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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO MEDIA REPORTS

Baguio Green Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) recently noted certain media reports in relation to the alleged disposal of used beverage cartons by Baguio Waste Management & Recycling Limited (“**Baguio Waste Management & Recycling**”). To avoid any misunderstanding, the Company wishes to make the following clarification:

- 1) A contract in relation to the provision of services (including waste paper recycling service) (“**Contract**”) has been entered into by Baguio Waste Management & Recycling, a subsidiary of the Company, with Green@Kwun Tong.
- 2) Pursuant to the Contract, Baguio Waste Management & Recycling shall purchase waste paper (including beverage cartons) from Green@Kwun Tong which involves cost and resources. The aforesaid beverage cartons have an intrinsic commercial value and the recycling thereof is a push for the Hong Kong public to go green. Disposing of the beverage cartons in landfills, as alleged, is not environmentally friendly and does not adhere to the Group’s corporate responsibility, governance and business logic. Therefore, the Group has never and would never dispose of them in landfills.
- 3) Transferring the beverage cartons to local recyclers or downstream recyclers by Baguio Waste Management & Recycling for proper treatment are permitted methods to handle the beverage cartons. After considering commercial factors, the Group has resold such beverage cartons to third-party downstream recyclers for proper treatment.
- 4) After thorough investigation, the Group has noticed that certain staff did not communicate clearly with Green@Kwun Tong for the above arrangement which has led to misunderstandings. The Group has instructed relevant staff to carefully consider communications in the future. In this regard, the Company has established a committee to enhance staff training and to optimize the Group’s communication system in order to prevent similar misunderstandings from reoccurring in the future.

The Group is committed to continuously provide quality and professional integrated environmental services as well as ensuring the best way to pursuing a sustainable environment in the future.

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

Hong Kong, 27 January 2023

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