



碧 瑤
BAGUIO



碧瑤綠色集團有限公司
Baguio Green Group Limited

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code : 1397

2024

INTERIM REPORT
中期報告





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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Ng Wing Hong
Ms. Ng Yuk Kwan Phyllis
Ms. Leung Shuk Ping

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Sin Ho Chiu
Mr. Lau Chi Yin Thomas
Professor Cheng Edwin Tai Chiu

AUTHORIZED REPRESENTATIVES

Mr. Ng Wing Hong
Mr. Chan Pak Hang

AUDIT COMMITTEE

Mr. Lau Chi Yin Thomas (*Chairman*)
Mr. Sin Ho Chiu
Professor Cheng Edwin Tai Chiu

REMUNERATION COMMITTEE

Mr. Sin Ho Chiu (*Chairman*)
Mr. Lau Chi Yin Thomas
Professor Cheng Edwin Tai Chiu
Mr. Ng Wing Hong

NOMINATION COMMITTEE

Professor Cheng Edwin Tai Chiu (*Chairman*)
Mr. Sin Ho Chiu
Mr. Lau Chi Yin Thomas
Ms. Ng Yuk Kwan Phyllis

COMPANY SECRETARY

Mr. Chan Pak Hang

LEGAL AND COMPLIANCE ADVISERS

Robertsons
(*Hong Kong law*)

AUDITORS

KPMG
(*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*)

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 4/F, Dragon Industrial Building
No. 93 King Lam Street, Lai Chi Kok
Kowloon, Hong Kong

PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

Room 201, Building A, Qianwan 1st Road
Qianhai Shenzhen-Hong Kong Cooperation Zone
Nanshan District, Shenzhen, Guangdong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE ADDRESS

<http://www.baguio.com.hk>

STOCK CODE

01397

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Percentage change
	2024 HK\$'000	2023 HK\$'000	
Revenue			
Cleaning	1,034,933	861,471	+20.1%
Waste management and recycling	147,279	137,180	+7.4%
Landscaping	71,106	61,433	+15.8%
Pest management	37,822	46,771	-19.2%
	1,291,140	1,106,855	+16.6%
Cost of services	(1,194,067)	(1,020,465)	+17.0%
Gross profit	97,073	86,390	+12.4%
Profit from operations	37,201	31,848	+16.8%
Profit attributable to equity shareholders of the Company	24,271	21,834	+11.2%
Basic earnings per share (HK cents)	5.85	5.26	

MANAGEMENT DISCUSSION AND ANALYSIS

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 present the interim report of the Group for the six months ended 30 June 2024 (the “Period”).

MARKET REVIEW

The HKSAR Government (the “Government”) demonstrates a strong commitment to environmental agenda. The Group’s core businesses, including cleaning, waste management, recycling, green technology, landscaping, and pest management, are closely related to the livelihood of the general public. As one of the largest integrated environmental services groups in Hong Kong, the Group strives to provide quality service and improve the image of Hong Kong as the most livable city in Asia. The Group’s services are considered a rigid demand and are not affected by the economic environment. Despite the presence of economic headwinds, the Group’s core business continues to demonstrate a growth trajectory.

Although the Government postponed the implementation of the Waste Charging policy, the original intention of reducing waste remains unchanged. Waste Charging is only one of the ways adopted by the Government to promote waste reduction and recycling, which is an important policy to achieve the goal of “Zero Landfill” under the Waste Blueprint for Hong Kong 2035 and is expected to be implemented in an orderly way in the future. During the Period, the Government accelerated the strengthening of recycling facilities. For example, in respect of food waste recycling, the Government has installed additional smart food waste recycling machines in public housing estates and large private housing estates in Hong Kong, with the aim of doubling the number within one year. In addition, the Government will set up 100 mobile food waste recycling spots and establish food waste recycling points at about 100 Refuse Collection Points in the coming year. Furthermore, regarding other types of recyclables, the Government plans to set up 50 small-scale recycling stores in public housing estates to provide citizens with a convenient recycling experience.

In terms of private housing estates and industrial and commercial buildings, the Environmental Protection Department (“EPD”) has launched the Programme on Source Separation to provide free waste separation bins to more than 2,000 housing estates or residential blocks and 1,200 industrial and commercial buildings, with a view to gradually improving the community recycling network.

After the Government postponed the implementation of Waste Charging, it has significantly increased its efforts to increase various types of recycling spots through recyclers. For example, the addition of night mobile food waste recycling spots to facilitate citizens’ recycling, with improvement in terms of quality and quantity, which directly brings growth impetus to the Group’s recycling business. Therefore, the postponement of Waste Charging has no adverse impact on the Group’s recycling business, and on the contrary, results in an increase in business. In the long run, waste reduction and recycling will help achieve the Government’s goal of “Zero Landfill”, and benefit the development of the Group’s recycling and green technology businesses.

BUSINESS REVIEW

Revenue for the Period amounted to approximately HK\$1,291.1 million, representing an increase of approximately 16.6% as compared to the same period last year. Profit for the Period amounted to approximately HK\$25.8 million, representing an increase of approximately 18.5% as compared to the same period last year. The overall gross profit increased by approximately 12.4% to approximately HK\$97.1 million.

The Group’s core business, cleaning services, recorded growth in the Period. Revenue from cleaning services increased by 20.1% to approximately HK\$1,034.9 million, accounting for approximately 80.2% of the Group’s total revenue. Gross profit of the cleaning business increased by 7.6% to approximately HK\$66.4 million, mainly due to the Group’s new cleaning service contracts with various government departments and different institutions.

MANAGEMENT DISCUSSION AND ANALYSIS

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. The Group's Government venue cleaning services for the Food and Environmental Hygiene Department cover seven districts in Hong Kong. In addition, the Group's Government market related cleaning services and leisure venues cleaning services cover several 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 Period which increased by approximately 7.4% to approximately HK\$147.3 million, accounting for approximately 11.4% of the Group's total revenue. Gross profit of the waste management and recycling business increased by approximately 60.7% to approximately HK\$19.2 million, mainly due to the "Plastic Recycling Pilot Scheme" entered the harvest period and the related contracts with the Government increased the recycling spots and revenue.

In terms of waste management, the Group provided Government-related waste collection services to five districts, serving a population of approximately 1.6 million. In terms of recycling, the Group is contracted by the EPD of the Government 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 Period, 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 EPD 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.

Regarding green technology business, the Group launched a smart recycling system through combination of a number of advanced smart digital technologies and Internet of Things technologies. Through a one-stop management and big data analytics platform, the Group can monitor the real-time situation of the recycling machines, and flexibly deploy transportation according to the amount of recyclables, reducing logistics costs and unnecessary carbon emissions. The Group currently provides smart recycling machines to the EPD and smart food waste recycling machines to private housing estates. With the increasing market demand for smart recycling, the Group plans to seize the opportunity of smart city development, striving to expand the market share of smart recycling machines and smart food waste recycling machines. At present, smart recycling machines and smart food waste recycling machines are now available in different places of Hong Kong, providing the public with a convenient recycling experience 24 hours a day, and helping to increase the overall recycling volume in 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 Period. By converting yard waste into high-quality biochar with pyrolysis technology for various applications, the production plant effectively "turns waste into useful resources".

MANAGEMENT DISCUSSION AND ANALYSIS

As for the landscaping business, the Group provided landscaping services for the Kai Tak Sports Park, the Central and Western District Promenade and the Inclusive Park for Pets at Tsun Wen Road in Tuen Mun. In addition, the Group provides landscaping services for a wide range of clients, including large private residences, government premises, schools, shopping malls, hotels, airports, Hong Kong Science Park, Hong Kong University of Science and Technology and Lingnan University, etc.

For pest management business, the Group continued to provide pest management services in Wong Tai Sin and Tai Po districts during the Period. 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.

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the Period (1H2023: Nil).

Revenue Breakdown of Major Business Segments

	For the six months ended 30 June				
	2024		2023		Change
	Revenue (HK\$ million)	% of total revenue	Revenue (HK\$ million)	% of total revenue	
Cleaning	1,034.9	80.2%	861.5	77.8%	+20.1%
Waste management and recycling	147.3	11.4%	137.2	12.4%	+7.4%
Landscaping	71.1	5.5%	61.4	5.6%	+15.8%
Pest management	37.8	2.9%	46.8	4.2%	-19.2%
Total	1,291.1	100.0%	1,106.9	100.0%	+16.6%

Gross Profit Margin of Major Business Segments

	For the six months ended 30 June		
	2024	2023	Change
Cleaning	6.4%	7.2%	-0.8 p.p.
Waste management and recycling	12.9%	8.7%	+4.2 p.p.
Landscaping	13.3%	18.0%	-4.7 p.p.
Pest management	5.1%	3.3%	+1.8 p.p.
Overall	7.5%	7.8%	-0.3 p.p.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group's robust performance was contributed by an increase in revenue of approximately 20.1% from the cleaning segment. This result was attributable to the Group's enormous effort in securing new contracts with the Government. Along with the award of waste collecting contracts and the maturity of "Plastic Recycling Pilot Scheme", waste management and recycling segment also made remarkable contribution to the Group's profitability. Meanwhile, pest management segment continued to strive for effective cost control to maintain its profit margin. Also, the high level service demand and keen market competition slightly affected the profitability in the landscaping segment.

The overall gross profit margin of the Group slightly decreased approximately from 7.8% to 7.5%, but with an increase in revenue, the overall gross profit of the Group were improved approximately from HK\$86.4 million to HK\$97.1 million.

Contracts on Hand

As of 30 June 2024, the Group had a total of approximately HK\$4,598.6 million worth of unexpired contracts on hand, among which, approximately HK\$1,301.5 million would be recognised by the end of 2024; approximately HK\$2,021.6 million would be recognised in 2025 and the rest of approximately HK\$1,275.5 million would be recognised in 2026 and beyond.

	Backlog contract value (HK\$ million)	Contract value to be recognised by 31 December 2024 (HK\$ million)	Contract value to be recognised by 31 December 2025 (HK\$ million)	Contract value to be recognised in 2026 and beyond (HK\$ million)
Cleaning services	3,767.6	1,080.9	1,701.2	985.5
Waste management and recycling services	488.6	101.5	182.7	204.4
Landscaping services	260.6	84.8	90.5	85.3
Pest management services	81.8	34.3	47.2	0.3
Total	4,598.6	1,301.5	2,021.6	1,275.5

MANAGEMENT DISCUSSION AND ANALYSIS

AWARDS

During the Period, the Group has been recognised by many renowned institutes and the following awards have been granted:

Date	Issuer of Award	Award
Jan 2024	HKQAA	Outstanding Green Event Facilitator Award
Jan 2024	Green Council	Green Carnival 2024 - Appreciation of Supporting
Feb 2024	Green Council	Green Run 2024 Certificate of Appreciation
Feb 2024	Hong Kong Council of Social Service	5 years+ Caring Company 2023/24 - Baguio Green Group Limited
Feb 2024	Hong Kong Council of Social Service	10 years+ Caring Company 2023/24 - Tak Tai Enviroscope Limited
Feb 2024	Hong Kong Council of Social Service	10 years+ Caring Company 2023/24 - Baguio Waste Management & Recycling Limited
Feb 2024	Hong Kong Council of Social Service	10 years+ Caring Company 2023/24 - Baguio Pest Management Limited
Feb 2024	Hong Kong Council of Social Service	10 years+ Caring Company 2023/24 - Baguio Landscaping Services Limited
Feb 2024	Hong Kong Council of Social Service	10 years+ Caring Company 2023/24 - Baguio Cleaning Services Company Limited
Feb 2024	Hong Kong Council of Social Service	Caring Company 2023/24 - Baguio Green Technology Limited
Mar 2024	Qualifications Framework Secretariat	Appreciation for Recognition of Prior Learning - Arboriculture & Horticulture Industry – Baguio Landscaping Services Limited
Mar 2024	Qualifications Framework Secretariat	Appreciation for Recognition of Prior Learning - Arboriculture & Horticulture Industry – Tak Tai Enviroscope Limited
Mar 2024	Lingnan University HK	Certificate of Appreciation for Regurgence Career Expo @LingnanU 2024
Mar 2024	iRecycle Charity Foundation	Certificate of Appreciation for sponsoring the “iRecycle ESG Award Ceremony
Mar 2024	iRecycle Charity Foundation	SDG Certificate - Baguio Green Technology Limited
Mar 2024	iRecycle Charity Foundation	SDG Certificate - Baguio Landscaping Services Limited
Mar 2024	iRecycle Charity Foundation	SDG Certificate - Baguio Cleaning Services Company Limited
Mar 2024	iRecycle Charity Foundation	SDG Certificate - Baguio Waste Management & Recycling Limited
Mar 2024	iRecycle Charity Foundation	SDG Certificate - Tak Tai Enviroscope Limited
Mar 2024	iRecycle Charity Foundation	SDG Certificate - Baguio Pest Management Limited
Apr 2024	Caritas Bianchi College of Careers	SFU CBCC Career Fair 2024 - Certificate of participation
Apr 2024	Technological and Higher Education Institute of Hong Kong	Outstanding WIL(Work-Integrated Learning) Industry Partner
Apr 2024	Hong Kong Green Organisation Certification	Hong Kong Green Organisation Certification - Wastewi\$e Certificate - Good Level
Apr 2024	Promoting Happiness Index Foundation	Happiness at work 2024 - Happy Company
Jun 2024	World Green Organisation	Green Office & Eco- Healthy Workplace Awards Labelling Scheme - Certificate of Recognition

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

In addition to focusing on its professional services to improve the living standard of Hong Kong citizens, the Group strived to contribute to the society together with our employees. The following sets out some of the activities participated or organised by the Group during the Period.

Date	Organiser of Activity	Activity
Jan 2024	The Green Earth	Baguio's Recycling Facilities Visit
Jan 2024	Hong Kong Institute of Vocational Education (Chai Wan)	Baguio's Recycling Facilities Visit
Jan 2024	Business Environment Council	BEC Leadership Networking Series & Mini Expo: Smart and Sustainable Living Environment
Jan 2024	Business Environment Council	BEC Circularity Connect: Showcase and Knowledge Exchange
Jan 2024	The Green Earth	Night Walk 2024
Jan 2024	Green Council	Green Carnival 2024
Feb 2024	The Green Earth	Baguio's Recycling Facilities Visit
Feb 2024	Wofoo Social Enterprises Limited	Baguio Glass Bottle Recycling Plant Visit
Feb 2024	Greeners Action	Red Packet Reuse & Recycle Programme
Feb 2024	Green Council	Green Run 2024
Feb 2024	Green Council	Webinar on Waste Reduction: Pathways for achieving zero landfill
Mar 2024	Hong Kong Organic Resource Centre Certification Ltd.	Organic Day 2024
Apr 2024	China Association of Environmental Protection Industry	China International Environmental Protection Exhibition and Conference 2024
Apr 2024	Home for Homeless Dog	Stray Dogs Visit Event
Apr 2024	Messe Muenchen ZM	IE Expo China 2024
Apr 2024	Hong Kong Plastics Manufacturers Association	CHINAPLAS 2024
May 2024	iRecycle Charity Foundation	ESG World Record – “千人沙包創作”
Jun 2024	Green Council	Green Day 2024
Jun 2024	Kai Tak Sports Park	Baguio's Recycling Facilities Visit
Jun 2024	Hong Kong Ming De Association	Baguio Waste Sorting & Recycling Centre Visit

PROSPECTS

In the first half of 2024, new contracts awarded to the Group amounted to a total of HK\$1.48 billion. As a result, the Group's contracts on hand reached approximately HK\$4.60 billion (as of 30 June 2024), representing an increase of approximately 3.8% from approximately HK\$4.43 billion as of 31 December 2023, providing strong revenue growth in the second half of 2024 and subsequent years.

According to the Monitoring of Solid Waste in Hong Kong 2022, Hong Kong produces approximately 11,128 tonnes of municipal solid waste each day, of which around 3,330 tonnes (30%), was food waste. The Government's current food waste treatment capacity is only approximately 600 tonnes per day, which is still insufficient to meet the demand. The Group expects that the future food waste market has huge potential. As a leader in the waste recycling market in Hong Kong, Baguio is determined to help Hong Kong achieve its vision of “Zero Landfill” by 2035 by providing recycling services including food waste collection.

The Government is proactively offering financial aids for private housing estates to install food waste recycling machines through the Recycling Fund and the Environment and Conservation Fund. Under the expected market demand created by the strong advocacy of the Government, it is believed that the Group's food waste recycling machines and related smart technology business will bring huge business opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, the Government is actively promoting the “Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons”, and plans to table the bill to the Legislative Council for scrutiny this year with a view to introducing it in 2025. Enshrining the principle of “Polluter Pays” and the vision of “Eco-responsibility”, the recycling rate of plastic beverage containers and beverage cartons is expected to have a significant increase. The scheme is 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.

The Government is developing the Northern Metropolis at full speed and a number of public housing estates are scheduled for completion in phases. In particular, intake of tenants at the public housing estates in northern Kwu Tung North and Fanling North New Development Area will commence progressively from 2026. The Northern Metropolis will provide about 500,000 new housing units after fully developed, which is believed to bring opportunities to the Group’s core businesses.

Hong Kong has made concerted effort to keep pace with international trends in the field of green and sustainable finance, accelerating its progress towards becoming an international green finance hub. To meet the needs of sustainable development, the Group has incorporated sustainability insights into its core businesses and operations and is committed to providing customers with one-stop and diversified green environmental services and sustainable procurement solutions. In the future, Baguio will invest more resources in personnel training and green procurement. Meanwhile, through the provision of waste audit services, the Group provides waste constituent data to help corporate customers understand the amount of generated waste that can be recycled and achieve sustainable development goals.

Looking forward, the Group will continue to increase the market share of its core businesses and proactively engage in expansion in Hong Kong and beyond. Meanwhile, in line with the development of the Company, it will actively explore potential mergers and acquisitions, joint ventures or new business projects to accelerate future business growth and deliver substantial and long-term returns to shareholders.

FINANCIAL REVIEW

Revenue

The Group’s revenue for the six-month period ended 30 June 2024 and 2023 amounted to approximately HK\$1,291.1 million and HK\$1,106.9 million respectively, representing an increase of approximately 16.6%. The increase was mainly due to the increase in revenue in the cleaning segment together with the waste management and recycling segment, with the award of new contracts with the Government during the Period.

Cost of Services

For the six-month period ended 30 June 2024 and 2023, the cost of services amounted to approximately HK\$1,194.1 million and HK\$1,020.5 million respectively, representing approximately 92.5% and approximately 92.2% of the Group’s total revenue for the corresponding periods respectively. The cost of services primarily comprised direct wages, direct overhead expenses and material consumables.

Gross Profit

The Group’s gross profit for the Period was approximately HK\$97.1 million, representing an increase of approximately 12.4% from approximately HK\$86.4 million for the corresponding period in 2023.

Gross Profit Margin

The gross profit margins of the Group for the six-month period ended 30 June 2024 and 2023 were approximately 7.5% and approximately 7.8% respectively. As mentioned above, the slight decline in gross profit margin was impacted by rising labour costs in cleaning segment partially offset by strong performance in waste management and recycling segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income, Gains and Losses

The other income, gains and losses of the Group for the six-month period ended 30 June 2024 and 2023 were approximately HK\$2.5 million and HK\$3.2 million respectively, representing a decrease of approximately 20.9%. The significant decrease was primarily due to a loss of HK\$1.2 million from the disposal of property, plant, and equipment during the Period, compared to a gain of HK\$0.2 million recorded in the corresponding period in 2023.

Selling and Marketing Expenses

The selling and marketing expenses of the Group for the six-month period ended 30 June 2024 and 2023 were approximately HK\$0.9 million and HK\$1.2 million respectively. These expenses were mainly for promotional activities and channels to promote our recycling business and to enhance public awareness of environmental protection and waste recycling.

Administrative Expenses

The administrative expenses of the Group for the six-month period ended 30 June 2024 and 2023 were approximately HK\$61.5 million and HK\$56.5 million respectively, representing an increase of approximately 8.8%, and approximately 4.8% and approximately 5.1% of the respective period's total revenue. The increase was mainly due to the increase in wages and allowances for staff and the office overhead to support business development. The Group continued to implement its budget cost control measures for administrative expenses during the Period.

Finance Costs

The finance costs of the Group for the six-month period ended 30 June 2024 and 2023 were approximately HK\$5.7 million and HK\$5.3 million respectively, representing approximately 0.4% and approximately 0.5% of the Group's total revenue respectively. The increase was mainly due to the increase in the interest rate on bank borrowings during the Period.

Profit for the Period Attributable to Equity Shareholders of the Company

The Group's net profit attributable to equity shareholders of the Company for the six-month period ended 30 June 2024 and 2023 amounted to approximately HK\$24.3 million and HK\$21.8 million respectively, representing an increase of approximately 11.2%. The increase was mainly due to the factors described above.

CAPITAL STRUCTURE

The share capital of the Group comprises only ordinary shares. The capital structure of the Group mainly consists of borrowings from banks and lease liabilities and equity attributable to equity shareholders of the Group, comprising issued share capital and reserves.

The Directors review the capital structure regularly, taking into consideration the cost of capital and the risks associated. The Group considers the cost of capital and the risks associated with each class of capital to monitor its capital structure on the basis of its gearing ratio.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group derives cash flows from operating activities principally from rendering a comprehensive range of environmental services. For the Period, we had net cash generated from operating activities of approximately HK\$145.8 million (1H2023: HK\$111.0 million). As at 30 June 2024, the Group had available cash and bank balances amounting to approximately HK\$76.3 million (31 December 2023: HK\$41.4 million), representing an increase of approximately 84.3% from 31 December 2023.

As at 30 June 2024, the Group's total current assets and current liabilities were approximately HK\$668.8 million (31 December 2023: HK\$684.0 million) and HK\$534.3 million (31 December 2023: HK\$576.0 million) respectively, while the current ratio was approximately 1.3 times (31 December 2023: 1.2 times). The liquidity position of the Group is maintained at a healthy level.

As at 30 June 2024, the Group's bank borrowings amounted to approximately HK\$96.0 million (31 December 2023: HK\$182.7 million), representing a decrease of approximately 47.5%; the Group's lease liabilities were approximately HK\$44.4 million (31 December 2023: HK\$36.6 million), representing an increase of approximately 21.3%, for recognising the lease contracts in respect of certain lands, office buildings and nurseries. During the Period, no financial instruments were used for hedging purposes.

As at 30 June 2024, the gearing ratio of the Group was approximately 0.4 times (31 December 2023: 0.6 times), which was calculated based on the total interest-bearing bank borrowings, lease liabilities and other loan over the total equity of the Group.

As at 30 June 2024, the Group had unutilised banking facilities of approximately HK\$373.8 million (31 December 2023: HK\$342.2 million).

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 Period, the main foreign currency exposure arose from the fluctuation in the 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.

CAPITAL COMMITMENT

As at 30 June 2024, the Group had capital commitment contracted for of approximately HK\$18.9 million (31 December 2023: HK\$0.2 million).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2024, the amounts payable under lease liabilities within one year were approximately HK\$12.9 million (31 December 2023: HK\$8.3 million), that after one year but with five years were approximately HK\$16.3 million (31 December 2023: HK\$12.4 million), and that after five years were approximately HK\$15.2 million (31 December 2023: HK\$15.9 million).

In addition as at 30 June 2024, the Group had (i) pledged bank deposits of approximately HK\$7.2 million (31 December 2023: HK\$7.2 million); (ii) pledge of cash and cash equivalents of approximately HK\$12,000 (31 December 2023: HK\$51,000); (iii) mortgage of the land and buildings of approximately HK\$61.1 million (31 December 2023: HK\$62.4 million); and (iv) pledge of the trade receivables of approximately HK\$143.1 million (31 December 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 leases or hire purchase.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group did not have any plans for material investments and capital assets as at 30 June 2024.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any material contingent liabilities.

ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT HELD

During the Period, the Group did not make any material acquisition, disposal nor significant investment.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed 10,380 employees (31 December 2023: 10,229 employees), including both full-time and part-time employees. Remuneration packages were generally structured by reference to market terms together with individual qualifications and experience. Total staff costs (including Directors' remuneration) of the Group for the six-month period ended 30 June 2024 were approximately HK\$1,057.3 million (six-month period ended 30 June 2023: HK\$899.0 million). During the Period, 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 and office support and management.

In addition, employees are also encouraged, subsidised and sponsored to attend job-related seminars and courses organised by professional and/or educational institutions to ensure the smooth and effective management of the Group's business.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024 — UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

		For the six months ended 30 June	
		2024	2023
	Note	HK\$'000	HK\$'000
Revenue	4	1,291,140	1,106,855
Cost of services		(1,194,067)	(1,020,465)
Gross profit		97,073	86,390
Other income, gains and losses		2,511	3,173
Selling and marketing expenses		(921)	(1,210)
Administrative expenses		(61,462)	(56,505)
Profit from operations		37,201	31,848
Finance costs	5	(5,735)	(5,341)
Profit before taxation	6	31,466	26,507
Income tax	7	(5,701)	(4,766)
Profit for the period		25,765	21,741
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		(47)	(113)
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations		(3,984)	—
Other comprehensive income		(4,031)	(113)
Total comprehensive income for the period		21,734	21,628
Profit for the period attributable to:			
Equity shareholders of the Company		24,271	21,834
Non-controlling interests		1,494	(93)
		25,765	21,741
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		20,240	21,721
Non-controlling interests		1,494	(93)
		21,734	21,628
Earnings per share			
Basic and diluted (HK cents)	9	5.85	5.26

The notes on pages 18 to 30 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024 – UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

		At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
	Note		
Non-current assets			
Property, plant and equipment	10	217,392	244,677
Right-of-use assets	11	40,275	32,640
Intangible assets		8,200	8,200
Financial assets at fair value through profit or loss		15,071	15,043
Prepayments, deposits and other receivables		25,391	24,388
Deferred tax assets		2,243	2,457
		308,572	327,405
Current assets			
Inventories		2,496	2,753
Contract assets		7,908	8,734
Trade receivables	12	545,213	599,616
Prepayments, deposits and other receivables		28,904	22,560
Tax recoverable		483	1,430
Biological assets		259	259
Pledged bank deposits		7,236	7,211
Cash and cash equivalents		76,301	41,425
		668,800	683,988
Current liabilities			
Trade payables	13	42,520	48,120
Contract liabilities		3,840	3,629
Accruals, deposits received and other payables		360,590	322,063
Bank borrowings	14	96,028	182,664
Lease liabilities	15	12,924	8,343
Tax payable		18,361	11,131
		534,263	575,950
Net current assets		134,537	108,038
Total assets less current liabilities		443,109	435,443
Non-current liabilities			
Other payables		540	756
Lease liabilities	15	31,479	28,278
Provision		15,036	14,802
Deferred tax liabilities		18,729	21,906
		65,784	65,742
Net assets		377,325	369,701
Capital and reserves			
Share capital	16	4,150	4,150
Reserves		372,171	366,041
Total equity attributable to equity shareholders of the Company		376,321	370,191
Non-controlling interests		1,004	(490)
Total equity		377,325	369,701

The notes on pages 18 to 30 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

	Attributable to equity shareholders of the Company								Total equity HK\$'000
	Share capital	Share premium	Other reserve	Share option reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2023	4,150	100,850	18,330	1,493	(202)	212,997	337,618	(1,507)	336,111
Profit for the period	-	-	-	-	-	21,834	21,834	(93)	21,741
Other comprehensive income for the period	-	-	-	-	(113)	-	(113)	-	(113)
Total comprehensive income for the period	-	-	-	-	(113)	21,834	21,721	(93)	21,628
Dividends approved in respect of the previous year (note 8)	-	-	-	-	-	(15,770)	(15,770)	-	(15,770)
Share options lapsed	-	-	-	(328)	-	328	-	-	-
At 30 June 2023	4,150	100,850	18,330	1,165	(315)	219,389	343,569	(1,600)	341,969
At 1 January 2024	4,150	100,850	18,330	1,165	(270)	245,966	370,191	(490)	369,701
Profit for the period	-	-	-	-	-	24,271	24,271	1,494	25,765
Other comprehensive income for the period	-	-	-	-	(47)	(3,984)	(4,031)	-	(4,031)
Total comprehensive income for the period	-	-	-	-	(47)	20,287	20,240	1,494	21,734
Dividends approved in respect of the previous year (note 8)	-	-	-	-	-	(14,110)	(14,110)	-	(14,110)
Share options lapsed	-	-	-	(1,165)	-	1,165	-	-	-
At 30 June 2024	4,150	100,850	18,330	-	(317)	253,308	376,321	1,004	377,325

The notes on pages 18 to 30 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Net cash generated from operating activities	145,815	111,016
Investing activities		
Payment for the purchase of property, plant and equipment	(9,365)	(29,107)
Other cash flows arising from/(used in) investing activities	1,202	(7,830)
Net cash used in investing activities	(8,163)	(36,937)
Financing activities		
Proceeds from new bank borrowings	844,936	863,332
Repayment of bank borrowings	(931,572)	(893,650)
Other cash flows used in financing activities	(16,097)	(9,292)
Net cash used in financing activities	(102,733)	(39,610)
Net increase in cash and cash equivalents	34,919	34,469
Cash and cash equivalents at the beginning of the period	41,425	28,982
Effect of foreign exchange rates changes	(43)	(274)
Cash and cash equivalents at the end of the period	76,301	63,177

The notes on pages 18 to 30 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

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. 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 OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 29 August 2024.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 31.

The financial information relating to the financial year ended 31 December 2023 that is included in this interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current (“2020 amendments”)
- 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

None of the above amendments have had a significant financial effect to the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

4. SEGMENT INFORMATION *(Continued)*

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. The following is an analysis of the Group's revenue and results by reportable segments.

	Cleaning services business HK\$'000	Waste management and recycling business HK\$'000	Landscaping services business HK\$'000	Pest management business HK\$'000	Total HK\$'000
Six months ended 30 June 2024					
Disaggregated by timing of revenue recognition					
– over time	1,034,933	145,628	71,106	37,822	1,289,489
– point in time	–	1,651	–	–	1,651
Revenue from external customers	1,034,933	147,279	71,106	37,822	1,291,140
Inter-segment revenue	283	1,312	87	386	2,068
Reportable segment revenue	1,035,216	148,591	71,193	38,208	1,293,208
Segment results	66,444	19,197	9,467	1,965	97,073
Other income, gains and losses					2,511
Selling and marketing expenses					(921)
Administrative expenses					(61,462)
Finance costs					(5,735)
Profit before taxation					31,466

	Cleaning services business HK\$'000	Waste management and recycling business HK\$'000	Landscaping services business HK\$'000	Pest management business HK\$'000	Total HK\$'000
Six months ended 30 June 2023					
Disaggregated by timing of revenue recognition					
– over time	861,471	135,272	61,433	46,771	1,104,947
– point in time	–	1,908	–	–	1,908
Revenue from external customers	861,471	137,180	61,433	46,771	1,106,855
Inter-segment revenue	207	369	129	264	969
Reportable segment revenue	861,678	137,549	61,562	47,035	1,107,824
Segment results	61,770	11,947	11,108	1,565	86,390
Other income, gains and losses					3,173
Selling and marketing expenses					(1,210)
Administrative expenses					(56,505)
Finance costs					(5,341)
Profit before taxation					26,507

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

4. SEGMENT INFORMATION *(Continued)*

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 HK\$'000	Waste management and recycling business HK\$'000	Landscaping services business HK\$'000	Pest management business HK\$'000	Total HK\$'000
As at 30 June 2024					
Segment assets	701,489	157,029	68,984	36,375	963,877
Unallocated					13,495
Total assets					977,372
Segment liabilities	416,120	99,436	33,457	33,046	582,059
Unallocated					17,988
Total liabilities					600,047

	Cleaning services business HK\$'000	Waste management and recycling business HK\$'000	Landscaping services business HK\$'000	Pest management business HK\$'000	Total HK\$'000
As at 31 December 2023					
Segment assets	726,168	168,860	60,471	42,966	998,465
Unallocated					12,928
Total assets					1,011,393
Segment liabilities	487,039	86,851	29,891	35,411	639,192
Unallocated					2,500
Total liabilities					641,692

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

4. SEGMENT INFORMATION *(Continued)*

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.

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	1,290,250	1,106,301
Southeast Asia	890	554
	1,291,140	1,106,855

5. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings	4,960	4,551
Bank overdrafts	3	5
Lease liabilities	701	575
Others	71	210
	5,735	5,341

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

6. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Profit before taxation is arrived at after charging/(crediting):		
Cost of consumable goods	32,850	30,403
Depreciation:		
Owned property, plant and equipment	33,839	37,062
Right-of-use assets	5,814	6,929
Loss/(gain) on disposal of property, plant and equipment	1,194	(165)
Government grants*	(698)	(567)
Recognition/(reversal) of credit losses on trade receivables	442	(96)
Staff costs (including directors' remuneration):		
Wages, salaries and other benefits	970,578	823,720
Defined benefit plan obligation	48,901	43,193
Provision for untaken paid leave	9,842	6,703
Contributions to defined contribution retirement scheme	28,003	25,416
	1,057,324	899,032
Short-term lease payments not included in the measurement of lease liabilities:		
Machinery and motor vehicles	31,649	27,395
Land and buildings	1,526	2,026
	33,175	29,421

* During the reporting period, the Group recognised the government grants as follows:

- (i) subsidies for phasing out certain diesel commercial vehicles by the Group of HK\$257,000 (six months ended 30 June 2023: nil);
- (ii) Recycling Fund of the Government, which aims to support the sustainable development of the recycling industry, of HK\$163,000 (six months ended 30 June 2023: nil);
- (iii) subsidies from the Green Employment Scheme of the Environment and Ecology Bureau of HK\$62,000 (six months ended 30 June 2023: HK\$386,000); and
- (iv) other subsidies of HK\$216,000 (six months ended 30 June 2023: HK\$181,000).

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

7. INCOME TAX

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax	8,664	4,640
Deferred tax	(2,963)	126
	5,701	4,766

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2023: 16.5%) of the estimated assessable profits for the six months ended 30 June 2024, 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.

8. DIVIDENDS

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, was approved and recognised during the interim period, of HK3.4 cents (six months ended 30 June 2023: HK3.8 cents) per ordinary share	14,110	15,770

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit for the six months ended 30 June 2024 attributable to ordinary equity shareholders of the Company of HK\$24,271,000 (six months ended 30 June 2023: HK\$21,834,000) and the weighted average number of 415,000,000 (six months ended 30 June 2023: 415,000,000) ordinary shares in issue during the interim period.

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2024 and 2023 are the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the interim periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with aggregate cost of HK\$8,208,000 (six months ended 30 June 2023: HK\$26,455,000), and disposed items of property, plant and equipment with aggregate carrying value of HK\$1,650,000 (six months ended 30 June 2023: HK\$39,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the Group entered into a number of lease agreements for use of land and properties, and therefore recognised the additions to right-of-use assets of HK\$17,086,000 (six months ended 30 June 2023: HK\$4,572,000).

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:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within 60 days	459,978	422,677
Over 60 days but within 120 days	68,824	132,978
Over 120 days but within 365 days	15,985	40,676
Over 365 days	426	3,285
	545,213	599,616

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 follow:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within 30 days	25,263	26,406
Over 30 days but within 60 days	6,462	10,476
Over 60 days but within 90 days	1,643	909
Over 90 days	9,152	10,329
	42,520	48,120

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

14. BANK BORROWINGS

The analysis of the carrying amount of the bank borrowings at the end of the reporting period is as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Current liabilities		
Current portion of term loans from banks	30,886	103,357
Non-current portion of term loans from banks repayable on demand	65,142	79,307
	96,028	182,664

At the end of the reporting period, the bank borrowings were secured as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Secured	96,028	182,419
Unsecured	–	245
	96,028	182,664

The secured bank loans of the Group as at 30 June 2024 were secured by:

- (i) pledged bank deposits of HK\$7,236,000 (31 December 2023: HK\$7,211,000);
- (ii) pledge of cash and cash equivalents of HK\$12,000 (31 December 2023: HK\$51,000);
- (iii) mortgage of the land and buildings of HK\$61,081,000 (31 December 2023: HK\$62,412,000); and
- (iv) pledge of the trade receivables of HK\$143,076,000 (31 December 2023: HK\$160,245,000).

As at 30 June 2024, the bank borrowings of the Group of HK\$96,028,000 (31 December 2023: HK\$182,664,000) bear interest ranging from 3.38% to 7.11% (31 December 2023: 3.38% to 7.91%) per annum and are denominated in Hong Kong Dollar.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

15. LEASE LIABILITIES

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period are as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Minimum lease payments		
– within one year	14,667	9,608
– after one year but within five years	19,392	15,517
– after five years	18,139	19,104
	37,531	34,621
Less: Future interest expenses	52,198 (7,795)	44,229 (7,608)
Present value of lease liabilities	44,403	36,621
Present value of minimum lease payments		
– within one year	12,924	8,343
– after one year but within five years	16,240	12,375
– after five years	15,239	15,903
	31,479	28,278
	44,403	36,621

16. 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 30 June 2024	1,000,000	10,000
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 30 June 2024	415,000	4,150

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

The Group's finance team assesses the valuations for the investments in life insurance which is categorised into Level 3 of the fair value hierarchy. Consultation with the insurance company is carried out when appropriate in respect of the valuation assessment. The Group prepares analysis of changes in fair value measurement at each interim and annual reporting date, which is reviewed and approved by the Board of Directors. Discussion of the valuation process and results with the Board of Directors is held twice a year, to coincide with the reporting dates.

	At 30 June 2024			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss				
Investments in life insurance	–	–	15,071	15,071

	At 31 December 2023			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss				
Investments in life insurance	–	–	15,043	15,043

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

Reconciliation of Level 3 fair value measurements

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Investments in life insurance		
Opening balance	15,043	14,872
Gains recognised in profit or loss	28	44
Closing balance	15,071	14,916

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

18. LEASE COMMITMENT

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable leases payable not included in the lease liabilities as follows:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Within one year	962	1,077

19. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Capital expenditure in respect of the additions of property, plant and equipment		
– Contracted for within one year	18,919	208

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

20. RELATED PARTY TRANSACTIONS AND BALANCES

Save as disclosed elsewhere in this interim financial report, the Group entered into the following material related party transactions and balances during the interim period:

(a) Compensation paid to key management personnel who were directors of the Company was as follows:

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Short term employee benefits	5,294	6,094
Retirement scheme contributions	222	296
	5,516	6,390

(b) Transactions with an equity-accounted investee

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Income relating to right-of-use assets	1,843	1,782
Interest income	98	99
Sourcing, collection and sorting waste plastics services income	535	1,602
Other services income	–	132

During the year ended 31 December 2023, the Group has no longer the joint control over New Life Plastics Limited (“NLP”) but has instead retained significant influence over NLP. Accordingly, NLP has become an associate of the Group since then.

(c) Balance with an equity-accounted investee

	At 30 June 2024	At 31 December 2023
	HK'000	HK'000
Trade receivables	161	74
Other receivables	21,355	21,443
	21,516	21,517

(d)

Nature of related party relationship	Nature of transaction	Interested director	For the six months ended 30 June	
			2024	2023
			HK\$'000	HK\$'000
Common director and shareholder	Information technology service fee	Mr. Ng Wing Hong	3,017	3,590
The company owned by close member of director and shareholder	Purchase of cleaning equipment and materials	Mr. Ng Wing Hong	527	267
The company owned by close member of director and shareholder	Rental expenses and other services fee	Mr. Ng Wing Hong	179	210

INDEPENDENT REVIEW REPORT



REVIEW REPORT TO THE BOARD OF DIRECTORS OF BAGUIO GREEN GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 14 to 30 which comprises the consolidated statement of financial position of Baguio Green Group Limited as of 30 June 2024 and the related consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 August 2024

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2024, as far as is known to the Directors or chief executives of the Company, the following persons or corporations were deemed or taken to have an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the Securities and Futures Ordinance (Cap. 571) ("SFO") or as otherwise notified to the Company:

Name	Capacity/ Nature of interest	Number of issued shares held	Approximate percentage holding (%)
Ng Wing Hong	Interest of controlled corporation/ Beneficial owner <i>(Note 1)</i>	279,256,000	67.29
Chan Shuk Kuen	Family interest <i>(Note 2)</i>	279,256,000	67.29
Ng Yuk Kwan Phyllis	Beneficial owner <i>(Note 3)</i>	26,736,000	6.44
Mak Che Fai Lawrence	Family interest <i>(Note 4)</i>	26,736,000	6.44
Baguio Green (Holding) Limited	Beneficial owner <i>(Note 1)</i>	275,000,000	66.27
David Michael Webb	Interest of controlled corporation/ Beneficial owner <i>(Note 5)</i>	24,924,000	6.00
Preferable Situation Assets Limited ("PSA")	Beneficial owner <i>(Note 5)</i>	14,324,400	3.45

Notes:

- (1) The entire issued share capital of Baguio Green (Holding) Limited is beneficially owned by Mr. Ng Wing Hong. Therefore, Mr. Ng Wing Hong is deemed to be interested in all the 275,000,000 Shares of the Company ("Shares") held by Baguio Green (Holding) Limited. Mr. Ng Wing Hong is a controlling shareholder (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) and an executive Director. In addition, Mr. Ng Wing Hong also directly held 4,256,000 Shares.
- (2) Ms. Chan Shuk Kuen is the spouse of Mr. Ng Wing Hong and is therefore deemed to be interested in all the Shares held/owned by Mr. Ng Wing Hong (by himself or through Baguio Green (Holding) Limited) by virtue of the SFO.
- (3) Ms. Ng Yuk Kwan Phyllis directly held 26,736,000 Shares. Ms. Ng Yuk Kwan Phyllis is an executive Director.
- (4) Mr. Mak Che Fai Lawrence is the spouse of Ms. Ng Yuk Kwan Phyllis and is therefore deemed to be interested in all the Shares held by Ms. Ng Yuk Kwan Phyllis.
- (5) The entire issued share capital of PSA is wholly owned by Mr. David Michael Webb. Therefore, Mr. David Michael Webb is deemed to be interested in all the 14,324,400 Shares held by PSA. In addition, Mr. David Michael Webb also directly held 10,599,600 Shares.

Save as disclosed above, as at 30 June 2024, the Company had not been notified of any other persons having any interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

OTHER INFORMATION

DIRECTOR'S INTERESTS DISCLOSEABLE UNDER THE SFO

As at 30 June 2024, the shareholding interests of Mr. Ng Wing Hong and Ms. Ng Yuk Kwan Phyllis are set out in the section “Substantial Shareholders’ Interests” above and the share option interests of all Directors are presented on pages 33 to 36 in the section “Share Option Scheme” below. Apart from the foregoing, none of the Directors and chief executive of the Company or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or, as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix C3 to the Listing Rules.

SHARE OPTION SCHEME

On 24 April 2014, the Company adopted a share option scheme (the “Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The Directors confirm that the Share Option Scheme is in compliance with Chapter 17 of the Listing Rules.

A summary of the Share Option Scheme of the Company is as follows:

- | | |
|------------------------|---|
| Purpose: | To enable the Board to grant options to selected Eligible Persons (an “Eligible Person” means any employee or proposed employee (whether full time or part time employee, including any director) of any member of the Group or any invested entity, any supplier of goods or services, any customer, any person or entity that provide research, development or other technical support, any shareholders or any participants who contribute to the development and growth of the Group or any invested entity) as incentives or rewards for their contribution or potential contribution to the Group and/or to recruit and retain high caliber Eligible Persons and to attract human resources that are valuable to the Group. |
| Eligible Participants: | <ul style="list-style-type: none">(i) the Board may, at its absolute discretion and on such terms as it may think fit, grant options to any Eligible Person to subscribe at the Exercise Price (as defined in the paragraph “Exercise Price” of this section) for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme;(ii) the basis of eligibility of any of the Eligible Persons to the grant of options shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group. |

OTHER INFORMATION

Total number of securities available for issue under the Share Option Scheme:

The maximum number of Shares which may be issued upon exercise of options to be granted under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue on the date of the listing of the shares of the Company, i.e. 40,000,000 Shares (the "Scheme Limit").

Options lapsed in accordance with the Share Option Scheme will not be counted for the purpose of the Scheme Limit.

The Scheme Limit may be refreshed at any time by obtaining approval of the shareholders of the Company ("Shareholders") in general meeting provided that the refreshed limit must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such limit. Options previously granted under the Share Option Scheme or any other share option scheme of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company or those exercised) will not be counted for the purpose of calculating the refreshed limit.

The Company may also, by obtaining separate approval of the Shareholders in general meeting, grant options beyond the Scheme Limit provided the options in excess of the Scheme Limit are granted only to Eligible Persons specifically identified by the Company before such approval is sought. The Company shall send a circular to the Shareholders which contains the information required by the Listing Rules.

The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

Price for Subscription of Shares:

The Exercise Price is to be determined by the Board provided always that it shall be at least the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer for the grant of the option (which is deemed to be the date of grant if the offer for the grant of the option is accepted by the Eligible Person), which must be a trading day; and
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant, provided that the Exercise Price shall in no event be less than the nominal amount of one Share.

OTHER INFORMATION

Amount payable on acceptance of the option and the period within which such payment must be made:	An offer for grant of options must be accepted within twenty one days inclusive of the day on which such offer was made. The amount payable to the Company on acceptance of the offer for the grant of an option is HK\$1.00.
Maximum entitlement of each eligible participant:	The maximum number of Shares issued and to be issued upon exercise of options granted and to be granted under the Share Option Scheme and any other share option schemes of the Company to any Eligible Person (including cancelled, exercised and outstanding options), in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue from time to time (the "Participant Limit"). Any further grant of options in excess of such limit must be separately approved by Shareholders with such Eligible Person and his associates abstaining from voting. The Company shall send a circular to the Shareholders which contains the information required by the Listing Rules.
Exercise price:	The Board is entitled to determine the price per Share payable on the exercise of an option according to the terms of the Share Option Scheme.
Minimum holding period:	The Board is entitled to determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the Share Option Scheme is exercised.
Period within which the securities must be taken up under an option:	In respect of any option, such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of the grant of the option and in the absence of such determination, the period commencing from the acceptance date of the option and ending (i) in accordance with the Share Option Scheme; or (ii) on the day immediately preceding the tenth anniversary of the date of grant.
The remaining life of the Share Option Scheme:	The Share Option Scheme remains in force for a period of 10 years commencing on 24 April 2014 unless terminated earlier by Shareholders in general meeting.

On 16 October 2015, the Company granted share options to certain eligible participants to subscribe for an aggregate of 5,216,000 ordinary shares of HK\$0.01 each in the Capital of the Company, represented approximately 1.26% of all the Shares in issue as at the date of this report. On 23 April 2024, the Share Option Scheme has expired and became no longer in force. 3,012,000 share options were lapsed upon the expiration.

OTHER INFORMATION

The movement of the share options granted from 1 January 2024 to 23 April 2024 is as follows:

Name or category of participants	Date of grant <i>(Note 1)</i>	Number of underlying shares comprised in share options					Exercise period	Exercise price per share <i>(HK\$)</i>
		Outstanding as at 1 January 2024	Granted from 1 January 2024 to 23 April 2024	Exercised from 1 January 2024 to 23 April 2024	Cancelled/ lapsed from 1 January 2024 to 23 April 2024	Outstanding as at 23 April 2024		
Directors								
Ms. Ng Yuk Kwan Phyllis	16/10/2015	292,000	–	–	(292,000)	–	16/10/2017 – 23/04/2024	1.00
Ms. Leung Shuk Ping	16/10/2015	216,000	–	–	(216,000)	–	16/10/2017 – 23/04/2024	1.00
Mr. Sin Ho Chiu	16/10/2015	140,000	–	–	(140,000)	–	16/10/2017 – 23/04/2024	1.00
Mr. Lau Chi Yin Thomas	16/10/2015	140,000	–	–	(140,000)	–	16/10/2017 – 23/04/2024	1.00
Sub-total		788,000	–	–	(788,000)	–		
Other Eligible Participants (in aggregate)								
Other employees	16/10/2015	2,224,000	–	–	(2,224,000)	–	16/10/2017 – 23/04/2024	1.00
Sub-total		2,224,000	–	–	(2,224,000)	–		
Total		3,012,000	–	–	(3,012,000)	–		

Notes:

(1) The share options, those granted on 16 October 2015, vested on 16 October 2017.

OTHER INFORMATION

SHARE AWARD PLAN

The Company adopted a share award plan (the “Share Award Plan”) on 12 December 2017. Details of which were disclosed in the announcements dated 12 December 2017 and 15 January 2018. The purposes of the plan is to recognise and reward the contribution of certain eligible participants, to give incentives to eligible participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

A summary of the Share Award Plan of the Company is as follows:

Eligible participants

Eligible participants include any individual, being an employee, director, officer, consultant or adviser of any member of the Group or any other person whom the Board of Directors of the Company or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group.

Total number of shares available for issue

The total number of shares which may be awarded for each financial year under the Share Award Plan and any other share option scheme(s) of the Company shall not exceed 10% of the total number of shares of the Company in issue at the beginning of such financial year.

Maximum entitlement of each participant

The total number of shares issued and to be issued under the Share Award Plan and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each participant in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares of the Company in issue as at the date of grant.

Any further grant in excess of this 1% limit must be separately approved by shareholders with such grantee and his associates abstaining from voting. The Company shall send a circular to the shareholders which contains the information required by the Listing Rules.

Vesting period of awarded shares

The Board may from time to time while the Share Award Plan is in force and subject to all applicable laws, determine such vesting criteria and conditions or period for the award to be vested.

Subject to the terms and conditions of the Share Award Plan and the fulfilment of all vesting conditions to the vesting of the awarded shares of the Company on such selected participant, the respective awarded shares of the Company shall vest in such selected participant.

Payment on acceptance of award

None.

Basis of determining the purchase price of shares awarded

Not applicable as there is no purchase price under the Share Award Plan.

Remaining life of the Share Award Plan

Subject to any early termination determined by the board in accordance with the rules of the Share Award Plan, the Share Award Plan is valid and effective for a term of 10 years commencing on its adoption date (i.e. 12 December 2017 to 11 December 2027).

The Company has not granted any share awards under the Share Award Plan since its adoption date.

OTHER INFORMATION

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Save as otherwise disclosed in this report, at no time during the Period, there were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance to safeguard the interests of 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 Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Subsequent to the Period and as at the date of this interim report, there was no non-financial event that may cause material effects on the results of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 has confirmed that he/she has complied with the required standards as set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The primary duties of the audit committee of the Company ("Audit Committee") is to review the effectiveness of the Group's financial reporting process, risk management and internal control systems, and to oversee the audit and review process of the external auditor. The Audit Committee currently consists of three independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, and discussed risk management and internal controls and financial reporting matters including a review of the interim results of the Group for the Period.

DISCLOSURE OF INFORMATION ON WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This interim report (in both English and Chinese versions) is available to any shareholder in printed form and on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.baguio.com.hk>). In order to protect the environment, the Company highly recommends shareholders to elect to receive electronic copy of this interim report.

This document is published in English version and Chinese translation version. In case of any inconsistency of meanings of the words or terms between the English version and the Chinese translation version, the English version shall prevail.

碧瑤綠色集團有限公司
Baguio Green Group Limited