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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)**

**TERMINATION OF THE PROPOSED ACQUISITION OF 51%  
OR MORE SHAREHOLDING INTERESTS  
IN THE TARGET COMPANY**

Reference is made to the announcement of the Company dated 8 June 2016 (the “**Announcement**”). Unless otherwise stated herein, terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 8 June 2016 (after trading hours), the Company entered into a non-legally binding Memorandum of Understanding with the Target Company and the Guarantors, pursuant to which, the Company proposed to acquire 51% or more shareholding interests in the Target Company (the “**Proposed Acquisition**”). Pursuant to the terms of the Memorandum of Understanding, the parties agreed that the Proposed Acquisition shall complete based on (i) the due diligence result on the Target Company being satisfactory to the Company; (ii) the Proposed Acquisition being approved by the Company’s board of directors (the “**Board**”); and (iii) the formal documents in relation to the Proposed Acquisition being signed.

The parties have made their joint efforts in negotiating on the terms of the Proposed Acquisition however, no agreement could be reached on the crucial terms. The Company therefore decided to terminate the Memorandum of Understanding. As such, the Proposed Acquisition will not proceed and the Company is finalising the affairs to conclude the termination.

The Directors consider that the termination of the Proposed Acquisition would not have any material adverse impact on the business operation of the Group and would be in the best interests of the Company and the Shareholders as a whole.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 26 August 2016

*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, Ms. Chan Shuk Kuen and Ms. Cheung Siu Chun as executive directors of the Company and Mr. Sin Ho Chiu, Dr. Law Ka Hung and Mr. Lau Chi Yin Thomas as independent non-executive directors of the Company.*