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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 2024

FINANCIAL SUMMARY

- Revenue for the year ended 31 December 2024 amounted to approximately HK\$2,603.1 million (2023: HK\$2,327.5 million), representing an increase of approximately 11.8% as compared with the preceding year.
- Gross profit for the year ended 31 December 2024 was approximately HK\$188.4 million (2023: HK\$206.1 million), representing a decrease of approximately 8.6% as compared with the preceding year.
- The Group's profit attributable to equity shareholders of the Company for the year ended 31 December 2024 was approximately HK\$53.9 million (2023: HK\$47.1 million), representing an increase of approximately 14.3% as compared with the preceding year.
- A final dividend of HK3.8 cents (2023: HK3.4 cents) per share, totalling HK\$15,770,000 (2023: HK\$14,110,000) was recommended by the Board for the year ended 31 December 2024.

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 2024 (“2024” or the “Year”).

MANAGEMENT DISCUSSION & ANALYSIS

MARKET REVIEW

The HKSAR Government (the “Government”) demonstrates a strong commitment to environmental agenda, and is engaged to improving environmental hygiene, creating a livable environment for citizens, and enhancing Hong Kong’s image as a smart city. Baguio’s businesses are closely related to the environmental agenda of Hong Kong, and its core businesses, including cleaning, waste management and recycling, green technology, landscaping, and pest management, are considered as rigid demand. As an integrated environmental services group in Hong Kong, Baguio plays a leading role in all core business areas to actively promote the circular economy and make contributions to the sustainable development and smart city construction of Hong Kong.

Although the Government postponed the implementation of the Municipal Solid Waste charging scheme during the Year, the original intention of reducing waste remains unchanged. In order to achieve the goal of “Zero Landfill” under the Waste Blueprint for Hong Kong 2035, the Government has not only proactively advocated waste reduction and recycling but also made every effort to expand the community recycling network, fully demonstrating the Government’s determination to promote waste reduction and recycling.

BUSINESS REVIEW

Revenue for the Year amounted to approximately HK\$2,603.1 million, representing an increase of approximately 11.8% as compared to the same period last year. Profit for the Year amounted to approximately HK\$56.5 million, representing an increase of approximately 17.3% as compared to the same period last year. The Group’s core business, cleaning services, recorded growth in the Year. Revenue from cleaning services increased by 14.2% to approximately HK\$2,086.8 million, accounting for approximately 80.1% of the Group’s total revenue.

The Group's Government-related street cleaning services cover a total of seven districts, serving a population of approximately 2.8 million, marking Baguio's leading position in the Hong Kong cleaning services market. During the Year, the Group's mechanical street sweeping services covered various districts in Hong Kong. In addition, the Group provides cleaning services for Government markets, facilities, and leisure venues across various districts in Hong Kong. The Group's other cleaning sites cover hospitals, Government clinics, Hong Kong International Airport, schools, housing estates and private institutions, demonstrating that the Group's professional services are widely recognised.

Waste management and recycling business recorded growth in revenue during the Year which increased by approximately 2.5% to approximately HK\$285.8 million, accounting for approximately 11.0% of the Group's total revenue. Gross profit of the waste management and recycling business increased significantly by approximately 58.2% to approximately HK\$33.5 million, mainly due to the Government's proactive promotion of recycling and the substantial expansion of the network of recycling spots, including those for food waste, which facilitated public participation and effectively stimulated collection.

In terms of recycling, the Group is contracted by the Environmental Protection Department ("EPD") to provide collection services for thousands of recycling spots (including plastic, glass bottles, metals, waste paper and food waste) across Hong Kong, and is one of the market leaders. During the Year, the Group provided collection services for recycling bins in public places and schools. Baguio continued to provide plastic collection services for several districts under the EPD Plastic Recycling Pilot Scheme contract. Baguio also provides collection services for Recycling Stations of "GREEN@COMMUNITY", introduced by the EPD, recycling convenience spots and smart recycling machines, and other institutions in Hong Kong. In addition, the Group also provides the Government with glass bottles collection and management services and food waste collection services in several districts in Hong Kong, and is one of the market leaders.

The Group continued to provide Government-related waste collection services to five districts, serving a population of approximately 1.6 million.

Regarding green technology business, the Group has proactively developed its green technology business and successfully launched a one-stop smart recycling system by integrating smart digital technologies, big data analysis and Internet of Things technologies. Users can accurately understand the amount of recycling through real-time data, which helps to schedule timely transportation and reduce logistics costs and carbon emissions.

During the Year, the Group won two smart contracts from the EPD (in relation to provision of smart food waste recycling machines and smart balances, respectively), demonstrating the Group's outstanding capabilities in product innovation, research and development, and leading market position in the green technology sector as well as its alignment with Hong Kong's goal of becoming a smart city. The Group's existing green technology products including smart recycling machines, smart food waste recycling machines, and smart balances contributed to the Group's revenue during the Year, and are widely used in Government organizations, public housing and private residential estates, shopping malls, universities, hospitals, large-scale exhibition centers, etc. It not only provides convenient recycling experience to the public but also improve the recycling efficiency, thus supporting the sustainable development of Hong Kong.

In partnership with Jardine Engineering Corporation Limited, the Pilot Biochar Production Plant at the EcoPark in Tuen Mun was commenced trial operation during 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".

The Group provides landscaping services for a wide range of clients, including large private residences, Government premises, schools, shopping malls, hotels, airports, Hong Kong Housing Authority, Hong Kong Jockey Club, Hong Kong Science Park, the University of Hong Kong, Hong Kong University of Science and Technology and Lingnan University, etc. The newly awarded contracts won by the Group during the Year covers Hong Kong-Shenzhen Innovation and Technology Park, microparks in Yau Ma Tei and Mong Kok, and the Tung Chung New Town Extension (West).

For pest management business, the Group continued to provide pest management services in Wong Tai Sin and Tai Po districts during the Year. In addition, 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\$2,603.1 million, representing an increase of approximately 11.8% from approximately HK\$2,327.5 million for 2023. Gross profit decreased by approximately 8.6% to approximately HK\$188.4 million (2023: HK\$206.1 million) and gross profit margin decreased by 1.7 percentage points ("p.p.") to approximately 7.2% (2023: 8.9%). Profit attributable to equity shareholders of the Company amounted to approximately HK\$53.9 million, representing in a year-on-year increase of approximately 14.3% (2023: HK\$47.1 million), with net profit margin increased by 0.1 p.p. to approximately 2.2% (2023: 2.1%). Earnings per share was HK13.0 cents (2023: HK11.4 cents).

Final Dividend

The Board recommends the payment of a final dividend for the Year at HK3.8 cents (2023: HK3.4 cents) per ordinary share, totalling HK\$15,770,000 (2023: HK\$14,110,000), subject to approval by the Shareholders at the forthcoming annual general meeting (the “Annual General Meeting”) of the Company to be held on Friday, 30 May 2025. If so approved by the Shareholders, it is expected that the final dividend will be paid on or around Monday, 7 July 2025 to the Shareholders whose names appear on the register of members of the Company on Monday, 23 June 2025.

Revenue breakdown of major business segments

| | For the year ended | | | | Change |
|--------------------------------|--------------------|------------|------------------|------------|--------|
| | 31 December 2024 | | 31 December 2023 | | |
| | Revenue | % of total | Revenue | % of total | |
| | (HK\$ million) | revenue | (HK\$ million) | revenue | |
| Cleaning | 2,086.8 | 80.1% | 1,827.3 | 78.5% | +14.2% |
| Waste management and recycling | 285.8 | 11.0% | 278.9 | 12.0% | +2.5% |
| Landscaping | 160.2 | 6.2% | 130.6 | 5.6% | +22.7% |
| Pest management | 70.3 | 2.7% | 90.7 | 3.9% | -22.5% |
| | 2,603.1 | 100.0% | 2,327.5 | 100.0% | +11.8% |

Gross profit margin of major business segments

| | For the year ended | | Change |
|--------------------------------|---------------------|---------------------|----------|
| | 31 December 2024 | 31 December 2023 | |
| Cleaning | 6.1% | 8.8% | -2.7 p.p |
| Waste management and recycling | 11.6% | 7.6% | +4.0 p.p |
| Landscaping | 15.5% | 14.6% | +0.9 p.p |
| Pest management | 4.7% | 4.6% | +0.1 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 35.6% in 2024 (2023: 36.3%).

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 14.2% from cleaning segment. This remarkable growth was due to the Group's significant efforts in securing new contracts with the FEHD, Hospital Authority and Fire Services Department for the provision of cleaning services. Despite this, the gross profit margin declined from approximately 8.8% to 6.1% due to rising labour costs.

Throughout the Year, recycling services contracts secured from the EPD were successfully executed 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 7.6% to 11.6%.

Our strategy to bid on landscaping projects with high profit margins has been a success. Along with our cost control efforts, the profit margin for this segment maintained high at approximately 15.5% (2023: 14.6%).

The overall gross profit amount and margin of the Group were decreased from approximately HK\$206.1 million to HK\$188.4 million, and from approximately 8.9% to 7.2% respectively.

Contracts on hand

As of 31 December 2024, the Group had a total amount of approximately HK\$3,887.5 million worth of unexpired contracts on hand, of which, approximately HK\$2,288.6 million will be recognised by the end of 2025, approximately HK\$1,155.4 million will be recognised in 2026 and the rest of approximately HK\$443.5 million will be recognised in 2027 and beyond.

| | Backlog contract value <i>HK\$'million</i> | Contract value to be recognised by 31 Dec 2025 <i>HK\$'million</i> | Contract value to be recognised by 31 Dec 2026 <i>HK\$'million</i> | Contract value to be recognised in 2027 and beyond <i>HK\$'million</i> |
|--|---|---|---|---|
| Cleaning services | 3,150.7 | 1,884.5 | 954.1 | 312.1 |
| Waste management and recycling services | 436.1 | 218.6 | 132.4 | 85.1 |
| Landscaping services | 252.4 | 137.5 | 68.6 | 46.3 |
| Pest management services | 48.3 | 48.0 | 0.3 | – |
| Total | <u>3,887.5</u> | <u>2,288.6</u> | <u>1,155.4</u> | <u>443.5</u> |

PROSPECTS

In 2024, the Group's contracts on hand amounted to approximately HK\$3.89 billion, providing considerable revenue for subsequent years. With reference to the contracts on hand as of 31 December 2024, approximately HK\$2.29 billion contract value will be recognised as revenue in 2025.

As stated in the Group's voluntary announcement dated 13 January 2025 in relation to the potential acquisition of a property management company, the Group is still in discussions with the seller as at the date of this announcement. Except for the Term Sheet referred to in the voluntary announcement, the potential buyer and seller have not yet entered into any legally binding sale and purchase agreement in relation to the possible transaction.

Looking forward, the Group will consolidate the market share of its core businesses and actively engage in expansions in Hong Kong and international markets and explore mergers and acquisitions, joint ventures and new business opportunities to drive business growth and create long-term value for the shareholders.

With the orderly implementation of the “market-led” approach in Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons, the Group considers that the measure provides economic incentives to encourage citizens to proactively participate in recycling, which is expected to stimulate the recycling rate of plastic beverage containers and cartons, promote the healthy development of the recycling industry, and help build a circular economy and green industry in Hong Kong.

In addition, the Group was awarded a service contract from the Food and Environmental Hygiene Department (“FEHD”) to supply solar-powered smart collection bins after the Year. According to the Government’s information, the FEHD plans to install a variety of waste collection facilities at around 300 locations by the end of 2026, including the solar-powered compacting refuse bins with an aim to further optimize waste collection in rural areas and improve environmental hygiene. The Group’s product is designed with a focus on sustainability and smart technology, tailored to meet the needs of different scenarios in Hong Kong, with the goal of enhancing waste collection quality, supporting smart city development, and creating a livable environment.

As The Stock Exchange of Hong Kong Limited requires listed companies to enhance climate-related disclosure, it is believed that to drive an increasing demand for the Group’s ESG-related business.

FINANCIAL REVIEW

Revenue

The Group’s revenue for the years ended 31 December 2024 and 2023 amounted to approximately HK\$2,603.1 million and HK\$2,327.5 million respectively, representing an increase of approximately 11.8%. 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 2024 and 2023, the cost of services of the Group amounted to approximately HK\$2,414.7 million and HK\$2,121.4 million respectively, representing approximately 92.8% and 91.1% 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 expansion of the Group’s workforce with higher average number of employees. Coupled with rising wage demands and recent regulatory changes, the Group experienced an increase in labour costs.

Gross Profit

The Group's gross profit for the Year was approximately HK\$188.4 million, representing a decrease of approximately 8.6% from approximately HK\$206.1 million for the year ended 31 December 2023.

Gross Profit Margin

The gross profit margins of the Group for the years ended 31 December 2024 and 2023 were approximately 7.2% and 8.9% respectively. As mentioned above, the decline in gross profit margin was mainly impacted by rising labour costs in cleaning segment partially offset by strong performance in waste management and recycling segment.

Other Income, Gain and Losses

The other income, gain and losses of the Group for the years ended 31 December 2024 and 2023 were approximately HK\$9.6 million and HK\$4.5 million respectively, representing an increase of approximately 114.5%. The substantial increase was primarily due to three factors: (i) a gain on disposal of right-of-use assets of approximately HK\$2.5 million recognised during the Year, (ii) a reduction in loss on disposal of property, plants, and equipment of approximately HK\$1.8 million, and (iii) an increase in interest income of approximately HK\$1.4 million, driven by higher bank balances and interest rates.

Selling and Marketing Expenses

The selling and marketing expenses of the Group for the years ended 31 December 2024 and 2023 were approximately HK\$2.2 million and HK\$2.4 million respectively, representing a decrease of approximately 7.8%. These expenses were 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 2024 and 2023 were approximately HK\$119.3 million and HK\$128.7 million respectively, representing a decrease of approximately 7.3%, and approximately 4.6% of the year's total revenue. The decrease was mainly due to a decrease in credit losses offset by 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\$10.6 million and HK\$13.7 million for the years ended 31 December 2024 and 2023 respectively, representing approximately 0.4% and 0.6% of the Group's total revenue respectively. The decrease was mainly due to the decrease 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 2024 and 2023 approximately HK\$53.9 million and HK\$47.1 million respectively, representing an increase of approximately 14.3%. The increase 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\$262.4 million (2023: HK\$96.3 million). As at 31 December 2024, the Group had available cash and bank balances amounting to approximately HK\$128.1 million (2023: HK\$41.4 million), representing an increase of approximately 209.1%.

As at 31 December 2024, the Group's total current assets and current liabilities were approximately HK\$725.5 million (2023: HK\$684.0 million) and HK\$543.0 million (2023: HK\$576.0 million) respectively, while the current ratio was approximately 1.3 times (2023: 1.2 times). The liquidity position of the Group is maintained at a healthy level.

As at 31 December 2024, the Group's bank borrowings amounted to approximately HK\$80.8 million (2023: HK\$182.7 million), representing a decrease of approximately 55.8%; the Group's lease liabilities were approximately HK\$38.1 million (2023: HK\$36.6 million), representing an increase of approximately 4.0%, for recognised lease liabilities related to the lease contracts in respect of certain lands, office buildings and nurseries. During the Year, no financial instruments were used for hedging purposes (2023: Nil).

As at 31 December 2024, the gearing ratio of the Group was approximately 0.3 times (2023: 0.6 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

During the Year, capital expenditures, which mainly included additions in motor vehicles and equipment, amounted to approximately HK\$30.3 million (2023: HK\$43.3 million). Capital expenditures were funded by banks and funds generated from our operating activities.

As at 31 December 2024, the Group had capital commitment contracted for of approximately HK\$7.3 million (2023: HK\$0.2 million).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities (2023: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2024, the amounts payable under lease liabilities within one year was approximately HK\$12.0 million (2023: HK\$8.3 million), that after one year but within five years was approximately HK\$11.5 million (2023: HK\$12.4 million), and that after five years was approximately HK\$14.6 million (2023: HK\$15.9 million).

In addition as at 31 December 2024, the Group had (i) pledged bank deposits of approximately HK\$7.3 million (2023: HK\$7.2 million); (ii) pledge of cash and cash equivalents of approximately HK\$2.4 million (2023: HK\$51,000); (iii) mortgage of the land and buildings of approximately HK\$59.8 million (2023: HK\$62.4 million); and (iv) pledge of the trade receivables of approximately HK\$132.9 million (2023: HK\$160.2 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.

HUMAN RESOURCES

As at 31 December 2024, the Group employed 10,329 employees (2023: 10,229 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 were 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 2024 together with the comparative figures of 2023 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in Hong Kong Dollars)

| | Note | 2024 HK\$'000 | 2023 HK\$'000 |
|--|------|-----------------------------|----------------------|
| Revenue | 5 | 2,603,087 | 2,327,489 |
| Cost of services | | <u>(2,414,722)</u> | <u>(2,121,367)</u> |
| Gross profit | | 188,365 | 206,122 |
| Other income, gains and losses | 6 | 9,583 | 4,468 |
| Change in fair value less costs to sell of biological assets | | – | (3,188) |
| Selling and marketing expenses | | (2,228) | (2,416) |
| Administrative expenses | | <u>(119,323)</u> | <u>(128,735)</u> |
| Profit from operations | | 76,397 | 76,251 |
| Finance costs | 7 | <u>(10,571)</u> | <u>(13,699)</u> |
| Profit before taxation | 8 | 65,826 | 62,552 |
| Income tax | 9 | <u>(9,367)</u> | <u>(14,424)</u> |
| Profit for the year | | 56,459 | 48,128 |
| 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 | | (55) | (68) |
| Items that will not be reclassified to profit or loss: | | | |
| Remeasurement of defined benefit plan obligations | | <u>1,687</u> | <u>1,300</u> |
| Other comprehensive income | | <u>1,632</u> | <u>1,232</u> |
| Total comprehensive income for the year | | <u><u>58,091</u></u> | <u><u>49,360</u></u> |

| | | 2024 | 2023 |
|---|-------------|------------------------|-----------------|
| | <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Profit for the year attributable to: | | | |
| Equity shareholders of the Company | | 53,856 | 47,111 |
| Non-controlling interests | | 2,603 | 1,017 |
| | | <u>56,459</u> | <u>48,128</u> |
| Total comprehensive income for | | | |
| the year attributable to: | | | |
| Equity shareholders of the Company | | 55,488 | 48,343 |
| Non-controlling interests | | 2,603 | 1,017 |
| | | <u>58,091</u> | <u>49,360</u> |
| Earnings per share | | | |
| Basic and diluted (HK cents) | <i>11</i> | <u>12.98</u> | <u>11.35</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in Hong Kong Dollars)

| | <i>Note</i> | 2024 HK\$'000 | 2023 <i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 198,575 | 244,677 |
| Right-of-use assets | | 33,768 | 32,640 |
| Intangible assets | | 8,200 | 8,200 |
| Financial assets at fair value through profit or loss | | 15,181 | 15,043 |
| Prepayments, deposits and other receivables | | 28,191 | 24,388 |
| Deferred tax assets | | 2,098 | 2,457 |
| | | 286,013 | 327,405 |
| Current assets | | | |
| Inventories | | 2,347 | 2,753 |
| Contract assets | | 7,765 | 8,734 |
| Trade receivables | 12 | 554,451 | 599,616 |
| Prepayments, deposits and other receivables | | 24,791 | 22,560 |
| Tax recoverable | | 795 | 1,430 |
| Biological assets | | – | 259 |
| Pledged bank deposits | | 7,338 | 7,211 |
| Cash and cash equivalents | | 128,054 | 41,425 |
| | | 725,541 | 683,988 |
| Current liabilities | | | |
| Trade payables | 13 | 42,279 | 48,120 |
| Contract liabilities | | 4,002 | 3,629 |
| Accruals, deposits received and other payables | | 401,150 | 322,063 |
| Bank borrowings | | 80,810 | 182,664 |
| Lease liabilities | | 11,950 | 8,343 |
| Tax payable | | 2,853 | 11,131 |
| | | 543,044 | 575,950 |
| Net current assets | | 182,497 | 108,038 |
| Total assets less current liabilities | | 468,510 | 435,443 |

| | <i>Note</i> | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------|---------------------------------------|-------------------------|
| Non-current liabilities | | | |
| Other payables | | 324 | 756 |
| Lease liabilities | | 26,138 | 28,278 |
| Provision | | 11,852 | 14,802 |
| Deferred tax liabilities | | <u>16,514</u> | <u>21,906</u> |
| | | <u>54,828</u> | <u>65,742</u> |
| Net assets | | <u>413,682</u> | <u>369,701</u> |
| Capital and reserves | | | |
| Share capital | 14 | 4,150 | 4,150 |
| Reserves | | <u>407,419</u> | <u>366,041</u> |
| Total equity attributable to equity shareholders of the Company | | 411,569 | 370,191 |
| Non-controlling interests | | <u>2,113</u> | <u>(490)</u> |
| Total equity | | <u>413,682</u> | <u>369,701</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 2024, but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 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 new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current (“2020 amendments”) and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants (“2022 amendments”)
- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package. The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification. The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in the financial statements.

The HKAS 1 amendments do not have a material impact on the Group’s financial statements.

Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on the financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on the financial statements as the Group did not have any supplier finance arrangements.

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, selling and marketing expenses and administrative expenses including directors' emoluments and exclude other income, gains and losses and change in fair value less costs to sell of biological assets. 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 2024 | | | | | |
| Disaggregated by timing of revenue recognition | | | | | |
| – over time | 2,086,742 | 282,924 | 160,240 | 70,289 | 2,600,195 |
| – point in time | – | 2,892 | – | – | 2,892 |
| Revenue from external customers | 2,086,742 | 285,816 | 160,240 | 70,289 | 2,603,087 |
| Inter-segment revenue | 617 | 2,628 | 428 | 813 | 4,486 |
| Reportable segment revenue | 2,087,359 | 288,444 | 160,668 | 71,102 | 2,607,573 |
| Segment results | 126,662 | 33,479 | 24,899 | 3,325 | 188,365 |
| Other income, gains and losses | | | | | 9,583 |
| Selling and marketing expenses | | | | | (2,228) |
| Administrative expenses | | | | | (119,323) |
| Finance costs | | | | | (10,571) |
| Profit before taxation | | | | | 65,826 |

| | 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 |

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 2024 | | | | | |
| Segment assets | 725,880 | 158,915 | 79,772 | 34,001 | 998,568 |
| Unallocated | | | | | <u>12,986</u> |
| Total assets | | | | | <u><u>1,011,554</u></u> |
| Segment liabilities | 434,234 | 87,527 | 37,587 | 34,541 | 593,889 |
| Unallocated | | | | | <u>3,983</u> |
| Total liabilities | | | | | <u><u>597,872</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 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> |

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 2024 | | | | | | |
| Depreciation | 59,388 | 20,664 | 3,783 | 2,503 | 816 | 87,154 |
| Additions to non-current assets | 26,236 | 20,024 | 4,727 | 320 | 1,481 | 52,788 |
| (Gain)/loss on disposal of property, plant and equipment | (270) | 1,150 | 5 | (171) | 8 | 722 |

| | 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 |

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.

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Hong Kong | 2,601,342 | 2,326,935 |
| Mainland China | – | 554 |
| Southeast Asia | 1,745 | – |
| | 2,603,087 | 2,327,489 |

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 2024 and 2023.

Information about major customers

For the year ended 31 December 2024, the Group's revenue of HK\$1,608,884,000 (2023: HK\$1,282,582,000) for various segments was derived from two customers (2023: one customer), each of whom has individually accounted for over 10% of the Group's total revenue, which are/is disclosed as follows:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| Customer A | 1,307,145 | 1,282,582 |
| Customer B (<i>Note</i>) | <u>301,739</u> | <u>N/A</u> |

Note: The revenue from customer B for the year ended 31 December 2023 was less than 10% of the Group's revenue.

5. REVENUE

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Cleaning services business | 2,086,742 | 1,827,343 |
| Waste management and recycling business | 282,924 | 276,983 |
| Landscaping services business | 160,240 | 130,645 |
| Pest management business | 70,289 | 90,610 |
| Sales of recycling materials | <u>2,892</u> | <u>1,908</u> |
| | <u>2,603,087</u> | <u>2,327,489</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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Change in fair value of investments in life insurance | 138 | 171 |
| Loss on disposal of property, plants and equipment | (722) | (2,532) |
| Gain of lease modification | – | 283 |
| Gain on disposal of right-of-use assets | 2,491 | – |
| Government grants* | 1,545 | 1,755 |
| Income relating to right-of-use assets | 3,686 | 3,685 |
| Interest income | 1,878 | 494 |
| Others | 567 | 612 |
| | <hr/> | <hr/> |
| Total | 9,583 | 4,468 |
| | <hr/> | <hr/> |

* During the year ended 31 December 2024, the Group recognised the government grants as follows:

- (i) Recycling Fund of the Government, which aims to support the sustainable development of the recycling industry, of HK\$554,000 (2023: HK\$107,000);
- (ii) subsidies for phasing out certain diesel commercial vehicles by the Group of HK\$530,000 (2023: HK\$801,000);
- (iii) Urban Forestry Support Fund of Development Bureau of the Government of HK\$241,000 (2023: HK\$175,000);
- (iv) subsidies from the Green Employment Scheme of the Environment and Ecology Bureau of HK\$62,000 (2023: HK\$571,000); and
- (v) other subsidies of HK\$158,000 (2023: HK\$101,000)

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--------------------------------|-------------------------|-------------------------|
| Interest on: | | |
| Bank borrowings and overdrafts | 8,765 | 11,391 |
| Lease liabilities | 1,734 | 1,894 |
| Others | 72 | 414 |
| | <u>10,571</u> | <u>13,699</u> |

8. PROFIT BEFORE TAXATION

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Auditors' remuneration: | | |
| Audit services | 1,680 | 1,900 |
| Other services | – | 162 |
| Cost of consumable goods | 69,638 | 64,219 |
| Depreciation: | | |
| Owned property, plant and equipment | 74,431 | 71,814 |
| Right-of-use assets | 12,723 | 13,578 |
| Recognition/(reversal) of credit losses on trade receivables | 683 | (53) |
| Credit losses on other receivables | 198 | 4,118 |
| | <u>2,126,812</u> | <u>1,856,452</u> |
| Staff costs (including directors' remuneration): | | |
| Wages, salaries and other benefits | 1,945,564 | 1,727,611 |
| Defined benefit plan obligation | 105,956 | 54,953 |
| Provision for untaken paid leave | 19,536 | 21,697 |
| Contributions to defined contribution retirement scheme | 55,756 | 52,191 |
| | <u>2,126,812</u> | <u>1,856,452</u> |
| Short-term lease payments not included in the measurement of lease liabilities: | | |
| Machinery and motor vehicles | 66,186 | 58,229 |
| Land and buildings | 3,610 | 3,855 |
| | <u>69,796</u> | <u>62,084</u> |

9. INCOME TAX

(a) Income tax charged to profit or loss represents:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Current tax – Hong Kong Profits Tax | | |
| Provision for the year | 14,330 | 15,678 |
| Under-provision in respect of prior years | <u>74</u> | <u>309</u> |
| | 14,404 | 15,987 |
| Current tax – People’s Republic of China (“PRC”) | | |
| Enterprise Income Tax | | |
| Provision for the year | – | 8 |
| Over-provision in respect of prior years | <u>(4)</u> | <u>–</u> |
| | 14,400 | 15,995 |
| Deferred tax | | |
| Origination and reversal of temporary differences | <u>(5,033)</u> | <u>(1,571)</u> |
| | <u><u>9,367</u></u> | <u><u>14,424</u></u> |

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 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 2023.

The provision for Hong Kong Profits Tax for 2024 has also taken into account a reduction granted by the Hong Kong SAR Government for the year of assessment 2023/24. The Group is eligible for the maximum reduction of HK\$3,000 (2023: a maximum reduction of HK\$6,000 was granted for the year of assessment 2022/23 and was taken into account in calculating the provision for 2023) for each Hong Kong subsidiaries within the Group.

Taxation for subsidiaries outside Hong Kong 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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Final dividend proposed after the end of the reporting period of 3.8 cents (2023: HK3.4 cents) per ordinary share | <u>15,770</u> | <u>14,110</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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Final dividend in respect of the previous financial year, was approved and paid during the year, of HK3.4 cents (2023: HK3.8 cents) per ordinary share | <u>14,110</u> | <u>15,770</u> |

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share for the year ended 31 December 2024 is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK\$53,856,000 (2023: HK\$47,111,000) and the weighted average number of 415,000,000 (2023: 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 2024 and 2023 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:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|-----------------------------------|-------------------------|-------------------------|
| Within 60 days | 427,502 | 422,677 |
| Over 60 days but within 120 days | 85,520 | 132,978 |
| Over 120 days but within 365 days | 40,973 | 40,676 |
| Over 365 days | 456 | 3,285 |
| | <u>554,451</u> | <u>599,616</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. TRADE PAYABLES

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---------------------------------|-------------------------|-------------------------|
| Within 30 days | 24,523 | 26,406 |
| Over 30 days but within 60 days | 4,495 | 10,476 |
| Over 60 days but within 90 days | 1,700 | 909 |
| Over 90 days | 11,561 | 10,329 |
| | <u>42,279</u> | <u>48,120</u> |

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

14. SHARE CAPITAL

| | Number of shares '000 | Nominal value HK\$'000 |
|--|-----------------------------|------------------------------|
| Authorised: | | |
| <i>Ordinary shares of HK\$0.01 each</i> | | |
| As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | <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 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | <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.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement dated 13 January 2025, the Company entered into a term sheet with two parties in relation to a potential acquisition of the entire issued capital of a company which carries on property management business in Hong Kong.

Saved as mentioned above, the Group does not have material events after the reporting period.

CLOSURE OF REGISTER OF MEMBERS

For determining eligibility to attend and vote at the Annual General Meeting which shall be held on Friday, 30 May 2025, the register of members of the Company will be closed tentatively from Tuesday, 27 May 2025 to Friday, 30 May 2025, 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, 26 May 2025 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, 23 June 2025 to Tuesday, 24 June 2025, 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, 20 June 2025.

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 2024 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 2025

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.