碧瑤
BAGUIO

For a Greener Tomorrow

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

Interim Report
中期報告
2026

CONTENTS

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
Mr. Chan Kin Kan

AUTHORIZED REPRESENTATIVES
Mr. Ng Wing Hong
Mr. Chan Chor Fai

AUDIT COMMITTEE
Mr. Lau Chi Yin Thomas *(Chairman)*
Mr. Sin Ho Chiu
Professor Cheng Edwin Tai Chiu
Mr. Chan Kin Kan

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

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

COMPANY SECRETARY
Mr. Chan Chor Fai

LEGAL AND COMPLIANCE ADVISER
Robertsons
(Hong Kong law)

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

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HONG KONG BRANCH SHARE REGISTRAR
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PRINCIPAL BANKERS
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Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE ADDRESS
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STOCK CODE
01397

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June 2026 HK$'000	2025 HK$'000	Percentage change
Revenue			
Cleaning	**778,587**	1,076,520	-27.7%
Waste management and recycling	**127,678**	145,252	-12.1%
Landscaping	**96,038**	100,224	-4.2%
Pest management	**17,300**	31,487	-45.1%
	1,019,603	1,353,483	-24.7%
Cost of services	**(925,718)**	(1,220,464)	-24.2%
Gross profit	**93,885**	133,019	-29.4%
Profit from operations	**38,051**	71,396	-46.7%
Profit attributable to equity shareholders of the Company	**29,607**	58,944	-49.8%
Basic earnings per share (HK cents)	**7.13**	14.20	

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 2026 (the "**Period**").

MARKET REVIEW

During the Period, the global economy was affected by a combination of complex dynamics. Persistent tensions in the Middle East threatened global oil supply, directly lifting energy prices, intensified inflation, and restrained manufacturing and consumption activities, slowing growth momentum. Despite some countries slowed down their carbon reduction commitments or are cautious in environmental investments, the HKSAR Government (the "**Government**") has remained steadfast in upholding environmental protection and sustainable development as its core policy principles, while actively advancing social development.

As the Waste Blueprint for Hong Kong 2035 enters a critical implementation phase, the Government has officially launched a five-year waste reduction and recycling plan in the 2026/27 financial year, and with the progressive full commissioning of I·PARK1, the first large-scale waste-to-energy facility, Hong Kong is continuously moving towards "Zero Landfill" in a fast pace. The Government has clearly set two major strategic goals of "Zero Landfill" and "Waste Reduction and Efficiency Improvement" and takes the Northern Metropolis as a key engine to comprehensively promote the construction of a smart and green city, which has brought long-term, stable and forward-looking policy benefits into the local environmental protection and integrated environmental services industry.

As a leading integrated environmental services provider in Hong Kong, Baguio's business covers cleaning, waste management, recycling, green technology, landscaping and pest management. Despite continued global economic volatility, with some market participants adopting very aggressive and commercially unsustainable pricing, Baguio has always demonstrated its resilience, and has maintained a prudent and disciplined tendering approach, focusing on providing quality, innovative and differentiated services to secure healthy margins. The Group remains steadfast in its commitment to maximizing long term interests of shareholders through actively pursuing business expansion, and is committed to making contributions to sustainable development and smart city construction of Hong Kong.

BUSINESS REVIEW

During the Period, revenue of the Group amounted to approximately HK$1,019.6 million, representing a decrease of approximately 24.7% as compared to the same period last year. Profit for the Period amounted to approximately HK$29.6 million, representing a decrease of approximately 49.6% as compared to the same period last year.

Cleaning services

During the Period, revenue from cleaning services as the Group's core business amounted to approximately HK$778.6 million, representing a decrease of approximately 27.7% as compared to the same period last year and accounting for approximately 76.4% of the Group's total revenue. The decrease in revenue was caused by adopting very aggressive pricing by some market participants for certain government contracts in a bid to grasp market share.

The Group's cleaning services cover diversified premises, including Government streets, markets, community centres, police stations, fire stations, leisure venues, hospitals and clinics. In addition, the Group also provides services for different places such as universities, large exhibition centres, Hong Kong International Airport, Hong Kong Jockey Club, housing estates and private institutions.

During the Period, the Group continued to provide marine refuse cleansing and disposal services in the Eastern waters of Hong Kong for the Marine Department. This contract marks a significant milestone for the Group's business development as it represents a strategic expansion of its service portfolio from land to sea, further strengthening its leading position in Hong Kong's integrated environmental services market.

Waste Management and Recycling

During the Period, waste management and recycling business recorded revenue of approximately HK$127.7 million, accounting for approximately 12.5% of the Group's total revenue. The gross profit margin decreased from approximately 19.2% for the same period last year to approximately 13.7%, which was attributable to the slightly high upfront costs at the initial stage of certain new contracts.

With regard to waste management, the Group provides services to the Food and Environmental Hygiene Department ("**FEHD**"), Hong Kong International Airport, hospitals, clinics and catering establishments.

With regard to recycling, the Group is contracted by the Environmental Protection Department ("**EPD**") to provide collection services for thousands of recycling spots (covering plastics, glass bottles, metals, waste paper and food waste) across Hong Kong, and collection services for recycling bins in public places and schools. The Group also provides collection services for multiple Recycling Stations of "GREEN@COMMUNITY", recycling stores, smart recycling machines, and various institutions under the EPD. Meanwhile, the Group 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. During the Period, the Group continued to operate the "GREEN@Tai Wo" and "GREEN@Po Lam" recycling stores, and collaborated with nearby buildings, organisations, and community stakeholders to establish and operate fixed and mobile recycling spots for waste collection, providing community recycling support to make recycling easier for residents, while promoting community-wide recycling education to strengthening the public practice regarding source separation and clean recycling.

During the Period, the Group delivered a new generation of solar-powered compacting refuse bins to the Government. This innovative product is designed with an auto-sensing inlet and indicator lights, and under its sealed design, it is equipped with devices for ventilation, lighting, and deodorization. Meanwhile, it is equipped with a big data platform and wireless technology to monitor operational data in real time, effectively tracking the status of waste collection points, so as to enable strategic deployment of resources, optimisation of operational efficiency, and enhancement of planning for future initiatives. The solar-powered compacting refuse bins are equipped with solar panels and operate on renewable energy, which effectively reduces carbon emissions, and can be flexibly deployed in various scenarios, particularly suitable for remote areas without refuse collection points.

The Group seizes the opportunity of smart city development and has been committed to expanding its market share of smart recycling in recent years. Currently, the Group's smart recycling products, including smart recycling machines, smart food waste recycling machines, and smart balances, have been deployed in different places across Hong Kong, covering all Recycling Stations of "GREEN@COMMUNITY", recycling stores, Government venues, schools, private housing estates, commercial buildings, theme parks, large-scale exhibition venues, and sports stadiums. These products provide the public with convenient recycling services 24 hours a day and help increase Hong Kong's overall recycling volume.

In addition, the Pilot Biochar Production Plant jointly operated by the Group and Jardine Engineering Corporation Limited at the EcoPark in Tuen Mun, Hong Kong, converts yard waste into high-quality biochar with pyrolysis technology for various applications, the production plant effectively "turns waste into useful resources".

Landscaping

With regard to the landscaping business, the Group provides landscaping services for a wide range of clients, including large private residences, Government premises, schools, shopping malls, hotels, Hong Kong Housing Authority, Hospital Authority, Hong Kong Jockey Club, Hong Kong Science Park, the University of Hong Kong, Hong Kong University of Science and Technology, Hong Kong Wetland Park, as well as 33 sports turf venues under the Leisure and Cultural Services Department ("**LCSD**"), etc. During the Period, the Group provided greening and arboriculture construction works and maintenance services for Kai Tak Sports Park, Hong Kong International Airport, Hong Kong-Shenzhen Innovation and Technology Park, Nano Parks, the Tung Chung New Town Extension (West), Kwu Tung North/Fanling North, Yuen Long South, Hung Shui Kiu/Ha Tsuen New Development Area and the ventilation building at the eastern portal of the Tseung Kwan O – Lam Tin Tunnel.

Pest Management

During the Period, the Group provided pest management services for Government venues in the Tsuen Wan District. It also provided pest and rodent control services for hospitals, clinics and the headquarters of the Kowloon East, Kowloon Central and Kowloon West Clusters under the Hospital Authority, and continued to provide termite control and monitoring services for 24 temples under the Chinese Temples Committee.

PROSPECTS

Leveraging its outstanding services, subsequent to the Period, the Group successfully renewed a 36-month contract with a total value of approximately HK$530 million from the Hospital Authority in relation to the continuous provision of cleaning services to North Lantau Hospital, Caritas Medical Centre, Kwai Chung Hospital, and the Hospital Authority Supporting Service Centre commencing from 1 September 2026. It also successfully renewed a 60-month contract with a total value of approximately HK$73 million from the FEHD in relation to the continuous provision of waste collection services for the Eastern District of Hong Kong Island commencing from 1 October 2026.

With regard to new contracts, subsequent to the Period, the Group was successfully awarded contracts from FEHD, including a 24-month contract with a total value of approximately HK$40 million in relation to the provision of food waste collections services for territory-wide public markets and cooked food venues and a 36-month contract with a total value of approximately HK$20 million in relation to the provision of animal carcass collection services. Furthermore, the Group was also successfully awarded four 36-month contracts with a total value of approximately HK$30 million from the LCSD in relation to the provision of cleaning and support services for public libraries in Kowloon City District, the Islands District, Tai Po District, Kwai Tsing District, and Tsuen Wan District commencing from July 2026. These contracts reflect the Group's diversified service offerings and further strengthen our leading position in Hong Kong's integrated environmental services market.

With regard to policy, the Promotion of Recycling and Proper Disposal of Products (Miscellaneous Amendments) Bill 2025 submitted by the Government was passed by the Legislative Council. This bill establishes a common legal framework for producer responsibility scheme applicable to different products. Under this framework, the Government plans to submit the suggestion regarding Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons in 2026 in order to encourage the public to return used containers for recycling to earn rebate, which will help increase the overall recycling rate. The Group believes that the recycling volume is expected to be directly driven up, providing attractive returns for its long-term investments in recycling services and competitive barriers.

The Government is developing the Northern Metropolis in full swing. Four new development areas including Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, Yuen Long South, and San Tin Technopole have already commenced construction. Over 520 hectares of private land have been resumed, of which approximately 120 hectares have been levelled. In the next five years, the Northern Metropolis will provide more than 70,000 residential units and over 1 million square metres of commercial floor areas. In a decade, about 240,000 residential units and over 10 million square metres of commercial floor space will be completed. From infrastructure and transport services, public and private housing, schools, public markets, ecological conservation, the development of the innovation and technology industry, to the post-completion occupancy and utilization, each stage will be inextricably intertwined with various core businesses of the Group which, we believe, will unlock immense opportunities for the Group.

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 Group, 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.

Contracts on Hand

As of 30 June 2026, the Group had a total of approximately HK$2,629.8 million worth of unexpired contracts on hand, among which, approximately HK$794.3 million would be recognised by the end of 2026; approximately HK$1,046.2 million would be recognised in 2027 and the rest of approximately HK$789.3 million would be recognised in 2028 and beyond.

	Backlog contract value (HK$ million)	Contract value to be recognised by 31 December 2026 (HK$ million)	Contract value to be recognised by 31 December 2027 (HK$ million)	Contract value to be recognised in 2028 and beyond (HK$ million)
Cleaning services	2,036.4	613.1	788.2	635.1
Waste management and recycling services	334.9	95.6	135.1	104.2
Landscaping services	189.3	68.9	91.6	28.8
Pest management services	69.2	16.7	31.3	21.2
Total	2,629.8	794.3	1,046.2	789.3

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK$1,019.6 million for the Period, compared to HK$1,353.5 million for the corresponding period in 2025, representing a decrease of approximately 24.7%, primarily due to the decrease in revenue from cleaning segment.

Revenue Breakdown of Major Business Segments

	For the six months ended 30 June				
	2026		2025		
	Revenue (HK$ million)	**% of total revenue**	Revenue (HK$ million)	% of total revenue	Change
Cleaning	**778.6**	**76.4%**	1,076.5	79.6%	-27.7%
Waste management and recycling	**127.7**	**12.5%**	145.3	10.7%	-12.1%
Landscaping	**96.0**	**9.4%**	100.2	7.4%	-4.2%
Pest management	**17.3**	**1.7%**	31.5	2.3%	-45.1%
Total	**1,019.6**	**100.0%**	1,353.5	100.0%	-24.7%

Amid intense competition in the cleaning industry, revenue from the cleaning segment decreased by approximately 27.7%, primarily as a result of the expiry of several street cleaning contracts. Revenue from the waste management and recycling segment and the pest management segment also declined by approximately 12.1% and 45.1%, respectively, mainly due to the expiry of certain contracts during the period. Revenue from landscaping segment remained stable.

Cost of Services

For the six-month period ended 30 June 2026 and 2025, the cost of services amounted to approximately HK$925.7 million and HK$1,220.5 million respectively, representing approximately 90.8% and approximately 90.2% 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$93.9 million, representing a decrease of approximately 29.4% from approximately HK$133.0 million for the corresponding period in 2025.

Gross Profit Margin of Major Business Segments

	For the six months ended 30 June		
	2026	2025	Change
Cleaning	**7.4%**	7.9%	-0.5 p.p.
Waste management and recycling	**13.7%**	19.2%	-5.5 p.p.
Landscaping	**18.4%**	19.0%	-0.6 p.p.
Pest management	**6.3%**	3.6%	+2.7 p.p.
Overall	**9.2%**	9.8%	-0.6 p.p.

Despite the adverse impact on revenue resulting from challenging market conditions, the Group maintained its gross profit margins through the implementation of stringent cost control measures and disciplined tender selection. In addition, our strategic focus on higher-margin landscaping projects delivered positive results and contributed to the Group's overall profitability. As a result, the overall gross profit of the Group declined approximately from HK$133.0 million to HK$93.9 million and the overall gross profit margin of the Group decreased approximately from 9.8% to 9.2%.

Other Income, Gains and Losses

Other income, gains and losses of the Group for the six-month period ended 30 June 2026 and 2025 were approximately HK$7.2 million and HK$6.2 million respectively, representing an increase of approximately 16.1%. The moderate increase was primarily due to the increase in interest income due to the increase in bank balance.

Selling and Marketing Expenses

Selling and marketing expenses of the Group for the six-month period ended 30 June 2026 and 2025 were both approximately HK$0.8 million. These expenses were mainly for promotional activities and channels to enhance public awareness of our integrated environmental management solutions.

Administrative Expenses

Administrative expenses of the Group for the six-month period ended 30 June 2026 and 2025 were approximately HK$62.2 million and HK$67.0 million respectively, representing 6.1% and 5.0% of the respective period's total revenue. The Group continued to implement its cost control measures for administrative expenses during the Period.

Finance Costs

Finance costs of the Group for the six-month period ended 30 June 2026 and 2025 were approximately HK$1.7 million and HK$3.2 million respectively, both representing 0.2% of the Group's total revenue respectively. The decrease was mainly due to the decrease in bank borrowings.

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 2026 and 2025 amounted to approximately HK$29.6 million and HK$58.9 million, respectively, representing a decrease of approximately 49.8%.

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 June 2025: Nil).

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.

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$86.3 million (six months ended 30 June 2025: HK$199.4 million). As at 30 June 2026, the Group had available cash and bank balances amounting to approximately HK$295.0 million (31 December 2025: HK$244.3 million), representing an increase of approximately 20.8% from 31 December 2025.

As at 30 June 2026, the Group's total current assets and current liabilities were approximately HK$736.5 million (31 December 2025: HK$740.6 million) and HK$425.0 million (31 December 2025: HK$457.2 million) respectively, while the current ratio was approximately 1.7 times (31 December 2025: 1.6 times). The liquidity position of the Group is maintained at a healthy level.

As at 30 June 2026, the Group's bank borrowings amounted to approximately HK$33.9 million (31 December 2025: HK$50.7 million), representing a decrease of approximately 33.1%; the Group's lease liabilities were approximately HK$38.8 million (31 December 2025: HK$35.3 million), representing an increase of approximately 10.1%, 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 2026, the gearing ratio of the Group was approximately 0.1 times (31 December 2025: 0.2 times), which was calculated based on the total interest-bearing bank borrowings and lease liabilities over the total equity of the Group.

As at 30 June 2026, the Group had unutilised banking facilities of approximately HK$491.0 million (31 December 2025: HK$466.0 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 ("**HK$**"). During the Period, the main foreign currency exposure arose from the fluctuation in US dollars ("**USD**") as the Group maintained USD fixed deposits to secure more favorable interest income. The Group's exposure to currency risk arising from USD against HK$ is considered as insignificant since HK$ is pegged to USD. In addition, the Group has limited foreign currency exposure arose from the fluctuation in Renminbi ("**RMB**") as the Group possessed RMB bank balances and a small portion of transactions were denominated in RMB for its operation in Chinese Mainland.

CAPITAL COMMITMENT

As at 30 June 2026, the Group had capital commitment contracted for of approximately HK$3.2 million (31 December 2025: HK$5.7 million).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2026, the amounts payable under lease liabilities within one year were approximately HK$12.2 million (31 December 2025: HK$11.0 million), that after one year but within five years were approximately HK$14.2 million (31 December 2025: HK$11.1 million), and that after five years were approximately HK$12.4 million (31 December 2025: HK$13.2 million).

In addition as at 30 June 2026, the Group had (i) pledged bank deposits of approximately HK$7.5 million (31 December 2025: HK$7.4 million); (ii) pledge of cash and cash equivalents of approximately HK$2.9 million (31 December 2025: HK$31,000); (iii) mortgage of the land and buildings of approximately HK$55.8 million (31 December 2025: HK$57.1 million); and (iv) pledge of the trade receivables of approximately HK$53.3 million (31 December 2025: HK$79.5 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, the Group did not have any future plans for material investments and capital assets.

CONTINGENT LIABILITIES

Save as disclosed in note 21 to the consolidated financial statements, the Group had no other contingent liabilities as at 30 June 2026.

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 2026, the Group employed 7,060 employees (31 December 2025: 7,980 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. 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.

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 2026	Hong Kong Green Organisation Certification	Hong Kong Green Organisation Certification – Wastewi$e Certificate – Excellent Level
Jan 2026	Environmental Campaign Committee	2024 Hong Kong Awards for Environmental Excellence – Environmental Industry – Bronze Award
Jan 2026	World Green Organisation	Green Office & Eco-Healthy Workplace Awards Labelling Scheme 10+ – Certificate of Recognition
Feb 2026	Green Council	Green Carnival 2026 – Certificate of Appreciation
Feb 2026	Greeners Action	Sponsorship of the Lai See Recycle Program 2026 – Certificate of Appreciation
Feb 2026	Hong Kong International Airport	Airfield and Baggage Hall Safety Campaign 2025 – Appreciation
Mar 2026	Fullness Social Enterprises Society	Social Enterprise Supporter Award Scheme 2025 – Social Enterprise Supporter
Mar 2026	Green Council	Green Run 2026 – 10km Corporate Race – 3rd Place
Mar 2026	Green Council	Green Run 2026 – Certificate of Appreciation
Apr 2026	iRecycle Charity Foundation	SDG Certificate (No. 8 – Decent Work & Economic Growth) – Baguio Cleaning Services Co. Ltd.
Apr 2026	iRecycle Charity Foundation	SDG Certificate (No. 11 – Sustainable Cities & Communities) – Baguio Landscaping Services Ltd.
Apr 2026	iRecycle Charity Foundation	SDG Certificate (No. 13 – Climate Action) – Baguio Waste Management & Recycling Ltd.
Apr 2026	iRecycle Charity Foundation	SDG Certificate (No. 3 – Good Health & Well-being) – Baguio Pest Management Ltd.
Apr 2026	iRecycle Charity Foundation	SDG Certificate (No. 11 – Sustainable Cities & Communities) – Baguio Green Technology Ltd.
Apr 2026	iRecycle Charity Foundation	SDG Certificate (No. 15 – Life on Land) – Tak Tai Enviroscape Ltd.
Apr 2026	Ngong Ping 360	2025 Contractor Safety Award – Silver Award – Baguio Landscaping Services Ltd.
Jun 2026	Hong Kong Investor Relations Association	HKIRA 12th Investor Relations Awards 2026 – Best IR Company (Small Cap)
Jun 2026	Hong Kong Investor Relations Association	HKIRA 12th Investor Relations Awards 2026 – Best IRO (Investor Relations Officer)
Jun 2026	Hong Kong Investor Relations Association	HKIRA 12th Investor Relations Awards 2026 – Best IR Team
Jun 2026	Green Council	Green Day 2026 – Certificate of Appreciation
Jun 2026	Hong Kong Red Cross Blood Transfusion Service	Blood Donation Activity – Certificate of Appreciation

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 2026	Yan Chai Hospital Lim Por Yen Secondary School	Baguio's Recycling Facilities Visit
Jan 2026	Hong Kong Sheng Kung Hui Home of Loving Care for the Elderly	Haircut Volunteer Service
Jan 2026	House of Joy & Mercy	Ko Po Dog Adoption Centre – Animal Visit
Feb 2026	Green Council	Green Carnival 2026
Feb 2026	Hong Kong Sheng Kung Hui St. Paul's Home for the Elderly	Haircut Volunteer Service
Mar 2026	Green Council	Green Run 2026
Mar 2026	Greeners Action	Lai See (Red Packet) Recycling
Mar 2026	Lovin Home Charitable Foundation Limited	Food Donation in Annual Dinner 2026
Mar 2026	Hong Kong Sheng Kung Hui Lam Woo Home for The Elderly	Haircut Volunteer Service
Mar 2026	Lingnan University	Baguio's Recycling Facilities Visit
Apr 2026	Hong Kong Sheng Kung Hui Home of Loving Care for the Elderly	Haircut Volunteer Service
Apr 2026	iRecycle Charity Foundation	iRecycle ESG Carbon Neutrality Award Ceremony 2026 Season 1
May 2026	The Lok Sin Tong Benevolent Society, Kowloon – Sham Shui Po Community Living Room	Hong Kong Sparrow Census Parent-Child Experience
May 2026	Hong Kong Sheng Kung Hui Good Shepherd Home for the Elderly	Haircut Volunteer Service
Jun 2026	Hong Kong Red Cross	Blood Donation Day 2026
Jun 2026	Hong Kong Sheng Kung Hui St. Paul's Home for the Elderly	Haircut Volunteer Service
Jun 2026	Tai Po Baptist Church Social Service	Low Carbon Energy Fun Day for Kids

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026 – UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

	Note	For the six months ended 30 June 2026 HK$'000	2025 HK$'000
Revenue	*4*	**1,019,603**	1,353,483
Cost of services		**(925,718)**	(1,220,464)
Gross profit		**93,885**	133,019
Other income, gains and losses		**7,188**	6,191
Selling and marketing expenses		**(804)**	(788)
Administrative expenses		**(62,218)**	(67,026)
Profit from operations		**38,051**	71,396
Finance costs	*5*	**(1,653)**	(3,168)
Profit before taxation	*6*	**36,398**	68,228
Income tax	*7*	**(6,797)**	(9,461)
Profit for the period		**29,601**	58,767
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		**74**	72
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations		**(304)**	(2,275)
Other comprehensive income		**(230)**	(2,203)
Total comprehensive income for the period		**29,371**	56,564
Profit for the period attributable to:			
Equity shareholders of the Company		**29,607**	58,944
Non-controlling interests		**(6)**	(177)
		29,601	58,767
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		**29,377**	56,741
Non-controlling interests		**(6)**	(177)
		29,371	56,564
Earnings per share			
Basic and diluted (HK cents)	*9*	**7.13**	14.20

The notes on pages 18 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026 – UNAUDITED

(EXPRESSED IN HONG KONG DOLLARS)

	Note	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Non-current assets			
Property, plant and equipment	*10*	**157,283**	173,133
Right-of-use assets	*11*	**34,561**	30,889
Intangible assets		**10,400**	8,200
Financial assets at fair value through profit or loss		**16,344**	16,259
Prepayments, deposits and other receivables		**31,293**	28,407
Deferred tax assets		**1,651**	1,964
		251,532	258,852
Current assets			
Inventories		**2,094**	2,250
Contract assets		**8,613**	9,593
Trade receivables	*12*	**400,042**	454,337
Prepayments, deposits and other receivables		**23,314**	22,658
Pledged bank deposits		**7,481**	7,449
Cash and cash equivalents		**294,985**	244,293
		736,529	740,580
Current liabilities			
Trade payables	*13*	**40,841**	43,312
Contract liabilities		**3,501**	2,138
Accruals, deposits received and other payables		**195,606**	217,139
Dividend payable		**29,050**	–
Defined benefit obligations		**95,617**	125,376
Bank borrowings	*14*	**33,918**	50,699
Lease liabilities	*15*	**12,165**	10,959
Tax payable		**14,321**	7,594
		425,019	457,217
Net current assets		**311,510**	283,363
Total assets less current liabilities		**563,042**	542,215
Non-current liabilities			
Defined benefit obligations		**19,940**	–
Lease liabilities	*15*	**26,675**	24,320
Provision		**12,808**	12,321
Deferred tax liabilities		**10,704**	12,980
		70,127	49,621
Net assets		**492,915**	492,594
Capital and reserves			
Share capital	*16*	**4,150**	4,150
Reserves		**487,833**	487,506
Total equity attributable to equity shareholders of the Company		**491,983**	491,656
Non-controlling interests		**932**	938
Total equity		**492,915**	492,594

The notes on pages 18 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026 – UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

	Attributable to equity shareholders of the Company							
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2025	4,150	100,850	18,330	(325)	288,564	411,569	2,113	413,682
Profit for the period	–	–	–	–	58,944	58,944	(177)	58,767
Other comprehensive income for the period	–	–	–	72	(2,275)	(2,203)	–	(2,203)
Total comprehensive income for the period	–	–	–	72	56,669	56,741	(177)	56,564
Dividends approved in respect of the previous year *(note 8)*	–	–	–	–	(15,770)	(15,770)	–	(15,770)
At 30 June 2025	4,150	100,850	18,330	(253)	329,463	452,540	1,936	454,476
As at 1 January 2026	**4,150**	**100,850**	**18,330**	**(221)**	**368,547**	**491,656**	**938**	**492,594**
Profit for the period	**–**	**–**	**–**	**–**	**29,607**	**29,607**	**(6)**	**29,601**
Other comprehensive income for the period	**–**	**–**	**–**	**74**	**(304)**	**(230)**	**–**	**(230)**
Total comprehensive income for the period	**–**	**–**	**–**	**74**	**29,303**	**29,377**	**(6)**	**29,371**
Dividends approved in respect of the previous year *(note 8)*	**–**	**–**	**–**	**–**	**(29,050)**	**(29,050)**	**–**	**(29,050)**
As at 30 June 2026	**4,150**	**100,850**	**18,330**	**(147)**	**368,800**	**491,983**	**932**	**492,915**

The notes on pages 18 to 31 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026 – UNAUDITED
(EXPRESSED IN HONG KONG DOLLARS)

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Net cash generated from operating activities	**86,323**	199,362
Investing activities		
Payment for the purchase of property, plant and equipment	**(12,556)**	(14,964)
Other cash flows arising from investing activities	**3,074**	3,347
Net cash used in investing activities	**(9,482)**	(11,617)
Financing activities		
Proceeds from new bank borrowings	**204,100**	702,910
Repayment of bank borrowings	**(220,881)**	(718,612)
Other cash flows used in financing activities	**(9,441)**	(9,407)
Net cash used in financing activities	**(26,222)**	(25,109)
Net increase in cash and cash equivalents	**50,619**	162,636
Cash and cash equivalents at the beginning of the period	**244,293**	128,054
Effect of foreign exchange rates changes	**73**	69
Cash and cash equivalents at the end of the period	**294,985**	290,759

The notes on pages 18 to 31 form part of this interim financial report.

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 and goods.

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 27 August 2026.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 2025 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 HKFRS Accounting Standards.

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 32.

The financial information relating to the financial year ended 31 December 2025 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.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. 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.

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 2026					
Disaggregated by timing of revenue recognition					
– over time	**778,587**	**127,259**	**96,038**	**17,300**	**1,019,184**
– point in time	**–**	**419**	**–**	**–**	**419**
Revenue from external customers	**778,587**	**127,678**	**96,038**	**17,300**	**1,019,603**
Inter-segment revenue	**646**	**1,221**	**313**	**413**	**2,593**
Reportable segment revenue	**779,233**	**128,899**	**96,351**	**17,713**	**1,022,196**
Segment results	**57,340**	**17,669**	**17,759**	**1,117**	**93,885**
Other income, gains and losses					**7,188**
Selling and marketing expenses					**(804)**
Administrative expenses					**(62,218)**
Finance costs					**(1,653)**
Profit before taxation					**36,398**

	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 2025					
Disaggregated by timing of revenue recognition					
– over time	1,076,520	143,945	100,224	31,487	1,352,176
– point in time	–	1,307	–	–	1,307
Revenue from external customers	1,076,520	145,252	100,224	31,487	1,353,483
Inter-segment revenue	324	1,154	113	331	1,922
Reportable segment revenue	1,076,844	146,406	100,337	31,818	1,355,405
Segment results	84,671	28,140	19,056	1,152	133,019
Other income, gains and losses					6,191
Selling and marketing expenses					(788)
Administrative expenses					(67,026)
Finance costs					(3,168)
Profit before taxation					68,228

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 2026					
Segment assets	**667,947**	**171,897**	**84,217**	**49,612**	**973,673**
Unallocated					**14,388**
Total assets					**988,061**
Segment liabilities	**285,043**	**90,400**	**51,551**	**35,698**	**462,692**
Unallocated					**32,454**
Total liabilities					**495,146**

	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 2025					
Segment assets	683,731	171,966	90,457	41,941	988,095
Unallocated					11,337
Total assets					999,432
Segment liabilities	342,601	84,657	48,019	29,103	504,380
Unallocated					2,458
Total liabilities					506,838

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	
	2026	2025
	HK$'000	HK$'000
Hong Kong	**1,019,603**	1,352,771
Southeast Asia	**–**	712
	1,019,603	1,353,483

5. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Interest on:		
Bank borrowings and overdrafts	**934**	2,356
Lease liabilities	**719**	812
	1,653	3,168

6. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Profit before taxation is arrived at after charging/(crediting):		
Cost of consumable goods	**28,308**	36,146
Depreciation:		
Owned property, plant and equipment	**24,018**	32,993
Right-of-use assets	**7,677**	6,312
Gain on disposal of property, plant and equipment	**(1,708)**	(1,836)
Government grants*	**(744)**	(578)
(Reversal)/recognition of credit losses on trade receivables	**(629)**	222
Staff costs (including directors' remuneration):		
Wages, salaries and other benefits	**744,503**	988,423
Defined benefit obligations	**26,819**	40,771
Provision for untaken paid leave	**7,387**	10,023
Contributions to defined contribution retirement scheme	**21,705**	28,326
	800,414	1,067,543
Short-term lease payments not included in the measurement of lease liabilities:		
Machinery, vessels and motor vehicles	**35,514**	37,669
Land and buildings	**1,617**	1,934
	37,131	39,603

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

(i) Wage subsidy from Work Orientation and Placement Scheme of Labour Department of HK$282,000 (six months ended 30 June 2025: HK$7,000);

(ii) Subsidy Scheme for Abolition of MPF Offsetting Arrangement of HK$160,000 (six months ended 30 June 2025: HK$ nil);

(iii) Urban Forestry Support Fund of Development Bureau of the Government of HK$149,000 (six months ended 30 June 2025: HK$210,000); and

(iv) other subsidies of HK$153,000 (six months ended 30 June 2025: HK$361,000).

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.

7. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax	**8,760**	11,360
Deferred tax	**(1,963)**	(1,899)
	6,797	9,461

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026, 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 2025.

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Final dividend in respect of the previous financial year, was approved and recognised during the interim period, of HK7.0 cents (six months ended 30 June 2025: HK3.8 cents) per ordinary share	**29,050**	15,770

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: 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 2026 attributable to ordinary equity shareholders of the Company of HK$29,607,000 (six months ended 30 June 2025: HK$58,944,000) and the weighted average number of 415,000,000 (six months ended 30 June 2025: 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 2026 and 2025 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 2026, the Group acquired items of property, plant and equipment with aggregate cost of HK$9,509,000 (six months ended 30 June 2025: HK$13,655,000), and disposed items of property, plant and equipment with aggregate carrying value of HK$1,341,000 (six months ended 30 June 2025: HK$30,000). Additions of property, plant and equipment were net of government grants of HK$nil (six months ended 30 June 2025: HK$1,050,000).

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, 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$11,375,000 (six months ended 30 June 2025: HK$1,363,000).

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 2026 HK$'000	At 31 December 2025 HK$'000
Within 60 days	**295,470**	336,770
Over 60 days but within 120 days	**84,682**	85,097
Over 120 days but within 365 days	**19,583**	32,375
Over 365 days	**307**	95
	400,042	454,337

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 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**23,347**	24,124
Over 30 days but within 60 days	**3,586**	6,182
Over 60 days but within 90 days	**1,171**	1,587
Over 90 days	**12,737**	11,419
	40,841	43,312

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

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 2026 HK$'000	At 31 December 2025 HK$'000
Current liabilities		
Current portion of term loans from banks	**18,665**	27,081
Non-current portion of term loans from banks with repayable on demand clause	**15,253**	23,618
	33,918	50,699

As at 30 June 2026 and 31 December 2025, all bank borrowings were secured.

The secured bank loans of the Group as at 30 June 2026 were secured by:

(i) bank deposits of HK$7,481,000 (31 December 2025: HK$7,449,000);

(ii) cash and cash equivalents of HK$2,924,000 (31 December 2025: HK$31,000);

(iii) land and buildings of HK$55,757,000 (31 December 2025: HK$57,088,000); and

(iv) trade receivables of HK$53,305,000 (31 December 2025: HK$79,463,000).

As at 30 June 2026, the bank borrowings of the Group of HK$33,918,000 (31 December 2025: HK$50,699,000) bear interest ranging from 2.75% to 5.46% (31 December 2025: 2.75% to 5.85%) per annum and are denominated in Hong Kong Dollar.

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 2026 HK$'000	At 31 December 2025 HK$'000
Minimum lease payments		
– within one year	**13,601**	12,173
– after one year but within five years	**16,771**	13,789
– after five years	**14,280**	15,245
	31,051	29,034
	44,652	41,207
Less: Future interest expenses	**(5,812)**	(5,928)
Present value of lease liabilities	**38,840**	35,279
Present value of minimum lease payments		
– within one year	**12,165**	10,959
– after one year but within five years	**14,224**	11,151
– after five years	**12,451**	13,169
	26,675	24,320
	38,840	35,279

16. SHARE CAPITAL

	Number of shares '000	Nominal value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,000,000	10,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	415,000	4,150

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 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Financial assets at fair value through profit or loss				
Investments in life insurance	**–**	**–**	**16,344**	**16,344**

	At 31 December 2025			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets at fair value through profit or loss				
Investments in life insurance	–	–	16,259	16,259

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2025: 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.

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	
	2026	2025
	HK$'000	HK$'000
Investments in life insurance		
Opening balance	**16,259**	15,181
Gains recognised in profit or loss	**85**	8
Closing balance	**16,344**	15,189

(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 2026 and 31 December 2025.

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 2026	At 31 December 2025
	HK$'000	HK$'000
Within one year	**899**	1,451

19. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS

	At 30 June 2026	At 31 December 2025
	HK$'000	HK$'000
Capital expenditure in respect of the additions of property, plant and equipment		
– Contracted for within one year	**3,244**	5,707

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	
	2026	2025
	HK$'000	HK$'000
Short term employee benefits	**5,809**	6,015
Retirement scheme contributions	**258**	226
	6,067	6,241

(b) Transactions with an associate

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Income relating to right-of-use assets	**1,843**	1,843
Interest income	**98**	98
Sourcing, collection and sorting waste plastics services income	**28**	309

(c) Balance with an associate

	At 30 June 2026	At 31 December 2025
	HK$'000	HK$'000
Trade receivables	**6**	13
Other receivables	**20,791**	20,625
	20,797	20,638

20. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(d) Transactions with related parties

Nature of related party relationship	Nature of transaction	Interested director	For the six months ended 30 June 2026 HK$'000	2025 HK$'000
(i) The company with common director and shareholder	Information technology service fee	Mr. Ng Wing Hong	**1,897**	1,943
(ii) The company with common director and shareholder	IT maintenance and other services	Mr. Ng Wing Hong	**1,411**	1,004
(iii) The company owned by close member of a director and shareholder	Purchase of cleaning equipment and materials	Mr. Ng Wing Hong	**731**	1,054
(iv) The company owned by close member of a director and shareholder	Sale of materials	Mr. Ng Wing Hong	**286**	412
	Rental income		**336**	–
	Income from asset disposal		**100**	–
	Rental expenses and other services fee		**168**	182
(v) The charitable company limited by guarantee controlled by close family member of a director and shareholder	Subcontracting income	Mr. Ng Wing Hong	**918**	–
	Service income from waste collection and related services		**132**	–
	Donation expenses		**800**	–
	Purchase of materials and services		**112**	–

21. CONTINGENT LIABILITY

As at 30 June 2026, performance bonds of approximately HK$345,012,000 (31 December 2025: HK$360,097,000) were given by banks in favor of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered between the Group and their customers. If the Group fails to provide satisfactory performance to their customers to whom performance bonds have been given, such customers may demand the banks to pay them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contract work. As at 30 June 2026, the Group had unutilised banking facilities granted for performance bonds of approximately HK$424,987,000 (31 December 2025: HK$409,903,000).

At the end of the reporting period, the directors do not consider it is probable that such claim will be made against the Group.

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 31 which comprises the consolidated statement of financial position of Baguio Green Group Limited as of 30 June 2026 and the related consolidated statement of profit or loss and other comprehensive income, consolidated 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* as 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 express a conclusion, based on our review, on this 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* as 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 2026 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
27 August 2026

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2026, 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 *(Note 1)*	279,256,000	67.29
Chan Shuk Kuen	Family interest *(Note 2)*	279,256,000	67.29
Ng Yuk Kwan Phyllis	Beneficial owner *(Note 3)*	26,736,000	6.44
Mak Che Fai Lawrence	Family interest *(Note 4)*	26,736,000	6.44
Baguio Green (Holding) Limited	Beneficial owner *(Note 1)*	275,000,000	66.27
David Michael Webb	Interest of controlled corporation *(Notes 5 and 6)*	24,868,000	5.99
Karen Anne Webb	Interest of controlled corporation *(Notes 5 and 6)*	24,868,000	5.99
Preferable Situation Assets Limited ("**PSA**")	Beneficial owner *(Note 5)*	14,356,800	3.46
Member One Limited ("**MO**")	Beneficial owner *(Note 6)*	10,511,200	2.53

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 jointly owned by the late Mr. David Michael Webb and Ms. Karen Anne Webb. Therefore, the late Mr. David Michael Webb and Ms. Karen Anne Webb are deemed to be interested in all the 14,356,800 Shares held by PSA.

(6) The entire issued share capital of MO is jointly owned by the late Mr. David Michael Webb and Ms. Karen Anne Webb. Therefore, the late Mr. David Michael Webb and Ms. Karen Anne Webb are deemed to be interested in all the 10,511,200 Shares held by MO.

Save as disclosed above, as at 30 June 2026, 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.

DIRECTOR'S INTERESTS DISCLOSEABLE UNDER THE SFO

As at 30 June 2026, the shareholding interests of Mr. Ng Wing Hong and Ms. Ng Yuk Kwan Phyllis are set out in the section "Substantial Shareholders' Interests" above. 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 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 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.

As at the date of this report, the total number of share available for issue under the Share Award Plan is 41,500,000, representing 10% of the total number of issued shares (excluding treasury shares).

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.

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 both Part 1 and Part 2 of 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.

OTHER INFORMATION

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 four 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