

【For Immediate Release】

Baguio Green Group Announces 2022 Annual Results

(Stock Code: 01397)

**Net Profit* Increased by 3.2 times
Contracts On Hand Recorded a Historical High
with a Surge of 67% to HK\$3.6 billion**

(30 March 2023 - Hong Kong) Baguio Green Group Limited (“**Baguio**” or the “**Group**”, Stock Code: 01397.HK) is pleased to announce its annual results for the year ended 31 December 2022 (the “Year”).

During the Year, the Group’s revenue was approximately HK\$1.79 billion, representing an increase of approximately 40.8% as compared with the preceding year. The Group’s profit attributable to equity shareholders of the Company was approximately HK\$53.7 million, representing a surge of approximately 3.2 times as compared with the preceding year. The Board recommends the payment of a final dividend for the Year at HK\$3.8 cents per share.

Business Overview and Prospects

In 2022, new contracts awarded to the Group amounted to a total of HK\$3.08 billion. As a result, the Group recorded a historical high for its contracts on hand of approximately HK\$3.59 billion (as of 31 December 2022), representing a surge of approximately 67.3%.

During the Year, The Group’s core business, cleaning services, recorded a substantial growth. Revenue of cleaning services increased by approximately 61.2% to approximately HK\$1.33 billion. During the Year, the Group secured a number of service contracts worth approximately HK\$1.99 billion in total for street cleansing services. Winning these contracts from the Food and Environmental Hygiene Department (“FEHD”) of the HKSAR Government signifies that Baguio is a leading player in the Hong Kong cleaning market. The Group currently provides FEHD street cleansing services in a total of eight Hong Kong districts, serving over 2.8 million people.

With regard to the waste management and recycling business, the Group continued to expand its operational capacity and collection network for recyclable items. During the Year, the Group secured two new contracts with FEHD for the provision of waste collection services, worth approximately HK\$140 million. The Group is contracted by the Environmental Protection Department (“EPD”) of the HKSAR Government to handle over 5,000 recycling spots (including plastic, glass bottles, metals and waste paper) across Hong Kong. During the Year, Baguio won a new 33-month EPD Plastic Recycling Pilot Scheme contract to provide plastic collection services for three districts (Eastern, Kwun Tong and Central & Western). Baguio also provides plastic collection services for

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

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

Recycling Stations of “GREEN@COMMUNITY” and Reverse Vending Machines (“RVMs”), 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 the Hong Kong Island, the New Territories and Islands District.

With the Municipal Solid Waste (MSW) charging scheme scheduled to be launched in the second half of 2023, the recycling volume is expected to increase rapidly. To support the expected growth in the volume of the plastic recycling business, a new high-speed and fully-automated plastic-sorting facility was introduced to the Group’s recycling plant. When fully operational, its plastic processing capacity per year could exceed 10,000 tonnes, equivalent to 400 million bottles.

Leveraging the extensive recycling experience and innovative capability, the Group has been successfully awarded a 2-year service contract by the EPD for the provision of the self-developed Smart Recycling Machines (“SRMs”), and a Big Data Analytics Platform to help bring recycling in Hong Kong to the next stage and to drive the smart city development in Hong Kong.

During the Year, the Group has been awarded EPD’s first service contract for using bioconversion technology (Black Soldier Flies) to help solve Hong Kong’s chicken manure problem. The project has commenced production.

Both green technology contracts (SRMs and Bioconversion technology) represent important milestones for Baguio’s development, and has strategic significance for rapid development of the Group’s green technology business. It is expected that the green technology business will be one of the main growth drivers of the Group.

With regard to recyclable food waste collection services, the Group secured two contracts with EPD for the provision of recyclable food waste collection services in Kowloon District and New Territories West, worth approximately HK\$68.9 million. Among the total four EPD’s similar contracts granted, Baguio has secured half of them, highlights Baguio’s position as Hong Kong’s market leader in food waste collection.

For the landscaping services, Baguio secured a contract for the provision of landscaping services to Hong Kong University of Science and Technology and Tung Chung East Promenade. For pest management business, the Group won the FEHD’s contract for pest management services in the Wong Tai Sin and Tai Po districts during the Year worth approximately HK\$150 million.

With the increasing emphasis on social and environmental issues, the Group has been actively integrating “Environmental, Social and Governance (ESG)” into its core business. By launching the “ESG+” solution, the Group provides sustainable low-carbon waste management, waste audit, recycling, sustainability professional services and green products, as well as green/ESG data, which can greatly enhance the ESG

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

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

performance of listed company clients, thereby increasing their chances of securing green financing and becoming an ESG index constituent.

Mr. Ng Wing Hong, Chairman of Baguio, commented, “2022 marks a year with outstanding result performance with net profit* substantially increased by 3.2 times and contracts on hand recorded a historical high since Baguio established 43 years ago. This further signifies Baguio’s successful focus on cleaning, collection & recycling, green technology and sustainability related business. With reference to the contracts on hand as of 31 December 2022, HK\$1.80 billion contract value will be recognised as revenue in 2023. This value is higher than the revenue for the whole year of 2022 (HK\$1.79 billion). With potential new contracts to be obtained in 2023, the revenue growth of 2023 should be considered commendable considering the current unsatisfactory global economic environment.

Looking ahead 2023, with the Municipal Solid Waste Charging Scheme scheduled to be launched in the second half of 2023, it is expected to further motivate the public to recycle and to increase the recycling volume. With the potential legislation of the Producer Responsibility Scheme on Plastic Beverage Containers this year, when the new regulation becomes effective, producers of plastic beverage containers will add a deposit to the selling price and refund the deposit to consumers when they return their plastic beverage containers. The recycling volume of plastic beverage containers is expected to have a significant increase. The two schemes are expected to directly drive the growth of Baguio’s recycling business and create solid returns from our investment in recycling facilities which creates a strong entry barrier to the competition.”

For details of the Group's 2022 annual results announcement, please visit the following website:

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

* *The Group’s profit attributable to equity shareholders of the Company*

- End -

About Baguio Green Group

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

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

碧瑤清潔服務有限公司 Baguio Cleaning Services Co. Ltd.
碧瑤蟲害管理有限公司 Baguio Pest Management Ltd.
碧瑤園藝工程有限公司 Baguio Landscaping Services Ltd.
德泰園景工程有限公司 Tak Tai Enviroscape Ltd.

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

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

For further information, please contact:

Baguio Green Group Limited
Investor Relations Department

Tel: (852) 2541 3388

Email: ir@baguio.com.hk

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

碧瑤清潔服務有限公司 Baguio Cleaning Services Co. Ltd.
碧瑤蟲害管理有限公司 Baguio Pest Management Ltd.
碧瑤園藝工程有限公司 Baguio Landscaping Services Ltd.
德泰園景工程有限公司 Tak Tai Enviroscape Ltd.

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

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