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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Integrated Waste Solutions Group Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy and reply slip, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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### **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)**

#### **PROPOSALS INVOLVING** **(i) GRANTING OF GENERAL MANDATES TO** **REPURCHASE SHARES AND TO ISSUE NEW SHARES,** **(ii) RE-ELECTION OF THE RETIRING DIRECTORS,** **(iii) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,** **(iv) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL, AND** **NOTICE OF THE AGM**

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The notice convening the AGM to be held as a hybrid meeting at the principal meeting place at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong on Wednesday, 30 August 2023 at 10:30 a.m. is set out on pages 25 to 29 of this circular. Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or submit electronically through the Tricor e-Meeting System (<https://spot-emeeting.tricor.hk>) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting if they so wish.

#### **PRECAUTIONARY MEASURES FOR THE AGM**

To prevent and control the spreading of the COVID-19 pandemic, the Company will implement the following precautionary measures at the AGM, without limitation:

1. Wearing of surgical face mask
2. Any additional precautionary measures where appropriate or in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities
3. **No provision of refreshments or drinks**

Shareholders may be denied entry into the AGM venue and be requested to leave if he/she does not comply with the precautionary measures.

Shareholders may consider (i) appointing the Chairman of the AGM as their proxy according to their indicated voting instruction or (ii) attending and voting at the AGM online, instead of attending in person physically.

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## GUIDANCE FOR ATTENDING THE AGM ONLINE

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The AGM will be a hybrid meeting. Shareholders have the option of attending the AGM at the principal meeting place at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong or participating through the Tricor e-Meeting System. Shareholders who join the AGM online will be able to view the live broadcast, participate in voting, call to raise questions and submit questions in written form via their mobile phones, tablets or computers.

Tricor e-Meeting System will be open for the registered Shareholders and non-registered Shareholders (see below for login details and arrangement) to log in from 10:00 a.m. on 30 August 2023 (i.e. approximately 30 minutes prior to the commencement of the AGM). Shareholders should allow ample time to check into Tricor e-Meeting System to complete the related procedures. Please refer to the Online Meeting User Guide in relation to the procedures of the online meeting at <https://spot-emeeting.tricor.hk>.

### LOGIN DETAILS FOR REGISTERED SHAREHOLDERS

Login details for accessing Tricor e-Meeting System are included in the Company's notification letter to registered Shareholders for the AGM (the "Shareholder Notification") sent together with this circular.

### LOGIN DETAILS FOR NON-REGISTERED SHAREHOLDERS

Non-registered Shareholders whose Shares are held through a bank, a broker or a custodian or registered in the name of their nominees (together, the "Intermediary") and who wish to attend and vote at the AGM using Tricor e-Meeting System should (1) contact and instruct their Intermediary to appoint themselves as proxy or corporate representative to attend the AGM; and (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary. Details regarding the AGM arrangements including login details to access Tricor e-Meeting System will be sent by the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, to the email address of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 4:00 p.m. on Monday, 28 August 2023 should reach out to the Company's branch share registrar in Hong Kong for assistance. Without the login details, non-registered Shareholders will not be able to participate and vote using Tricor e-Meeting System. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

### LOGIN DETAILS FOR PROXIES OR CORPORATE REPRESENTATIVES

Login details for accessing Tricor e-Meeting System will be sent by Tricor Investor Services Limited to the email of the proxies provided to it in the relevant form of proxy.

**Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor its share registrar assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**

### VOTING AT THE AGM

In addition to the traditional method of completing the vote at the veune, Shareholders can cast their vote through the Tricor e-Meeting System. For online voting at the AGM, Shareholders can refer to the Online Meeting User Guide by visiting <https://spot-emeeting.tricor.hk> for details.

The submission of vote through the Tricor e-Meeting System using the login details will be conclusive evidence that the vote was cast by you as a Shareholder.

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## GUIDANCE FOR ATTENDING THE AGM ONLINE

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### QUESTIONS AT THE AGM

Shareholders attending the AGM using Tricor e-Meeting System will be able to submit questions relevant to the proposed resolutions online during the AGM. The Company will endeavour to address these questions at the AGM, if time permits.

### APPOINTMENT OF PROXY IN ADVANCE OF THE AGM

**Registered Shareholders** who wish to appoint a proxy to attend and vote at the AGM shall complete and return a form of proxy in accordance with instructions therein. Registered Shareholders who wish their proxy to attend the AGM online **MUST** provide their proxy's email address in the space provided in the form of proxy. Return of a completed form of proxy shall not preclude Shareholders from attending and voting at the AGM or any adjourned meeting thereof if they so wish.

In addition to the physical deposit of the proxy form, registered Shareholders have the option to submit their proxy appointment electronically through the Tricor e-Meeting System not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.

### CONTACT DETAILS OF THE COMPANY'S BRANCH SHARE REGISTRAR IN HONG KONG

If Shareholders have any queries relating to the AGM, please contact the Company's branch share registrar in Hong Kong as follows:

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

Telephone: (852) 2980 1333 (From 9:00 a.m. to 5:00 p.m. Monday to Friday, excluding Hong Kong public holidays)  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2010 Share Option Scheme”	the share option scheme of the Company adopted pursuant to a resolution in writing passed by all Shareholders on 11 March 2010;
“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders at the AGM proposed to be passed on 30 August 2023;
“AGM”	the annual general meeting of the Company to be held as a hybrid meeting at the principal meeting place at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong on Wednesday, 30 August 2023 at 10:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the AGM which is set out on pages 25 to 29 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company currently in force;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities;
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Company”	Integrated Waste Solutions Group Holdings Limited (stock code: 923), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“close associate(s)”	has the meaning as ascribed to it under the Listing Rules;
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning as ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Employee Participant(s)”	has the meaning as defined in paragraph 2 of Appendix III to this circular;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“hybrid meeting”	a general meeting convened for the (i) physical attendance and participation by Shareholders, proxies, and/or Directors at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Shareholders, proxies and/or Directors by means of electronic facilities as defined in Article 1(b) of the Articles of Association;

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## DEFINITIONS

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“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Shares to HK\$750,000,000 divided into 7,500,000,000 Shares;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	24 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent of, and operated in parallel with, GEM of the Stock Exchange;
“M&A”	Memorandum and Articles of Association of the Company;
“New Share Option Scheme”	the share option scheme of the Company proposed to be adopted at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Option(s)”	option(s) which may be granted under the New Share Option Scheme;
“PRC”	the People’s Republic of China;
“Scheme Mandate Limit”	has the meaning as defined in paragraph 3 of Appendix III to this circular;
“Service Provider(s)”	has the meaning as defined in paragraph 2 of Appendix III to this circular;
“Service Provider Sublimit”	has the meaning as defined in paragraph 3 of Appendix III to this circular;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company or, if there has been a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong; and
“%”	per cent.



**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)**

*Executive Directors:*

Mr. Lam King Sang  
Mr. Tam Sui Kin, Chris

*Non-executive Directors:*

Mr. Cheng Chi Ming, Brian (*Chairman*)  
Mr. Lee Chi Hin, Jacob

*Independent Non-executive Directors:*

Mr. Chow Shiu Wing, Joseph  
Mr. Wong Man Chung, Francis  
Mr. Chan Ting Bond, Michael

*Registered Office:*

Windward 3  
Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Integrated Waste Solutions Building  
8 Chun Cheong Street  
Tseung Kwan O Industrial Estate  
New Territories  
Hong Kong

28 July 2023

*To the Shareholders*

Dear Sir/Madam

**PROPOSALS INVOLVING**  
**(i) GRANTING OF GENERAL MANDATES**  
**TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,**  
**(ii) RE-ELECTION OF THE RETIRING DIRECTORS,**  
**(iii) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,**  
**(iv) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL, AND**  
**NOTICE OF THE AGM**

**1. INTRODUCTION**

The purpose of this circular is to provide Shareholders with information, among others, in respect of the resolutions to be proposed at the AGM for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate; (iv) the re-election of the retiring Directors; (v) the adoption of the New Share Option Scheme; and (vi) the Increase in Authorised Share Capital.

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## LETTER FROM THE BOARD

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### 2. PROPOSED GRANTING OF THE BUYBACK MANDATE AND THE ISSUANCE MANDATE

At the annual general meeting of the Company held on 30 August 2022, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates, to the extent not utilised by the date of the AGM, will lapse at the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM to approve the granting of new general mandates to the Directors:

- (a) to repurchase Shares on the Stock Exchange or on any other stock exchange recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange, of an aggregate number not exceeding 10% of the total number of issued shares of the Company as at the date of passing of such resolution (i.e. an aggregate number of Shares not exceeding 482,300,900 Shares on the basis that the existing issued shares of the Company of 4,823,009,000 Shares remains unchanged as at the date of the AGM) (the “**Buyback Mandate**”);
- (b) to allot, issue or deal with Shares of an aggregate number not exceeding 20% of the total number of issued shares of the Company as at the date of passing of such resolution (i.e. an aggregate number of Shares not exceeding 964,601,800 Shares on the basis that the existing issued shares of the Company of 4,823,009,000 remains unchanged as at the date of the AGM) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate number of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next AGM of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions nos. 7 and 8 of the notice of the AGM as set out on pages 25 to 29 of this circular. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no present intention to exercise the Buyback Mandate and the Issuance Mandate.

In accordance with the requirements of the Listing Rules, the Company shall send to Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

### 3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

During the year ended 31 March 2023, each of the executive Directors, non-executive Directors and independent non-executive Directors was engaged for a term of three years commencing from their respective dates of appointment and was subject to retirement by rotation and re-election pursuant to the Articles of Association.

According to Article 108 of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years.

In accordance with Article 108 of the Articles of Association and in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, Mr. Tam Sui Kin, Chris, Mr. Chow Shiu Wing, Joseph (“**Mr. Chow**”) and Mr. Wong Man Chung, Francis (“**Mr. Wong**”) shall retire by rotation from their office as Director at the AGM. All the retiring Directors, being eligible, will offer themselves for re-election at the AGM.



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## LETTER FROM THE BOARD

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Mr. Chow's extensive experience in legal field enables him to provide professional advice and insight to the Board over the years. He has shared his experience and expertise both at and outside the Board or committee meetings, which has been valuable to the Group's business development and strategy. Being the chairman of Nomination Committee and member of other Board committees of the Company, Mr. Chow has devoted sufficient time to the Board affairs.

Mr. Wong possesses extensive experience in auditing, taxation, corporate internal control and governance. His broad range of knowledge gained from directorship in other listed companies enables him to provide valuable insights and facilitates effective decision-making of the Board. The Nomination Committee has noted that as at the Latest Practicable Date, Mr. Wong holds more than seven directorships in listed companies in Hong Kong (including the Company). However, the Nomination Committee is of the view that Mr. Wong would still be able to devote sufficient time to the Board. During his tenure in the Company since October 2013, Mr. Wong achieved 100% attendance at general meetings, Board and Board Committee meetings. He has demonstrated a firm commitment, including sufficient time devotion, to his duties and responsibilities as independent non-executive Director, chairman of Audit Committee and member of other Board committees.

Both Mr. Chow and Mr. Wong have served the Company for more than nine years. During their tenure, they have demonstrated strong independence by providing impartial views and comments at the Board and Board committee meetings. They have not taken part in the daily management of the Company or involved in any relationship or circumstances which would materially interfere with their exercise of independent judgment. They have no financial or family relationship with any Directors, senior management or substantial Shareholders. The Nomination Committee considered that the long service would not affect their exercise of independent judgment and that Mr. Chow and Mr. Wong would continue to bring in fresh perspectives and objective insights to the Board and the Board committees they serve on.

The Nomination Committee of the Company has considered and assessed the suitability of Mr. Tam Sui Kin, Chris, Mr. Chow and Mr. Wong for re-election at the AGM in accordance with the nomination policy and the Board diversity policy of the Company. Having regard to their different backgrounds, experience, skills and areas of expertise as well as their devotion and commitment to the Board, the Nomination Committee considered that each of the retiring and re-electing Directors contributes to the diversity and performance of the Board, and recommended the Board for the proposal for their re-election at the AGM.

The Nomination Committee was satisfied with the independence of each of the existing Independent Non-executive Directors with reference to the independence criteria set out in Rule 3.13 of the Listing Rules and formed the view that they remain independent.

The Board, having considered the aforesaid factors and the recommendations of the Nomination Committee, proposed Mr. Tam Sui Kin, Chris, Mr. Chow and Mr. Wong for re-election at the AGM. In accordance with the Corporate Governance Code as set out in the Listing Rules, the re-election of Mr. Chow and Mr. Wong will be subject to separate resolutions to be approved by the Shareholders at the AGM.

Information relating to the retiring and re-electing Directors are set out in Appendix II to this circular.

#### **4. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**

##### **Expiration of the 2010 Share Option Scheme**

Pursuant to a resolution in writing passed by all Shareholders on 11 March 2010, the Company adopted the 2010 Share Option Scheme. The 2010 Share Option Scheme had a term of 10 years from its adoption date and expired on 10 March 2020. Upon the expiration of the 2010 Share Option Scheme, no further options may be offered.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, there was no Share which may be issued on the exercise of the outstanding options granted under the 2010 Share Option Scheme. As at the Latest Practicable Date, the Company had no other share option scheme or share award scheme.

### **The New Share Option Scheme**

In view of the expiration of the 2010 Share Option Scheme, the Board proposes to adopt the New Share Option Scheme in accordance with Chapter 17 of the Listing Rules, and separate ordinary resolutions will be proposed at the AGM to seek approval of the Shareholders for the adoption of the New Share Option Scheme, the Scheme Mandate Limit and the Service Provider Sublimit.

The purpose of the New Share Option Scheme is to provide an incentive or reward for the grantees of Options for their past and potential future contribution, or solely for their potential future contribution (but not solely for their past contribution), to the Group.

The Directors consider that the New Share Option Scheme will enable the Group to provide an incentive or reward for the grantees (including employees and directors of the Company and its subsidiaries) of Options for their contribution or potential contribution to the Group. As the success of the Group depends on the contributions by its employees and directors, it is beneficial to the Company to align the interests of such parties with those of the Group and to maintain good relationships with such parties. Pursuant to the terms of the New Share Option Scheme, the Directors shall have the absolute discretion to offer to grant an Option to subscribe for such number of Shares as the Directors may determine to an eligible person. The eligibility of any eligible person to an offer shall be determined by the Directors from time to time on the basis of his/her roles and responsibilities, length of service in the Group, performance evaluation results, contribution to the development and growth of the Group and/or any such other criteria as the Directors may deem appropriate. This will enable the Group to have the flexibility to utilise Options as a means of incentivising or rewarding the suitable grantees to contribute to the Group's continued and long-term success by aligning their interests with those of the Shareholders and strengthening their relationship with the Group.

Given that the Directors are entitled to determine any performance targets to be achieved and/or clawback mechanism on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated by the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of Options will make an effort to contribute to the development of the Group so as to ensure that their Options will be and remain exercisable (if the Options are subject to performance targets and/or clawback mechanism) and to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted under the New Share Option Scheme and in turn benefiting the Company and the Shareholders as a whole, which in the opinion of the Directors is consistent with the purpose of the New Share Option Scheme.

According to the terms of the New Share Option Scheme, the vesting period for an Option granted shall not be less than 12 months. However, if an Option is granted to an eligible person who is an employee, a shorter vesting period for such option may be determined under specific circumstances set out in the New Share Option Scheme, including but not limited to where the Option is subject to performance-based vesting conditions and where the Option shall vest evenly over a period of 12 months or more. The Directors believe that their ability to provide for flexible accelerated vesting period of an Option under these specific circumstances (i) may further incentivize such eligible persons to strive for better work quality by directly linking their performance with vesting conditions, and therefore contribute to the growth and promote the success of the business of the Group, and (ii) will enable the Group to provide competitive remuneration packages to attract and retain talents to continuously serve the Group, which is considered appropriate and aligns with the purpose of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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Based on the above, the Directors believe that the terms of the New Share Option Scheme (including the eligibility of grantees, criteria for determining their eligibility, the minimum exercise price of Options, the minimum length of vesting periods of Options, together with the power of the Directors to impose any additional conditions, restrictions or limitations attaching to the Options including performance targets and clawback mechanism) align with the purpose of the New Share Option Scheme.

As at the Latest Practicable Date, there were 4,823,009,000 Shares in issue. Assuming that there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Mandate Limit (i.e. the maximum number of Shares issuable pursuant to the New Share Option Scheme and any other share schemes of the Company (if any) in aggregate) will be 482,300,900 Shares, being 10% of the total number of Shares in issue on the Adoption Date.

Assuming that there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Service Provider Sublimit (i.e. the maximum number of Shares issuable to Service Providers pursuant to the New Share Option Scheme and any other share schemes of the Company (if any) in aggregate) will be 24,115,045 Shares, being 0.5% of the total number of Shares in issue on the Adoption Date. The basis for determining the Service Provider Sublimit includes, among others, the actual and/or expected contribution by the Service Providers to the generation of the Group's revenue or profits, the extent of involvement of the Service Providers in the Group's business, and the Company's intention of granting the majority of Options to the Employee Participants. Based on the above, the Directors are of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to Service Providers to achieve the purpose of the New Share Option Scheme and such a sublimit of 0.5% would not lead to an excessive dilution of the shareholding of the existing Shareholders.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee (if any). No trustee will be appointed under the New Share Option Scheme. The Company will comply with the requirements of the Listing Rules in granting Options and issuing Shares pursuant to the New Share Option Scheme.

As at the Latest Practicable Date, the Company did not have any concrete plan to grant any Options to any eligible persons upon adoption of the New Share Option Scheme.

The proposed adoption of the New Share Option Scheme is conditional upon:

- (a) the passing by the Shareholders at the AGM of an ordinary resolution approving the adoption of the New Share Option Scheme; and
- (b) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares that may be allotted and issued pursuant to the exercise of any Options.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares that may be issued upon exercise of the Options.

### **Value of Options**

It is not practicable to state the value of all the Options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of factors crucial for the calculation of the value of Options cannot be determined.

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## LETTER FROM THE BOARD

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Such factors include the Option exercise price, exercise period, any vesting period, any performance targets set and any other terms and conditions that the Directors may impose with respect to the Options. Therefore, at this stage, any calculation of the value of Options as at the Latest Practicable Date based on the large number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

### 5. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$500,000,000 divided into 5,000,000,000 Shares. Since the Company already had 4,823,009,000 Shares in issue as at the Latest Practicable Date, the Company was authorised to issue a further 176,991,000 Shares, representing approximately 3.67% of the total number of issued Shares.

In order to provide the Company with sufficient authorised unissued Shares which may fall to be issued under the Options that may be granted under the New Share Option Scheme (representing 10% of the total number of Shares in issue as at the date of the AGM) and to accommodate the future growth of the Group, the Board proposes to increase the authorised share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Shares to HK\$750,000,000 divided into 7,500,000,000 Shares.

Subject to the passing of an ordinary resolution by the Shareholders at the AGM approving the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the AGM.

At present, the Directors do not have any plan of issuing any part of the additional authorised share capital of the Company resulting from the approval by the Shareholders for the Increase in Authorised Share Capital.

### 6. DOCUMENT ON DISPLAY

A copy of the rules of the New Share Option Scheme will be published on the websites of the Stock Exchange and the Company respectively for display for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

### 7. AGM AND PROXY ARRANGEMENTS

The notice of the AGM is set out on pages 25 to 29 of this circular. At the AGM, resolutions will be proposed to approve, *inter alia*, the granting of the Buyback Mandate, the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the aggregate number of Shares repurchased pursuant to the Buyback Mandate, the re-election of the retiring Directors, the adoption of the New Share Option Scheme and the Increase in Authorised Share Capital.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy and reply slip for use at the AGM is enclosed with this circular and such form of proxy and reply slip are also published on the Company's website ([www.iwsg.com](http://www.iwsg.com)) and the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) respectively. Whether or not you are able to attend the AGM in person physically or online, please (i) complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, to the Company's branch share registrar and transfer office in

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## LETTER FROM THE BOARD

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Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong; or (ii) submit the form of proxy electronically through the Tricor e-Meeting System (<https://spot-meeting.tricor.hk>) as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting thereof if you so wish. In such event, your proxy form shall be deemed to be revoked.

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip for the AGM to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before 24 August 2023.

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no Shareholder had a material interest in the matters to be discussed at the AGM which would require him/her/it to abstain from voting on the resolutions to be proposed at the AGM.

### **8. TYPHOON OR BLACK RAINSTORM WARNING ARRANGEMENTS**

Unless announced otherwise, the meeting will be postponed if typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 7:30 a.m. on the date of the AGM. The Company will post an announcement on its website ([www.iwsg.com](http://www.iwsg.com)) and the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify Shareholders of the date, time and place of the rescheduled meeting.

### **9. RECOMMENDATION**

For the reasons stated above, the Directors including the independent non-executive Directors are of the opinion that the granting of the Buyback Mandate, the granting and extension of the Issuance Mandate, the re-election of the retiring Directors and the proposed the adoption of the New Share Option Scheme and the Increase in Authorised Share Capital are in the best interests of the Company, the Group and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### **10. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **11. GENERAL INFORMATION**

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Details of the retiring Directors proposed to be re-elected at the AGM) and Appendix III (Summary of Principal Terms of the New Share Option Scheme) to this circular.

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

Yours faithfully  
By order of the Board  
**Integrated Waste Solutions Group Holdings Limited**  
**Cheng Chi Ming, Brian**  
*Chairman*

*The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Buyback Mandate.*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of issued shares of the Company is 4,823,009,000 Shares.

Subject to the passing of the ordinary resolution no. 7 of the notice of the AGM in respect of the granting of the Buyback Mandate and on the basis that the total number of issued shares of the Company remains unchanged on the date of the AGM, i.e. being 4,823,009,000 Shares, the Directors would be authorised under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, a maximum of 482,300,900 Shares, representing 10% of the aggregate number of Shares in issue as at the date of the AGM.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **3. FUNDING OF REPURCHASES**

Repurchasing of Shares will be funded from the Company's internal resources, which shall be legally available for such purpose in accordance with its M&A, the Listing Rules, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

### **4. IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **5. TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited is deemed to have interest in 2,742,514,028 Shares (being approximately 56.86% of the total issued share capital of the Company). On the basis that (i) the issued share capital of the Company (being 4,823,009,000 Shares) remains unchanged as at the date of the AGM and (ii) the deemed interest of each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited (being 2,742,514,028 Shares) remains unchanged immediately after the full exercise of the Buyback Mandate, in the event that the Directors exercise

in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the deemed interest of each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited would be increased to approximately 63.18% of the total issued share capital of the Company, and such increase will not give rise to an obligation to make a mandatory offer under the Takeovers Code.

The Directors have no intention to exercise the proposed Buyback Mandate to such an extent as may result in a public shareholding of less than 25% of the total issued share capital of the Company.

## 6. GENERAL

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Buyback Mandate in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

## 7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange during each of the twelve months immediately prior to the latest Practical Date were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2022</b>		
July	0.042	0.034
August	0.045	0.033
September	0.044	0.032
October	0.040	0.026
November	0.034	0.025
December	0.034	0.027
<b>2023</b>		
January	0.055	0.030
February	0.060	0.043
March	0.079	0.042
April	0.053	0.045
May	0.050	0.040
June	0.049	0.041
July (up to the Latest Practicable Date)	0.049	0.034

## 8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company in the 6 months preceding the date of this circular (whether on the Stock Exchange or otherwise).

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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

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*Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the AGM according to the Articles of Association, are provided below.*

**(1) Mr. Tam Siu Kin, Chris, aged 58**

***Position & experience***

**Mr. Tam Sui Kin, Chris (“Mr. Tam”)**, is an Executive Director, Chief Financial Officer and a member of the Executive Committee of the Company. Joined the Company in July 2013, Mr. Tam also holds directorships in certain subsidiaries and associated company of the Group. He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Tam is responsible for the financial management, accounting and treasury functions of the Group. He began his career and completed his professional training in the United Kingdom. He had worked as an audit manager in Ernst & Young, Hong Kong before he joined one of the listed subsidiaries of New World Development Company Limited (stock code: 17) in 1996. Prior to joining the Group, he was the financial controller (infrastructure/contracting) of NWS Holdings Limited (stock code: 659). Mr. Tam holds a bachelor of arts honours degree in Accounting and has over 30 years of experience in auditing, accounting, project financing and financial management.

Save as disclosed above, Mr. Tam has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

***Length of service***

Pursuant to the service agreement entered into between Mr. Tam and the Company, his current term of office is three years commencing on 30 September 2022. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

***Relationships***

As far as the Directors are aware and save as disclosed above, Mr. Tam does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

***Interests in Shares***

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Tam was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

***Director’s emoluments***

Pursuant to the service agreement entered into between Mr. Tam and the Company, Mr. Tam is entitled to receive an annual director’s fee of HK\$348,000 and an annual salary of HK\$2,640,312, which is determined by the Board by reference to his time commitment and responsibilities as well as the prevailing market conditions.

As far as the Directors are aware and save as disclosed above, there is no information of Mr. Tam to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Tam that need to be brought to the attention of the Shareholders.



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**APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT THE AGM**

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**(2) Mr. Chow Shiu Wing, Joseph, aged 51**

*Position & experience*

**Mr. Chow Shiu Wing, Joseph** (“**Mr. Chow**”), is an Independent Non-executive Director, chairman of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee of the Company. He joined the Company in October 2013. He obtained a bachelor’s degree in law from the City University of Hong Kong in 1996 and a Postgraduate Certificate in Laws from the University of Hong Kong in 1997. He was admitted as a solicitor of the High Court of Hong Kong in October 1999, and is now a partner of Wellington Legal and a consultant in C.T. Chan & Co., Solicitors & Notaries. Mr. Chow holds a number of professional and honorary appointments including being the honorary legal adviser of the Hong Kong Brand Development Council. He is also an executive council member of The Hong Kong Independent Non-Executive Director Association. Mr. Chow was an independent director Blue Safari Group Acquisition Corp. whose securities were listed on The NASDAQ Stock Market LLC.

Save as disclosed above, Mr. Chow has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

*Length of service*

Pursuant to the letter of appointment signed between Mr. Chow and the Company, his current term of office is three years commencing on 10 October 2022. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

*Relationships*

As far as the Directors are aware, Mr. Chow does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chow was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director’s emoluments*

Pursuant to the letter of appointment signed between Mr. Chow and the Company, Mr. Chow is entitled to receive an annual director’s fee of HK\$348,000, which is determined by the Board by reference to his time commitment and responsibilities as well as the prevailing market conditions.

As far as the Directors are aware and save as disclosed above, there is no information of Mr. Chow to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Chow that need to be brought to the attention of the Shareholders.

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**APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT THE AGM**

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**(3) Mr. Wong Man Chung, Francis, aged 58**

*Position & experience*

**Mr. Wong Man Chung, Francis** (“**Mr. Wong**”) is an Independent Non-executive Director, chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of the Company. He joined the Company in October 2013. He holds a Master Degree in Management conferred by Guangzhou Jinan University, the People’s Republic of China. Mr. Wong is a fellow member of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Society of Chinese Accountants and Auditors, and a Certified Tax Adviser of the Taxation Institute of Hong Kong. He is a Certified Public Accountant (Practising) and has over 30 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management. Previously, Mr. Wong worked for KPMG, an international accounting firm, for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years.

Mr. Wong is currently an independent non-executive director, the chairman of the audit committee and the remuneration committee as well as a member of the nomination committee of China Oriental Group Company Limited (stock code: 581); an independent non-executive director, the chairman of the audit committee and a member of the nomination committee and the remuneration committee of Wai Kee Holdings Limited (stock code: 610); an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee of Digital China Holdings Limited (stock code: 861), Hilong Holding Limited (stock code: 1623), Qeeka Home (Cayman) Inc. (stock code: 1739), IntelliCentrics Global Holdings Ltd. (stock code: 6819) and Greenheart Group Limited (stock code: 94); and an independent non-executive director, the chairman of the audit committee and the remuneration committee, and a member of the risk management committee of Shanghai Dongzheng Automotive Finance Co., Ltd (stock code: 2718). Mr. Wong is the non-executive chairman of Union Alpha C.P.A. Limited and a non-executive director of Union Alpha CAAP Certified Public Accountants Limited, both being professional accounting firms, and a founding director and member of Francis M C Wong Charitable Foundation Limited, a charitable institution. He was an independent non-executive director of GCL Technology Holdings Limited (stock code: 3800).

Save as disclosed above, Mr. Wong has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

*Length of service*

Pursuant to the letter of appointment signed between Mr. Wong and the Company, his current term of office is three years commencing on 10 October 2022. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

*Relationships*

As far as the Directors are aware, Mr. Wong does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

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**APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT THE AGM**

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*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wong was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director's emoluments*

Pursuant to the letter of appointment signed between Mr. Wong and the Company, Mr. Wong is entitled to receive an annual director's fee of HK\$348,000, which is determined by the Board by reference to his time commitment and responsibilities as well as the prevailing market conditions.

As far as the Directors are aware and save as disclosed above, there is no information of Mr. Wong to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

*The following is a summary of the principal terms of the rules of the New Share Option Scheme proposed to be adopted at the AGM. It does not form part of, nor is it intended to be part of, the rules of the New Share Option Scheme.*

## 1. Purpose

The purpose of the New Share Option Scheme is to provide an incentive or reward for the grantees (“**Grantee(s)**”) of Options for their past and potential future contribution, or solely for their potential future contribution (but not solely for their past contribution), to the Group.

## 2. Who may participate

Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time within the period of ten (10) years after the Adoption Date to make an offer (an “**Offer**”) of the grant of an Option to any full-time or part-time employee participants as defined in the Listing Rules (“**Employee Participant(s)**”), related entity participants as defined in the Listing Rules (“**Related Entity Participant(s)**”), and Service Providers (as defined below) who, in the sole opinion of the Board, will contribute to the Group (an “**Eligible Participant**”), taking into account such factors as the Board may at its discretion consider appropriate, as the Board may in its absolute discretion select to subscribe for such number of Shares, subject to the limits specified in the rules (the “**Scheme Rules**”) of the New Share Option Scheme, as the Board may determine at an exercise price (the “**Exercise Price**”) determined by the Board in accordance with the Scheme Rules and subject to such conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised, any performance targets which must be achieved before an Option can be exercised, and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted to any Eligible Participant) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances) as it may think fit. For the purposes of the Scheme Rules, “**Service Provider(s)**” means any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including (i) persons or entities (as independent contractors, consultants, advisors or otherwise) that provide support or any advisory, consultancy, professional or other services to any member of the Group (such as, without limitation, support or services in relation to research and development, strategic or commercial planning on corporate image, investor relations, product quality control, and regulations and policies); and (ii) suppliers of goods or services to any member of the Group (such as, without limitation, suppliers of raw materials and machinery, and machinery maintenance services), but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

Where an Option is proposed to be offered to an Eligible Participant with performance targets which must be achieved before the Option (if accepted) may be exercised, the Board will take into consideration the purpose of the New Share Option Scheme in assessing and determining, on a case by case basis having regard to the nature of the duties of and services provided by the Eligible Participant, the appropriate performance targets and with reference to factors including but not limited to key performance indicators in respect of the Group as a whole, its principal business and operations and/or (if applicable) the individual performance of the Eligible Participant. If clawback mechanism applies to an Option, it allows the Company to recover or withhold such Option granted to the relevant Grantee, whether in the event of serious misconduct of such Grantee, a material misstatement in the Company’s financial statements or other circumstances. As at the Latest Practicable Date, the Directors had no concrete plan to set any performance targets or clawback mechanism to which any Offer that may be granted will be subject.

The basis of eligibility of any of the Eligible Participants to the grant of Options shall be determined by the Board from time to time taking into account, among others, the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, the Board's assessment shall include, but not be limited to, the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of the Service Providers, the Board's assessment shall include, but not be limited to, whether the nature of professional services provided by the Service Provider is in line with the Group's business need and industry norm, desirable and necessary from a commercial perspective and helps maintain or enhance the competitiveness of the Group, having regard to the Group's business segments and focuses from time to time, the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

If the Board determines to offer an Option to an Eligible Participant, an Offer shall be made to the Eligible Participant which shall contain, among others: (a) the date of the Offer; (b) the date upon which the Offer must be accepted by the Participant which date shall be not later than 14 days after the date of the Offer provided that no Offer shall be open for acceptance after the expiry of the duration of the New Share Option Scheme as mentioned in paragraph 8 below or after the termination of the New Share Option Scheme; (c) the commencement date of the vesting period applicable to the Option or, if the Option Period (as defined in paragraph 10 below) does not commence on such commencement date, the date of commencement of the Option Period; (d) the number of Shares in respect of which the Option is offered; (e) the Exercise Price of the Option; (f) the expiry date in relation to the Option; and (g) such other terms and conditions (including, without limitation, any minimum period for which the Option must be held before it can be exercised and/or any performance targets, which are in general absent unless otherwise determined by the Board and stated in the Offer, that must be achieved before the Option can be exercised) relating to the Offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the New Share Option Scheme and the Listing Rules.

### **3. Maximum number of Shares that may be allotted and issued upon exercise of Options which may be granted**

The total number of Shares which may be allotted and issued upon exercise of all Options or share options or share awards to be granted under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**"), being 482,300,900 Shares based on the total number of Shares in issue as at the Latest Practicable Date and assuming there will be no change in the total number of Shares in issue between the Latest Practicable Date and the Adoption Date (both dates inclusive).

Subject to the preceding paragraph, the total number of Shares which may be allotted and issued in respect of all Options or share options or share awards to be granted to Service Providers under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 0.5% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”), being 24,115,045 Shares based on the total number of Shares in issue as at the Latest Practicable Date and assuming there will be no change in the total number of Shares in issue between the Latest Practicable Date and the Adoption Date (both dates inclusive).

Options, share options or share awards lapsed in accordance with the terms of the New Share Option Scheme or (as the case may be) any other share option schemes of the Company will, however, not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Share options and share awards granted under any share option schemes (including the New Share Option Scheme) or share award schemes of the Company which are subsequently cancelled will be counted for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options, share options and share awards to be granted under all share option schemes (including the New Share Option Scheme) and share award schemes of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Scheme Mandate Limit (and the Service Provider Sublimit) may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders’ approval for the last refreshment provided that:

- (a) the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Mandate Limit as refreshed (the “**New Scheme Mandate Limit**”) must not exceed 10%, and the Service Provider Sublimit as refreshed (the “**New Service Provider Sublimit**”) must not exceed 0.5%, of the Shares in issue at the date of the Shareholders’ approval of such New Scheme Mandate Limit (and New Service Provider Sublimit). Options, share options or share awards previously granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Options, share options and share awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment;
- (b) any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, where any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules; and

- (c) the requirements under sub-paragraph (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

The Company may also seek separate Shareholders' approval in general meeting to grant Options under the New Share Option Scheme beyond the Scheme Mandate Limit (or the Service Provider Sublimit) or, if applicable, the New Scheme Mandate Limit (or the New Service Provider Limit), provided Options in excess of the Scheme Mandate Limit (or the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of such Options, and the purpose of granting such Options to the specified Eligible Participants with an explanation as to how the terms of such Options serve such purpose. The number and terms of such Options to be granted must be fixed before the Shareholders' approval.

#### **4. Maximum entitlement of each Eligible Participant**

The total number of Shares issued and which may be issued upon exercise of the Options, share options and share awards granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including both exercised or outstanding Options, share options and share awards) to each Grantee in any 12-month period shall not exceed 1% of the total number of Shares in issue. The Company may further grant Options to an Eligible Participant that would result in the Shares issued and to be issued upon exercise of all Options, share options or share awards granted or proposed to be granted to such person (including exercised, cancelled and outstanding Options, share options and share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the respective schemes) under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, provided that:

- (a) such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) the Company has first sent a circular to Shareholders disclosing the identity of the Eligible Participant, the number and terms of such Options to be granted (and Options, share options or share awards previously granted to such Eligible Participant in the aforesaid 12-month period), the purpose of granting such Options to the Eligible Participant and an explanation as to how the terms of such Options serve such purpose; and
- (c) the number and terms of such Options must be fixed before the Shareholders' approval.

#### **5. Grant of Options to connected persons**

Each grant of Option to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the proposed Grantee of the Option).

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company (or any of their respective associates) would result in the Shares issued and to be issued in respect of all Options, share options or share awards granted (excluding any

Options, share options or share awards lapsed in accordance with the New Share Option Scheme or other share option scheme(s) or share award scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Share Options shall be subject to:

- (a) the issue of a circular by the Company to the Shareholders; and
- (b) the approval by the Shareholders in general meeting at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting, and in accordance with the Listing Rules.

The circular to be issued by the Company to the Shareholders pursuant to sub-paragraph (a) above must contain the following information:

- (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) other information required under the Listing Rules.

Any change in the terms of Options granted to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

## **6. Acceptance of offer of Options**

An Option shall be deemed to have been accepted by a Grantee and to have taken effect upon the issue of an option certificate by the Company to the Grantee after the acceptance of the Option by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant, is received by the Company on or before 14 days after the Offer is made. Such remittance shall in no circumstances be refundable. An Offer may be accepted in respect of less than the number of Shares for which it is offered, provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within the aforesaid 14-day period, it shall be deemed to have been irrevocably declined.

Options will not be listed or dealt in on the Stock Exchange.

## **7. Exercise price**

The Exercise Price shall, subject to any adjustments as referred to in paragraph 15 below, be at the discretion of the Directors, provided that it must be at least the highest of:

- (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of the Offer;



- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the date of the Offer; and
- (c) the nominal value of a Share.

#### **8. Duration**

The New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date.

#### **9. Vesting of Options**

Save as mentioned below, an Option must be held by the holder of the Option for at least twelve (12) months before the Option can be exercised. The exact length of vesting period of an Option will be determined by the Board on a case-by-case basis, taking into account, among others, the Grantee's position and responsibilities within the Group and relationship with the Group, past performance, time commitment, past and expected contribution and length of employment or service. However, a shorter vesting period may be granted to Employee Participants at the discretion of the Board as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (a) grants of "make-whole" Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (e) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over period of twelve (12) months; and
- (f) grants with a total vesting and holding period of more than twelve (12) months.

#### **10. Exercise of Options**

Subject to the immediately ensuing paragraph, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by such independent financial adviser (the "**Approved Independent Financial Adviser**") as approved by the Board, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

Unless otherwise provided in the respective Offer, an Option may be exercised by a Grantee at any time or times during the period to be notified by the Board to each Grantee within which the Option may be exercisable provided that such period of time shall not exceed a period of ten (10) years from the date of grant of the Option (the “**Option Period**”) provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of its subsidiaries on one or more of the grounds specified in paragraph 14(e) below, the Grantee may exercise the Option up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of thirty (30) days (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of its subsidiaries, the last date of his employment with the Company or the relevant Subsidiary as recorded as such by the Company or the relevant subsidiary (as the case may be));
- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its subsidiaries under paragraph 14(e) below has occurred, the Grantee or the personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of its Subsidiaries, the last date of his employment with the Company or the relevant subsidiary as recorded as such by the Company or the relevant subsidiary (as the case may be)) or the date of death (as the case may be) to exercise the Option in full (to the extent not already exercised);
- (c) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the Options granted to them, shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his Option in full (to the extent not already exercised) at any time within fourteen (14) days after the date on which such general offer becomes or is declared unconditional;
- (d) if a compromise or arrangement between the Company and its shareholders and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Act (Revised) of the Cayman Islands (the “**Companies Act**”), the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this sub-paragraph) on the same day as it despatches to shareholders and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all

Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and

- (e) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already lapsed or exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

#### **11. Restrictions on the time of grant of Options**

For so long as the Shares are listed on the Stock Exchange:

- (a) the Board shall not grant any Option after inside information has come to the knowledge of the Company until (and including) the trading day after the Company has announced such inside information pursuant to the requirements of the Listing Rules. In particular, no Options shall be granted during the period commencing one month immediately preceding the earlier of:
  - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to publish an announcement of results for (i) any year or half-year period in accordance with the Listing Rules, and (ii) where the Company has elected to publish them, whether or not required under the Listing Rules, results for any quarterly or any other interim period,and ending on the actual date of the results announcement for such year, half year, quarterly or interim period (as the case may be). The period during which no Option may be granted will cover any period of delay in the publication of a results announcement; and
- (b) no Options may be granted to a Director on any day on which financial results of the Company are published and:
  - (i) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

- (ii) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

## **12. Ranking of Shares**

No dividends shall be payable in relation to the Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date on which the Grantee is registered as a member. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

## **13. Restrictions on transfer**

An Option and an Offer shall be personal to the Grantee and shall not be transferable or assignable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any Offer made to him or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

## **14. Lapse of Options**

Unless otherwise provided in the respective Grantee's Offer, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:-

- (a) the expiry date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraphs 10(a) to 10(e) above;
- (c) the date on which the compromise or arrangement of the Company referred to in paragraph 10(d) above becomes effective;
- (d) the date of commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 10(e) above (as determined in accordance with the Companies Act);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of his dismissal or by reason of the termination of his relationship with the Company and/or any of its subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of the Company and/or any of its subsidiaries (if so determined by the Board) or has become insolvent, bankrupt or has made arrangements or compositions with his creditors generally, or on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary. A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive;

- (f) the date that is thirty (30) days after the date on which the Grantee is terminated by the Company and/or any of its subsidiaries on a ground other than those set forth in sub-paragraph (e) above;
- (g) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of the restrictions of transfer as referred to in paragraph 13 above or the Options are cancelled in accordance with paragraph 16 below; or
- (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer, if any.

### **15. Capital reorganisation**

In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division or consolidation of shares, or reduction of capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (a) the number of Shares subject to any outstanding Options;
- (b) the Exercise Price; and/or
- (c) the number of Shares subject to the New Share Option Scheme,

as the Approved Independent Financial Adviser shall at the request of the Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Grantee shall have as near as possible the same proportion of the equity capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all the issuers relating to share option schemes) as that to which he was entitled to subscribe had he exercised all the Options held by him immediately before such adjustments and the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value, provided that no adjustment to the Exercise Price and number of Shares should be made to the advantage of the Eligible Participants without specific prior approval of the shareholders of the Company. The capacity of the Approved Independent Financial Adviser in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

In respect of any adjustments required by foregoing paragraph, the Approved Independent Financial Adviser shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the notes thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules from time to time.

If the Company (or any of its subsidiaries) conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer (or the subsidiary) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

**16. Cancellation of Options**

Any cancellation of Options granted must be approved in writing by the Grantees of the relevant Options. For the avoidance of doubt, such approval is not required in the event any Option is cancelled as a result of a Grantee's breach of the restrictions of transfer as referred to in paragraph 13 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

**17. Termination**

The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the New Share Option Scheme and in such event no further Options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**18. Alterations**

The terms and conditions of the New Share Option Scheme and the regulations for the administration and operation of the New Share Option Scheme (provided that the same are not inconsistent with the New Share Option Scheme and the Listing Rules) may be altered in any respect by resolution of the Board or scheme administrators except: (a) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any alterations to the advantage of the Grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; (b) any change in the terms of Options granted to a Grantee or an Eligible Participant, which must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except any alterations which take effect automatically under the terms of the New Share Option Scheme; (c) any change in the terms of Options granted to a Grantee who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders if the initial grant of the Options requires such approval, except any alterations which take effect automatically under the terms of the New Share Option Scheme; and (d) any change to the authority of the Board in respect of alteration of the New Share Option Scheme.

Any changes and/or alterations mentioned under sub-paragraphs (a), (c), (d) and (b) (in the case where initial grant of the Options was approved by the Shareholders) of the preceding paragraph must be made with the prior approval of the Shareholders in general meeting at which any persons to whom or for whose benefit the Shares may be issued under the New Share Option Scheme and their respective associates shall abstain from voting provided that the amended terms of the New Share Option Scheme or the Options shall remain in compliance with Chapter 17 of the Listing Rules and no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with: (a) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date; or (b) the sanction of a resolution passed at a meeting of the Grantees (being only those Grantees holding Options, all or any part of which is unexercised as at the time of the meeting at which the resolution is proposed) by a majority consisting of not less than three-fourths of the votes cast upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on a poll.

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## NOTICE OF THE AGM

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### **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)**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of Integrated Waste Solutions Group Holdings Limited (the “**Company**”) will be held as a hybrid meeting at the principal meeting place at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong on Wednesday, 30 August 2023 at 10:30 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditor of the Company (the “**Auditor**”) for the year ended 31 March 2023.
2. To re-elect Mr. Tam Sui Kin, Chris, a retiring Director, as executive Director.
3. To re-elect Mr. Chow Shiu Wing, Joseph, a retiring Director, as independent non-executive Director.
4. To re-elect Mr. Wong Man Chung, Francis, a retiring Director, as independent non-executive Director.
5. To authorise the board of directors of the Company (the “**Board**”) to fix the respective Directors’ remuneration.
6. To appoint KPMG as the Auditor and to authorise the Board to fix the Auditor’s remuneration.

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

7. “**THAT:**
  - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited or on any other stock exchange recognised by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited, subject to and in accordance with the applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;

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## NOTICE OF THE AGM

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- (c) the aggregate number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.”

8. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors to make or grant offers, agreements, options and rights of exchange or conversion during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options granted under the share option scheme of the Company or similar arrangement of the Company for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company;
  - (iii) an issue of shares upon the exercise of the subscription of conversion rights under the terms of any warrants, bonds, notes or other securities of the Company which are convertible into shares of the Company or carry rights to subscribe for shares of the Company; and
  - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:



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## NOTICE OF THE AGM

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“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange, in any territory, outside Hong Kong).”

- 9. “**THAT** conditional upon the passing of resolutions nos. 7 and 8 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in resolution no. 8 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of the shares purchased by the Company pursuant to the general mandate referred to in the resolution no. 7 of the Notice, provided that such amount shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of passing of this resolution.”
- 10. (A) “**THAT** conditional on the passing of the resolutions set out in paragraphs 10(B) and 10(C) below and subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the ordinary shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which have been produced to this meeting marked “A” and initialed by the chairman of this meeting for identification, the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to give effect to and implement the New Share Option Scheme, including without limitation:
  - (i) administering the New Share Option Scheme under which options may be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;

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- (ii) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the New Share Option Scheme and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
  - (iii) granting options to subscribe for Shares under the New Share Option Scheme and allotting, issuing and otherwise dealing with from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options that may be granted under the New Share Option Scheme, subject to the Listing Rules;
  - (iv) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares that may hereafter from time to time be allotted and issued pursuant to the exercise of the options that may be granted under the New Share Option Scheme; and
  - (v) consenting, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant regulatory authorities (including the Stock Exchange) in relation to the New Share Option Scheme.”
- (B) “**THAT** conditional on the passing of the resolutions set out in paragraph 10(A) above and paragraph 10(C) below, the directors of the Company be and are hereby authorised to grant options to the Eligible Participants (as defined in the rules of the New Share Option Scheme (as defined in the resolution set out in paragraph 10(A) above)) to subscribe for Shares (as defined in the resolution set out in paragraph 10(A) above) in accordance with the rules of the New Share Option Scheme (as defined in the resolution set out in paragraph 10(A) above) up to a maximum of 10 per cent. of the Shares in issue as at the date of passing of this resolution, to allot and issue Shares pursuant to the exercise of the options so granted and to take all necessary actions incidental thereto as the directors of the Company deem fit.”
- (C) “**THAT** conditional on the passing of the resolutions set out in paragraphs 10(A) and 10(B) above, the directors of the Company be and are hereby authorised to grant options to the Service Providers (as defined in the rules of the New Share Option Scheme (as defined in the resolution set out in paragraph 10(A) above)) to subscribe for Shares (as defined in the resolution set out in paragraph 10(A) above) in accordance with the rules of the New Share Option Scheme (as defined in the resolution set out in paragraph 10(A) above) up to a maximum of 0.5 per cent. of the Shares in issue as at the date of passing of this resolution, to allot and issue Shares pursuant to the exercise of the options so granted and to take all necessary actions incidental thereto as the directors of the Company deem fit.”
11. “**THAT:**
- (a) the authorised share capital of the Company be increased from HK\$500,000,000 divided into 5,000,000,000 ordinary shares (the “**Shares**”) of HK\$0.10 each to HK\$750,000,000 divided into 7,500,000,000 Shares of HK\$0.10 each by the creation of an additional 2,500,000,000 new Shares (the “**Increase in Authorised Share Capital**”);
  - (b) the directors of the Company be and are hereby authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company and to take such steps as they may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Increase in Authorised Share Capital”; and

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- (c) the registered office services provider and the company secretary of the Company be and are hereby authorised to attend to any necessary filings for and on behalf of the Company.

By order of the board of directors  
**Integrated Waste Solutions Group Holdings Limited**  
**Cheng Chi Ming, Brian**  
*Chairman*

Hong Kong, 28 July 2023

*Principal Place of Business in Hong Kong:*  
Integrated Waste Solutions Building  
8 Chun Cheong Street,  
Tseung Kwan O Industrial Estate,  
New Territories  
Hong Kong

*Notes:*

- (a) Registered shareholders will be able to attend this meeting, vote and submit questions online in written form via the designated website (<https://spot-e-meeting.tricor.hk>) by using the username and password provided on the Notification Letter sent by the Company or call to raise questions.

Registered shareholders are requested to provide a valid email address of himself/herself/itself or his/her/ its proxy (except for the appointment of the chairman of the meeting) for the proxy to receive the login access code to participate online in the e-Meeting System.

Non-registered shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend this meeting, vote and submit questions online in written form or call to raise questions. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

- (b) Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/ it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (c) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or submitted electronically through the Tricor e-Meeting System (<https://spot-e-meeting.tricor.hk>) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Retrun of the completed form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
- (d) Shareholders who intend to attend this meeting in person or by proxy should return the relevant reply slip to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before Thursday, 24 August 2023.
- (e) The register of members of the Company will be closed from Thursday, 24 August 2023 to Wednesday, 30 August 2023 both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible for attending and voting at the annual general meeting of the Company to be held on Wednesday, 30 August 2023, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 23 August 2023.
- (f) In relation to the ordinary resolutions nos. 7, 8 and 9 of this notice, the Directors wish to state that they have no present intention to exercise the Buyback Mandate and the Issuance Mandate.
- (g) Unless announced otherwise, the meeting will be postponed if typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 7:30 a.m. on the date of this meeting. The Company will post an announcement on its website ([www.iwsg.com](http://www.iwsg.com)) and the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
- (h) As at the date of this notice, the Board comprises two executive Directors, namely, Messrs. Lam King Sang and Tam Sui Kin, Chris; two non-executive Directors, namely, Messrs. Cheng Chi Ming, Brian (Chairman) and Lee Chi Hin, Jacob; and three independent non-executive Directors, namely, Messrs. Chow Shiu Wing, Joseph, Wong Man Chung, Francis, and Chan Ting Bond, Michael.