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)

POSSIBLE MAJOR TRANSACTION
TENANCY AGREEMENT

TENANCY AGREEMENT

As disclosed in the August Circular, as at 15 August 2025 (being the latest practicable date prior to the printing of the August Circular for ascertaining certain information contained therein), 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. Nevertheless, the Company has concurrently been scouting for other potential sites through various property agents.

The Board announces that before concluding the leasing of the aforesaid alternative site with HKSTP, the Group has identified another alternative site located in Sheung Shui which, as the Board considers, is on balance more suitable for the Group to continue its businesses taking into account the operations of the Group as a whole. The terms of the Tenancy Agreement have been finalised and CMDSL will sign the Tenancy Agreement to obtain the New Lease, subject to the relevant requirements under Chapter 14 of the Listing Rules applicable to the Tenancy Agreement having been complied with by the Company. For further details of these relevant requirements, please refer to the paragraph headed "Listing Rules Implications" below in this announcement.

LISTING RULES IMPLICATIONS

According to IFRS 16, the Company will recognise the New Lease as a right-of-use asset in the sum of approximately HK$45,241,000 (subject to adjustment based on, among others, the applicable discount rate) which shall be the present value of the total rent payable under the Tenancy Agreement. The recognition of such a right-of-use asset will be regarded as an acquisition of asset under Rule 14.04(1)(a) of the Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Listing Rules in respect of the Tenancy Agreement exceeds 25% but is less than 100%, the obtaining of the New Lease pursuant to the Tenancy Agreement, when executed, will constitute a major transaction for the Company under Chapter 14 of the Listing Rules and will therefore be subject to the reporting, announcement and shareholders' approval requirements thereunder.

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, as at the date of this announcement, neither the Landlord nor any of its close associates hold any Shares and therefore no Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Tenancy Agreement and the transactions contemplated thereunder in general meeting of the Shareholders. As at the date of this announcement, CTF Nominee, Smart On and Prestige Safe are holding 1,530,601,835 Shares, 732,550,000 Shares and 479,362,193 Shares respectively, representing in aggregate approximately 56.86% of the total number of Shares in issue. Smart On is an indirect wholly owned subsidiary of CTF Nominee; whereas Prestige Safe and CTF Nominee are direct subsidiaries of Chow Tai Fook (Holding) Limited. Therefore the Directors consider that CTF Nominee, Smart On and Prestige Safe constitute a closely allied group of Shareholders within the meaning of Rule 14.45 of the Listing Rules. Accordingly, the Company intends to obtain written approvals for the Tenancy Agreement from CTF Nominee, Smart On and Prestige Safe to dispense with the holding of a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Further announcement will be made if and when such written approvals have been obtained.

GENERAL

A circular containing, among other things, (i) further details of the Tenancy Agreement and the transactions contemplated thereunder; (ii) financial information and other information of the Group; and (iii) such other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 March 2026.

As the signing of the Tenancy Agreement by CMDSL is subject to the relevant requirements under Chapter 14 of the Listing Rules applicable to the Tenancy Agreement having been complied with by the Company, the New Lease may or may not be obtained. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

References are made to (a) the announcement dated 30 April 2025 of the Company relating to, among others, the making of the written conditional offer made by IWS Promotion on 30 April 2025 to HKSTP offering to surrender the Existing Lease to HKSTP at zero cost; (b) the announcement dated 18 July 2025 of the Company relating to, among others, the entering into of the Surrender Agreement; and (c) the August Circular relating to, among others, the Surrender Agreement.

INTRODUCTION

As disclosed in the August Circular, as at 15 August 2025 (being the latest practicable date prior to the printing of the August Circular for ascertaining certain information contained therein), 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. Nevertheless, the Company has concurrently been scouting for other potential sites through various property agents.

The Board announces that before concluding the leasing of the aforesaid alternative site with HKSTP, the Group has identified another alternative site located in Sheung Shui which, as the Board considers, is on balance more suitable for the Group to continue its businesses taking into account the operations of the Group as a whole. The terms of the Tenancy Agreement have been finalised and CMDSL will sign the Tenancy Agreement to obtain the New Lease, subject to the relevant requirements under Chapter 14 of the Listing Rules applicable to the Tenancy Agreement having been complied with by the Company. For further details of these relevant requirements, please refer to the paragraph headed "Listing Rules Implications" below in this announcement.

TENANCY AGREEMENT

The major terms of the Tenancy Agreement are set out below:

Parties:
(i) the Landlord, as landlord
(ii) CMDSL, an indirect wholly owned subsidiary of the Company, as tenant

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Subject matters

The leasing of the New Premises by the Landlord to CMDSL

Use of the New Premises

The New Premises, with a gross floor area of approximately 62,120 square feet, shall be used for industrial purpose and other lawful purposes as permitted under the government grant relating to the New Premises only.

Term

Three years commencing on 1 April 2026 and expiring on 31 March 2029 (both dates inclusive)

CMDSL is given an option to renew the Tenancy Agreement upon its expiration for a further term of two years at the market rental, provided that CMDSL shall give a written notice to the Landlord three months in advance before the expiration of the Tenancy Agreement of its intention for renewal and have no breach of the conditions of the Tenancy Agreement during the initial term.

The Company will comply with all applicable requirements under the Listing Rules in relation to the above renewal should CMDSL decide to exercise the option to renew the Tenancy Agreement as mentioned above.

Rent

HK$880,000 per calendar month inclusive of rates and management fees to be paid monthly in advance, which will be funded by the internal resources of the Group

CMDSL shall have a rent free period from 1 April 2026 to 31 May 2026, during which period CMDSL is liable to pay rates, government rent, management fee and other charges in respect of the New Premises.

The rent was determined between the Landlord and CMDSL after arm's length negotiation with reference to the prevailing market rental of sites nearby and of similar size.

Deposit

To secure the due performance and observance of the terms and conditions on the part of CMDSL to be performed and observed as contained in the Tenancy Agreement, CMDSL shall pay to the Landlord upon the signing of the Tenancy Agreement a rental deposit of HK$1,760,000.

After the determination or sooner determination of the Tenancy Agreement and provided that the rent, rates, government rent and management fees as stipulated in the Tenancy Agreement shall have been duly paid and all other terms and conditions contained in the Tenancy Agreement shall have been duly performed and observed by CMDSL, the Landlord shall return to CMDSL the above deposit without interest within a period of 30 days after CMDSL shall have duly delivered up vacant possession of the New Premises to the Landlord. If there shall be any rent or charges in arrears, the Landlord may apply the above deposit to pay off the arrears, and if there shall be any breach of any of the terms and conditions of the Tenancy Agreement by CMDSL, the Landlord shall pay or apply the above deposit or portion of it as shall be required towards remedying such breach in so far as this may be possible.

No alienation

CMDSL shall not assign, underlet or otherwise part with the possession of the New Premises or any part of it either by way of sub-letting, lending, sharing or other means whereby any organisation, company, firm or person not a party to the Tenancy Agreement obtains the use or possession of the New Premises or any part of it irrespective of whether any rental or other consideration is given for such use or possession and in the event of any such transfer, sub-letting, sharing, assignment or parting with the possession of the New Premises (whether for monetary or other consideration or not) the Tenancy Agreement shall at the option of the Landlord immediately be determined and CMDSL shall immediately surrender the New Premises to the Landlord with vacant possession.

However, the above prohibitions shall not apply to the use of the New Premises or any part of it by the Group for conducting its principal activities during the term of the Tenancy Agreement, provided that should CMDSL cease to be a subsidiary of the Company, the above prohibitions shall immediately apply to the Group.

Default

If:

(a) the rent stipulated by the Tenancy Agreement or any part of it shall be unpaid for 15 days after becoming payable (whether legally or formally demanded or not); or

(b) CMDSL shall fail or neglect to perform or observe any term and condition contained in the Tenancy Agreement and on CMDSL's part to be performed or observed; or

(c) CMDSL or other person in whom for the time being the term of the Tenancy Agreement shall be vested shall become bankrupt or in the case of a limited company shall go into liquidation or if a petition in bankruptcy against CMDSL, or a petition for the winding up of CMDSL shall have been filed or if CMDSL shall enter into any composition or arrangement with creditors or shall suffer CMDSL's goods to be levied on execution,

then and in any of the above cases it shall be lawful for the Landlord at any time thereafter to determine the Tenancy Agreement and to re-enter the New Premises or any part of it in the name of the whole but without prejudice to any right of action of the Landlord in respect of any breach of CMDSL's terms and conditions contained in the Tenancy Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

The Group is principally engaged in the trading of recovered paper and materials, provision of confidential materials destruction services, and provision of logistics services in Hong Kong. The Group also has indirect shareholding interest in a disposal and recycling of waste electrical and electronic equipment 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 Guangdong Province, the People's Republic of China.

As disclosed in the August Circular, IWS Promotion has entered into the Surrender Agreement with HKSTP to surrender the Existing Lease, which was approved by the Shareholders at the extraordinary general meeting of the Company held on 5 September 2025. Pursuant to the terms of the Surrender Agreement, IWS Promotion shall surrender the Existing Lease and deliver vacant possession of the Existing Premises to HKSTP on or before 30 April 2026 unless extended by HKSTP. As at 15 August 2025 (being the latest practicable date prior to the printing of the August Circular for ascertaining certain information contained therein), 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. Nevertheless, the Company has concurrently been scouting for other potential sites through various property agents.

Before concluding the leasing of the alternative site with HKSTP, the Group has identified another alternative site located in Sheung Shui (i.e. the New Premises) which, as the Board considers, is on balance more suitable for the Group to continue its businesses taking into account the operations of the Group as a whole. The terms of the Tenancy Agreement have been finalised and CMDSL will sign the Tenancy Agreement to obtain the New Lease, subject to the relevant requirements under Chapter 14 of the Listing Rules applicable to the Tenancy Agreement having been complied with by the Company. It is intended that the Company will be relocated to the New Premises upon the surrender of the Existing Lease in accordance with the terms of the Surrender Agreement. The Company has arranged to obtain an unsecured, interest-bearing loan from CTF Nominee, a controlling shareholder of the Company, to, among others, finance the relocation and renovation costs to be incurred by the Company in connection with the New Premises. The aforementioned loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules but is fully exempt under Rule 14A.90 of the Listing Rules as the loan is on normal commercial terms or better and is unsecured.

Based on the above and the prevailing market rental of sites nearby and of similar size, the Directors (including the independent non-executive Directors) consider that the terms of the Tenancy Agreement (including the monthly rent) are fair and reasonable, 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 LANDLORD

The Landlord is a company incorporated in Hong Kong with limited liability and principally engaged in real estate activities. It is ultimately owned as to approximately 49.85%, 12.31%, 12.31% and 10% by the estate of the late Chung Ming Fai, Cheung Lin Wee, Cheung Ying Wai, Eric and Cheung Kee Wee respectively, each of whom was or is a businessman. The remaining 15.53% is ultimately owned by several individuals each owning less than 2%.

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To the best knowledge, information and belief of the Directors after making reasonable enquiries, as at the date of this announcement, neither the Landlord nor any of its close associates hold any Shares and therefore no Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Tenancy Agreement and the transactions contemplated thereunder in general meeting of the Shareholders. As at the date of this announcement, CTF Nominee, Smart On and Prestige Safe are holding 1,530,601,835 Shares, 732,550,000 Shares and 479,362,193 Shares respectively, representing in aggregate approximately 56.86% of the total number of Shares in issue. Smart On is an indirect wholly owned subsidiary of CTF Nominee; whereas Prestige Safe and CTF Nominee are direct subsidiaries of Chow Tai Fook (Holding) Limited. Therefore the Directors consider that CTF Nominee, Smart On and Prestige Safe constitute a closely allied group of Shareholders within the meaning of Rule 14.45 of the Listing Rules. Accordingly, the Company intends to obtain written approvals for the Tenancy Agreement from CTF Nominee, Smart On and Prestige Safe to dispense with the holding of a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Further announcement will be made if and when such written approvals have been obtained.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

"August Circular"	the circular dated 20 August 2025 of the Company relating to, among others, the Surrender Agreement
"Board"	the board of Directors
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"CMDSL"	Confidential Materials Destruction Service Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
"Company"	Integrated Waste Solutions Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 923)
"CTF Nominee"	Chow Tai Fook Nominee Limited
"Director(s)"	director(s) of the Company
"Existing Lease"	the lease in respect of the Existing Premises granted by HKSTP to IWS Promotion pursuant to a deed of lease dated 21 March 2017 between HKSTP and IWS Promotion
"Existing 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
"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
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board

"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
"Landlord"	Strathgeath Investment Limited, a company incorporated in Hong Kong with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Lease"	the lease in respect of the New Premises to be granted by the Landlord to CMDSL
"New Premises"	Units B1 – B23 on the Ground Floor, Jumbo Plaza, No. 6 Choi Fai Street, Sheung Shui, New Territories, Hong Kong
"Prestige Safe"	Prestige Safe Limited
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Smart On"	Smart On Resources Ltd.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Surrender Agreement"	the letter agreement relating to the surrender of the Existing Lease entered into between HKSTP and IWS Promotion on 18 July 2025
"Tenancy Agreement"	the tenancy agreement to be entered into between the Landlord and CMDSL relating to the leasing of the New Premises by the Landlord to CMDSL
"%"	per cent.

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

Hong Kong, 9 March 2026

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.