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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)

LATEST BUSINESS UPDATE

DRIVEN BY WASTE CHARGING BAGUIO WINS NEW CONTRACTS FOR SMART FOOD WASTE RECYCLING MACHINES FOR LARGE RESIDENTIAL ESTATES

This announcement is made by Baguio Green Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the Group’s latest developments.

The board of directors (the “**Board**”) of the Company is pleased to announce that following last year’s success in securing a smart recycling machine contract from the Environmental Protection Department (“**EPD**”) of the HKSAR Government (“**the Government**”), the Group has won new contracts for two large private residential estates for the provision of smart Food Waste Recycling Machines (“**Food Waste Recycling Machines**”) and maintenance services. This initiative will help residents recycle food waste efficiently and reduce expenses associated with waste charging.

Statistics from 2022 show that Hong Kong landfills received an average daily input of 11,128 tonnes of municipal solid waste, with food waste constituting about 3,302 tonnes (approximately 30% of the total solid waste). To achieve the goal of “Zero Landfill” by 2035 in Hong Kong, addressing food waste issue is an urgent priority. Currently, Hong Kong only recycles about 200 tonnes of food waste per day, lower than the total amount of food waste produced. One of the reasons for this is the lack of effective food waste recycling facilities in residential and commercial buildings, which makes it inconvenient for people to recycle. Food Waste Recycling Machines not only address this issue but also incentivize people by allowing them to earn rewards through the EPD’s GREEN\$ Electronic Participation Scheme, contributing to environmental conservation efforts.

Currently, Food Waste Recycling Machines are installed in only 35% of public housing estates. The Government intends to extend the installation of Food Waste Recycling Machines in all public housing estates in Hong Kong this year. In the private housing sector, the initiative is still in its initial phase. With waste charging set to take effect, the Government is proactively offering financial aid for private estates to install Food Waste Recycling Machines through the Recycling Fund and the Environment and Conservation Fund. With the significant demand generated by the Government's vigorous promotion and the expected implementation of waste charging on 1 August 2024, it is anticipated that this will create substantial business opportunities for Baguio's Food Waste Recycling Machines and its recycling services, further consolidating the Group's dominant position in the recycling market of Hong Kong.

This announcement is made by the order of the Board, the members of which individually and jointly accept responsibility for the accuracy of the information disclosed in this announcement.

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

Hong Kong, 25 January 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.