Integrated Waste Solutions Group Holdings Limited
綜合環保集團有限公司*
(Incorporated in the Cayman Islands with limited liability, stock code: 923)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform and update Shareholders and potential investors that, based on additional information available to the Company, the loss attributable to the equity shareholders of the Company is expected to improve but the loss from continuing operations of the Group for the year ended 31 March 2015 is expected to increase considerably as compared to that for the year ended 31 March 2014.

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

This announcement is made by Integrated Waste Solutions Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong).

The board of Directors of the Company (the "**Board**") wishes to inform shareholders of the Company ("**Shareholders**") and potential investors that, based on a further assessment by the Company's management according to the Group's latest unaudited consolidated management accounts and the additional information available to the Company, the loss attributable to the equity shareholders of the Company is expected to improve due to the reduction of impairment loss on the amounts due from De-consolidated Subsidiaries. However, the loss from continuing operations of the Group for the year ended 31 March 2015 is expected to increase considerably as compared to that for the year ended 31 March 2014. Such increase in loss was mainly due to (i) the reduction in gross profit margin of the Tissue Paper business from 19% to 8% which was attributable to the increase in purchasing costs and intense market competition; and (ii) the Group has incurred additional administrative costs as a result of relocation to the new Tseung Kwan O Headquarter since October 2014.

Despite the decline in results of the continuing operations, the Board believes that the overall operation of the Group remains sound and intact, and the financial position of the Group remains solid.

The Company is currently finalizing the consolidated financial results of the Group for the year ended 31 March 2015. The contents contained in this announcement are only based on the information currently available to the Company and such information has not been audited by the Company's auditor. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ended 31 March 2015 which is expected to be published by the end of June 2015.

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

By order of the Board
Integrated Waste Solutions Group Holdings Limited
CHENG Chi Ming, Brian
Chairman

Hong Kong, 19 June 2015

* *Chinese name for identification purpose*

As at the date of this announcement, the Board comprises three executive directors, namely, Messrs. SUEN Wing Yip, TO Chun Wai and TAM Sui Kin, Chris; three *non-executive directors, namely, Messrs. CHENG Chi Ming, Brian (Chairman), TSANG On Yip, Patrick and LAU Sai Cheong; and three independent non-executive directors, namely, Messrs. NGUYEN Van Tu, Peter, CHOW Shiu Wing, Joseph, and WONG Man Chung, Francis.*