THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 to the purchaser, the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

IWS

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)

VERY SUBSTANTIAL DISPOSAL — SURRENDER OF LEASE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 1 to 7 of this circular. The notice convening the EGM to be held as an electronic meeting on Friday, 5 September 2025 at 11:00 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be held on the same day, whichever is later, is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, 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 Vistra eVoting Portal (https://evoting.vistra.com) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM 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 or any adjourned meeting (as the case may be) if they so wish.

20 August 2025

CONTENTS

The EGM will be held as an electronic meeting through the Vistra eVoting Portal. Shareholders who join the EGM online will be able to view the live broadcast, participate in voting and submit questions in written form via their mobile phones, tablets or computers.

The Vistra eVoting Portal will be open for the registered Shareholders and non-registered Shareholders (see below for login details and arrangement) to log in from 10:30 a.m. on Friday, 5 September 2025 (i.e. approximately 30 minutes prior to the commencement of the EGM). Shareholders should allow ample time to check into the Vistra eVoting Portal to complete the related procedures. Please refer to the Online Meeting User Guide in relation to the procedures of the online meeting at https://evoting.vistra.com.

LOGIN DETAILS FOR REGISTERED SHAREHOLDERS

Login details for accessing the Vistra eVoting Portal are included in the Company's notification letter to registered Shareholders for the EGM (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 EGM using the Vistra eVoting Portal should (1) contact and instruct their Intermediary to appoint themselves as proxy or corporate representative to attend the EGM; and (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary. Details regarding the EGM arrangements including login details to access the Vistra eVoting Portal 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 Wednesday, 3 September 2025 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 the Vistra eVoting Portal. 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 the Vistra eVoting Portal 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 EGM 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 EGM

In addition to the traditional method of completing voting papers, Shareholders can cast their vote through the Vistra eVoting Portal. For online voting at the EGM, Shareholders can refer to the Online Meeting User Guide by visiting https://evoting.vistra.com for details. The submission of vote through the Vistra eVoting Portal using the login details will be conclusive evidence that the vote was cast by you as a Shareholder.

QUESTIONS AT THE EGM

Shareholders attending the EGM using the Vistra eVoting Portal will be able to submit questions relevant to the proposed resolutions online during the EGM. The Company will endeavour to address these questions at the EGM, if time permits.

APPOINTMENT OF PROXY IN ADVANCE OF THE EGM

Registered Shareholders who wish to appoint a proxy to attend and vote at the EGM shall complete and return a form of proxy in accordance with instructions therein. Registered Shareholders who wish their proxy to attend the EGM 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 EGM 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 Vistra eVoting Portal not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

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

If Shareholders have any queries relating to the EGM, 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@vistra.com

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

"Agreement"	the letter agreement relating to the surrender of the Lease entered into between HKSTP and IWS Promotion on 18 July 2025
"Announcements"	collectively: (a) the announcement dated 30 April 2025 of the Company relating to, among others, the making of the Offer; and (b) the announcement dated 18 July 2025 of the Company relating to, among others, the entering into of the Agreement
"Board"	the board of Directors
"CMDS"	confidential materials destruction services
"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
"Deed of Lease"	a deed of lease dated 21 March 2017 between HKSTP and IWS Promotion
"Deed of Surrender"	the deed of surrender, in such form and substance to be discussed and agreed between IWS Promotion and HKSTP and to be signed between IWS Promotion and HKSTP for effecting the surrender of the Lease
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held as an electronic meeting on Friday, 5 September 2025 at 11:00 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be held on the same day, whichever is later, to consider and, if appropriate, to approve, among others, the Agreement and the transactions contemplated thereunder, or any adjournment thereof
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSTP"	Hong Kong Science and Technology Parks Corporation, a public body incorporated under the Hong Kong Science and Technology Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong)
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Third Party"	a third party independent of the Company and its connected persons (as defined in the Listing Rules), and "Independent Third Parties" shall be construed accordingly
"IWS Promotion"	IWS Promotion Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
"Latest Practicable Date"	15 August 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Lease"	the lease in respect of the Premises granted by HKSTP to IWS Promotion pursuant to the Deed of Lease
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Offer"	the written conditional offer made by IWS Promotion on 30 April 2025 to HKSTP offering to surrender the Lease to HKSTP at zero cost
"Premises"	all that piece or parcel of land situate at Tseung Kwan O, Sai Kung, New Territories and known and registered in the Land Registry as Subsection 3 of Section S of Tseung Kwan O Town Lot No.39 And Extensions Thereto, together with any factory and other erections and buildings that have or may be erected and built thereon
"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
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Surrender Date"	30 April 2026 or such other date as may be agreed by HKSTP in writing
"%"	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
Ms. Luey Sisi, Doris

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

20 August 2025

To the Shareholders

Dear Sir or Madam

VERY SUBSTANTIAL DISPOSAL — SURRENDER OF LEASE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements. As disclosed in the Announcements: (a) on 30 April 2025, IWS Promotion, an indirect wholly owned subsidiary of the Company, made the Offer to HKSTP, offering to surrender the Lease at zero cost to HKSTP. Following the making of the Offer, IWS Promotion and HKSTP entered into the Agreement on 18 July 2025.

The purpose of this circular is to provide you with, among others, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) financial information and other information of the Group; (iii) management discussion and analysis of the Group; and (iv) valuation report on the Premises.

AGREEMENT

The major terms of the Agreement are set out below:

Date: 18 July 2025

Parties: (i) IWS Promotion

(ii) HKSTP

HKSTP, being a public body incorporated under the Hong Kong Science and Technology Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong), is an Independent Third Party.

Subject matters

The surrender of the Lease by IWS Promotion to HKSTP

Consideration

Zero cost to HKSTP

Condition Precedent

Completion of the Agreement is subject to the approval of the Shareholders having been obtained in compliance with the requirements of Chapter 14 of the Listing Rules.

The condition precedent may not be waived. If the condition precedent has not been fulfilled on or before the Surrender Date, either party shall be entitled to treat the Agreement as void from the beginning and rescind the Agreement by giving a written notice to the other party.

Completion

The surrender of the Lease shall be completed on or before the Surrender Date, upon which IWS Promotion shall execute the Deed of Surrender and vacate and deliver to HKSTP vacant possession of the Premises free from encumbrances.

Other major terms

Pursuant to the Agreement:

(1) IWS Promotion shall on or before the Surrender Date (a) carry out and complete all the reinstatement works of the Premises; and (b) submit to HKSTP all the building plans and certificates, at IWS Promotion's own cost to the satisfaction of HKSTP;

(2) IWS Promotion shall at its own expense and in all respects to the satisfaction of HKSTP engage an independent consultant to carry out and complete a soil and ground contamination assessment in respect of the Premises and submit a written report to HKSTP at least three months (or such other period as specified by HKSTP) prior to the delivery of vacant possession of the Premises to HKSTP;

(3) upon demand in writing made by HKSTP before the Surrender Date, IWS Promotion shall at its own expense and in all respects to the satisfaction of HKSTP carry out and complete, in such manner as HKSTP shall specify, such soil and groundwater decontamination or other works as shall be required by HKSTP to the Premises;

(4) IWS Promotion shall solely bear and pay for all costs including HKSTP's solicitors' fees and disbursements (including but not limited to registration fee and stamp duty) for and incidental to the preparation and execution of the Agreement, the Deed of Surrender and other related or ancillary documents;

(5) IWS Promotion shall indemnify HKSTP against any cost, expense, liability, loss, claim or proceedings or demands whatsoever arising out of (i) any contamination (including but not limited to soil and groundwater contamination) to the Premises and to the adjacent land or any building(s) or structure(s) thereon in connection with the occupation, use of or activities conducted on the Premises by IWS Promotion, (ii) any latent inherent and structural defect of the Premises, or (iii) any structure, erection, construction or building work (including minor work) in the Premises which is unauthorized or illegal or in any way diverges or deviates from any plan approved by the Building Authority; and

(6) upon completion of the surrender of the Lease, HKSTP shall release IWS Promotion from all liabilities of IWS Promotion arising from or in connection with the under-utilisation of the Premises.

REASONS FOR ENTERING INTO THE AGREEMENT

The Group is principally engaged in the trading of recovered paper and materials, provision of CMDS, manufacturing of recycling plastic pellets, and provision of logistics services in Hong Kong. The Group also has indirect shareholding interests in a disposal and recycling of waste electrical and electronic equipment (WEEE) project in Hong Kong and a comprehensive supply chain solutions provider, An Jie Supply Chain Management Co., Ltd. (廣東安捷供應鏈管理股份有限公司，NEEQ: 870009), in Guandong Province, the People's Republic of China.

Under the Deed of Lease, IWS Promotion is granted, among others, the right to use the Premises located in Tseung Kwan O Industrial Estate with a piece of land with an area of approximately 12,277 square metres for a comprehensive waste recovery centre. The term of the Lease is from 8 November 2010 to 27 June 2047. After the discontinuance of part of the Group's recycling business (being its waste plastic recycling operation) in January 2024, the relevant part of the Premises originally designated for this operation has since been left vacant. As at the Latest Practicable Date, the remaining parts of the Premises were being used only for the Group's CMDS operations, logistics operations and general office administrative purposes.

The aforesaid resultant under-utilisation deviates from the requirements under the Deed of Lease and HKSTP had in July 2024 issued a warning letter to IWS Promotion seeking a rectification proposal for such under-utilisation. Pursuant to the Deed of Lease, HKSTP may, by notice in writing, re-enter and take back possession of the Premises if IWS Promotion has not remedied the situation to the satisfaction of HKSTP. In addition, HKSTP may also claim any annual rent and unpaid premium or other monies due to it from IWS Promotion or in respect of any breach, non-observance or non-performance by IWS Promotion of the terms, conditions and covenants of the Deed of Lease (the "**Penalty**"). For illustration purpose only, (i) assuming HKSTP makes claims for (a) all future rates and government rents up to 27 June 2047 (being the end of the Lease term); and (b) a penalty for the period from the first instance when HKSTP asserted that the Premises have been under-utilised and up to 31 December 2025; and (ii) based on (a) the most recent charge of rates and government rents of HK$487,200 for the quarter ended 30 September 2025; and (b) a daily penalty of HK$11,491 as stipulated under the Deed of Lease, the Penalty could potentially amount to approximately HK$49 million.

In view of the prevailing global economic environment, the Group considers the resumption of its waste plastic recycling operation would further erode its financial position. Therefore, the Group has been exploring other ways to minimise the financial and operational impact that may arise from the under-utilisation of the Premises as further discussed below, including surrendering the Lease to HKSTP in accordance with the terms and procedures set out in the Deed of Lease and identifying a third party to take up the Lease, but without success. After numerous negotiations between IWS Promotion and HKSTP and having exhausted all possible options, the Offer appears to be the only feasible option under the current economic and market conditions.

The decision to make the Offer was reached by the Board after having considered and exhausted all other options. The Group's efforts include previously making an offer to surrender the Lease at a price payable by HKSTP (to be determined by a prescribed formula under the Deed of Lease) but this offer was rejected by HKSTP at its discretion. IWS Promotion was not given any reason by HKSTP for rejecting the offer. Pursuant to the Deed of Lease, HKSTP has the right to either accept or reject such an offer without the obligation to give any reason for its decision. As an alternative, HKSTP has set a deadline of August 2025 for IWS Promotion to identify a buyer (the "**August 2025 Deadline**"). In this respect, the Group had attempted to identify a third party buyer to take up the Premises by way of assignment of the Lease but to no avail. The Group had attempted to procure potential buyers for the Premises through its business network including approaching companies which are in similar industries, companies occupying neighboring units and areas, as well as business associates. Of these, five potential buyers have conducted site visits and/or have had discussion meetings with the Group, but all of which have either rejected or have not expressed further interest in the Premises. The efforts of procuring potential buyers were hindered by factors such as the fact that the use of the Premises cannot be changed unless with the approval of HKSTP and the required payment of additional premium to HKSTP. HKSTP has indicated that enforcement action would be taken against IWS Promotion for non-compliance after the August 2025 Deadline as appropriate.

The Board has made every effort to extract value from the Lease since receiving the warning letter from HKSTP in July 2024. However, despite these efforts, no favourable outcome has been achieved. As the August 2025 Deadline approaches, to prevent any further potentially negative impact on the Group such as any enforcement action that HKSTP may take against IWS Promotion, the Board decided to proceed with the making of the Offer which appears to be the only feasible option.

As disclosed in the paragraph headed "Letter from the Board — Agreement — Condition Precedent" of this circular, either IWS Promotion or HKSTP shall be entitled to treat the Agreement as void from the beginning and rescind the Agreement by giving a written notice to the other party in the event that approval of the Shareholders has not been obtained to fulfil the condition precedent on or before the Surrender Date. If the ordinary resolution to be proposed at the EGM to approve, among others, the Agreement and the transactions contemplated thereunder is voted down by the Shareholders and HKSTP exercises its right and gives a written notice to IWS Promotion to treat the Agreement as void from the beginning and rescind the Agreement as aforesaid, HKSTP may take legal actions against IWS Promotion for the under-utilisation of the Premises to re-enter and take back possession of the Premises and claim, among others, the Penalty against IWS Promotion as described above in this paragraph headed "Reasons for entering into the Agreement".

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable and the Agreement and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PREMISES

The Premises comprise a 5 storeys (including roof floor) industrial building of gross floor area of 30,693 square metres (including roof floor of 765 square metres) as a comprehensive waste recovery centre and are used for the Group's business operations on trading of recovered paper and materials, provision of CMDS, manufacturing of recycling plastic pellets and provision of logistics services in Hong Kong.

Based on the valuation report on the Premises, the value of the Premises is HK$218 million as at 31 May 2025. For details of the valuation of the Premises, please refer to the valuation report included in Appendix III to this circular.

Disclosure of the reconciliation of the net book value and the valuation as required under Rule 5.07 of the Listing Rules is set out below:

	HK$' million
Net book value of the Premises as at 31 March 2025	151
Add: Valuation surplus as at 31 May 2025	67
Valuation of the Premises as at 31 May 2025 as set out in the valuation report included in Appendix III to this circular	218

INFORMATION ON HKSTP

HKSTP is a public body incorporated under the Hong Kong Science and Technology Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong) to foster innovation and technology development in Hong Kong. HKSTP manages facilities and provides value-added services for the technology, research and development sector in Hong Kong.

FINANCIAL IMPLICATIONS AND USE OF PROCEEDS FROM THE SURRENDER OF THE LEASE

Based on the Company's annual report for the year ended 31 March 2025, the net book value of the Premises recorded on the Company's consolidated statement of financial position as at 31 March 2025 amounted to approximately HK$151 million. This amount differs from the value of the Premises of HK$218.0 million as at 31 May 2025 as assessed by the valuer as stated in the valuation report on the Premises set out in Appendix III to this circular. The valuer had considered factor of under-utilisation in the valuation, by discounting the building value with the utilisation rate of 54.0%. In the opinion of the valuer, temporarily or seasonally idle areas as well as those expected to be idle were not treated as permanently vacant in the utilisation assessment for valuation purposes. However, management of the Company considered that the areas within the land and buildings which are currently being idle would remain idle in the foreseeable future and the fact that the Group had attempted to identify a third party to take up the property but to no avail. Accordingly, management of the Company has adopted the current utilisation rate of 40.8% to determine the fair value of the Group's land and buildings under the applicable accounting standards for impairment assessment purposes. For details, please refer to page 10 of the Company's annual report for the year ended 31 March 2025 for the basis and reasons of the Group's assessments which resulted in the aforesaid difference.

It is expected that upon surrender of the Lease, any remaining net book value of the Premises at the time would be derecognised and give rise to a one-off loss to be recognised in the Company's consolidated statement of profit or loss and other comprehensive income (the "**P&L Statement**"). Expenses incurred incidental to the surrender of the Lease such as professional and legal fees, including those incurred by HKSTP and borne by IWS Promotion in accordance with the terms of the Agreement, will also be recognised in the P&L Statement.

Based on the above, it is expected that the Group will realise a loss on the surrender of the Lease of approximately HK$156 million, which is calculated by reference to (i) the zero consideration of surrender of the Lease; (ii) the net book value of the Premises of approximately HK$151 million as at 31 March 2025; and (iii) the estimated transaction expenses incidental to the surrender of the Lease.

Shareholders should note that the actual amount of the loss on the surrender of the Lease to be recorded in the financial statements of the Group will be subject to audit and therefore may vary from the figure provided above.

In addition, as mentioned in the paragraph headed "Reasons for entering into the Agreement" above, the Premises are currently being used for, among others, the CMDS operations. Apart from CMDS operations, the Group is also principally engaged in the (i) provision of logistics services (the "**Logistics Business**"); (ii) sales of recovered paper and materials (the "**Recovered Paper and Materials Business**"); and (iii) sales of tissue paper products. The Logistics Business and the Recovered Paper and Materials Business are in large part ancillary to the business of CMDS. Following the surrender of the Lease, the Premises will no longer be available for conducting such business. The Board is currently evaluating the potential impact and exploring alternatives. In this respect as at the Latest Practicable Date, the Company was in negotiations with HKSTP regarding leasing an alternative site located in Tseung Kwan O area so as to continue its businesses, and the Company and HKSTP had principally agreed on the key commercial terms and conditions for leasing the alternative site. As at the Latest Practicable Date, HKSTP was currently undergoing its internal administrative process, including submission to and seeking final approval from the board of directors of HKSTP. HKSTP has indicated that the process may be concluded, and the alternative site be made available to the Group in or around September 2025. As contingency, the Company has concurrently been scouting for other potential sites through various property agents and has so far visited possible sites in Yuen Long, Tuen Mun and Tsing Yi areas.

It should be noted that there is no guarantee that the Company will be able to secure such replacement site on terms acceptable to the Company. According to the terms of the Agreement, IWS Promotion shall deliver vacant possession of the Premises to HKSTP on or before the Surrender Date. In the event that the Company fails to secure a replacement site before the Surrender Date, there may be disruptions and/or suspension of the Company's business operations. Further announcement(s) will be made if and when appropriate.

Since the Lease will be surrendered at zero cost to HKSTP, no proceeds will be generated from the surrender of the Lease.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Agreement as calculated under Rule 14.07 of the Listing Rules exceeds 75%, the surrender of the Lease pursuant to the Agreement constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

EGM

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. At the EGM, ordinary resolution will be proposed to approve, among others, the Agreement and the transactions contemplated thereunder.

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, the proposed resolution will be put to vote by way of poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the Company's website (www.iwsgh.com) and the designated website of the Stock Exchange (www.hkexnews.hk) respectively. Whether or not you are able to attend the EGM in person 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 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 Vistra eVoting Portal (https://evoting.vistra.com) as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof if you so wish. In such event, your proxy form shall be deemed to be revoked.

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 Agreement and would be required to abstain from voting on the ordinary resolution to be proposed at the EGM in respect of the Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Shareholders are concerned. Accordingly, the Directors (including the independent non-executive Directors) recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
On behalf of the Board
Integrated Waste Solutions Group Holdings Limited
Cheng Chi Ming, Brian
Chairman

1. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had:

Loan from a controlling shareholder and loan from non-controlling interests

As at the close of business on 30 June 2025, the Group had an interest-bearing loan due to a controlling shareholder of HK$50,000,000 which is unguaranteed, unsecured and repayable on 15 December 2026; and an interest-bearing loan from non-controlling interests of approximately HK$0.4 million which is unguaranteed, unsecured and repayable on demand.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 30 June 2025, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

2. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the surrender of the Lease and the financial resources available to the Group, including internal resources, the existing cash and bank balances, and the provision of the HK$50 million loan by the controlling shareholder, the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of this circular in the absence of any unforeseen circumstances.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

As mentioned under the paragraph headed "letter from the Board — Reasons for entering into the Agreement" in this circular, the Board decided to make the Offer in order to minimise the financial and operational impact that may arise from the under-utilisation of the Premises. It is expected that the Group will realise a loss on the surrender of the Lease of approximately HK$156 million, which is calculated by reference to (i) the zero consideration of surrender of the Lease; (ii) the net book value of the Premises of approximately HK$151 million as at 31 March 2025; and (iii) the estimated transaction expenses incidental to the surrender of the Lease. Although the surrender of the Lease might have short-term disruptions to the Group's business operations, the Company expects stable revenue streams from its high-quality CMDS services and an efficient logistics fleet. The expansion of the waste producer responsibility scheme in Hong Kong is expected to increase collection and processing volumes over the next few years, presenting promising growth prospects for the Group's WEEE segment. The Directors will endeavour to minimise any adverse impact and continue enhancing operational efficiency in core segments while integrating ESG principles to promote sustainability throughout the operations of the Group.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. EFFECTS OF THE SURRENDER OF THE LEASE ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Following completion of the surrender of the Lease, the Group will vacate and deliver to HKSTP vacant possession of the Premises and any remaining net book value of the Premises at the time would be derecognised in the consolidated financial statements of the Group.

The financial effects of the Surrender on the Group as if the Surrender had taken place and had been completed on 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, would be as follows:

(a) As for assets and liabilities of the Group, the total assets will decrease by approximately HK$156 million while cash and cash equivalents will decrease by approximately HK$5 million upon the completion of the Surrender. There will be no change to the total liabilities of the Group.

(b) It is expected that, subject to audit, there will be no material financial impact to the revenue of the Group after the completion of the surrender of the Lease as the Premises is not a revenue-generating asset of the Group.

(c) It is expected that, subject to audit, the Group will realise a loss on the surrender of the Lease of approximately HK$156 million, which is calculated by reference to (i) the zero consideration of surrender of the Lease; (ii) the net book value of the Premises of approximately HK$151 million as at 31 March 2025; and (iii) the estimated transaction expenses incidental to the surrender of the Lease.

Set out below is the management discussion and analysis of the Group for the three years ended 31 March 2023, 2024 and 2025, which are extracted respectively from the Company's annual reports for the year ended 31 March 2023 (from pages 10 to 18), the year ended 31 March 2024 (from pages 9 to 17) and the year ended 31 March 2025 (from pages 9 to 17).

1. For the year ended 31 March 2023

GROUP REVIEW

Integrated Waste Solutions Group Holdings Limited is a leading solid-waste solutions provider in Hong Kong, specializing in waste collection, recycling, and treatment businesses. Our Group offers waste management services related to Confidential Materials Destruction Services ("**CMDS**"), Waste Electrical and Electronic Equipment ("**WEEE**") treatment and recycling, and other recyclable waste to a diverse range of customers in both the public and private sectors.

As a responsible business, we understand the importance of our role in resolving waste handling and disposal issues in Hong Kong and Mainland China, and we strive to address our customers' current and evolving needs proactively. Therefore, we have been diversifying our waste management and recycling businesses and expanding them to cover Mainland China. Our hazardous waste treatment project in Lianyungang City, Jiangsu Province, is fully operational and to increase our total treatment capacity, our second hazardous waste treatment facility located in Kaifeng City, Henan Province, commenced operations in January 2023.

MARKET REVIEW

The Group is cautiously optimistic about a potential volume recovery in the aftermath of the global pandemic. Recent policy measures by the Hong Kong SAR government on waste management, such as the Producer Responsibility Scheme ("**PRS**") implemented for municipal solid waste, plastic bags, and plastic beverage containers, present new opportunities for the recycling industry and are part of the solutions to efficient waste management.

FINANCIAL REVIEW

Loss attributable to equity shareholders of the Company for the year ended 31 March 2023 ("**FY2023**") amounted to HK$39.8 million, an increase of HK$12.2 million compared to the year ended 31 March 2022 ("**FY2022**").

Results of operating segments improved by HK$2.4 million, as there was subsidy income of HK$2.6 million received from the Hong Kong SAR government in FY2023. Net corporate expenses, however, increased by HK$7.9 million or 20.1%, was mainly due to the recognition of foreign exchange loss of HK$4.2 million in FY2023 (FY2022: foreign exchange gain of HK$2.0 million), causing by the depreciation of the Renminbi.

Due to the decline in profitability of the business, an impairment loss on property, plant and equipment of HK$16.7 million was provided by the joint venture, RGF Environmental New Material Limited ("**RGF**"), during the year ended 31 March 2023. Accordingly, the Group has recognized its share of HK$8.2 million loss in the share of results of joint ventures for the year.

	FY2023	FY2022	Fav./(Unfav.)	Change
	HK$'000	*HK$'000*	*HK$'000*	*%*
Results of Operating Segments	**10,295**	7,869	**2,426**	**30.8**
Net Corporate expenses	**(47,452)**	(39,511)	**(7,941)**	**(20.1)**
	(37,157)	(31,642)	**(5,515)**	**(17.4)**
Share of results of an associate	**(2,111)**	(2,373)	**262**	**(11.0)**
Share of results of joint ventures	**7,647**	6,436	**1,211**	**18.8**
Non-operating item:				
Impairment loss of property, plant and equipment	**(8,179)***	—	**(8,179)**	**N/A**
Loss attributable to equity shareholders of the Company	**(39,800)**	(27,579)	**(12,221)**	**(44.3)**

* The amount was recognized in the share of results of joint ventures of the Group in FY2023.

Revenue Analysis

	FY2023	FY2022	Fav./(Unfav.)	Change
	HK$'000	*HK$'000*	*HK$'000*	*%*
Sales of recovered paper and materials				
— Sales of recovered paper	**21,882**	20,040	**1,842**	**9.2**
— Sales of other waste materials	**181**	70	**111**	**158.6**
	22,063	20,110	**1,953**	**9.7**
CMDS service income	**15,848**	15,944	**(96)**	**(0.6)**
Sales of tissue paper products	**809**	1,639	**(830)**	**(50.6)**
Logistics service income	**3,618**	4,431	**(813)**	**(18.3)**
	42,338	42,124	**214**	**0.5**

The Group's revenue from **Recovered Paper** business increased by HK$1.8 million or 9.2% despite a drop in sales volume of 3.2%. This stable performance was due to a rise in product price of 12.8%. Sales revenue of recovered office paper generated from the CMDS services has increased by 1.3%, due to the increase in selling price of 13.0%. We are continuously exploring opportunities to acquire new clients and taking appropriate measures for long-term development.

The Group's revenue from service income of **CMDS** decreased slightly by HK$0.1 million or 0.6%, to approximately HK$15.8 million. The overall sentiment and activity level improved, and the segment's performance was on track, particularly after the impact of COVID-19 subsided since January 2023. With a diverse customer base that includes government authorities, financial and professional institutions, and private corporations in Hong Kong, we expect the income from this segment to steadily improve.

Our joint venture with ALBA Group for the treatment and recycling of **WEEE** contributed income of HK$12.3 million to the Group in FY2023, represents an increase of HK$1.8 million or 17.4% compared to FY2022. We are confident that the Group will be able to expand the scope of WEEE operation to enhance revenue growth.

Our **Logistics** division primarily focuses on providing support services to other business segments of the Group, and it also plays a major role in the transportation of WEEE items. In FY2023, the number of trips decreased due to the impact of COVID-19, and service income declined by HK$0.8 million or 18.3%.

RGF, our joint venture for the production of **recycled engineering plastic pellets**, has transformed itself into an OEM solution provider for plastic wastes. During the year ended 31 March 2023, an impairment loss on property, plant and equipment of HK$16.7 million was provided by the joint venture due to the decline in profitability of the business. Accordingly, the Group has recognized its share of HK$8.2 million loss in the share of results of joint ventures for the year.

The Group's **Hazardous Waste Treatment** project in Mainland China operates through Dugong IWS HAZ Limited. While the operation in Lianyungang, Jiangsu, was impacted by the shutdown of operations due to the COVID-19 pandemic, our second project located in Kaifeng, Henan, commenced operations in January 2023. Environmental policies in Mainland China offer vast opportunities for waste treatment, and we are confident that the total treatment capacity will continue to ramp up, which will boost the Group's revenue.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of HK$25.0 million in FY2023, which decreased by HK$0.2 million or 0.6% when compared to FY2022. The gross profit margin of the Group decreased slightly from 59.7% in FY2022 to 59.0% in FY2023. Both gross profit and gross profit margin of FY2023 remained stable as FY2022.

Selling, Distribution, Administrative and Other Operating Expenses

Selling, distribution, administrative and other operating expenses amounted to a total of HK$73.0 million, representing a decrease of HK$3.4 million compared to FY2022. The reduction in these expenditures was due to the cost control measures initiated by the management throughout the year.

Loss Before Interest, Tax, Depreciation and Amortisation ("LBITDA")

With the increase in total share of loss from joint ventures and associate, together with the recognition of foreign exchange loss in FY2023, LBITDA for the year rose by approximately HK$12.5 million, from HK$7.1 million in FY2022 to HK$19.6 million in FY2023.

Liquidity and Financial Resources

The Group operates a centralized treasury function to monitor its cash position, cashflow and funding requirements. The Group recognizes the need to achieve an adequate profit margin and considers it prudent to finance the Group's long-term growth by long-term financing, especially in the form of equity, which will not increase the Group's finance costs. The Group also acknowledges that it will encounter difficulty in raising funds from financial institutions by way of debt financing because of its recent financial performance and positions. During the year ended 31 March 2023, the Group had no financing exercise undertaken, except for the grant of loan from non-controlling interests shareholder of HK$0.4 million which is unsecured and repayable on demand, and all capital expenditure incurred was financed by internal resources.

As at 31 March 2023, the Group had unrestricted bank deposits and cash of approximately HK$74.4 million (2022: HK$76.5 million). The Group had no bank loans and overdrafts as at 31 March 2023 and accordingly no gearing ratio was presented (2022: Nil).

As at 31 March 2023, the Group had net current assets of approximately HK$117.6 million, as compared to approximately HK$142.3 million as at 31 March 2022. The current ratio of the Group was 9.7 as at 31 March 2023 as compared to 11.4 as at 31 March 2022.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of its sales denominated in Hong Kong dollars. Most of raw materials purchases are denominated in Hong Kong dollars. Furthermore, most of the Group's monetary assets and liabilities are denominated in Hong Kong dollars, Renminbi and United States dollars. Certain associate/joint venture companies have local currency project loans in place and these are naturally hedged against the investments in the same local currency of the entity concerned.

For the year ended 31 March 2023, the Group recorded a net foreign exchange loss of HK$4.2 million (2022: foreign exchange gain of HK$2.0 million) due to depreciation of the Renminbi during the year. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

Major Capital Expenditure and Commitments

During the current financial year, the Group incurred approximately HK$1.7 million for the capital expenditure in respect of the headquarters of the Group in Tseung Kwan O Industrial Estate, Hong Kong. As at 31 March 2023, the Group has capital commitments of approximately HK$0.6 million, which are mainly related to the acquisition of I.T. infrastructure.

Pledge of Assets

As at 31 March 2023, the Group had no restricted or pledged bank deposits (2022: Nil).

Capital Structure

Details of the capital structure and the share scheme of the Company are set out in Note 22 to the financial statements for the year ended 31 March 2023 on pages 117 to 120 of the Company's 2023 Annual Report.

Investments in associate/joint ventures

Details of the Group's investments in associate/joint ventures are set out in Notes 13 and 14 to the financial statements for the year ended 31 March 2023 on pages 100 to 109 of the Company's 2023 Annual Report.

Contingent Liabilities

As at 31 March 2023, the Group has, upon receiving legal advice, lodged certain claims against a former director and employee, the outcomes of which remain to be seen.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is a trusted integrated waste solutions provider in Hong Kong and Mainland China, with a commitment to sustainability that aligns with the demand from our customers for more recovery from waste materials. We recognize our share of environmental and social responsibilities and are dedicated to ensuring a sustainable future. By integrating environmental, social, and governance ("**ESG**") considerations into our daily business operations, we aim to contribute to the resolution of sustainability issues.

We have published details of our ESG performance in the Group's ESG report, which is available on the websites of the Stock Exchange and the Group, in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**"). This section explains the Group's environmental policy and our relationship with our key stakeholder groups.

Environmental Policy and Compliance

As an integrated waste solutions provider, we are committed to providing efficient waste management services and implementing effective practices to safeguard the environment. We have set quantitative environmental objectives, including water-saving measures and wastewater reduction, in accordance with our ISO 14001:2015 certified environmental management system.

The Group identifies environmental risks that our operations might entail and develops remedial initiatives on an ongoing basis. We implement control procedures and measures to mitigate the environmental impacts of our business operations, such as strategic route planning to ensure emission control in our logistics fleet. During the year, we expanded our rooftop solar energy system by adding another 430 panels and conducted an LED retrofit in our CMDS workshop.

We strictly adhere to all applicable environmental laws and regulations, including but not limited to the Waste Disposal Ordinance, Water Pollution Control Ordinance, and Air Pollution Control Ordinance. During the Reporting Period, we were not aware of any instances of non-compliance with laws and regulations that have a significant impact on the Group relating to environmental laws and regulations.

Engagement with Stakeholders

The Group values its relationship with stakeholders and spares no effort to maintain close ties with them. We have established various communication channels to engage stakeholders from different sectors and backgrounds, including employees, customers, investors, NGOs, suppliers, and subcontractors. This process forms an integral part of our determination of the influence our operations have on stakeholders' decision-making and the impact on the environment, economy, and community.

We believe that engaging with our stakeholders is crucial to understanding their expectations and needs. This enables us to develop and implement effective strategies that address their concerns and contribute to the sustainable development of our business.

Employees

At the Group, we recognize that our success depends on the contribution of each employee, and we strive to provide them with the tools they need to safely execute their roles and develop and excel in their careers. As of 31 March 2023, we had a total of 98 employees, and employee costs, including directors' emoluments, amounted to HK$40.4 million for FY2023 (FY2022: HK$44.7 million).

In addition to complying with relevant employment laws, we respect the rights of our employees and adhere to fair employment practices in recruitment, appraisal, and the provision of welfare and benefits. We recognize each individual employee at every stage of employment and have zero tolerance for any form of discrimination. An employee grievance mechanism is in place to address employees' concerns and needs.

A large number of our employees work as drivers, heavy equipment operators, and sorters, jobs that involve risk hazards. Our Safety Management Committee is responsible for overseeing employees' health and safety and ensuring compliance with relevant laws and regulations related to occupational health and safety. During the Reporting Period, our CMDS and RGF operations were both awarded accolades for health and safety.

We value the contribution of our employees to the Group and are committed to supporting their career development. We offer a wide range of internal and external training schemes to enhance their professional skills. Our training and development programs include but are not limited to the Code of Conduct, safety, environmental protection, and professional development.

Customers

The Group is uniquely equipped to meet the needs of our customers related to waste management, both today and in the future as we work together to create a more sustainable world. We have the expertise necessary to collect and handle waste efficiently and responsibly, maximizing resource value and minimizing environmental impact, so that both our customers and our environment can thrive.

We engage our customers through an annual satisfaction survey and grievance mechanism, ensuring that feedback is collected, rectification measures are taken, and service quality is improved on an ongoing basis. This allows us to understand our customers' needs and expectations, and tailor our services to meet those requirements. We believe that open communication with our customers is essential to building long-term relationships and contributing to the sustainable development of our business.

By continuously improving our services and processes, we aim to be the preferred partner for waste management solutions for our customers. We are committed to providing quality services that exceed our customers' expectations while minimizing our environmental impact.

Suppliers

We value our relationship with our suppliers and maintain a broad network of suppliers and subcontractors who share environmental and social responsibilities related to our operations. We have a selection criterion in place to ensure suppliers meet our standards on quality and ESG requirements, with priority given to suppliers with environment-friendly measures. For existing suppliers, we assess their performance annually based on price, product and service quality, cooperation, on-time delivery, and performance in meeting environmental requirements. Suppliers with unsatisfactory performance are removed from our supplier list.

We believe that working closely with our suppliers and subcontractors is essential to achieving our sustainability goals. By selecting and working with suppliers who share our values and commitment to sustainability, we can create a more sustainable supply chain and minimize our environmental impact.

Community

We seek opportunities to contribute to the well-being of the communities where we operate. This year, we collaborated with an NGO to offer free logistic services for waste collection, with the goal of expanding this service in the future. We believe that this initiative can help to reduce the environmental impact of waste and promote sustainable waste management practices.

We also continued to participate in Earth Hour, an annual global event that raises awareness about climate change. This event is an opportunity for us to engage our employees and encourage them to take action to reduce their carbon footprint. By participating in this event, we hope to inspire our employees to adopt environmentally friendly practices in their daily lives and contribute to a more sustainable future.

PROSPECTS

Although there is still uncertainty regarding the possibility of a resurgence of COVID-19 variants or other pandemic conditions that could impact our business in the future, we remain optimistic about volume recovery. We expect stable revenue streams from our high-quality CMDS services and an efficient logistics fleet. Additionally, our joint venture operations in WEEE and hazardous waste treatment will also provide steady sources of income.

As we transform into a high value-added business, we will continue to strive towards our goal of becoming one of the most reputable integrated waste solutions providers in Hong Kong and Greater China. We are committed to providing innovative and sustainable solutions that meet our customers' evolving needs while minimizing our environmental impact. We will continue to invest in technology, infrastructure, and talent development to enhance our capabilities and maintain our competitive edge.

We believe that our commitment to sustainability and our strong relationship with our stakeholders, including customers, employees, and suppliers, will enable us to navigate the challenges ahead and emerge as a more resilient and successful business. We remain focused on creating long-term value for all our stakeholders and contributing to the sustainable development of our communities.

2. For the year ended 31 March 2024

GROUP REVIEW

Integrated Waste Solutions Group Holdings Limited ("**IWS**") is a premier waste management solutions provider in Hong Kong with a comprehensive suite of services covering waste collection, recycling and treatment. The Group provides waste management services such as Confidential Materials Destruction Services ("**CMDS**") and disposal and recycling of Waste Electrical and Electronic Equipment ("**WEEE**") as well as some other recyclable waste, to a broad range of customers in both public and private sectors.

In response to the waste handling industry's dynamic landscape, we have diversified our operations and expanded into Mainland China. Hazardous waste treatment projects in Lianyungang City, Jiangsu Province, and Kaifeng City, Henan Province constitute strategic expansion to handle more of hazardous waste safely and efficiently, thereby contributing to more sustainable growth of the nation's economy.

Aligning with the Group's goal of transforming itself into a high-value-added integrated waste solutions provider in Hong Kong and Mainland China, the Group has invested in An Jie Supply Chain Management Co., Ltd. ("**An Jie**"), securities of which are listed on the National Equities Exchange And Quotations (NEEQ: 870009). An Jie's operations cover comprehensive supply chain solutions, including logistics, warehousing services and transportation of hazardous chemicals. An Jie is one of the leading operators in Guangdong Province and holds specific licenses to transport and handle hazardous chemical items which include lithium-ion batteries and raw materials used in its production in the fast-growing new energy sector.

MARKET REVIEW

The global economy has started recovering post-pandemic but challenges still linger in terms of growth in overall consumption in various segments of the economy. The waste management industry has been significantly impacted by the pandemic as there have been significant declines in industrial activities and consumption of goods and paper generation, which has consequently influenced composition of the waste generated as well as the recycling dynamics.

Intense competition, particularly in hazardous waste treatment segment in Mainland China, continues to alter the industry dynamics in different ways. Waste management firms are proactively adjusting their operational strategies to sustain competitiveness amid evolving market conditions. In the post-pandemic economic climate, waste generation patterns have changed because industrial demand is showing signs of stagnation.

Despite these challenges, the Group expects new growth opportunities to emerge in the wake of expanding waste handling and recycling regulations in Hong Kong and Mainland China. The upcoming enhancement of the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment ("**WPRS**"), effective 1 July 2024, will bring more electrical equipment in the ambit of the Scheme. This expansion is expected to boost volume and revenue in the WEEE recycling industry. The Group has already started preparing to effectively seize this opportunity and remains confident of navigating the associated regulatory changes.

FINANCIAL REVIEW

Loss attributable to equity shareholders of the Company for the year ended 31 March 2024 ("**FY2024**") amounted to HK$64.7 million, an increase of HK$24.9 million compared to the year ended 31 March 2023 ("**FY2023**").

	FY2024	FY2023	**Fav./(Unfav.)**	**Change**
	HK$'000	*HK$'000*	***HK$'000***	**%**
Results of operating segments	**7,359**	10,295	**(2,936)**	**(28.5)**
Net corporate expenses	**(49,334)**	(47,452)	**(1,882)**	**(4.0)**
	(41,975)	(37,157)	**(4,818)**	**(13.0)**
Share of results of associates	**(8,726)**	(2,111)	**(6,615)**	**(313.4)**
Share of results of joint ventures	**8,154**	7,647	**507**	**6.6**
Non-operating item:				
Impairment of interests in a joint venture	**(22,185)**	(8,179)*	**(14,006)**	**(171.2)**
Loss attributable to equity shareholders of the Company	**(64,732)**	(39,800)	**(24,932)**	**(62.6)**

* The amount was recognised in the share in results of joint ventures of the Group in FY2023.

Revenue Analysis

	FY2024	FY2023	Fav./(Unfav.)	Change
	HK$'000	*HK$'000*	*HK$'000*	*%*
Sales of recovered paper and materials				
— Sales of recovered paper	**21,335**	21,882	**(547)**	**(2.5)**
— Sales of other waste materials	**175**	181	**(6)**	**(3.3)**
	21,510	22,063	**(553)**	**(2.5)**
CMDS service income	**17,899**	15,848	**2,051**	**12.9**
Sales of tissue paper products	**991**	809	**182**	**22.5**
Logistics service income	**2,298**	3,618	**(1,320)**	**(36.5)**
	42,698	42,338	**360**	**0.9**

The Group's revenue from **Recovered Paper** business slightly decreased by HK$0.6 million or 2.5% due to a small drop in volume and prices. In the post-pandemic era, many economic activities are yet to pick up which affect our recycled paper collection and hence reduction in sales. Sales revenue from recovered office paper generated from the CMDS services decreased by HK$0.8 million. Accordingly, the gross profit of recovered paper trading decreased from HK$13.4 million to HK$12.7 million, while gross profit margin remain stable at 61.3% in FY2023 and 59.5% in FY2024.

The Group's revenue from **CMDS** increased to approximately HK$17.9 million, representing a 12.9% rise. The increase in CMDS revenue was primarily driven by the non-paper segment, largely due to successful acquisitions of new clients. Additionally, the paper segment also recorded a slight increase in revenue.

Our joint venture with the ALBA Group for **WEEE** treatment and recycling experienced a decrease in profit by 8.2% to HK$45.0 million, primarily due to lower consumption of new equipment by the economy and the lack of government subsidies in FY2024. Despite these challenges, the Group foresees significant growth opportunities stemming from the upcoming enlargement of WEEE recycling regulations which will cover small electrical appliances and computers, which would drive an increase in WEEE processing volumes and the associated revenue. The management team is actively preparing for this expansion and is confident of its ability to handle the increased workload effectively and seize the opportunities created by regulatory changes.

Our **Logistics** division primarily focuses on providing support services to other business segments of the Group, and it also plays a major role in the transportation of WEEE items to the treatment plant of our joint venture. However, logistics service income has decreased by HK$1.3 million or 36.5% to HK$2.3 million in FY2024, as our joint venture has undertaken certain logistic function since July 2022 due to its cost optimization strategy. The challenges arisen from lackluster economic conditions and weak retail sales also lead to a decline in number of trips and a reduction in service income. Subdued consumer spending on electrical and electronic products has impacted demand for transportation and distribution services.

The Group's **Hazardous Waste Treatment** business in Mainland China operates through Dugong IWS HAZ Limited. This business has faced challenging market conditions characterised by intense price competition and stagnant demand, affecting profitability and growth adversely. The share of loss in this associate has increased by HK$6.4 million compared to FY2023.

An Jie, in which the Group has made an investment, operates in the logistics and supply chain sector with a focus on new energy and hazardous materials transportation. An Jie's business scope includes handling lithium batteries and raw materials for renewable energy and electric vehicles. An Jie also specialises in on-site material management, daily customer deliveries, and backend distribution services for finished products. The Group is optimistic about An Jie's growth prospects, especially in the new energy sector, which offers significant growth opportunities.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of HK$25.3 million in FY2024, slightly increased by HK$0.3 million or 1.4% when compared to FY2023, due to the increase in revenue of CMDS driven by increase in service income from non-paper segment. The gross profit margin of the Group also increased slightly from 59.0% in FY2023 to 59.4% in FY2024.

Selling, Distribution, Administrative and Other Operating Expenses

Selling, distribution, administrative and other operating expenses amounted to a total of HK$75.4 million, representing a slight increase of HK$2.4 million or 3.2% compared to FY2023.

Loss before Interest, Tax, Depreciation and Amortisation ("LBITDA")

Owing to the provision for impairment loss on the amounts due from a joint venture and increase in share of losses from associates, LBITDA for the year rose by approximately HK$23.6 million, from HK$19.6 million in FY2023 to HK$43.2 million in FY2024.

Liquidity and Financial Resources

The Group operates a centralised treasury function to monitor its cashflow and funding requirements. The Group considers it prudent to finance long-term growth by long-term modes of financing and especially prefers equity when appropriate since it does not increase recurring finance costs. The Group acknowledges that it may encounter difficulties in raising funds from financial institutions by way of debt because of its recent financial performance. During the year ended 31 March 2024, a 3-year unsecured interest-bearing loan of HK$50.0 million was granted by the controlling shareholder, Chow Tai Fook Nominee Limited, to finance part of the purchase consideration of interests in An Jie. The loan is repayable in full on 15 December 2026.

As at 31 March 2024, the Group had unrestricted bank deposits and cash of approximately HK$50.7 million (2023: HK$74.4 million). The Group had a loan from non-controlling interests of approximately HK$0.4 million which is unsecured and repayable on demand (2023: HK$0.4 million). The Group had no bank loans and overdrafts as at 31 March 2024 (2023: Nil). The Group has a positive net debt balance of HK$0.3 million (cash in hand less loan from a controlling shareholder and loan from non-controlling interests) and accordingly no gearing ratio (net debt over total equity) was presented (2023: Nil).

As at 31 March 2024, the Group had net current assets of approximately HK$72.4 million, as compared to approximately HK$117.6 million as at 31 March 2023. The current ratio of the Group was 7.7 as at 31 March 2024 as compared to 9.7 as at 31 March 2023.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and most of its sales are denominated in Hong Kong dollars. Most of the raw materials purchases are denominated in Hong Kong dollars. Furthermore, most of the Group's monetary assets and liabilities are denominated in Hong Kong dollars, Renminbi and United States dollars. Certain associate/joint venture companies have local currency project loans in place and these are naturally hedged against the investments in the same local currency of the entity concerned.

For the year ended 31 March 2024, the Group recorded a net foreign exchange loss of HK$2.0 million (2023: HK$4.2 million) due to depreciation of the Renminbi during the year. The Group has not used any forward contracts or other means to hedge its foreign currency exposure.

Major Capital Expenditure and Commitments

During the year ended 31 March 2024, the Group incurred HK$4.8 million for the capital expenditure in respect of headquarters of the Group in Tseung Kwan O Industrial Estate, Hong Kong. As at 31 March 2024, the Group has no material capital expenditure commitments.

Pledge of Assets

As at 31 March 2024, the Group had no pledge of assets (2023: Nil).

Capital Structure

Details of the capital structure and the share scheme of the Company are set out in Note 24 to the financial statements for the year ended 31 March 2024 on page 112 of the Company's 2024 Annual Report.

Investments in associates/joint ventures

Details of the Group's investments in associates/joint ventures are set out in Notes 13 and 14 to the financial statements for the year ended 31 March 2024 on pages 96 to 104 of the Company's 2024 Annual Report. In January 2024, the Group has invested in 13.16% of An Jie Supply Chain Management Co., Ltd. ("**An Jie**"), securities of which are listed on the National Equities Exchange And Quotations (NEEQ: 870009). The investment constituted a very substantial acquisition of the Company under the Listing Rules. Summarised financial information of An Jie is also set out in Note 13 to the financial statements on pages 99 to 100 of the Company's 2024 Annual Report.

Contingent Liabilities

As at 31 March 2024, the Group had, upon receiving legal advice, lodged certain claims against a former director and employee, the outcome of which remains uncertain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is a reputable integrated waste solutions provider in Hong Kong and Mainland China, committed to sustainability and meeting the evolving demands of its customers for enhanced waste recovery practices. We recognise our environmental and social responsibilities and are dedicated to contribute to shaping a sustainable future for the society and the economy. By embedding environmental, social, and governance ("**ESG**") considerations in our daily business operations, we strive to address sustainability challenges effectively.

Our ESG performance is detailed in the annual ESG report, accessible on both the Stock Exchange and our company website. This report is in compliance with the ESG Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**") and explains the Group's environmental policy and its relationship with key stakeholder groups.

Environmental Policy and Compliance

As an integrated waste solutions provider, we are committed to delivering efficient waste management services while prioritising environmental protection. Our commitment is reflected in the quantitative environmental targets we have set for ourselves, such as implementing water-saving measures and reducing wastewater, aligning with the ISO 14001:2015 certified environmental management system.

During the Reporting Period, all washroom faucets in the office area have been installed with water-saving devices, aiming to reduce water consumption by approximately 20%. The Group was able to secure assistance from the CLP Eco Building Fund, enabling the replacement of 215 sets of existing fluorescent lamps with new LED lamps in the workshop and warehouse areas of our headquarters. These new LED lamps are designed to operate at a significantly higher level of efficiency compared to the previous fluorescent lighting, providing equivalent illumination while consuming less energy.

We strictly comply with all relevant environmental laws and regulations, including the Waste Disposal Ordinance, Water Pollution Control Ordinance, and Air Pollution Control Ordinance. Throughout the Reporting Period, the Group remained vigilant and did not encounter any instances of non-compliance with these laws and regulations that could significantly impact its operations.

Stakeholders Engagement

The Group places high value on its relationships with stakeholders and is committed to maintaining regular interactions with them. We have established diverse communication channels to engage stakeholders from various sectors and backgrounds, including employees, customers, investors, NGOs, suppliers and subcontractors. This engagement process is integral to understanding the influence of our operations on stakeholders' decision-making processes and the broader impact on the environment, economy and community. For more information on our stakeholder engagement methods, please refer to our website, where we outline our approach aimed at fostering meaningful dialogue and collaboration with our stakeholders.

Employees

We deeply value the contribution of each employee and view this as integral to our success. We are committed to equipping our employees with the necessary tools and resources to safely and effectively perform their roles, while also supporting their professional development and growth within the Group. As at 31 March 2024, we had a total of 99 employees, and employee costs, including directors' emoluments, amounted to HK$42.7 million for FY2024 (FY2023: HK$40.4 million).

In addition to complying with applicable employment laws, we respect the rights of our employees and follow fair employment practices across recruitment, performance appraisal, and the provision of welfare and benefits. We value each employee at every stage of employment and maintain a zero-tolerance policy against discrimination of any kind. Our commitment to supporting our employees is reflected in the existence of an employee grievance mechanism designed to address and resolve any concerns or needs they may have. This ensures a supportive and inclusive workplace environment where every individual feels valued and respected.

A significant portion of our workforce comprises drivers, heavy equipment operators and sorters, whose work involves potential occupational safety risks. Our Safety Management Committee is responsible for overseeing employee health and safety, ensuring compliance with pertinent laws and regulations in this regard. During the Reporting Period, CMDS was certified as OSH Star Enterprise by the Occupational Safety and Health Council ("**OSHC**").

We highly value contributions of employees to the Group and remain committed to fostering their career development. We offer comprehensive internal and external training programmes aimed at enhancing their professional skills. These training initiatives cover topics such as the Code of Conduct, safety protocols, environmental protection and ongoing professional development.

Customers

The Group places strong emphasis on customer satisfaction and information security. An annual customer satisfaction survey is conducted to gain insights into customer needs and preferences, ensuring proactive engagement. During the Reporting Period, the Group achieved a customer satisfaction rate of 90%, meeting its target. Each customer complaint is diligently investigated and analysed to devise personalised solutions, facilitating continuous enhancement of service quality. Grievance mechanism is in place to gather feedback, implement corrective actions, and consistently improve service standards.

In terms of information security, the Group has attained ISO 27001 certification, demonstrating a comprehensive approach to risk assessment and mitigation. The Information Management Committee identifies and assesses all information assets and associated risks and assigns responsible personnel for each risk, besides establishing standards and processes for security risk evaluation. The thorough risk analysis helps prioritise and manage risks effectively, leading to the formulation of policies, operational procedures, and contingency plans to prevent and mitigate potential information security incidents.

Annual training sessions on information security are provided by external consultant to equip various departments with updated knowledge and skills, ensuring a cohesive approach towards maintaining data integrity and safeguarding against security breaches. During the Reporting Period, there were no customer data leaks or security violations. The Group remains committed to customer-centricity and robust information security practices, fostering sustained growth and stakeholder confidence.

Suppliers

The Group highly values its relationships with suppliers and maintains an extensive network of partners who share our commitment to environmental and social responsibility. Our supplier selection process is rigorous, ensuring that all suppliers meet our stringent standards for ESG practices. Priority is given to suppliers who demonstrate proactive measures to minimise their environmental footprint.

Each year, we assess the performance of our existing suppliers based on various criteria including price competitiveness, product and service quality, cooperation, on-time delivery, and adherence to environmental standards. Suppliers who do not meet our expectations are carefully reviewed and, if necessary, replaced to maintain the highest standards in all aspects, across the entire supply chain. During the Reporting Period, 100% of the suppliers passed our verification processes. We believe by partnering with like-minded suppliers who share our values, we can collectively work towards creating a more sustainable supply chain and reduce our overall environmental impact.

Business Integrity

The Group ensures integrity in its business through proactive measures aimed at promoting ethical conduct and transparency in its operations. We conduct anti-corruption training for frontline staff, ensuring they understand ethical practices and the importance of accountability. Additionally, each of our directors participated in anti-corruption training last year. By prioritising comprehensive training initiatives, we aim to strengthen our culture of integrity and uphold our values of honesty and transparency in all aspects of our operations.

PROSPECTS

The economic recovery post-pandemic presents both challenges and opportunities for the Group. Despite shifts in waste generation patterns and intensified price competition, particularly in hazardous waste treatment segments, IWS remains confident in its ability to adapt and thrive. We anticipate substantial growth opportunities driven by forthcoming regulatory expansions in WEEE recycling in Hong Kong and are well-prepared to effectively manage regulatory changes and broaden the scope of our operations. The Group is well-positioned to deliver sustained value to stakeholders and capitalise on emerging opportunities in the evolving waste management industry.

Looking ahead, with a focus on strategic investments, operational optimisation and regulatory readiness, the Group is ready to adapt to and benefit from evolving market dynamics. As the industry undergoes transformation, the Group remains committed to delivering long-term value and sustainable solutions, solidifying its position as a premier waste management solutions provider in both Hong Kong and Mainland China.

3. For the year ended 31 March 2025

GROUP REVIEW

Integrated Waste Solutions Group Holdings Limited is a leading provider of integrated environmental services, offering a diversified business portfolio encompassing waste management, recycling and treatment, logistics, and supply chain management solutions. With operations spanning Hong Kong and Mainland China, the Group is dedicated to supporting both public and private sector clients in achieving sustainable resource management and ensuring regulatory compliance. Our business segments include Confidential Materials Destruction Services ("**CMDS**"), Recovered Paper and Materials Trading, Logistics Services, Waste Electrical and Electronic Equipment ("**WEEE**") Treatment and Recycling (through a joint venture with ALBA), and Integrated Supply Chain Solutions (through an associate, An Jie Supply Chain Management Co., Ltd.).

In April 2025, the Group has made an offer to Hong Kong Science and Technology Parks Corporation ("**HKSTP**") to surrender the lease of the Group's headquarters at Tseung Kwan O. Following the cessation of plastic recycling and tissue paper production, with only CMDS and logistics operations remaining on-site, the premises have become underutilized, and the associated upkeep costs were no longer justified. As such, the Board approved the surrender of the lease to HKSTP as part of a broader effort to alleviate long-term financial pressures. Plans are now underway to relocate CMDS operations to a new facility, with a focus on maintaining the highest standards of security, confidentiality, and service continuity for our clients.

MARKET REVIEW

The economic environment in FY2025 remained challenging, with Hong Kong's recovery progressing at a slow pace and global volatility impacting business sentiment. Sectors such as retail and manufacturing saw only marginal improvement, and demand in recycling-related industries remained sensitive to pricing fluctuations and policy shifts. Nevertheless, government initiatives to expand recycling regulations created new medium-term prospects for the environmental services industry.

In the recycled materials market, demand for recovered paper remained relatively stable, although average unit prices experienced a modest decline. Market conditions remained competitive, particularly in Mainland China, where the hazardous waste treatment segment had been negatively impacted.

Policy trends in both Hong Kong and Mainland China continued to shape the industry landscape. In July 2024, the HKSAR Government expanded the scope of regulated electrical equipment ("**REE**") through the enhancement of WPRS to cover additional home appliances, opening the door to increased collection and processing volumes.

The logistics and supply chain sector also experienced shifts, particularly in segments related to new energy technologies. While overall demand remained moderate, market activity in energy storage and chemical logistics increased. Price competition intensified, but players that can differentiate on service quality and safety are likely to benefit from long-term structural trends. IWS continues to assess these opportunities in alignment with its longterm strategy.

FINANCIAL REVIEW

Loss attributable to equity shareholders of the Company for the year ended 31 March 2025 ("**FY2025**") amounted to HK$490.1 million, an increase of HK$425.4 million compared to the year ended 31 March 2024 ("**FY2024**"). The significant increase in loss was attributable to the impairment loss provision of HK$356.6 million for the reduction in carrying value of the Group's land and building at Tseung Kwan O and certain machinery as of 31 March 2025 and the increase in share of loss from and impairment provision for the Group's interests in an associate.

During the year ended 31 March 2025, the Group's land and buildings were in under-utilisation status. The Group assessed the recoverable amounts of the land and buildings and as a result the carrying amounts of the land and buildings were written down to their recoverable amount of HK$151.0 million. The recoverable amount is determined based on the fair values less costs of disposal of the land and buildings, using depreciated replacement cost approach by reference to cost for placement of similar assets within the same industry, adjusted for all relevant forms of obsolescence and optimisation. The Group engaged an independent firm of surveyors (the "**valuer**") to assist in the estimation of the fair value of the land and buildings. The valuer had considered factor of under-utilisation in the valuation, by discounting the building value with the utilisation rate of 54.0%. In the opinion of the valuer, temporarily or seasonally idle areas as well as those expected to be idle were not treated as permanently vacant in the utilisation assessment for valuation purposes. However, management considered that the areas within the land and buildings which are currently being idle would remain idle in the foreseeable future and the fact that the Group had attempted to identify a third party to take up the property but to no avail. Accordingly, management has adopted the current utilisation rate of 40.8% to determine the fair value of the Group's land and buildings under the applicable accounting standards for impairment assessment purposes.

As announced by the Company on 30 April 2025, the Group had made an offer to HKSTP to surrender the lease of the Group's land and buildings at zero cost (the "**Surrender**"). The aforementioned recoverable amount would be included in the loss on disposal of land and buildings should the Surrender be completed in the year ending 31 March 2026.

	FY2025	FY2024	**Fav./(Unfav.)**	**Change**
	HK$'000	*HK$'000*	***HK$'000***	*%*
Results of Operating Segments	**937**	7,359	**(6,422)**	**(87.3)**
Net Corporate expenses	**(50,816)**	(49,334)	**(1,482)**	**(3.0)**
	(49,879)	(41,975)	**(7,904)**	**(18.8)**
Share of results of associates	**(57,010)**	(8,726)	**(48,284)**	**(553.3)**
Share of results of joint ventures	**11,703**	8,154	**3,549**	**43.5**
Non-operating/non-recurring items:				
Impairment of profit guarantee receivable	**(4,564)**	—	**(4,564)**	**N/A**
Impairment of property, plant and equipment and right-of-use assets	**(356,569)**	—	**(356,569)**	**N/A**
Impairment of interests in an associate	**(33,826)**	—	**(33,826)**	**N/A**
Impairment of interests in a joint venture	**—**	(22,185)	**22,185**	**100.0**
Loss attributable to equity shareholders of the Company	**(490,145)**	(64,732)	**(425,413)**	**(657.2)**

Results of operating segments decreased by HK$6.4 million or 87.3% which was mainly caused by the decline in profit margin of Recovered Paper and CMDS business in FY2025, and loss of income from RGF Environmental New Material Limited ("**RGF**"), our joint venture engaging in the provision of OEM solution for plastic wastes, which has suspended operation since January 2024 due to the unfavourable economic environment in this business segment.

The share of loss of associates has increased by HK$48.3 million compared to FY2024, due to the Group's **Hazardous Waste Treatment** business. The share of loss of this associate has increased by HK$51.4 million as a result of the continued loss-making status and the impairment of non-current assets shared by the Group of approximately HK$49.7 million. The Group has also recognised provision for impairment loss on the amounts due from and loans receivable from this associate and the profit guarantee receivable amounting to HK$33.8 million and HK$4.6 million respectively in FY2025, of which the Board considered the chance of recovery is remote.

Share of results of joint ventures has been improved by HK$3.5 million or 43.5%, which was contributed by the reduction in share of loss of RGF and the improvement in profitability of our joint venture with ALBA Group.

Revenue Analysis

	FY2025	FY2024	**Fav./(Unfav.)**	**Change**
	HK$'000	*HK$'000*	***HK$'000***	*%*
Sales of recovered paper and materials				
— Sales of recovered paper	**25,863**	21,335	**4,528**	**21.2**
— Sales of other waste materials	**153**	175	**(22)**	**(12.6)**
	26,016	21,510	**4,506**	**20.9**
CMDS service income	**15,477**	17,899	**(2,422)**	**(13.5)**
Sales of tissue paper products	**1,061**	991	**70**	**7.1**
Logistics service income	**2,535**	2,298	**237**	**10.3**
	45,089	42,698	**2,391**	**5.6**

Although average unit prices saw a slight decline of 4.7% due to market conditions, the revenue of **Recovered Paper** business increased year-on-year by HK$4.5 million or 21.2%, to HK$25.9 million, due to an increase in sales quantity of 27.2% during FY2025. The sales revenue of recovered office paper generated from the CMDS services has increased by HK$3.5 million or 19.5%, contributed by the increase in sales quantity of 24.8%. As a result, total revenue for the segment improved by HK$4.5 million or 20.9% despite margin pressure.

CMDS remained one of the core business segments for the Group. Service income has decreased by HK$2.4 million or 13.5% to HK$15.5 million, mainly caused by the reduction in revenue from non-paper destruction services and fee reduction of some pap er services clients. The overall segment performance was still on track. The planned relocation of the CMDS operation, following the proposed lease surrender of the Tseung Kwan O premises, becomes our top priority, particularly in securing a site that meets stringent confidentiality and security standards.

The **WEEE** joint venture with ALBA Group remained operationally stable during the year, with no significant changes in scale or earnings contribution. Following the July 2024 update to HKSAR's WEEE regulations, which expanded the scope of regulated appliances, the Group has been preparing for potential business opportunities. Discussions are also underway as the current contract with ALBA approaches expiry in 2027. During the reporting period, there was an increase in share of profit by HK$0.4 million or 3.8% to HK$11.7 million.

Logistics division primarily focuses on providing support services to other business segments of the Group, and it continued to support our operation in WEEE transport. Revenue increased by HK$0.2 million or 10.3% despite inflationary pressures. The segment faced higher labour costs during the reporting period, while overall service demand remained stable.

With the continuous increase in operating costs and reduction in volume, the Group has decided to cease the production of **Tissue Paper**. During FY2025, the Group has shifted to carry out indent trading of tissue paper products which could maintain a positive trading margin.

The Group's **Hazardous Waste Treatment** business faced competitive pressure in Mainland China. As part of the Group's portfolio realignment, the Kaifeng operation was divested through our associated company to an independent third party. Due to negative business outlook of the industry, the Group will assess and review its investment in Hazardous Waste Treatment to consider available options with the adverse operating environment faced in this segment.

An Jie continued to operate in the specialised logistics sector, serving clients in the new energy vehicle ("**NEV**") and chemical industries. An Jie has contributed share of HK$2.9 million profit to the Group in FY2025. Despite challenges such as intensified price competition and slower-than expected growth in NEV battery logistics, the business secured new contracts, including in the energy storage cabinet segment. The Group is now exp anding tender participation and broadening its market coverage.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of HK$22.9 million in FY2025, decreased by HK$2.4 million or 9.5% when compared to FY2024, mainly due to the decrease in profitability of Recovered Paper and CMDS. The gross profit margin of the Group also decreased from 59.4% in FY2024 to 50.9% in FY2025.

Selling, Distribution, Administrative and Other Operating Expenses

Selling, distribution, administrative and other operating expenses amounted to a total of HK$73.8 million, representing a decrease of HK$1.6 million or 2.2% compared to FY2024.

Loss before Interest, Tax, Depreciation and Amortisation ("LBITDA")

Owing to the provision for impairment loss on property, plant and equipment and right-of-use assets, impairment of amounts due from and loans receivable from an associate, and increase in share of loss of associates, LBITDA for the year rose by approximately HK$421.6 million, from HK$43.2 million in FY2024 to HK$464.8 million in FY2025.

Liquidity and Financial Resources

The Group operates a centralised treasury function to monitor its cashflow and funding requirements. The Group considers it prudent to finance long-term growth by long-term modes of financing and especially prefers equity since it does not increase recurring finance costs. The Group acknowledges that it may encounter difficulties in raising funds from financial institutions by way of debt because of its recent financial performance. During the year ended 31 March 2025, the Group did not raise any finance and all capital expenditure incurred was financed by internal resources.

As at 31 March 2025, the Group had unrestricted bank deposits and cash of approximately HK$43.1 million (2024: HK$50.7 million).

The Group had a loan from non-controlling interests of approximately HK$0.4 million which is unsecured and repayable on demand (2024: HK$0.4 million) and a loan from a controlling shareholder of HK$50.0 million which is unsecured and repayable in full on 15 December 2026 (2024: HK$50.0 million) as at 31 March 2025. The Group had no bank loans and overdrafts as at 31 March 2025 (2024: Nil). The Group has a net debt balance of HK$7.3 million (cash in hand less loan from a controlling shareholder and loan from non-controlling interests) and the gearing ratio of the Group (net debt over total equity) was 3.3% (2024: Nil).

As at 31 March 2025, the Group had net current assets of approximately HK$44.8 million, as compared to approximately HK$72.4 million as at 31 March 2024. The current ratio of the Group was 4.8 as at 31 March 2025 as compared to 7.7 as at 31 March 2024.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and most of its sales are denominated in Hong Kong dollars. Most of the raw materials purchases are denominated in Hong Kong dollars. Furthermore, most of the Group's monetary assets and liabilities are denominated in Hong Kong dollars, Renminbi, and United States dollars. Certain associate/joint venture companies have local currency project loans in place, and these are naturally hedged against the investments in the same local currency of the entity concerned.

For the year ended 31 March 2025, the Group recorded a net foreign exchange loss of HK$1.1 million (2024: HK$2.0 million) due to depreciation of the Renminbi during the year. The Group has not used any forward contracts or other means to hedge its foreign currency exposure.

Major Capital Expenditure and Commitments

During the reporting period, the Group incurred capital expenditure of HK$0.2 million in respect of headquarters of the Group in Tseung Kwan O Industrial Estate, Hong Kong. As at 31 March 2025, the Group has no material capital expenditure commitments.

Pledge of Assets

As at 31 March 2025, the Group had no pledge of assets (2024: Nil).

Capital Sturcture

Details of the capital structure and the share scheme of the Company are set out in Note 24 to the financial statements for the year ended 31 March 2025 on page 107 of the Company's 2025 Annual Report.

Investments in associates/joint ventures

Details of the Group's investments in associates/joint ventures are set out in Notes 13 and 14 to the financial statements for the year ended 31 March 2025 on pages 88 to 97 of the Company's 2025 Annual Report. In January 2024, the Group has invested in 13.16% of An Jie Supply Chain Management Co., Ltd. ("**An Jie**"), securities of which are listed on the National Equities Exchange And Quotations (NEEQ: 870009). The investment constituted a very substantial acquisition of the Company under the Listing Rules. Summarised financial information of An Jie is also set out in Note 13 to the financial statements on pages 92 to 93 of the Company's 2025 Annual Report.

Contingent Liabilities

As at 31 March 2025, the Group had, upon receiving legal advice, lodged certain claims against a former director and employee, the outcome of which remains uncertain.

ENVIRONMENT, SOCIAL AND GOVERNANCE

The Group is a trusted provider of integrated waste solutions in Hong Kong and Mainland China, dedicated to advancing sustainability and supporting the transition to a circular economy. We fully recognize our environmental and social responsibilities and integrate Environmental, Social, and Governance ("**ESG**") principles into our daily operations to address emerging challenges and deliver long-term value to our stakeholders.

Our ESG performance is disclosed in the annual ESG report, which is available on both the Stock Exchange and the Group's official website. The report complies with Appendix C2 of the Listing Rules and provides a comprehensive overview of our environmental policies, performance metrics, and stakeholder engagement initiatives.

Environmental Policy and Compliance

As a leading provider of integrated waste solutions, we are committed to delivering effective waste management services while prioritizing environmental stewardship. This commitment is reflected in our ISO 14001:2015 certified environmental management system and the adoption of measurable targets, such as minimizing wastewater generation and conserving resources.

During the reporting period, we extended the installation of water flow controllers to the ground floor (G/F) and first floor (1/F) areas of the IWS Building, achieving a notable 31% reduction in water consumption. Additionally, the Group participated in the CLP Peak Demand Management Incentive Programme in 2024, contributing to reduced electricity consumption during designated peak periods. Overall, electricity consumption decreased by 31% compared to the previous year.

To further mitigate our environmental footprint, we are progressively increasing the use of B5 biodiesel in our vehicle fleet to replace traditional diesel. This initiative aims to lower carbon emissions while promoting cleaner and more sustainable transportation solutions.

The Group remains fully compliant with all applicable environmental laws and regulations, including the Waste Disposal Ordinance, Water Pollution Control Ordinance, and Air Pollution Control Ordinance. Importantly, no material instances of non-compliance were recorded during the reporting period, demonstrating our unwavering commitment to environmental compliance and best practices.

Stakeholders Engagement

The Group places great importance on building and maintaining strong relationships with its stakeholders and is committed to continuous engagement to better understand their needs, expectations, and concerns. By leveraging a variety of communication channels, we maintain regular and meaningful dialogue with key stakeholder groups, including employees, customers, investors, NGOs, suppliers, and subcontractors.

This proactive engagement enables us to identify the impact of our operations on stakeholder decision-making, as well as on the broader community, economy, and environment. It also helps us align our strategies with stakeholder priorities, enhancing mutual trust and collaboration.

Further details about our stakeholder engagement approach can be found on our website and in our annual ESG report, where we outline our efforts to promote open, transparent and constructive communication.

Employees

We deeply value the contribution of every employee, recognising their role as a cornerstone of the Group's success. We are committed to providing a safe, supportive working environment along with the necessary tools and training to help our people thrive professionally. As of 31 March 2025, the Group employed 114 staff members. Total employee costs, including directors' emoluments, amounted to HK$41.9 million for FY2025 (FY2024: HK$42.7 million).

In addition to full compliance with employment laws, the Group upholds fair and transparent practices in recruitment, performance evaluation, and employee benefits. We maintain a zero-tolerance policy against discrimination and are committed to fostering an inclusive, respectful workplace. During the reporting period, the Group updated the Employee Handbook to reflect the abolition of MPF offsetting, effective from 1 May 2025. The Occupational Health and Safety Policy was also updated on 31 December 2024 and posted at all workplaces. Regular safety trainings and inspections were conducted to promote a safe working environment.

Customers

The Group places strong emphasis on customer satisfaction and information security. During the Reporting Period, 500 customer satisfaction surveys were distributed, achieving an 87.6% satisfaction rate. All customer complaints were thoroughly investigated and addressed with tailored solutions to continuously enhance service quality. A grievance mechanism is in place to collect feedback and implement corrective actions for ongoing improvement.

On information security, the Group holds ISO/IEC 27001 Information Security Management certification. The Information Management Committee oversees risk identification, assessment and mitigation by assigning responsible personnel and establishing clear security standards and processes. Annual external training equips staff with the latest knowledge and skills to maintain data integrity and prevent breaches. Throughout the reporting period, no customer data leaks or security incidents were reported. The Group remains dedicated to upholding customer-centric service and strong information security to sustain growth and stakeholder trust.

Suppliers

The Group places great importance on its supplier relationships, maintaining a wide network of partners who align with our commitment to environmental and social responsibility. Our supplier selection process is stringent, prioritising those who actively minimise their environmental impact and uphold high ESG standards.

During the reporting period, we conducted audits on 12 key suppliers, with all suppliers passing the assessments successfully, as recorded in our supplier evaluation records. We evaluate suppliers annually on criteria including price competitiveness, product and service quality, cooperation, on-time delivery, and compliance with environmental requirements. Suppliers that fail to meet our standards are subject to review and potential replacement to ensure excellence across our supply chain. By collaborating with suppliers who share our sustainability values, we strengthen our collective efforts to build a responsible and environmentally conscious supply chain.

Business Integrity

The Group is committed to maintaining the highest standards of integrity and ethical conduct across all operations. During the reporting period, 68 employees completed the ICAC online anti-corruption training, accumulating a total of 34 training hours. We aim to foster a strong culture of honesty, accountability and compliance throughout the organisation through these regular training programs.

PROSPECTS

Looking ahead, the Group remains cautiously optimistic about the evolving opportunities in the environmental services sector despite ongoing economic uncertainties. The expansion of the WPRS in Hong Kong is expected to increase collection and processing volumes over the next few years, presenting promising growth prospects for our WEEE segment. We are actively preparing to participate in upcoming tenders and aim to leverage our joint venture with ALBA to capture these opportunities. Although the surrender of the lease to HKSTP might have shortterm disruptions to the Group's business operations, we will endeavour to minimise such impact and continue enhancing operational efficiency in core segments while integrating ESG principles to promote sustainability throughout our operations.

Shifting market dynamics in logistics and supply chain management, especially related to new energy technologies and chemical logistics, offer avenues for expansion. While price competition remains intense, the Group is focused on differentiating through superior service quality, safety and compliance to capitalise on structural growth trends in these sectors. By prioritising quality, safety, and regulatory compliance, alongside our commitment to environmental and social responsibility, the Group aims to deliver sustainable, long-term value to stakeholders across Hong Kong and Mainland China.

The following is the text of a report received from Citiland Surveyors Limited, an independent valuer, in connection with its valuation as at 31 May 2025 of the Premises, for inclusion in this circular.

Citiland Surveyors Limited
Valuation & Professional Services Department
Unit 1801, 18/F, Emperor Group Centre
No.288 Hennessy Road
Wan Chai, Hong Kong

T: +852 2111-8882 W: www.citilandsurveyors.com

CERTIFIED ISO 9001

CITILAND 天俊測量師行
SURVEYING • VALUATION • TENDER
DEVELOPMENT CONSULTANTS • ESTATE AGENTS

20 August 2025

The Board of Directors
Integrated Waste Solutions Group Holdings Limited
Integrated Waste Solutions Building
8 Chung Cheong Street
Tseung Kwan O Industrial Estate
Tseung Kwan O
New Territories
Hong Kong

Dear Sirs,

In accordance with the instructions of Integrated Waste Solutions Group Holdings Limited (hereinafter referred to as the "Company") to value the property interests (hereinafter referred to as the "Property") held by IWS Promotion Limited. ("IWS Promotion") (hereinafter together referred to as the "IWS Group" or the "Group") in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purposes of providing you with our opinion of the value of the Property as at 31 May 2025 (the "date of valuation").

Our valuation of the property interests represents the market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

Where, due to the nature of the buildings and structures of the Property, there are no market sales comparables readily available, the Property has been valued on the basis of its depreciated replacement cost ("DRC").

Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the Property is subject to adequate potential profitability of the concerned business. In our valuation, no consideration has been taken into account of alternative uses(s) or development option(s); nor have we considered any redevelopment potential of the property.

Our valuations have been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; "RICS Valuation — Global Standards" published by the Royal Institution of Chartered Surveyors; and "HKIS Valuation Standards 2024" published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been provided with a land search / instructed to obtain a current land search from the Land Registry only for verification of address and purchase cost data purposes. We have not scrutinized the original documents to verify ownership or to verify any land lease amendments which may not appear on the copies handed to us. All documents and land leases have been used as reference only.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the property but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the Property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

Inspection of the Property were carried out on 29 May 2025 by Mr. Desmond Wong and Mr. Wong is a Chartered Surveyor/ Registered Professional Surveyor and has more than 20 years of experience in the valuation of properties in Hong Kong.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Other special assumptions in relation to the Property, if any, have been stated in the footnotes to the valuation certificate for the Property.

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollar (HK$).

Our valuation is summarized below and the valuation certificate is attached.

Yours faithfully,
for and on behalf of
Citiland Surveyors Limited
Desmond W.H. Wong
B.Sc. MRICS MHKIS MHKIH RPS
Director

Note: *Desmond W.H. Wong is a member of the Royal Institution of Chartered Surveyors (MRICS), a member of the Hong Kong Institute of Surveyors (MHKIS), a member of the Hong Kong Institute of Housing, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance of Hong Kong. Also, he is a holder of a BSc (Hons) Degree in Estate Management of University of Reading in England. He has over 20 years' experience in valuation of buildings and land in the PRC, Hong Kong, Macau and overseas.*

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2025 *HK$*
No.8. Chun Cheong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories. In sublease of Subsection 3 of Tseung Kwan O Town Lot No. 39 and the extensions thereto.	The Property comprises a parcel of land with a site area of approximately 132,150 sq.ft. and a 5-storey industrial building with the provision of a covered container parking space, 10 covered lorry parking spaces, 9 covered private car parking spaces, 3 covered motorcycle parking spaces, 8 open lorry parking spaces and 20 private car parking spaces on ground floor completed in 2014. The property has a gross floor area of approximately 330,371 sq.ft. according to the approved building plan. Floor areas, heights and loading of each floor area are set out as follows:	The Property is currently partially occupied by the Company for waste recovery operations and ancillary office use. According to the instructing party, a portion of the second floor and the entire third floor of the building have remained vacant since January 2024.	218,000,000 (HONG KONG DOLLARS TWO HUNDRED AND EIGHTEEN MILLION ONLY)

	Gross Floor Area *(sq.ft.)*	Floor Height *(ft.)*	Loading *(Kpa)*
G/F	66,133	29.5	15
1/F	63,973	24.6	15
2/F	63,989	24.6	7.5
3/F	64,023	24.6	7.5
4/F	64,023	14.8	5.5
R/F	8,230		

The locality of the Property is served by public transport services and predominantly characterized by industrial developments constructed by end users, exhibiting a range of building ages..

The Property is held under New Grant No. SK8421 for a term commencing on 14 October 1994 and expiring on 30 June 2047 with the Government Rent payable of 3% of the rateable value from time to time.

Notes:

1. The registered owner of the Property is Hong Kong Science and Technology Parks Corporation vide Memorial No. SK465321 dated 15 May 2001.

2. The Property is zoned for "Other Specified Uses (Industrial Estate)" use under Draft Tseung Kwan O Outline Zoning Plan No.S/TKO/31.

3. The Property is subject to a Lease entered between IWS Promotion Limited (formerly known as Fook Woo Promotion Limited), as Lessee, and Hong Kong Science and Technology Parks Corporation (the "Corporation"), as Lessor, dated 21 March 2017 vide Memorial No. 17040302300170 for a term expiring on 27 June 2047.

4. In accordance with the Lease mentioned above, the Property is restricted for specified uses. The leasehold interest of the Company is however assignable subject to the first notice to offer to surrender the Lease to the Corporation at "surrender value". According to Clause B (11)(b)(i)(A) and Clause B (11)(b)(i)(B) of the above Lease, surrender value refers to the (1) aggregate of 80% of the discounted land premium for the unexpired term of the lease and the depreciated cost of buildings at the rate of depreciation of 5% per annum from the date of occupation permit for the first building at the date of the Corporation's acceptance reduced by ten percent; and (2) the market value of the land, buildings, fixtures and fittings at the date of the Corporation's acceptance of surrender reduced by ten percent, whichever is less. The Corporation may either accept or reject the offer within six weeks of receiving such offer to surrender. In the event that the Corporation rejects the surrender offer, the Company may dispose of the Property by way of assignment and the purchaser shall be subject to the terms of the Lease.

5. In our valuation of the market value of the Property, we have assumed that the Property can be transferred in the market by assignment of the Lease.

6. According to the Company's advice, portion of the 2nd Floor and whole of 3rd Floor of the building, originally intended for waste plastic recycling operations, have been vacant since January 2024. Due to the ongoing challenges in global trade, this vacant status is expected to persist.

7. This under-utilization leads to a direct impact on the Property's depreciated replacement cost, intensifying deductions for economic obsolescence and prompting necessary adjustments for optimization.

8. An inspection of the Property was conducted on 29 May 2025, revealing that the entire 3rd Floor workshop and approximately two-thirds of the 2nd Floor workshop-previously occupied by waste plastic recycling operations—were vacant. This vacant space accounts for approximately 107,000 sq.ft. of the Property, leading to a corresponding reduction in the demand for ancillary office and workspace on the Ground Floor. In our assessment, the replacement workshop is expected to operate at approximately 54% of its original capacity, aligning with decreased operational requirements and the removal of redundant features. To reflect this adjustment, a depreciation rate of 6.67% has been applied, acknowledging the reduced useful life due to underperformance.

9. According to the Company's advice, the under-utilization may deviate from the requirements under the Lease. As negotiations between the Corporation and the Company were still ongoing as at the Valuation Date, the potential impact of such non-compliance has not been taken into account in our valuation.

10. For the purpose of our valuation, the land acquisition cost is adopted at HK$218 per sq.ft.. To derive the market value for the existing use of the land, an adjustment factor of 183% is applied to reflect the change in land prices between the 4th quarter of 2010 and the Valuation Date, which is derived from the movement in the industrial property index from 316.4 in the 4th quarter in 2010 to 642 in the 2nd quarter of 2025, as well as a 10% discount to account for the difference in land and property price trend. As a result, HK$399 per sq.ft. has been applied to derive the land value. Based on the total land area of 132,150 sq.ft., the land value amounted to approximately HK$53,000,000. The building replacement cost is based on the actual construction expenditure of HK$697,971,378, which excludes professional fees, financing costs, and contractor profit. This reflects an average unit construction cost of approximately HK$2,113 per sq.ft. This actual construction expenditure is being adjusted upward by 50%, taking into account (i) an 29% increase based on the RLB cost index; and (ii) an 21% increase to reflect inclusion of professional fees, financing costs and contractor profit. In addition, a depreciation rate of 6.67% per annum is applied to account for physical deterioration, which is based on an assumed economic life of 15 years and a straight line basis to account for physical deterioration, as well as a 46% discount on the floor area is adopted to reflect the underutilization of the Property. As a result, the building value amounted to approximately HK$165,000,000. The Market Value of the Property of HK$218,000,000 represents the sum of the land value and the building value.

1. 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.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Long position in underlying shares of an associated corporation of the Company — share options

As at the Latest Practicable Date, under the share option scheme of CTF Services Limited, a fellow subsidiary of the Company, the following Director had personal interests in share options to subscribe for ordinary shares of CTF Services Limited. Details of the share options of CTF Services Limited held by the relevant Director are as follows:

				Number of share options					
Name of Director	Date of grant	Exercisable period	Exercise Price per share *HK$*	Outstanding as at 01.04.2024	Granted and accepted	Exercised	Cancelled/ Lapsed	Outstanding as at 31.03.2025	Approximate percentage of shareholding
Cheng Chi Ming, Brian	24.1.2025	24.01.2026 - 23.01.2035	7.464	—	1,676,090	—	—	1,676,090	0.042%
	24.1.2025	24.01.2027 - 23.01.2035	7.464	—	2,514,135	—	—	2,514,135	0.063%
	24.1.2025	24.01.2028 - 23.01.2035	7.464	—	4,190,225	—	—	4,190,225	0.105%
								8,380,450	0.209%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of shareholding
Cheng Yu Tung Family (Holdings) Limited *(Note 1)*	Interest in controlled corporations	2,742,514,028	56.86%
Cheng Yu Tung Family (Holdings II) Limited *(Note 1)*	Interest in controlled corporations	2,742,514,028	56.86%
Chow Tai Fook Capital Limited *(Note 1)*	Interest in controlled corporations	2,742,514,028	56.86%
Chow Tai Fook (Holding) Limited *(Note 2)*	Interest in controlled corporations	2,742,514,028	56.86%
Chow Tai Fook Nominee Limited *(Note 3)*	(1) Beneficial owner (2) Interest in controlled corporations	(1) 1,530,601,835 (2) 732,550,000	(1) 31.74% (2) 15.19%
Victory Day Investments Limited *(Note 3)*	Interest in controlled corporation	732,550,000	15.19%
Smart On Resources Ltd. *(Note 3)*	Beneficial owner	732,550,000	15.19%
Prestige Safe Limited *(Note 2)*	Beneficial owner	479,362,193	9.94%
Firstrate Enterprises Limited *(Note 4)*	Beneficial owner	780,000,000	16.17%
Mr. Wong Kim Pun *(Note 4)*	Interest in a controlled corporation	780,000,000	16.17%

Notes:

1 As at the Latest Practicable Date, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 48.98% and 46.65% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 81.03% interest in Chow Tai Fook (Holding) Limited. As such, each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited is deemed to be interested in the 2,742,514,028 Shares.

2. Chow Tai Fook (Holding) Limited is the controlling shareholder of Chow Tai Fook Nominee Limited and the 100% holding company of Prestige Safe Limited, and accordingly Chow Tai Fook (Holding) Limited is deemed to be interested in an aggregate of 2,742,514,028 Shares.

3 Chow Tai Fook Nominee Limited is the beneficial owner of 1,530,601,835 Shares and is interested in 732,550,000 Shares through its interest in a wholly-owned subsidiary, Victory Day Investments Limited, which in turn wholly-owns Smart On Resources Ltd.

4 Pursuant to the disclosure of interests notification received by the Company, Mr. Wong Kim Pun controls 100% interest in Firstrate Enterprises Limited and hence is deemed to be interested in 780,000,000 Shares held by Firstrate Enterprises Limited.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, there was no other person who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years preceding the Latest Practicable Date and are, or may be, material:

(a) the conditional share transfer agreement (the "**Share Transfer Agreement**") dated 5 October 2023 between Zhang Yan ("**Ms. Zhang**") as vendor and Integrated Waste Solutions Services Limited ("**IWS Services**"), an indirect wholly owned subsidiary of the Company, in relation to, among others, the acquisition by IWS Services (subsequently through 綜環投資(珠海橫琴)有限公司 (an indirect wholly owned subsidiary of the Company, "**IWS Investment**")) from Ms. Zhang of 5,605,263 shares of An Jie Supply Chain Management Co., Ltd. (廣東安捷供應鏈管理股份有限公司);

(b) the supplemental agreement (the "**First Supplemental Agreement**") dated 24 October 2023 to the Share Transfer Agreement between Ms. Zhang, IWS Services and IWS Investment, whereby IWS Investment took up all the rights, and assumed all obligations, of IWS Services under the Share Transfer Agreement as from the time of signing of the Share Transfer Agreement;

(c) the second supplemental agreement dated 13 November 2023 to the Share Transfer Agreement (as supplemented and amended by the First Supplemental Agreement) between Ms. Zhang and IWS Investment for amending certain provisions of the Share Transfer Agreement (as supplemented and amended by the First Supplemental Agreement) relating to, among others, completion of the Share Transfer Agreement (as supplemented and amended by the First Supplemental Agreement);

(d) the supplemental agreement II dated 15 March 2024 between Dugong IWS HAZ Limited (the "**Target Company**") and IWS Engineering Company Limited ("**IWS Engineering**"), a wholly owned subsidiary of the Company, to the loan agreement dated 11 September 2019 entered into between Intelligent Goal Holdings Limited ("**Intelligent Goal**") as lender and the Target Company as borrower in relation to the provision of a shareholder's loan in the maximum principal amount of RMB28,800,000 (equivalent to approximately HK$32,256,000) by Intelligent Goal to the Target Company (as assigned by Intelligent Goal to IWS Engineering by a deed of assignment dated 23 January 2020 and as supplemented and revised by a supplemental agreement dated 17 March 2023 between the Target Company and IWS Engineering); and

(e) the Agreement.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

5. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been named in this circular or has given opinion, letter or advice contained in this circular:

Name	Qualification
Citiland Surveyors Limited	Independent professional valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with inclusion herein of its letter or report and/or reference to its name, in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any interest in the share capital of any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which have been, since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to or were proposed to be acquired or disposed of or leased to any member of the Group.

6. LITIGATION

Save as disclosed below, so far as is known to the Directors, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date:

(a) High Court Action 1764 of 2013

On 17 September 2013, the Company commenced legal proceedings against: (i) Leung Kai Kuen (梁契權), (ii) Leung Tat Piu (梁達標), (iii) Cheng Chun Keung, Thomas (鄭振強), (iv) Ing Alan (吳礽浩), (v) Mak Sau Ling and (vi) Wong Sze Chung Armstrong (together, the "**HCA1764/2013 Defendants**") in the Court of First Instance of the High Court of Hong Kong, claiming the sum of HK$30,712,531, alleging that the HCA1764/2013 Defendants were negligent and failed to perform their respective duties to inform, advise, remind and protect the Company to set up an effective financial monitoring system, causing loss and damages to the Company in the course of transferring monies to 惠州福和紙業有限公司 ("**Huizhou Fook Woo**"), an indirect wholly-owned subsidiary of the Company at the material time, through two new agents which did not have any business connections with the Company or Huizhou Fook Woo. The Company has filed an amended-statement of claim on 7 July 2014. As at the Latest Practicable Date, (i) an interlocutory judgment had been entered against Leung Kai Kuen (梁契權) and under a separate claim made by the Company a bankruptcy order had been issued against him, which was subsequently extended by the Court of First Instance of the High Court of Hong Kong on 1 December 2020 pursuant to section 30A(3) of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) and was eventually discharged on 12

October 2024 after a bankruptcy period of eight years; (ii) the claim against each of Leung Tat Piu (梁達標), Wong Sze Chung Armstrong and Mak Sau Ling, respectively, had been settled and the action against each of them had been discontinued; and (iii) the action against each of Cheng Chun Keung, Thomas (鄭振強) and Ing Alan (吳礽浩), respectively, was still pending.

(b) High Court Action 2377 of 2013

On 6 December 2013, the Company commenced legal proceedings against: (i) Leung Kai Kuen (梁契權), (ii) Liang Huizhen (梁惠珍), (iii) Wong Sze Chung Armstrong, (iv) Tam Wai Ming (譚偉明) (together, the "**1st to 4th HCA2377/2013 Defendants**") and (v) Roma Appraisals Limited (羅馬國際評估有限公司) (the "**5th HCA2377/2013 Defendant**") in the Court of First Instance of the High Court of Hong Kong, claiming the sum of (i) HK$18,625,222 (against the 1st to 4th HCA2377/2013 Defendants); and (ii) HK$40,000 (against the 5th HCA2377/2013 Defendant). As stated in the writ issued by the Company, it was alleged that the 1st to 4th HCA2377/2013 Defendants were in breach of their respective duties and conspired to commit fraudulent acts leading to the suspension of trading of Shares causing loss and damages to the Company. As at the Latest Practicable Date, (i) an interlocutory judgment had been entered against Leung Kai Kuen (梁契權) and under a separate claim made by the Company a bankruptcy order had been issued against him, which was subsequently extended by the Court of First Instance of the High Court of Hong Kong on 1 December 2020 pursuant to section 30A(3) of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) and was eventually discharged on 12 October 2024 after a bankruptcy period of eight years; (ii) the action against Liang Huizhen (梁惠珍) was still pending; and (iii) the claim against each of Wong Sze Chung Armstrong, Tam Wai Ming (譚偉明) and the 5th HCA2377/2013 Defendant, respectively, had been settled and the action against each of them had been discontinued.

(c) High Court Action 1465 of 2014

On 31 July 2014, the Company commenced legal proceedings against: (i) Leung Kai Kuen (梁契權), (ii) Cheng Chun Keung, Thomas (鄭振強), (iii) Shiu Wai Chung (蕭偉忠), (iv) Suntex Paper Machinery Import & Export Company Limited (順昌紙製品設備進出口有限公司) and (v) Leung Tat Piu (梁達標) (together, the "**HCA1465/2014 Defendants**") in the Court of First Instance of the High Court of Hong Kong, claiming the sum of HK$104,704,232. As stated in the writ issued by the Company, it was alleged that the HCA1465/2014 Defendants conspired to commit fraudulent acts defrauding and injuring the Company and were in breach of their respective duties leading the Company to transfer monies to its subsidiaries for the purchase of machinery from an Italian company specializing in the manufacture of machineries for processing/handling papers at an inflated price causing loss and damages to the Company. As at the Latest Practicable Date, (i) an interlocutory judgment had been entered against Leung Kai Kuen (梁契權) and under a separate claim made by the Company a bankruptcy order had been issued against him, which was subsequently extended by the Court of First Instance of the High Court of Hong Kong on 1 December 2020 pursuant to section 30A(3) of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) and was eventually discharged on 12 October 2024 after a bankruptcy period of eight years; (ii) the action against each of Cheng Chun Keung, Thomas (鄭振強) and Suntex Paper Machinery Import & Export Company Limited (順昌紙製品設備進出口有限公司), respectively, was still pending; and (iii) the claim against each of Leung Tat Piu (梁達標) and Shiu Wai Chung (蕭偉忠) had been settled and the action against him had been discontinued.

(d) High Court Action 2884 of 2015

On 5 December 2015, the Company as 1st Plaintiff together with Huizhou Fook Woo Paper Company Limited as 2nd Plaintiff commenced legal proceedings against Leung Kai Kuen (梁契權) (the "**HCA2884/2015 Defendant**") in the Court of First Instance of the High Court of Hong Kong, claiming the sum of US$17,883,920.00 (or its equivalent at around HK$138,600,381.00 @HK$7.75 to US$1.00). As stated in the writ issued by the Company and Huizhou Fook Woo Paper Company Limited, it was alleged that the HCA2884/2015 Defendant under the Contract No.20110527001 entered between the 2nd Plaintiff and Burgeon Limited dated 27 May 2011 for the sale and purchase of a Waste Paper Sorting Machine procured the said sum to be paid by the Plaintiffs as a result of the HCA2884/2015 Defendant's negligence, breach of his director/fiduciary/employee's duties and/or equitable duty of fidelity. As at the Latest Practicable Date, an interlocutory judgment had been entered against the HCA2884/2015 Defendant and under a separate claim made by the Company a bankruptcy order had been issued against him, which was subsequently extended by the Court of First Instance of the High Court of Hong Kong on 1 December 2020 pursuant to section 30A(3) of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) and was eventually discharged on 12 October 2024 after a bankruptcy period of eight years.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any proposed Director nor their respective close associates had any interests in a business, which competed or was likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

8. INTERESTS IN CONTRACTS OR ARRANGEMENTS

So far as is known to the Directors, as at the Latest Practicable Date, none of the Directors or proposed Directors had any interest, direct or indirect, in any assets which have been, since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to or were proposed to be acquired or disposed of or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

9. GENERAL

(a) The registered office of the Company is at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

(b) The principal place of business of the Company in Hong Kong is at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The company secretary of the Company is Ms. Ng Sum Yu, Phyllis, who is a fellow member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries, and a lawyer of the Supreme Court of New South Wales, Australia.

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

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.iwsgh.com) from the date of this circular up to and including the date of the EGM:

(a) the valuation report of the Premises issued by Citiland Surveyors Limited as set out in Appendix III to this circular;

(b) the written consent referred to in the section headed "Qualification and consent of expert" in this appendix; and

(c) the material contracts as referred to in the section headed "Material Contracts" in this appendix.

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 extraordinary general meeting of Integrated Waste Solutions Group Holdings Limited (the "**Company**") will be held as an electronic meeting on Friday, 5 September 2025 at 11:00 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be held on the same day, whichever is later, for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the letter agreement (the "**Agreement**") (a copy of which has been produced to this meeting marked "A" and initialled by the chairman of this meeting for the purpose of identification) dated 18 July 2025 and entered into between Hong Kong Science and Technology Parks Corporation ("**HKSTP**") and IWS Promotion Limited ("**IWS Promotion**") (an indirect wholly-owned subsidiary of the Company) in relation to, among others, the surrender by IWS Promotion to HKSTP of the lease in respect of all that piece or parcel of land situate at Tseung Kwan O, Sai Kung, New Territories and known and registered in the Land Registry as Subsection 3 of Section S of Tseung Kwan O Town Lot No.39 And Extensions Thereto, together with any factory and other erections and buildings that have or may be erected and built thereon (the "**Premises**") granted by HKSTP to IWS Promotion pursuant to a deed of lease dated 21 March 2017 between HKSTP and IWS Promotion, together with the transactions contemplated thereunder (including but not limited to the entering into by IWS Promotion of the Deed of Surrender (as referred to in the Agreement)), be and are hereby approved; and

(b) any director of the Company (the "**Director**") be and is hereby authorised, for and on behalf of the Company, to do all such things and exercise all powers which he/she considers necessary or desirable or expedient in connection with the Agreement or otherwise in connection with the surrender of the Lease or the implementation of the transactions contemplated thereunder, including without limitation the execution, amendment, supplement, delivery, waiver, submission and completion of the Agreement and any further documents or agreements (including but not limited to the Deed of Surrender (as referred to in the Agreement)), and any Director and the company secretary of the Company or two Directors be authorised to affix the common seal of the Company (if required) on any document or deed (including but not limited to the Deed of Surrender (as referred to in the Agreement)) as they consider appropriate."

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

Hong Kong, 20 August 2025

Registered Office:
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business:
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://evoting.vistra.com) 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 Vistra eVoting Portal. 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 Vistra eVoting Portal (https://evoting.vistra.com) 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. Return 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) The register of members of the Company will be closed from Monday, 1 September 2025 to Friday, 5 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be 5 September 2025. In order to be eligible for attending and voting at this meeting, 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 Friday, 29 August 2025.

(e) 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.iwsgh.com) and the designated website of the Stock Exchange (www.hkexnews.hk) to notify shareholders of the Company of the date, time and details of the rescheduled meeting.

(f) As at the date of this notice, the Board comprises two executive Directors, namely, Messrs. Lam King Sang and Tam Sui Kin, Chris; three non-executive Directors, namely, Mr. Cheng Chi Ming, Brian (Chairman), Mr. Lee Chi Hin, Jacob and Ms. Luey Sisi, Doris; and three independent non-executive Directors, namely, Messrs. Chow Shiu Wing, Joseph, Wong Man Chung, Francis, and Chan Ting Bond, Michael.