group amounted to a total of HK\$3.10 billion. As a result, the Group's contracts on hand reached approximately HK\$4.43 billion, representing an increase of approximately 23.3% from approximately HK\$3.59 billion as of 31 December 2022, providing strong revenue growth in the subsequent years. With reference to the contracts on hand as of 31 December 2023, HK\$2.24 billion contract value will be recognised as revenue in 2024.

With the Waste Charging to be officially launched on 1 August 2024, it is expected to further motivate the public to recycle and to increase the recycling volume. The Group is expected to benefit from the policy, which will bring significant contributions to the recycling and green technology businesses.

Currently, food waste recycling machines are installed in only 35% of public housing estates in Hong Kong. The Government intends to extend the installation of such machines to all public housing estates in Hong Kong in 2024. In the private housing sector, the initiative is still in its initial phase. With Waste Charging set to effect, the Government is proactively offering financial aids for private housing estates to install food waste recycling machines through the Recycling Fund and the Environment and Conservation Fund. Under the strong advocacy of the Government and the expected market demand created by the Waste Charging, it is believed that the Group's smart recycling machines, food waste recycling machines and related smart technology business will bring huge business opportunities.

In addition to the Waste Charging, the Government is also proactively promoting the "Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons", which is expected to be launched within two to three years. With the implementation of the law, producers of beverage will add a deposit to the selling price and refund the deposit when consumers return the containers. The recycling volume is expected to have a significant increase. The launch of the Waste Charging and this scheme will directly drive the growth of Baguio's recycling business and create solid returns for its investment in recycling facilities over the years which creates a strong entry barrier to competitors.

The Group will actively explore the private sector and expand its core businesses in a wider range through the Group's one-stop services to expand the growth of its core businesses. As the Hong Kong Stock Exchange will increase climate-related disclosure requirements for listed companies in their ESG reports, more companies will be required to fully incorporate sustainability elements into their daily operations. We will continue to bring diversified green environmental services and sustainable procurement solutions to our customers through our "ESG+" services, and build a sustainable and low-carbon society with our customers.

According to the 2023 Policy Address, the Northern Metropolis is a new engine for the future development of Hong Kong and will provide about 500,000 new housing units after fully developed, which is believed to bring opportunities to the Group's core businesses.

Looking forward, the Group will continue to increase its market share in all businesses and proactively engage in expansion in Hong Kong and beyond. In addition, it will actively explore suitable mergers and acquisitions, joint ventures or new business projects to accelerate future business growth and deliver substantial and long-term returns to shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue for the years ended 31 December 2023 and 2022 amounted to approximately HK\$2,327.5 million and HK\$1,793.1 million respectively, representing an increase of approximately 29.8%. The increase was mainly due to the increase in revenue in our services segments of cleaning, waste management and recycling and landscaping, with increase in number of contracts and orders during the Year.

Cost of Services

For the years ended 31 December 2023 and 2022, the cost of services of the Group amounted to approximately HK\$2,121.4 million and HK\$1,642.1 million respectively, representing approximately 91.1% and 91.6% of the Group's revenue for the corresponding years respectively. The cost of services primarily comprised direct wages, direct overhead expenses, material consumables and sub-contracting fees. As aforesaid, the increase in the number of contracts and orders during the Year led to an increase in the Group's workforce with a total of 10,229 employees (2022: 8,894 employees) resulting in higher staff costs.

Gross Profit

The Group's gross profit for the Year was approximately HK\$206.1 million, representing an increase of approximately 36.5% from approximately HK\$151.0 million for the year ended 31 December 2022.

Gross Profit Margin

The gross profit margins of the Group for the years ended 31 December 2023 and 2022 were approximately 8.9% and 8.4% respectively. The increase in gross profit margin was mainly due to the increase of new contracts with high profit margin and effective cost control during the Year.

Other Income, Gain and Losses

The other income, gain and losses of the Group for the years ended 31 December 2023 and 2022 were approximately HK\$4.5 million and HK\$29.8 million respectively, representing a decrease of approximately 84.9%. The substantial decrease was mainly due to no subsidies being received from the Employment Support Scheme under the Anti-epidemic Fund granted by the Government during the Year (2022: HK\$11,320,000).

Change in Fair Value Less Costs to Sell of Biological Assets

The Group's biological assets consist of trees, plants and flowers located at the Group's nurseries in the PRC and Hong Kong. The change in fair value of the biological assets for the years ended 31 December 2023 and 2022 were approximately loss of HK\$3.2 million and HK\$2.5 million respectively. The decrease in fair value was mainly due to the decrease in market price.

Selling and Marketing Expenses

The selling and marketing expenses of the Group for the years ended 31 December 2023 and 2022 were approximately HK\$2.4 million and HK\$2.2 million respectively, representing an increase of approximately 9.1%. These expenses are mainly for the promotional activities and channels to promote our waste management and recycling business and to enhance the public awareness of environmental protection and waste recycling.

Administrative Expenses

The administrative expenses of the Group for the years ended 31 December 2023 and 2022 were approximately HK\$128.7 million and HK\$100.9 million respectively, representing an increase of approximately 27.6%, and approximately 5.5% of the respective year's total revenue. The increase was mainly due to the increase in wages and allowances for staff and office overhead to support new business development. The Group continued to implement its budget cost control measures for administrative expenses during the Year.

Finance Costs

The finance costs of the Group amounted to approximately HK\$13.7 million and HK\$8.2 million for the years ended 31 December 2023 and 2022 respectively, representing approximately 0.6% of and 0.5% of the Group's total revenue respectively. The increase was mainly due to the increase in the level of working capital loan and interest rate on bank borrowings during the Year.

Profit for the Year Attributable to Equity Shareholders of The Company

The Group's net profit attributable to equity shareholders of the Company for the years ended 31 December 2023 and 2022 approximately HK\$47.1 million and HK\$53.7 million respectively, representing an decrease of approximately 12.3%. The decrease was mainly due to the factors described above.

FOREIGN CURRENCY EXPOSURE

The Group's foreign currency exposure is limited as most of its transactions, assets and liabilities are denominated in Hong Kong dollars. During the Year, the main foreign currency exposure arose from the fluctuation in Renminbi ("RMB"). Due to the Group's PRC operation, the Group possessed RMB bank balances and a small portion of transactions were denominated in RMB.

LIQUIDITY AND FINANCIAL RESOURCES

The Group derives cash flow from operating activities principally from rendering a comprehensive range of environmental services. For the Year, we had net cash generated from operating activities of approximately HK\$96.3 million (2022: HK\$90.4 million). As at 31 December 2023, the Group had available cash and bank balances amounting to approximately HK\$41.4 million (2022: HK\$29.0 million), representing a increase of approximately 42.8%.

As at 31 December 2023, the Group's total current assets and current liabilities were approximately HK\$684.0 million (2022: HK\$530.9 million) and HK\$576.0 million (2022: HK\$490.0 million) respectively, while the current ratio was approximately 1.2 times (2022: 1.1 times). The liquidity position of the Group is maintained at a healthy level.

As at 31 December 2023, the Group's bank borrowings amounted to approximately HK\$182.7 million (2022: HK\$176.4 million), representing an increase of approximately 3.6%; the Group's lease liabilities were approximately HK\$36.6 million (2022: HK\$41.4 million), representing an decrease of approximately 11.6%, for recognised lease liabilities related to the lease contracts in respect of certain lands, office buildings and nurseries; the Group's other loan from a non-controlling shareholder of a subsidiary amounted to approximately HK\$1.6 million (2022: HK\$5.6 million) for financing the acquisition of property, plant and equipment for operational usage and repayment to a non-controlling shareholder of a subsidiary amounted to approximately HK\$3.2 million (2022: Nil). During the Year, no financial instruments were used for hedging purposes (2022: Nil).

As at 31 December 2023, the gearing ratio of the Group was approximately 0.6 times (2022: 0.7 times), which was calculated based on the total interest-bearing bank borrowings, lease liabilities and other loan over total equity of the Group.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

For the Year, capital expenditures, which mainly included additions in motor vehicles and equipment, amounted to approximately HK\$43.3 million (2022: HK\$138.7 million). Capital expenditures were funded by banks and funds generated from our operating activities.

As at 31 December 2023, the Group had capital commitment contracted for of approximately HK\$0.2 million (2022: HK\$6.0 million).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material contingent liabilities (2022: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2023, the amounts payable under lease liabilities within one year was approximately HK\$8.3 million (2022: HK\$10.2 million), that after one year but within five years was approximately HK\$12.4 million (2022: HK\$14.5 million), and that after five years was approximately HK\$15.9 million (2022: HK\$16.7 million).

As at 31 December 2023, the lease liabilities of the Group of nil (2022: nil) were guaranteed by the Company and a subsidiary of the Company.



In addition as at 31 December 2023, the Group had (i) pledged bank deposits of approximately HK\$7.2 million (2022: HK\$7.2 million); (ii) pledge of cash and cash equivalents of approximately HK\$51,000 (2022: HK\$0.4 million); (iii) mortgage of the land and buildings of approximately HK\$62.4 million (2022: HK\$65.1 million); and (iv) pledge of the trade receivables of approximately HK\$160.2 million (2022: HK\$104.6 million).

Save as mentioned above, we did not have any outstanding mortgages or charges, borrowings or indebtedness including bank overdrafts, loans or debentures, loan capital, debt securities or other similar indebtedness, finance lease or hire purchase.

ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT HELD

During the Year, the Group did not make any material acquisition, disposal nor significant investment.

INTELLECTUAL PROPERTIES

During the Year, the Group registered the trademarks  and  in Hong Kong for a period of 10 years.

HUMAN RESOURCES

As at 31 December 2023, the Group employed 10,229 employees (2022: 8,894 employees), including both full time and part time employees. Remuneration packages are generally structured by reference to market terms together with individual qualifications and experience.

During the Year, various training activities, such as training on operational safety, team building, administrative and management skills, were conducted to improve the quality of front-end services together with office support and management. In addition, employees are also encouraged, subsidised and sponsored to attend job-related seminars and courses organised by professional and/or educational institution to ensure the smooth and effective management of the Group's business.

The consolidated annual results of the Group for the year ended 31 December 2023 together with the comparative figures of 2022 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

(Expressed in Hong Kong Dollars)

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Revenue	5	2,327,489	1,793,121
Cost of services		<u>(2,121,367)</u>	<u>(1,642,149)</u>
Gross profit		206,122	150,972
Other income, gains and losses	6	4,468	29,760
Change in fair value less costs to sell of biological assets	13	(3,188)	(2,492)
Selling and marketing expenses		(2,416)	(2,238)
Administrative expenses		<u>(128,735)</u>	<u>(100,861)</u>
Profit from operations		76,251	75,141
Finance costs	7	(13,699)	(8,236)
Share of losses of a joint venture		<u>–</u>	<u>(1,747)</u>
Profit before taxation	8	62,552	65,158
Income tax	9	(14,424)	<u>(13,753)</u>
Profit for the year		48,128	51,405
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of subsidiaries, net of nil tax		(68)	(209)
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plan obligations		<u>1,300</u>	<u>–</u>
Other comprehensive income		<u>1,232</u>	<u>(209)</u>
Total comprehensive income for the year		<u>49,360</u>	<u>51,196</u>

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit for the year attributable to:			
Equity shareholders of the Company		47,111	53,709
Non-controlling interests		1,017	(2,304)
		<u>48,128</u>	<u>51,405</u>
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		48,343	53,500
Non-controlling interests		1,017	(2,304)
		<u>49,360</u>	<u>51,196</u>
Earnings per share			
Basic and diluted (HK cents)	<i>11</i>	<u>11.35</u>	<u>12.94</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Expressed in Hong Kong Dollars)

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		244,677	277,976
Right-of-use assets		32,640	40,544
Intangible assets		8,200	–
Financial assets at fair value through profit or loss		15,043	14,872
Prepayments, deposits and other receivables		24,388	29,508
Deferred tax assets		2,457	2,343
		327,405	365,243
Current assets			
Inventories		2,753	3,050
Contract assets		8,734	10,723
Trade receivables	12	599,616	452,134
Prepayments, deposits and other receivables		22,560	19,288
Tax recoverable		1,430	1,280
Biological assets	13	259	8,292
Pledged bank deposits		7,211	7,176
Cash and cash equivalents		41,425	28,982
		683,988	530,925
Current liabilities			
Trade payables	14	48,120	36,758
Contract liabilities		3,629	410
Accruals, deposits received and other payables		322,063	263,675
Bank borrowings		182,664	176,356
Lease liabilities		8,343	10,153
Tax payable		11,131	2,601
		575,950	489,953
Net current assets		108,038	40,972
Total assets less current liabilities		435,443	406,215

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current liabilities			
Other payables		756	1,188
Lease liabilities		28,278	31,201
Provision		14,802	14,352
Deferred tax liabilities		<u>21,906</u>	<u>23,363</u>
		<u>65,742</u>	<u>70,104</u>
Net assets		<u>369,701</u>	<u>336,111</u>
Capital and reserves			
Share capital	<i>15</i>	4,150	4,150
Reserves		<u>366,041</u>	<u>333,468</u>
Total equity attributable to equity shareholders of the Company		370,191	337,618
Non-controlling interests		<u>(490)</u>	<u>(1,507)</u>
Total equity		<u>369,701</u>	<u>336,111</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The ultimate holding company of the Company is Baguio Green (Holding) Limited, which was incorporated in the British Virgin Islands (“BVI”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Unit A, 4/F., Dragon Industrial Building, No. 93 King Lam Street, Lai Chi Kok, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are engaged in the provision of environmental and related services.

2. BASIS FOR PREPARATION

The financial information set out in this announcement does not constitute the Group’s annual consolidated financial statements for the year ended 31 December 2023, but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the changes in accounting policies set out in note 3.

The measurement basis used in the preparation of the financial statements is the historical costs except for biological assets and certain financial instruments that are measured at their fair values at the end of each reporting period. The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

3. CHANGES IN ACCOUNTING POLICIES HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

(i) New and amended HKFRSs

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of the above amendments have had a significant financial effect to the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the “Government”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will come into effect from 1 May 2025 (the “Transition Date”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“MPF”) scheme to reduce the long service payment (“LSP”) and severance payment (“SP”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP and SP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP and SP payable to an employee as deemed contributions by that employee towards the LSP and SP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP and SP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its post-employment benefit liabilities and has applied the above HKICPA guidance retrospectively. This change in accounting policy did not have material impact on the opening balance of equity at 1 January 2022, and the cash flows and earnings per share amounts for the year ended 31 December 2022. It also did not have a material impact on the company-level statement of financial position as at 31 December 2022 and 31 December 2023.

4. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The Group has identified four reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Cleaning services business
- Waste management and recycling business
- Landscaping services business
- Pest management business

Information regarding the Group's reportable segments is presented below.

Segment revenue and results

Segment results represent the earnings from each segment before interest, taxation and administrative expenses including directors' emoluments and exclude other income, gains and losses, change in fair value less costs to sell of biological assets and share of losses of a joint venture. The following is an analysis of the Group's revenue and results by reportable segments.

	Cleaning services business <i>HK\$'000</i>	Waste management and recycling business <i>HK\$'000</i>	Landscaping services business <i>HK\$'000</i>	Pest management business <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2023					
Disaggregated by timing of revenue recognition					
– over time	1,827,343	276,983	130,645	90,610	2,325,581
– point in time	–	1,908	–	–	1,908
Revenue from external customers	1,827,343	278,891	130,645	90,610	2,327,489
Inter-segment revenue	495	887	169	712	2,263
Reportable segment revenue	1,827,838	279,778	130,814	91,322	2,329,752
Segment results	161,691	21,165	19,050	4,216	206,122
Other income, gains and losses					4,468
Change in fair value less costs to sell of biological assets					(3,188)
Selling and marketing expenses					(2,416)
Administrative expenses					(128,735)
Finance costs					(13,699)
Profit before taxation					62,552

	Cleaning services business <i>HK\$'000</i>	Waste management and recycling business <i>HK\$'000</i>	Landscaping services business <i>HK\$'000</i>	Pest management business <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended					
31 December 2022					
Disaggregated by timing of revenue recognition					
– over time	1,330,697	207,209	122,213	97,006	1,757,125
– point in time	–	35,996	–	–	35,996
Revenue from external customers	1,330,697	243,205	122,213	97,006	1,793,121
Inter-segment revenue	303	1,634	81	2,102	4,120
Reportable segment revenue	1,331,000	244,839	122,294	99,108	1,797,241
Segment results	127,647	914	10,939	11,472	150,972
Other income, gains and losses					29,760
Change in fair value less costs to sell of biological assets					(2,492)
Selling and marketing expenses					(2,238)
Administrative expenses					(100,861)
Finance costs					(8,236)
Share of losses of a joint venture					(1,747)
Profit before taxation					<u>65,158</u>

Segment assets and liabilities

Segment assets include all assets attributable to the activities of the individual segments, with the exception of intercompany receivables and other corporate assets. Segment liabilities include all liabilities attributable to the activities of the individual segments, with the exception of intercompany payables and corporate liabilities. The segment assets and liabilities at the end of the reporting period by reportable segments are as follows:

	Cleaning services business <i>HK\$'000</i>	Waste management and recycling business <i>HK\$'000</i>	Landscaping services business <i>HK\$'000</i>	Pest management business <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2023					
Segment assets	726,168	168,860	60,471	42,966	998,465
Unallocated					<u>12,928</u>
Total assets					<u><u>1,011,393</u></u>
Segment liabilities	487,039	86,851	29,891	35,411	639,192
Unallocated					<u>2,500</u>
Total liabilities					<u><u>641,692</u></u>

	Cleaning services business <i>HK\$'000</i>	Waste management and recycling business <i>HK\$'000</i>	Landscaping services business <i>HK\$'000</i>	Pest management business <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2022					
Segment assets	611,699	175,200	68,538	36,583	892,020
Unallocated					<u>4,148</u>
Total assets					<u><u>896,168</u></u>
Segment liabilities	405,704	98,028	21,899	31,720	557,351
Unallocated					<u>2,706</u>
Total liabilities					<u><u>560,057</u></u>

Other segment information

	Cleaning services business <i>HK\$'000</i>	Waste management and recycling business <i>HK\$'000</i>	Landscaping services business <i>HK\$'000</i>	Pest management business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended						
31 December 2023						
Depreciation	43,369	35,761	2,529	2,880	853	85,392
Additions to non-current assets	42,897	5,051	3,333	1,009	163	52,453
(Gain)/loss on disposal of property, plant and equipment	(26)	2,531	178	(153)	2	2,532

	Cleaning services business <i>HK\$'000</i>	Waste management and recycling business <i>HK\$'000</i>	Landscaping services business <i>HK\$'000</i>	Pest management business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended						
31 December 2022						
Depreciation	31,443	27,034	2,273	3,442	736	64,928
Additions to non-current assets	103,351	49,675	1,666	465	1,503	156,660
(Gain)/loss on disposal of property, plant and equipment	(380)	(1,976)	(295)	(339)	1	(2,989)

Geographical information

The following sets out information about the geographical region of the Group's revenue from external customers, which is based on the location to which the services and goods are delivered.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	2,326,935	1,769,911
Mainland China	554	11,062
Southeast Asia	—	12,148
	2,327,489	1,793,121

All of the Group's non-current assets are either based in Hong Kong or related to the Group's operations in Hong Kong as at 31 December 2023 and 2022.

Information about major customers

For the year ended 31 December 2023, the Group's revenue of HK\$1,282,582,000 (2022: HK\$794,570,000) for various segments was derived from the same single customer, whom has individually accounted for over 10% of the Group's total revenue in 2023 and 2022.

5. REVENUE

The principal activity of the Group is environmental and related services and goods. Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cleaning services business	1,827,343	1,330,697
Waste management and recycling business	276,983	207,209
Landscaping services business	130,645	122,213
Pest management business	90,610	97,006
Sales of recycling materials	1,908	35,996
	<u>2,327,489</u>	<u>1,793,121</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and geographic information of revenue is disclosed in note 4.

6. OTHER INCOME, GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Administration fee income	8	2,415
Change in fair value of investments in life insurance	171	203
COVID-19-related rent concessions received	–	973
(Loss)/gain on disposal of property, plants and equipment	(2,532)	2,989
Gain of lease modification	282	–
Government grants*	1,755	17,489
Income relating to right-of-use assets	3,685	4,119
Interest income	494	222
Rental income	–	494
Sundry income	605	856
	<u>4,468</u>	<u>29,760</u>
Total	<u>4,468</u>	<u>29,760</u>

* During the year ended 31 December 2023, the Group recognised the government grants as follows:

- (i) Employment Support Scheme, which aims to retain employment and combat COVID-19, under the Anti-epidemic Fund of the Government of nil (2022: HK\$11,320,000). The purpose of the funding was to provide financial support to employers to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group was required employ a sufficient number of employees with reference to its proposed employee headcounts;
- (ii) subsidies from the Green Employment Scheme of the Environment Bureau of HK\$571,000 (2022: HK\$875,000);
- (iii) subsidies for phasing out certain diesel commercial vehicles by the Group of HK\$801,000 (2022: HK\$5,147,000); and
- (iv) other subsidies of HK\$383,000 (2022: HK\$147,000).

There were neither unfulfilled conditions nor other contingencies attached to the receipt of those grants. There is no assurance that the Group will continue to receive such grant in the future.

7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on:		
Bank overdrafts	44	6
Bank borrowings	11,347	6,648
Lease liabilities	1,894	1,301
Others	414	281
	<u>13,699</u>	<u>8,236</u>

8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditors' remuneration:		
Audit services	1,900	1,884
Other services	162	164
Cost of consumable goods	64,219	82,482
Depreciation:		
Owned property, plant and equipment	71,814	50,685
Right-of-use assets	13,578	14,243
Loss/(gain) on disposal of property, plant and equipment	2,532	(2,989)
Gain of lease modification	(283)	–
Reversal of credit losses on trade receivables	(53)	(1,782)
Provision of doubtful debts on other receivable	4,118	–
	<u>1,727,611</u>	<u>1,300,214</u>
Staff costs (including directors' remuneration):		
Wages, salaries and other benefits	1,727,611	1,300,214
Defined benefit plan obligation	54,953	39,530
Provision for untaken paid leave	21,697	17,274
Contributions to defined contribution retirement scheme	52,191	40,558
Equity-settled share-based payments	–	1,269
	<u>1,856,452</u>	<u>1,398,845</u>
Short-term lease payments not included in the measurement of lease liabilities:		
Machinery and motor vehicles	58,229	50,725
Land and buildings	3,855	6,522
	<u>62,084</u>	<u>57,247</u>

9. INCOME TAX

Income tax charged to profit or loss represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	15,678	4,555
Under-provision in respect of prior years	<u>309</u>	<u>87</u>
	15,987	4,642
Current tax – People’s Republic of China (“PRC”)		
Enterprise Income Tax		
Provision for the year	<u>8</u>	<u>16</u>
	15,995	4,658
Deferred tax		
Origination and reversal of temporary differences	<u>(1,571)</u>	<u>9,095</u>
	<u>14,424</u>	<u>13,753</u>

The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

The provision for Hong Kong Profits Tax for 2023 has also taken into account a reduction granted by the Hong Kong SAR Government for the year of assessment 2022/23. The Group is eligible for the maximum reduction of HK\$6,000 (2022: a maximum reduction of HK\$10,000 was granted for the year of assessment 2021/22 and was taken into account in calculating the provision for 2022) for each Hong Kong subsidiaries within the Group.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

10. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of 3.4 cents (2022: HK3.8 cents) per ordinary share	<u>14,110</u>	<u>15,770</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, was approved and paid during the year, of HK3.8 cents (2022: HK0.9 cents) per ordinary share	<u>15,770</u>	<u>3,735</u>

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share for the year ended 31 December 2023 is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK\$47,111,000 (2022: HK\$53,709,000) and the weighted average number of 415,000,000 (2022: 415,000,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share for the years ended 31 December 2023 and 2022 are the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the years presented.

12. TRADE RECEIVABLES

The ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance at the end of the reporting period, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 60 days	422,677	359,602
Over 60 days but within 120 days	132,978	79,293
Over 120 days but within 365 days	40,676	12,311
Over 365 days	3,285	928
	<u>599,616</u>	<u>452,134</u>

In general, for the contracts with some quasi-government organisations and The Government of the Hong Kong Special Administrative Region, the Group has no specific credit terms in accordance with the tender terms. For other contracts, the Group normally allows a credit period ranging from 30 to 60 days depending on the customers' creditworthiness and the length of business relationship.

13. BIOLOGICAL ASSETS

Movements of biological assets are summarised as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Plants and flowers		
Balance as at 1 January	8,292	13,209
Purchases	269	3,082
Usage in services	(316)	(4,630)
Disposal	(4,798)	(877)
Change in fair value less costs to sell (<i>note 4</i>)	(3,188)	(2,492)
Balance as at 31 December	<u>259</u>	<u>8,292</u>

The plants and flowers are primarily held for further growth for the usage in services and are classified as current assets.

The fair value of biological assets of the Group as at 31 December 2022 has been arrived at the basis of a valuation carried out at that date by the independent valuer and the independent valuer has appropriate qualifications and experiences in providing biological assets valuation services.

The fair value less costs to sell of plants and flowers are determined using the market based approach which assumes sales of biological assets in their existing state and making reference to similar sales or offerings or listings of comparable assets on the market. The biological assets were classified as Level 2 under the fair value hierarchy.

14. TRADE PAYABLES

The ageing analysis of trade payables, based on the invoice date at the end of the reporting period, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	26,406	21,214
Over 30 days but within 60 days	10,476	10,595
Over 60 days but within 90 days	909	861
Over 90 days	10,329	4,088
	<u>48,120</u>	<u>36,758</u>

The credit period on purchases of certain goods and services is generally within 30 to 60 days.

15. SHARE CAPITAL

	Number of shares '000	Nominal value <i>HK\$'000</i>
Authorised: <i>Ordinary shares of HK\$0.01 each</i> As at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>1,000,000</u>	<u>10,000</u>
Issued and fully paid: <i>Ordinary shares of HK\$0.01 each</i> As at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>415,000</u>	<u>4,150</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

POST BALANCE SHEET EVENTS

The Group had no material event subsequent to the end of the Year and up to the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

For determining eligibility to attend and vote at the Annual General Meeting which shall be held on Friday, 31 May 2024, the register of members of the Company will be closed tentatively from Tuesday, 28 May 2024 to Friday, 31 May 2024, both days inclusive, during which no transfer of shares of the Company will be registered. All transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 27 May 2024 or at another time and/or date as advised.

For determining entitlement to the final dividend, the register of members of the Company will be closed tentatively from Monday, 24 June 2024 to Tuesday, 25 June 2024, both days inclusive, during which no transfer of shares of the Company will be registered. All transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 21 June 2024.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has complied with all applicable code provisions under the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules throughout the Year. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Information on the corporate governance practices adopted by the Company will be set out in the Corporate Governance Report in the Group's 2023 annual report to be published in due course.

AUDIT COMMITTEE

The audit committee of the Company has reviewed and discussed with the management of the Company the consolidated financial statements of the Group for the Year, and reviewed and discussed the effectiveness of the risk management and internal control system of the Company with the management of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries with all Directors, each of the Directors confirmed that he/she has complied with the Model Code throughout the Year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the Year.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the Year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no assurance conclusion has been expressed by KPMG on the announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.baguio.com.hk). The annual report of the Company for the Year will be despatched to the Shareholders as well as published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

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

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises Mr. Ng Wing Hong, Ms. Ng Yuk Kwan Phyllis, and Ms. Leung Shuk Ping as executive directors of the Company and Mr. Sin Ho Chiu, Mr. Lau Chi Yin Thomas and Professor Cheng Edwin Tai Chiu as independent non-executive directors of the Company