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Integrated Waste Solutions Group Holdings Limited
綜合環保集團有限公司

(Incorporated in the Cayman Islands with limited liability, stock code: 923)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

Financial Highlights

	6 months ended 30.09.2025 HK\$'M	6 months ended 30.09.2024 HK\$'M	Change HK\$'M	%
(Unaudited)				
Revenue	20.7	22.4	(1.7)	(7.9)
Gross Profit	9.3	12.3	(3.0)	(23.9)
Loss attributable to equity shareholders of the Company	(12.4)	(19.6)	7.2	36.7
Loss per share (HK cent)	(0.26)	(0.41)	0.15	36.7

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2025.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2025

(Expressed in Hong Kong dollars)

		Six months ended 30 September	
	Note	2025 \$'000	2024 \$'000
Revenue	4	20,660	22,423
Cost of sales and services		(11,320)	(10,157)
Gross profit		9,340	12,266
Other revenue	5	2,675	399
Other net gain	6	14	–
Selling and distribution expenses		(6,080)	(5,580)
Administrative and other operating expenses		(24,461)	(29,867)
Operating loss		(18,512)	(22,782)
Finance income	7(a)	328	1,721
Finance costs	7(b)	(1,309)	(1,798)
Share of results of associates		1,199	(3,196)
Share of results of joint ventures		5,714	6,376
Loss before taxation	7	(12,580)	(19,679)
Income tax	8	(59)	–
Loss for the period		(12,639)	(19,679)
Attributable to:			
Equity shareholders of the Company	9	(12,409)	(19,616)
Non-controlling interests		(230)	(63)
Loss for the period		(12,639)	(19,679)
Basic and diluted loss per share	9	(0.26) cent	(0.41) cent

	Six months ended	
	30 September	
	2025	2024
	\$'000	\$'000
Loss for the period	(12,639)	(19,679)
Other comprehensive income for the period (net of nil tax):		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of:		
– a subsidiary and associates operating outside Hong Kong	1,104	–
Other comprehensive income for the period	1,104	–
Total comprehensive loss for the period	(11,535)	(19,679)
Attributable to:		
Equity shareholders of the Company	(11,305)	(19,616)
Non-controlling interests	(230)	(63)
Total comprehensive loss for the period	(11,535)	(19,679)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2025

(Expressed in Hong Kong dollars)

	Note	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Non-current assets			
Property, plant and equipment and right-of-use assets	10	153,708	158,514
Interests in associates	11	57,852	56,837
Interests in joint ventures	12	10,804	9,590
Deposits and prepayments		96	45
		222,460	224,986
Current assets			
Inventories		80	330
Trade receivables	13	4,819	4,219
Other receivables, deposits and prepayments		7,351	8,715
Amounts due from joint ventures	12	168	205
Amount due from a related company		–	12
Bank deposits and cash		32,456	43,100
		44,874	56,581
Current liabilities			
Trade payables	14	1,349	1,500
Other payables and accruals		5,123	7,909
Amount due to a related company		–	10
		6,472	9,419
Net current assets		38,402	47,162
Total assets less current liabilities		260,862	272,148
Non-current liabilities			
Other payables		2,611	2,362
Loan from a controlling shareholder	15	50,000	50,000
		52,611	52,362
NET ASSETS		208,251	219,786
CAPITAL AND RESERVES			
Share capital	16(a)	482,301	482,301
Reserves		(273,052)	(261,747)
Total equity attributable to equity shareholders of the Company		209,249	220,554
Non-controlling interests		(998)	(768)
TOTAL EQUITY		208,251	219,786

NOTES

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

Integrated Waste Solutions Group Holdings Limited (“the Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 11 November 2009 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is an investment holding company and is listed on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”). The registered address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company and its subsidiaries are collectively referred to as “the Group”. The Group is principally engaged in the provision of confidential materials destruction services, trading of recovered paper and materials, trading of tissue paper products, provision of logistics services and investment holding.

The consolidated financial information is presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2 Basis of preparation

The unaudited interim financial results set out in this announcement do not constitute the unaudited interim financial report of the Group for the six months ended 30 September 2025 but is derived from that unaudited interim financial report which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”).

The unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

The unaudited interim financial report contains unaudited condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards (the “IFRSs”) (which include all International Financial Reporting Standards, IAS and Interpretations). The annual financial statements for the year ended 31 March 2025 are available from the Company’s registered office.

The interim financial report is unaudited, but has been reviewed by Crowe (HK) CPA Limited in accordance with International Standards on Review Engagements 2410, *“Review of interim financial information performed by the independent auditor of the entity”* issued by the International Auditing and Assurance Standards Board.

3 Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB, for the first time, to the unaudited interim financial report for the current accounting period:

- Amendments to IAS 21, *Lack of Exchangeability*

The application of the amendments to IFRSs during the six months ended 30 September 2025 has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in this unaudited interim financial report.

The Group has not early applied the following new and amendments to IFRSs that have been issued but not yet effective in this unaudited interim financial report, for current accounting period.

- Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*¹
- Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*¹
- Annual improvements to IFRS Accounting Standards - Volume 11, *Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*¹
- IFRS 18 and consequential amendments to other IFRSs, *Presentation and Disclosure in Financial Statements*²
- IFRS 19 and subsequent amendments, *Subsidiaries without Public Accountability: Disclosures*²
- Amendments to IAS 21, *Translation to a Hyperinflationary Presentation Currency*²
- Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*³

IFRS 18 and consequential amendments to other IFRSs are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements for the forthcoming years.

Except for the aforesaid, the Group anticipates that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

4 Revenue and segment information

The Board of Directors of the Company, which is the chief operating decision maker of the Group, reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments:

- Confidential materials destruction service ("CMDS"): provision of CMDS
- Logistics services: provision of logistics services
- Recovered paper and materials: sales of recovered paper and materials
- Tissue paper products: sales of tissue paper products

Although the Group's products and services are sold/rendered to Hong Kong only, the chief operating decision maker of the Group regularly reviews the financial information by business segments to assess performance and make resources allocation decisions. It assesses the performance of the operating segments based on a measure of segment gross profits or losses.

Revenue from contracts with customers within the scope of IFRS 15

	Six months ended	
	30 September	
	2025	2024
	\$'000	\$'000
Disaggregated by major products or service lines		
– Provision of CMDS	5,869	8,186
– Provision of logistics services	1,236	1,361
– Sales of recovered paper and materials	13,355	12,065
– Sales of tissue paper products	200	811
	20,660	22,423

Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended	
	30 September	
	2025	2024
	\$'000	\$'000
Timing of revenue recognition		
– At a point in time	20,660	22,423

The segment results and other segment items included in the loss for the six months ended 30 September 2025 and 30 September 2024 are as follows:

– For the six months ended 30 September 2025:

	Six months ended 30 September 2025				
	CMDS	Logistics	Recovered	Tissue	
	\$'000	services	paper and	paper	
		\$'000	materials	products	Total
			\$'000	\$'000	\$'000
<i>Segment revenue:</i>					
Sales to external customers	5,869	1,236	13,355	200	20,660
Inter-segment sales	–	5,456	–	2	5,458
Reportable segment revenue	5,869	6,692	13,355	202	26,118
Elimination of inter-segment revenue	–	(5,456)	–	(2)	(5,458)
	5,869	1,236	13,355	200	20,660
<i>Segment results:</i>					
Reportable segment profit/(loss)	4,102	(291)	5,578	(318)	9,071
Elimination of inter-segment loss					269
Reportable segment profit derived from the Group's external customers					9,340
Other revenue					2,675
Other net gain					14
Selling and distribution expenses					(6,080)
Administrative and other operating expenses					(24,461)
Finance income					328
Finance costs					(1,309)
Share of results of associates					1,199
Share of results of joint ventures					5,714
Loss before taxation					(12,580)
Income tax					(59)
Loss for the period					(12,639)

– For the six months ended 30 September 2024:

	Six months ended 30 September 2024				
	CMDS \$'000	Logistics services \$'000	Recovered paper and materials \$'000	Tissue paper products \$'000	Total \$'000
<i>Segment revenue:</i>					
Sales to external customers	8,186	1,361	12,065	811	22,423
Inter-segment sales	–	3,750	–	–	3,750
Reportable segment revenue	8,186	5,111	12,065	811	26,173
Elimination of inter-segment revenue	–	(3,750)	–	–	(3,750)
	<u>8,186</u>	<u>1,361</u>	<u>12,065</u>	<u>811</u>	<u>22,423</u>
<i>Segment results:</i>					
Reportable segment profit/(loss)	5,866	(305)	6,488	(52)	11,997
Elimination of inter-segment loss					269
Reportable segment profit derived from the Group's external customers					12,266
Other revenue					399
Selling and distribution expenses					(5,580)
Administrative and other operating expenses					(29,867)
Finance income					1,721
Finance costs					(1,798)
Share of results of associates					(3,196)
Share of results of joint ventures					6,376
Loss before taxation					(19,679)
Income tax					–
Loss for the period					<u>(19,679)</u>

5 Other revenue

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Write back of other payables and accruals	2,381	–
Subsidy income	–	69
Others	294	330
	<u>2,675</u>	<u>399</u>

6 Other net gain

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Loss on disposals of property, plant and equipment, net	(86)	–
Foreign exchange gain, net	100	–
	<u>14</u>	<u>–</u>

7 Loss before taxation

Loss before taxation is stated after (crediting)/charging:

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
(a) Finance income		
Interest income from bank deposits	(328)	(856)
Interest income from loans to an associate	–	(865)
	<u>(328)</u>	<u>(1,721)</u>
(b) Finance costs		
Interest on loan from non-controlling interests	6	6
Interest on loan from a controlling shareholder	1,303	1,792
	<u>1,309</u>	<u>1,798</u>
(c) Other items		
Cost of inventories sold	8,018	6,162
Depreciation charge:		
– Owned property, plant and equipment	4,251	12,359
– Right-of-use assets	506	546
Short-term lease payments not included in the measurement of lease liabilities	74	16
	<u>74</u>	<u>16</u>

8 Income tax

No provision for Hong Kong Profits Tax and Corporate Income Tax for the six months ended 30 September 2025 and 30 September 2024 has been made in respect of the subsidiaries in Hong Kong and Chinese Mainland as either the tax losses brought forward from previous years exceed the estimated assessable profits of the subsidiaries for the period or the subsidiaries have no estimated assessable profits in Hong Kong and Chinese Mainland during the period.

Pursuant to the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income” signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (“HKSAR”) (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If an HKSAR resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income” issued by the State Administration of Taxation effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. During the six months ended 30 September 2025, 5% (six months ended 30 September 2024: 5%) withholding tax rates was used for the Company’s subsidiary and the Group’s associate, respectively. A provision for dividend withholding tax of approximately \$59,000 (six months ended 30 September 2024: Nil) was charged to profit or loss for the six months ended 30 September 2025 and such withholding tax of approximately \$59,000 (six months ended 30 September 2024: Nil) was paid during the current interim period.

9 Loss per share

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to equity shareholders of the Company of \$12,409,000 (six months ended 30 September 2024: \$19,616,000) and the weighted average of 4,823,009,000 (six months ended 30 September 2024: 4,823,009,000) ordinary shares in issue during the interim period.

(b) Diluted loss per share

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding for the six months ended 30 September 2025 and 30 September 2024.

10 Property, plant and equipment and right-of-use assets

During the year ended 31 March 2025, the Group’s land and buildings were in under-utilisation status following the cessation of plastic recycling production. The Group has made an offer to the Hong Kong Science and Technology Parks Corporation (the “HKSTP”) to surrender the lease in respect of Subsection 3 of Section S of Tseung Kwan O Town Lot No. 39 and Extension thereto (the “Lease”) granted by HKSTP to the Group. As at 31 March 2025, the carrying amounts of the land and buildings were written down to their recoverable amount of \$151,000,000.

On 18 July 2025, the Group and HKSTP entered into an agreement relating to the surrender of the Lease, subject to certain terms and conditions. Due to the fact that the surrender of the Lease has not yet culminated in a signed deed, the directors of the Company believe that there have been no significant changes in the progress reported in this unaudited interim financial report or in the recoverable amount of the land and buildings compared to the audited consolidated financial statements for the year ended 31 March 2025.

For details please refer to the announcement of the Company dated 18 July 2025 and the circular (the “Circular”) of the Company dated 20 August 2025.

During the six months ended 30 September 2025, the Group acquired items of property, plant and equipment and right-of-use assets with aggregate cost of \$134,000 (six months ended 30 September 2024: \$142,000).

11 Interests in associates

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Share of net assets	57,852	56,837
Loans to an associate (<i>note 11(b)</i>)	–	32,432
Amount due from an associate (<i>note 11(c)</i>)	–	1,394
Less: Impairment (<i>note 11(b) and (c)</i>)	–	(33,826)
	<u>57,852</u>	<u>56,837</u>

(a) Disposal of an associate

As at 31 March 2025, the Group owns 40% interests in an associate, Dugong IWS HAZ Limited (“DIWS”), with carrying amount of Nil in the consolidated financial statements. On 26 September 2025, the Group has entered into an agreement with Dugong Limited, a company owns the remaining 60% interests in DIWS, to dispose of the entire interests in DIWS at cash consideration of \$1 (“DIWS S&P Agreement”). Accordingly, gain on disposal of an associate of \$1 was recognised in profit or loss during the six months ended 30 September 2025.

(b) Loans to an associate

Loan of RMB15,130,000 (equivalent to approximately \$16,215,000) at 31 March 2025 was unsecured, interest-bearing at the rate of 5.46% per annum and repayable on demand; and loan of RMB15,132,000 (equivalent to approximately \$16,217,000) at 31 March 2025 was unsecured, interest-bearing at the rate of 5.46% per annum and repayable on 28 September 2025.

The loans in aggregated amount of RMB30,262,000 (equivalent to approximately \$32,432,000) was fully impaired at 31 March 2025. In accordance with the terms of DIWS S&P Agreement, the loans were waived during the six months ended 30 September 2025.

(c) Amount due from an associate

The amount due from an associate at 31 March 2025, which was denominated in RMB, was unsecured, interest-free and had no fixed terms of repayment.

At 31 March 2025, the amount due of RMB1,301,000 (equivalent to approximately \$1,394,000) was fully impaired. In accordance with the terms of DIWS S&P Agreement, the amount due was waived during the six months ended 30 September 2025.

12 Interests in joint ventures

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Share of net liabilities	(26,432)	(27,646)
Loans to a joint venture (<i>note 12(a)</i>)	18,000	18,000
Amounts due from joint ventures (<i>note 12(b)</i>)	41,589	41,626
Less: Impairment (<i>note 12(a) and (b)</i>)	(22,185)	(22,185)
	<u>10,972</u>	<u>9,795</u>
Represented by:		
Non-current portion	10,804	9,590
Current portion	168	205
	<u>10,972</u>	<u>9,795</u>

(a) Loans to a joint venture

At 30 September 2025, loans to a joint venture of \$18,000,000 (31 March 2025: \$18,000,000) were unsecured, interest-bearing at the rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 4% per annum and repayable on demand. The loans were impaired at 30 September 2025 and 31 March 2025.

(b) Amounts due from joint ventures

The amounts due from joint ventures at 30 September 2025 and 31 March 2025 were unsecured, interest-free and had no fixed terms of repayment, in which \$4,185,000 were impaired.

13 Trade receivables

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Trade receivables	5,457	4,857
Less: Loss allowance	(638)	(638)
Trade receivables, net	<u>4,819</u>	<u>4,219</u>

As at the end of the reporting period, the ageing analysis of trade receivables, based on transaction date and net of loss allowance, is as follows:

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
0 - 30 days	4,547	3,572
31 - 60 days	104	531
61 - 90 days	79	48
91 - 120 days	42	68
Over 120 days	685	638
	5,457	4,857
Less: Loss allowance	(638)	(638)
	4,819	4,219

Payment terms granted to customers are mainly cash on delivery and on credit. The average credit period ranges from 10 days to 90 days.

14 Trade payables

As at the end of the reporting period, the ageing analysis of trade payables, based on the invoice due date, is as follows:

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Current	539	686
1 - 30 days	223	370
31 - 60 days	56	20
61 - 90 days	14	16
91 - 120 days	14	11
Over 120 days	503	397
	1,349	1,500

The average credit period granted from suppliers mainly ranges from 5 days to 30 days.

15 Loan from a controlling shareholder

Loan from a controlling shareholder, Chow Tai Fook Nominee Limited, is unsecured, interest-bearing at the rate of HIBOR plus 2.5% per annum and repayable on 15 December 2026.

16 Capital and reserves

(a) Share capital

(i) Authorised share capital of the Company

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Authorised:		
At 1 April 2024, 30 September 2024, 31 March 2025, 1 April 2025 and 30 September 2025		
7,500,000,000 ordinary Shares of \$0.10 each	<u>750,000</u>	<u>750,000</u>

(ii) Issued share capital of the Company

	Number of ordinary shares '000	Amount \$'000
Issued and fully paid:		
At 1 April 2024, 30 September 2024, 31 March 2025, 1 April 2025 and 30 September 2025		
	<u>4,823,009</u>	<u>482,301</u>

(b) Equity settled share-based transactions

Pursuant to the resolutions passed by the shareholders of the Company on 30 August 2023, the Company adopted a share option scheme ("Share Option Scheme") on 30 August 2023. The Share Option Scheme is valid and effective for a period of 10 years commencing from 30 August 2023 and the number of share options available for grant under the Share Option Scheme mandate is 482,300,900. Under the Share Option Scheme, no option has been granted, exercised nor cancelled since its adoption and up to 30 September 2025.

No expenses related to equity settled share-based payment transactions was recognised by the Group during the six months ended 30 September 2025 and 30 September 2024.

(c) Dividends

No dividends had been paid or declared by the Company for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

17 Capital commitments

	At 30 September 2025 (Unaudited) \$'000	At 31 March 2025 (Audited) \$'000
Contracted but not provided for:		
– Acquisition of property, plant and equipment	<u>22</u>	<u>–</u>

18 Comparative figures

Certain comparative figures have been reclassified to conform to the current presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Although there is a gradual recovery in consumption confidence and an improvement in business sentiment in 2025, the Hong Kong economy is still facing external uncertainties arising from the ongoing impact of trade barriers, geopolitical tensions and the US trade policies which continue to pose significant risks to the global financial stability. In the recycled materials market, demand for recovered materials and the average unit prices remained relatively stable. Despite the fact that market conditions remained competitive throughout the period under review, the Group has continued to be one of the leading recycled business service providers in Hong Kong.

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 production, with only Confidential Materials Destruction Services (“CMDS”) and logistics operations remaining on-site, the premises have become underutilised, and the associated upkeep costs were no longer justified. As such, the board of directors of the Company (the “Board”) proposed and the shareholders of the Company approved the surrender of the lease to HKSTP as part of a broader effort to alleviate long-term financial pressures. The surrender of the lease is yet to complete but 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.

FINANCIAL REVIEW

	6 months ended 30.09.2025 HK\$'000	6 months ended 30.09.2024 HK\$'000	Fav./ (Unfav.) Change HK\$'000	%
Results of operating segments	(1,619)	2,231	(3,850)	(172.6)
Net corporate expenses	(17,703)	(25,027)	7,324	29.3
	(19,322)	(22,796)	3,474	15.2
Share of results of associates	1,199	(3,196)	4,395	137.5
Share of results of joint ventures	5,714	6,376	(662)	(10.4)
Loss attributable to equity shareholders of the Company	(12,409)	(19,616)	7,207	36.7

The loss attributable to equity shareholders of the Company for the six months ended 30 September 2025 (the “Current Period”) amounted to HK\$12.4 million, a decrease of approximately HK\$7.2 million loss compared to the six months ended 30 September 2024 (the “Last Period”).

Results of operating segments decreased by HK\$3.9 million or 172.6% which was mainly caused by the decline in profit margin of **CMDS** business in the Current Period. Net corporate expenses decreased by HK\$7.3 million or 29.3% was contributed by the HK\$7.9 million reduction in depreciation and amortisation charges for the Group’s land and building at Tseung Kwan O in the Current Period, after an impairment loss provision of HK\$352.7 million made to write down the carrying amounts of land and building to recoverable amount at 31 March 2025.

Share of results of associates has been improved by HK\$4.4 million or 137.5% in the Current Period, since there was no share of loss of Dugong IWS HAZ Limited (“DIWS”), the Group’s **Hazardous Waste Treatment** project in Chinese Mainland, in the Current Period after the Group’s interests in this associate has been fully impaired at 31 March 2025. In view of the continuous loss-making position of DIWS and aligned with the Group’s investment strategy, the Group has entered into an agreement with Dugong Limited, a company owns the remaining 60% interests in DIWS, to dispose of the entire interests in DIWS during the Current Period.

Revenue Analysis

	6 months ended 30.09.2025 HK\$'000	6 months ended 30.09.2024 HK\$'000	Fav./ (Unfav.) Change HK\$'000	%
Sales of Recovered Paper	13,275	11,962	1,313	11.0
CMDS service income	5,869	8,186	(2,317)	(28.3)
Logistics service income	1,236	1,361	(125)	(9.2)
Sales of tissue paper products	200	811	(611)	(75.3)
Sales of other waste materials	80	103	(23)	(22.3)
	<u>20,660</u>	<u>22,423</u>	<u>(1,763)</u>	<u>(7.9)</u>

The revenue of **Recovered Paper** business was HK\$13.3 million, an increase of HK\$1.3 million or 11.0% when compared to the Last Period, due to an increase in sales quantity of 10.4% during the Current Period. The sales revenue of recovered office paper generated from the CMDS services has increased by HK\$1.4 million or 14.2%, caused by the increase in sales quantity of 13.0%. However, the gross profit of Recovered Paper has decreased by HK\$0.9 million or 13.8% from HK\$6.6 million to HK\$5.7 million, and gross profit margin also decreased from 55.0% to 42.7%, due to the increase in purchase costs.

CMDS service income has decreased by HK\$2.3 million or 28.3%, to HK\$5.9 million, caused by the reduction in revenue from non-paper destruction projects and fee reduction of some paper services clients. Our CMDS business remained as the core business segment of the Group and its performance met with our expectation despite facing keen competition from other players in the field.

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 **waste electrical and electronic equipment (“WEEE”)** items to the treatment plant of our joint venture. Logistics service income amounted to HK\$1.2 million which was similar to the Last Period.

The joint venture with ALBA Group for treatment and recycling of **WEEE** continued to be one of the major income contributors, with share of HK\$5.7 million of profit to the Group in the Current Period. This joint venture remained operationally stable during the Current Period, with no significant changes in scale or earnings contribution.

An Jie, an associate acquired on 19 January 2024, continued to operate in the specialised logistics sector, serving clients in the new energy and chemical industries. An Jie has contributed share of HK\$1.2 million of profit to the Group in the Current Period. The Group is optimistic about An Jie's growth prospects, and is now expanding tender participation and broadening its market coverage.

Gross Profit and Gross Profit Margin

The Gross Profit of the Group for the Current Period was HK\$9.3 million, decreased by approximately HK\$3.0 million or 23.9% when compared to the Last Period, mainly due to the decrease in profitability of Recovered Paper and CMDS. The Gross Profit Margin has also decreased from 54.7% to 45.2%.

Selling, Distribution, Administrative and Other Operating Expenses

Selling, Distribution, Administrative and Other Operating Expenses amounted to a total of HK\$30.5 million, representing a decrease of HK\$4.9 million or 13.8% when compared to the Last Period, due to the reduction in depreciation and amortisation charges of the Group's land and building in the Current Period.

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

LBITDA slightly increased by approximately HK\$0.1 million, from HK\$6.7 million in the Last Period to HK\$6.8 million in the Current Period.

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 Current Period, the Group did not raise any finance and all capital expenditure incurred was financed by internal resources.

As at 30 September 2025, the Group had unrestricted bank deposits and cash of approximately HK\$32.5 million (31 March 2025: HK\$43.1 million).

The Group had a loan from non-controlling interests of approximately HK\$0.4 million which is unsecured and repayable on demand (31 March 2025: 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 (31 March 2025: HK\$50.0 million) as at 30 September 2025. The Group had no bank loans and overdrafts as at 30 September 2025 (31 March 2025: Nil). As at 30 September 2025, the Group has a net debt balance of HK\$17.9 million (cash in hand less loan from a controlling shareholder and loan from non-controlling interests) (31 March 2025: HK\$7.3 million) and the gearing ratio of the Group (net debt over total equity) was 8.6% (31 March 2025: 3.3%).

As at 30 September 2025, the Group had net current assets of approximately HK\$38.4 million, compared to net current assets of approximately HK\$47.2 million as at 31 March 2025. The current ratio of the Group was 6.9 as at 30 September 2025 compared to 6.0 as at 31 March 2025.

The Group will continue to monitor its cash position and explore all possible financing options as and when required.

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 with operations in same local currency of the entity concerned.

During the Current Period, the Group recorded a net foreign exchange gain of HK\$0.1 million due to appreciation of the Renminbi, compared to Nil net foreign exchange gain was recognised in the Last Period. 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 Period, the Group incurred capital expenditure of HK\$0.2 million in respect of the headquarters of the Group in Tseung Kwan O Industrial Estate, Hong Kong. As at 30 September 2025, the Group has no material capital expenditure commitments.

Pledge of Assets

As at 30 September 2025, the Group had no pledge of assets (31 March 2025: Nil).

Contingent Liabilities

As at 30 September 2025, the Group still had certain claims against its former directors and employees and the outcomes of which remain to be seen.

Employees and Remuneration Policies

The Group employed approximately 108 staff members in Hong Kong as at 30 September 2025. Employee costs, including directors' emoluments, amounted to HK\$20.1 million for the six months ended 30 September 2025 (six months ended 30 September 2024: HK\$18.8 million).

The Group considers health and safety of employees as its first priority. We strictly comply with relevant laws and regulations related to occupational health and safety, and our CMDS is certified as OSH Star Enterprise by the Occupational Safety and Health Council. A Safety Management Committee is in place to ensure occupational health and safety policies are up-to-date, by serving as a channel to facilitate actions related to safety issues within the Group.

In addition to the mandatory MPF contributions by both employers and employees, the Group offers all full-time employees a comprehensive benefits package which includes discretionary performance bonus, annual leave, sick leave, maternity and paternity leave, marriage leave and compassionate leave entitlements, healthcare benefits and labour insurance. We deeply value the contribution of every employee, recognizing their role as a cornerstone of the Group's success.

OUTLOOK AND PROSPECT

Looking ahead, the Group remains cautiously optimistic about the evolving opportunities in the environmental services sector despite ongoing economic uncertainties. We expect stable revenue streams from our high-quality CMDS services and an efficient logistics fleet, and anticipate growth opportunities bringing from the regulatory expansions in WEEE recycling in Hong Kong and An Jie in Chinese Mainland.

Shifting market dynamics in logistics and supply chain management, especially related to new energy technologies and chemical logistics, offers 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.

Although the surrender of the lease to HKSTP might have short-term disruptions to the Group's business operations, we will endeavour to minimise such impact and continue enhancing our capabilities and maintaining our competitive edge in order to deliver sustainable solutions and enhance share value in the long term. Moreover, the Group will continue to adopt its prudent cost management approach to attain greater operational efficiency.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2025 (Interim dividend for the Last Period: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance and has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules. The Company has complied with the code provisions set out in the CG Code throughout the six months ended 30 September 2025.

The Company will continue improving its corporate governance that is conducive to the conduct and growth of its business, and aligning the corporate culture of good governance with its purpose, value and strategy, thereby meeting the expectations of shareholders and investors.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the Directors.

Having made specific enquiries by the Company with the directors of the Company ("Directors"), all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 September 2025.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY RELEVANT EMPLOYEES OF THE COMPANY

The Company has also adopted Code for Securities Transactions by Relevant Employees (the “Own Code”) on no less exacting terms than the Model Code for governing securities transactions by employees who are likely to be in possession of inside information of the Company or its securities. No incident of non-compliance of the Own Code by any relevant employee was noted by the Company during the six months ended 30 September 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee of the Company comprises three independent non-executive Directors, namely, Mr. Wong Man Chung, Francis (chairman of the Audit Committee), Mr. Chow Shiu Wing, Joseph and Mr. Chan Ting Bond, Michael and two non-executive Directors, namely Mr. Cheng Chi Ming, Brian and Mr. Lee Chi Hin, Jacob.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited interim results of the Group for the six months ended 30 September 2025 with the management and the external auditor, Crowe (HK) CPA Limited. The unaudited interim financial report of the Group for the six months ended 30 September 2025 has been reviewed by the Company’s external auditor, Crowe (HK) CPA Limited, in accordance with International Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by International Auditing and Assurance Standards Board.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the Company’s website (www.iwsggh.com) and the designated website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 September 2025 containing all the information required by the Listing Rules will be despatched to the Company’s shareholders and published on the above websites in due course.

By order of the Board

Integrated Waste Solutions Group Holdings Limited

Cheng Chi Ming, Brian

Chairman

Hong Kong, 27 November 2025

As at the date of this announcement, 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.