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)*

# ANNUAL RESULTS
# FOR THE YEAR ENDED 31 MARCH 2026

**Annual Results**

- Revenue decreased by 9.1%, to HK$41.0 million
- Gross profit margin decreased from 50.9% to 45.9%
- Loss attributable to equity shareholders of the Company decreased by 65.4% to HK$169.4 million
- Basic loss per share was HK3.5 cent (FY2025: HK10.2 cent)

The Board does not recommend the payment of any dividend for the year ended 31 March 2026.

The board (the "Board") of directors (the "Directors") of Integrated Waste Solutions Group Holdings Limited (the "Company") would like to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026 ("FY2026"). The audit committee of the Company (the "Audit Committee") has reviewed the results and the consolidated financial statements of the Group for FY2026 prior to recommending them to the Board for approval.

## Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2026

*(Expressed in Hong Kong dollars)*

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Revenue** | 3 | **40,976** | 45,089 |
| Cost of sales and services | | **(22,179)** | (22,157) |
| **Gross profit** | | **18,797** | 22,932 |
| Other revenue | 4 | **3,035** | 887 |
| Other net loss | | **(229)** | (468) |
| Selling and distribution expenses | | **(12,180)** | (12,267) |
| Administrative and other operating expenses | | **(47,470)** | (61,493) |
| Impairment loss on profit guarantee receivable | 10(a) | **—** | (4,564) |
| Impairment loss on loans to and amount due from an associate | 10(b)&(c) | **—** | (33,826) |
| Impairment loss on property, plant and equipment and right-of-use assets | 9(b) | **(143,171)** | (356,569) |
| **Operating loss** | | **(181,218)** | (445,368) |
| Finance income | 5(b) | **576** | 3,361 |
| Finance costs | 5(c) | **(2,720)** | (3,456) |
| Share of profit/(loss) of associates | | **1,732** | (57,010) |
| Share of profit of joint ventures | | **12,090** | 11,703 |
| **Loss before taxation** | 5 | **(169,540)** | (490,770) |
| Income tax | 6 | **(113)** | — |
| **Loss for the year** | | **(169,653)** | (490,770) |
| **Attributable to:** | | | |
| Equity shareholders of the Company | 7 | **(169,410)** | (490,145) |
| Non-controlling interests | | **(243)** | (625) |
| **Loss for the year** | | **(169,653)** | (490,770) |
| **Basic and diluted loss per share** | 7 | **(3.5) cent** | (10.2) cent |

| | 2026 | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| **Loss for the year** | **(169,653)** | (490,770) |
| **Other comprehensive income/(loss) for the year (net of nil tax):** | | |
| Item that may be reclassified subsequently to profit or loss | | |
| Exchange difference on translation of financial statements of: | | |
| – an associate operating outside Hong Kong | **3,396** | (233) |
| **Other comprehensive income/(loss) for the year** | **3,396** | (233) |
| **Total comprehensive loss for the year** | **(166,257)** | (491,003) |
| **Attributable to:** | | |
| Equity shareholders of the Company | **(166,014)** | (490,378) |
| Non-controlling interests | **(243)** | (625) |
| **Total comprehensive loss for the year** | **(166,257)** | (491,003) |

## Consolidated statement of financial position as at 31 March 2026

*(Expressed in Hong Kong dollars)*

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment and right-of-use assets | 9 | **4,724** | 158,514 |
| Interests in associates | 10 | **60,710** | 56,837 |
| Interests in joint ventures | 11 | **14,180** | 9,590 |
| Deposits and prepayments | | **351** | 45 |
| | | **79,965** | 224,986 |
| **Current assets** | | | |
| Inventories | | **69** | 330 |
| Trade receivables | 12 | **4,717** | 4,219 |
| Other receivables, deposits and prepayments | | **10,961** | 8,715 |
| Amounts due from joint ventures | 11 | **203** | 205 |
| Amount due from a related company | | **—** | 12 |
| Bank deposits and cash | | **16,723** | 43,100 |
| | | **32,673** | 56,581 |
| **Current liabilities** | | | |
| Trade payables | 13 | **1,063** | 1,500 |
| Other payables and accruals | | **5,245** | 7,909 |
| Amount due to a related company | | **—** | 10 |
| Loan from a controlling shareholder | 14 | **50,000** | — |
| | | **56,308** | 9,419 |
| **Net current (liabilities)/assets** | | **(23,635)** | 47,162 |
| **Total assets less current liabilities** | | **56,330** | 272,148 |
| **Non-current liabilities** | | | |
| Other payables | | **2,801** | 2,362 |
| Loan from a controlling shareholder | 14 | **—** | 50,000 |
| | | **2,801** | 52,362 |
| **NET ASSETS** | | **53,529** | 219,786 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | 15(b) | **482,301** | 482,301 |
| Reserves | | **(427,761)** | (261,747) |
| Total equity attributable to equity shareholders of the Company | | **54,540** | 220,554 |
| Non-controlling interests | | **(1,011)** | (768) |
| **TOTAL EQUITY** | | **53,529** | 219,786 |

## NOTES

*(Expressed in Hong Kong dollars)*

### 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 subsidiaries of the Group are principally engaged in the trading of recovered paper and materials, trading of tissue paper products, provision of confidential materials destruction services, provision of logistics services and investment holding.

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

### 2 Material accounting policies

#### *(a) Basis of preparation*

The financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2026 but are extracted from those consolidated financial statements.

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations as issued by the International Accounting Standards Board (the "IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 31 March 2026, the Group has incurred net current liabilities of approximately $23,635,000. The directors of the Company have reviewed the cash flow projections of the Group prepared by the management covering a period of not less than 12 months from the date of approval of these financial statements and have taken into account of the internally available funds and loan from a controlling shareholder. The Group entered into a new loan agreement during the year ended 31 March 2026 with a controlling shareholder for a total facility of $80,000,000 (available for drawdown on or before 17 June 2026). The facility bears interest at a rate of HIBOR plus 2.5% per annum. Under the terms of this agreement, $50,000,000 shall be used to repay the existing loan, and $30,000,000 to be used for general working capital purposes. The loan carries a maturity of three years from its drawdown date. Taking into account the internal available funds and the financial support from this facility, the directors are confident that the Group will have sufficient financial resources to meet its obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The material accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2025 except for the changes stated as below.

*(b) Changes in accounting policies*

The Group has applied the following amendments to IFRSs as issued by the IASB to these consolidated financial statements for the current accounting period:

- Amendments to IAS 21*, Lack of Exchangeability*

None of these amendments have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

**3 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***

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Disaggregated by major products or service lines | | |
| – Provision of CMDS | **12,203** | 15,477 |
| – Provision of logistics services | **2,294** | 2,535 |
| – Sales of recovered paper and materials | **26,279** | 26,016 |
| – Sales of tissue paper products | **200** | 1,061 |
| | **40,976** | 45,089 |

***Disaggregation of revenue from contracts with customers by timing of recognition***

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Timing of revenue recognition | | |
| – At a point in time | **40,976** | 45,089 |

***Specified non-current assets by geographic locations***

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Hong Kong | **18,904** | 168,104 |
| Chinese Mainland | **60,710** | 56,837 |
| | **79,614** | 224,941 |

For the year ended 31 March 2026, revenue of approximately $18,925,000 (2025: $23,337,000) is derived from one (2025: two) external customer(s) which individually accounted for greater than 10% of the Group's total revenue.

The segment results and other segment items included in the loss for the years ended 31 March 2026 and 31 March 2025 are as follows:

– For the year ended 31 March 2026:

| | **CMDS** | **Logistics services** | **Recovered paper and materials** | **Tissue paper products** | **Total** |
|---|---|---|---|---|---|
| | ***$'000*** | ***$'000*** | ***$'000*** | ***$'000*** | ***$'000*** |
| *Segment revenue:* | | | | | |
| Sales to external customers | **12,203** | **2,294** | **26,279** | **200** | **40,976** |
| Inter-segment sales | **—** | **10,136** | **—** | **2** | **10,138** |
| Reportable segment revenue | **12,203** | **12,430** | **26,279** | **202** | **51,114** |
| Elimination of inter-segment revenue | **—** | **(10,136)** | **—** | **(2)** | **(10,138)** |
| | **12,203** | **2,294** | **26,279** | **200** | **40,976** |
| *Segment results:* | | | | | |
| Reportable segment profit/(loss) | **8,483** | **(664)** | **10,942** | **(480)** | **18,281** |
| Elimination of inter-segment loss | | | | | **516** |
| Reportable segment profit derived from the Group's external customers | | | | | **18,797** |
| Other revenue | | | | | **3,035** |
| Other net loss | | | | | **(229)** |
| Selling and distribution expenses | | | | | **(12,180)** |
| Administrative and other operating expenses | | | | | **(47,470)** |
| Impairment loss on property, plant and equipment and right-of-use assets | | | | | **(143,171)** |
| Finance income | | | | | **576** |
| Finance costs | | | | | **(2,720)** |
| Share of profit of associates | | | | | **1,732** |
| Share of profit of joint ventures | | | | | **12,090** |
| Loss before taxation | | | | | **(169,540)** |
| Income tax | | | | | **(113)** |
| Loss for the year | | | | | **(169,653)** |

– For the year ended 31 March 2025:

| | CMDS $'000 | Logistics services $'000 | Recovered paper and materials $'000 | Tissue paper products $'000 | Total $'000 |
|---|---|---|---|---|---|
| *Segment revenue:* | | | | | |
| Sales to external customers | 15,477 | 2,535 | 26,016 | 1,061 | 45,089 |
| Inter-segment sales | — | 8,040 | — | — | 8,040 |
| Reportable segment revenue | 15,477 | 10,575 | 26,016 | 1,061 | 53,129 |
| Elimination of inter-segment revenue | — | (8,040) | — | — | (8,040) |
| | 15,477 | 2,535 | 26,016 | 1,061 | 45,089 |
| *Segment results:* | | | | | |
| Reportable segment profit/(loss) | 10,889 | (591) | 12,296 | (194) | 22,400 |
| Elimination of inter-segment loss | | | | | 532 |
| Reportable segment profit derived from the Group's external customers | | | | | 22,932 |
| Other revenue | | | | | 887 |
| Other net loss | | | | | (468) |
| Selling and distribution expenses | | | | | (12,267) |
| Administrative and other operating expenses | | | | | (61,493) |
| Impairment loss on profit guarantee receivable | | | | | (4,564) |
| Impairment loss on loans to and amount due from an associate | | | | | (33,826) |
| Impairment loss on property, plant and equipment and right-of-use assets | | | | | (356,569) |
| Finance income | | | | | 3,361 |
| Finance costs | | | | | (3,456) |
| Share of loss of associates | | | | | (57,010) |
| Share of profit of joint ventures | | | | | 11,703 |
| Loss before taxation | | | | | (490,770) |
| Income tax | | | | | — |
| Loss for the year | | | | | (490,770) |

## 4 Other revenue

| | **2026** **$'000** | 2025 $'000 |
|---|---|---|
| Write back of other payables and accruals | **2,491** | 131 |
| Subsidy income | **—** | 217 |
| Others | **544** | 539 |
| | **3,035** | 887 |

## 5 Loss before taxation

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

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| ***(a) Staff costs (including directors' emoluments)*** | | |
| Salaries, wages and other benefits *(note (i))* | **40,519** | 40,705 |
| Contributions to defined contribution retirement plan | **1,119** | 1,145 |
| | **41,638** | 41,850 |
| Staff costs included in: | | |
| – Cost of sales and services | **8,116** | 8,336 |
| – Selling and distribution expenses | **10,377** | 10,387 |
| – Administrative and other operating expenses | **23,145** | 23,127 |
| | **41,638** | 41,850 |
| ***(b) Finance income*** | | |
| Interest income from banks deposits | **(576)** | (1,574) |
| Interest income from loans to an associate | **—** | (1,787) |
| | **(576)** | (3,361) |
| ***(c) Finance costs*** | | |
| Interest on loan from non-controlling interests | **12** | 12 |
| Interest on loan from a controlling shareholder | **2,708** | 3,444 |
| | **2,720** | 3,456 |
| ***(d) Other items*** | | |
| Cost of inventories sold | **15,493** | 14,421 |
| Depreciation charge *(note 9(a))* | | |
| – Owned property, plant and equipment | **8,487** | 24,721 |
| – Right-of-use assets | **1,011** | 1,092 |
| Provision for loss allowances on trade receivables *(note 12(b))* | **6** | 17 |
| Foreign exchange (gain)/loss, net | **(235)** | 1,123 |
| Auditor's remuneration: | | |
| – current external auditor | | |
| – Audit services | **1,000** | — |
| – Other services | **238** | — |
| – former external auditor | | |
| – Audit services | **—** | 2,099 |
| – Other services | **390** | 368 |

Note:

(i) The amount includes provision of long service payment.

## 6 Income tax

***Taxation in the consolidated statement of profit or loss and other comprehensive income:***

Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) for the year ended 31 March 2026.

Corporate Income Tax ("CIT") in the Chinese Mainland is calculated at 25% (2025: 25%) of the estimated assessable profits of the relevant subsidiary for the year ended 31 March 2026.

No provision for Hong Kong Profits Tax and CIT for the years ended 31 March 2026 and 31 March 2025 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 year or the subsidiaries have no estimated assessable profits in Hong Kong and Chinese Mainland during the year.

Pursuant to the "Arrangement between the Chinese Mainland 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 Chinese Mainland 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 year ended 31 March 2026, 5% (2025: 5%) withholding tax rates were used for the Company's subsidiary and the Group's associate, respectively. A provision for dividend withholding tax of approximately $113,000 (2025: Nil) was charged to profit or loss for the year ended 31 March 2026 and such withholding tax of approximately $113,000 (2025: Nil) was paid during the year.

## 7 Loss per share

The calculation of the basic and diluted loss per share is based on the loss attributable to equity shareholders of the Company of $169,410,000 (2025: $490,145,000) and the weighted average number of 4,823,009,000 (2025: 4,823,009,000) ordinary shares in issue during the year.

### *(a) Basic loss per share*

Weighted average number of ordinary shares

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Issued ordinary shares at 1 April and weighted average number of ordinary shares at 31 March | **4,823,009** | 4,823,009 |

### *(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 years ended 31 March 2026 and 31 March 2025.

## 8 Dividends

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2026 (2025: Nil).

## 9 Property, plant and equipment and right-of-use assets

### *(a) Reconciliation of carrying amount*

| | Ownership interests in buildings held for own use carried at depreciated cost *$'000* | Leasehold improvements *$'000* | Plant and machineries *$'000* | Furniture, fixtures and equipment *$'000* | Motor vehicles *$'000* | Subtotal *$'000* | Ownership interests in leasehold land held for own use and other properties leased for own use *$'000* | Total *$'000* |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| **At 1 April 2024** | 697,972 | 331 | 53,212 | 12,806 | 23,008 | 787,329 | 38,690 | 826,019 |
| Additions | — | — | — | 213 | — | 213 | — | 213 |
| Disposals | — | — | — | — | (498) | (498) | — | (498) |
| Written off | — | — | — | (5) | — | (5) | — | (5) |
| **At 31 March 2025 and 1 April 2025** | 697,972 | 331 | 53,212 | 13,014 | 22,510 | 787,039 | 38,690 | 825,729 |
| Additions | — | — | — | 175 | — | 175 | — | 175 |
| Disposals | — | — | (7,547) | (77) | (858) | (8,482) | — | (8,482) |
| Written off | (6,115) | — | (14,633) | (203) | (292) | (21,243) | — | (21,243) |
| **At 31 March 2026** | **691,857** | **331** | **31,032** | **12,909** | **21,360** | **757,489** | **38,690** | **796,179** |

| | Ownership interests in buildings held for own use carried at depreciated cost | Leasehold improvements | Plant and machineries | Furniture, fixtures and equipment | Motor vehicles | Subtotal | Ownership interests in leasehold land held for own use and other properties leased for own use | Total |
|---|---|---|---|---|---|---|---|---|
| | *$'000* | *$'000* | *$'000* | *$'000* | *$'000* | *$'000* | *$'000* | *$'000* |
| **Accumulated depreciation and impairment:** | | | | | | | | |
| **At 1 April 2024** | 197,001 | 254 | 46,590 | 10,793 | 17,222 | 271,860 | 13,339 | 285,199 |
| Charge for the year | 21,547 | 3 | 1,231 | 651 | 1,289 | 24,721 | 1,092 | 25,813 |
| Written back on disposals | — | — | — | — | (361) | (361) | — | (361) |
| Written off | — | — | — | (5) | — | (5) | — | (5) |
| Impairment *(note 9(b))* | 350,924 | — | 3,886 | — | — | 354,810 | 1,759 | 356,569 |
| **At 31 March 2025 and 1 April 2025** | 569,472 | 257 | 51,707 | 11,439 | 18,150 | 651,025 | 16,190 | 667,215 |
| Charge for the year | 5,779 | 3 | 851 | 661 | 1,193 | 8,487 | 1,011 | 9,498 |
| Written back on disposals | — | — | (7,508) | (74) | (714) | (8,296) | — | (8,296) |
| Written off | (5,005) | — | (14,633) | (203) | (292) | (20,133) | — | (20,133) |
| Impairment *(note 9(b))* | 121,611 | 71 | — | — | — | 121,682 | 21,489 | 143,171 |
| **At 31 March 2026** | **691,857** | **331** | **30,417** | **11,823** | **18,337** | **752,765** | **38,690** | **791,455** |
| **Net book value:** | | | | | | | | |
| **At 31 March 2026** | **—** | **—** | **615** | **1,086** | **3,023** | **4,724** | **—** | **4,724** |
| **At 31 March 2025** | 128,500 | 74 | 1,505 | 1,575 | 4,360 | 136,014 | 22,500 | 158,514 |

### *(b) Impairment loss*

During the year ended 31 March 2026, following the conditional offer made by the Group on 30 April 2025 as disclosed in the consolidated financial statements for the year ended 31 March 2025, the Group entered into a surrender agreement (the "Surrender Agreement") with the Hong Kong Science and Technology Parks Corporation ("HKSTP"). The Surrender Agreement was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 5 September 2025.

Pursuant to the terms of the Surrender Agreement, the Group shall surrender the existing lease and deliver vacant possession of the existing premises (the "Existing Premises") to HKSTP on or before 30 April 2026, unless extended by HKSTP. The Group has identified an alternative site located in Sheung Shui (the "New Premises") and targets to complete the relocation no later than 30 September 2026. As at the date of approval of these consolidated financial statements, despite the original surrender date of 30 April 2026 having passed, the Group is in ongoing, positive discussions with HKSTP for an extension of the surrender date to 30 September 2026 and has not received any notice to vacate the Existing Premises. In the unlikely event that such extension is not granted, the business operations of the Group will be temporarily suspended until the relocation to the New Premises has been completed.

The execution of the Surrender Agreement and the impending cessation of operations at the Existing Premises were identified by management as strong indicators of impairment for the Group's property, plant and equipment located at the Existing Premises.

Given that the lease is to be surrendered to HKSTP at zero consideration and the Group will not receive any compensation for the remaining lease term, the fair value less costs of disposal was determined to be nil. An impairment loss of the Existing Premises, including their interests in buildings and leasehold land, and leasehold improvements, amounted to $143,171,000 was recognised in profit or loss accordingly.

During the year ended 31 March 2025, certain machinery was left idle. The Group assessed the recoverable amounts of those machinery and as a result the carrying amounts of the plant and machinery were written down to their recoverable amount of $38,000. An impairment loss of $3,886,000 was recognised in profit or loss accordingly. The recoverable amount is determined based on the fair value less costs of disposal of the respective plant and machinery with reference to the agreed selling price concluded with independent third party.

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 made an offer to HKSTP to surrender the lease granted by HKSTP to the Group at a price determined by a prescribed formula under the deed of lease, where the amount was determined to be higher than the carrying amount in prior year. However, the offer was rejected by HKSTP in August 2024. As an alternative, HKSTP set a deadline of August 2025 for identifying a buyer. In this respect, the Group had attempted to identify a third-party buyer to take up the Group's land and buildings but to no avail.

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 $151,000,000. An impairment loss of $352,683,000 was recognised in profit or loss accordingly. The recoverable amount was 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. Valuation methodology of depreciated replacement cost was used as there exist no readily available comparable market transactions given the unique nature of the Group's land and buildings. The Group engaged an independent firm of surveyors to assist in the estimation of the fair value of the land and buildings.

The fair value on which the recoverable amount was based on is categorised as level 3 measurement. Information about level 3 measurement for the year ended 31 March 2025 was as follows:

| | **Valuation technique** | **Significant unobservable input** | **Value** |
|---|---|---|---|
| The Group's land and buildings | Depreciated replacement cost | Replacement cost | $33,722 per square meter |
| | | Expected utilisation rate | 40.8% |

Replacement cost was based on an estimated market-level construction cost, plus other applicable development costs including professional fee, finance cost and developer's profit. Expected utilisation rate was based on current utilisation rate, taking into account the management's expected utilisation and the fact that the Group had attempted to identify a third-party buyer to take up the Group's land and buildings but to no avail.

### *(c) Right-of-use assets*

The analysis of the net book value of right-of-use assets by class of underlying asset are as follows:

| | *Note* | **2026** **$'000** | 2025 $'000 |
|---|---|---|---|
| Ownership interests in leasehold land held for own use, carried at depreciated cost | *(i)* | **—** | 22,500 |

The analysis of expense items in relation to leases recognised in profit or loss are as follows:

| | **2026** **$'000** | 2025 $'000 |
|---|---|---|
| Depreciation charge of right-of-use assets by class of underlying asset: | | |
| – Ownership interests in leasehold land held for own use | **1,011** | 1,092 |
| Expense relating to short-term leases | **2,097** | 2,024 |

During the years ended 31 March 2026 and 31 March 2025, there were no additions to right-of-use assets.

(i) Ownership interests in leasehold land held for own use

The Group has obtained the right to use leasehold land as its office and workshop through land premium paid. The land use right held has an unexpired lease term of 21 years (2025: 22 years).

## 10 Interests in associates

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Share of net assets | **60,710** | 56,837 |
| Loans to an associate *(note 10(b))* | **—** | 32,432 |
| Amount due from an associate *(note 10(c))* | **—** | 1,394 |
| Less: Impairment | **—** | (33,826) |
| | **60,710** | 56,837 |

### *(a) (i) Compensation income on profit guarantee arrangement*

During the year ended 31 March 2020, the Group entered into an agreement with a third party (the "Seller") to acquire 40% issued shares in Dugong IWS HAZ Limited ("DIWS"), which in turn held 51% equity interests in Lianyungang Lvrun Environmental Protection Technology Co., Ltd ("Lvrun"). and Dugong Environment Resource (Kaifeng) Co., Ltd. (together "Dugong IWS").

The acquisition was completed on 23 January 2020. The total consideration of $69,000,000 was fully paid to the Seller by cash at completion date.

A profit guarantee arrangement was included in the agreement. Under the arrangement, the Seller agreed to guarantee the aggregated net income audited in accordance with the Generally Accepted Accounting Principles of the PRC ("PRC GAAP") generated by Lvrun would not be less than RMB90,000,000 for the three years ended 31 December 2021. The Seller would compensate the Group for any shortfall of the deemed profit attributable to the Group calculated in accordance with the shareholders' agreement.

Based on the audited financial statements of Lvrun prepared in accordance with the PRC GAAP, the aggregate audited net income of Lvrun for the three years ended 31 December 2021 was approximately RMB69,124,000. Therefore, the Group became entitled to receive from the Seller a sum of approximately RMB4,259,000 (equivalent to approximately $4,564,000) as a result of a shortfall of approximately RMB20,876,000 between RMB90,000,000 and RMB69,124,000. As at 31 March 2025, the profit guarantee receivable from the Seller was recognised as other receivables, deposits and prepayments in the consolidated statement of financial position and the amount was fully impaired during the year ended 31 March 2025.

### *(a) (ii) Disposal of an associate*

As at 31 March 2025, the Group had 40% interests in DIWS, with carrying amount of Nil in the consolidated financial statements.

On 26 September 2025, the Group entered into an agreement with Dugong Limited, a company owned 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 year ended 31 March 2026.

*(a) (iii) Compensation income on guarantee arrangement*

During the year ended 31 March 2024, the Group entered into an agreement with a third party to acquire 13.16% issued shares in An Jie Supply Chain Management Co., Ltd ("An Jie"). The acquisition was completed on 19 January 2024. The total consideration of RMB50,000,000 (equivalent to approximately $54,995,000) was fully paid to the third party ("the Vendor") by cash. The transaction cost for the acquisition was $4,064,000. The total consideration paid by the Group for the investment was approximately $59,059,000.

A guarantee arrangement is included in the agreement. According to this arrangement, in the event that An Jie issues of new shares and should the valuation of An Jie after the completion of the proposed new issue of shares be less than RMB450,000,000, the Vendor shall compensate the Group by paying a sum of RMB5,000,000. It was classified as financial assets at fair value through profit or loss ("FVTPL") in accordance with IFRS 9.

As at 31 March 2026, the fair value of the financial assets at FVTPL was assessed to be RMB2,500,000 (equivalent to approximately $2,840,000) (2025: RMB2,500,000 (equivalent to approximately $2,679,000)). This amount was included in other receivables, deposits and prepayments in the consolidated statement of financial position.

*(b) Loans to an associate*

Loan of RMB15,130,000 (equivalent to approximately $16,215,000) as 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) as 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 as at 31 March 2025. In accordance with the terms of DIWS S&P Agreement, the loans were waived together with the disposal during the year ended 31 March 2026.

*(c) Amount due from an associate*

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

As 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 together with the disposal during the year ended 31 March 2026.

## 11 Interests in joint ventures

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Share of net liabilities | **(23,056)** | (27,646) |
| Loans to a joint venture *(note 11(a))* | **18,000** | 18,000 |
| Amounts due from joint ventures *(note 11(b))* | **41,624** | 41,626 |
| Less: Impairment | **(22,185)** | (22,185) |
| | **14,383** | 9,795 |
| Represented by: | | |
| Non-current portion | **14,180** | 9,590 |
| Current portion | **203** | 205 |
| | **14,383** | 9,795 |

### *(a) Loans to a joint venture*

At 31 March 2026, loans to a joint venture of $18,000,000 (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 31 March 2026 and 31 March 2025.

### *(b) Amounts due from joint ventures*

The amounts due from joint ventures at 31 March 2026 and 31 March 2025 were unsecured, interest-free and had no fixed terms of repayment, in which $4,185,000 were impaired.

## 12 Trade receivables

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Trade receivables | **5,355** | 4,857 |
| Less: Loss allowance *(note 12(b))* | **(638)** | (638) |
| Trade receivables, net | **4,717** | 4,219 |

### *(a) Ageing analysis*

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:

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| 0 - 30 days | **3,510** | 3,572 |
| 31 - 60 days | **1,172** | 531 |
| 61 - 90 days | **69** | 48 |
| 91 - 120 days | **—** | 68 |
| Over 120 days | **604** | 638 |
| | **5,355** | 4,857 |
| Less: Loss allowance | **(638)** | (638) |
| | **4,717** | 4,219 |

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

### *(b) Movement in the loss allowance account in respect of trade receivables during the year*

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Balance at 1 April | **638** | 638 |
| Provision for loss allowances | **6** | 17 |
| Uncollectable amounts written off during the year | **(6)** | (17) |
| Balance at 31 March | **638** | 638 |

The following changes in the gross carrying amounts of trade receivables contributed to the change in the loss allowance:

- origination of new trade receivables net of those settled resulted in an increase in loss allowance of $6,000 (2025: $17,000); and
- a write-off of trade receivables with a gross carrying amount of $6,000 (2025: $17,000); and resulted in no change of loss allowance (2025: resulted in no change of loss allowance).

## 13 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:

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Current | **510** | 686 |
| 1 - 30 days | **177** | 370 |
| 31 - 60 days | **37** | 20 |
| 61 - 90 days | **19** | 16 |
| 91 - 120 days | **14** | 11 |
| Over 120 days | **306** | 397 |
| | **1,063** | 1,500 |

## 14 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.

The Group entered into a new loan agreement during the year ended 31 March 2026 with its controlling shareholder for a total facility of $80,000,000, which is available for drawdown on or before 17 June 2026. The facility is unsecured and bears interest at a rate of HIBOR plus 2.5% per annum. Under the terms of this agreement, $50,000,000 shall be used to repay the existing loan, and $30,000,000 to be used for general working capital purposes, with a maturity of three years from the drawdown date. Subsequently, on 16 June 2026, the Group drew down an amount of $80,000,000 under this facility, which is repayable on 15 June 2029.

## 15 Share capital

### *(a) Authorised share capital of the Company*

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| **Authorised:** | | |
| 7,500,000,000 (2025: 7,500,000,000) ordinary shares of $0.10 each | **750,000** | 750,000 |

### *(b) Issued share capital of the Company*

| | **Number of ordinary shares** | **Amount** |
|---|---|---|
| | ***'000*** | ***$'000*** |
| **Issued and fully paid:** | | |
| At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026 | **4,823,009** | **482,301** |

### *(c) 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 31 March 2026.

No expenses related to equity settled share-based payment transactions was recognised by the Group during the year ended 31 March 2026 (2025: Nil).

## 16 Capital Commitments

| | **2026** | 2025 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Capital expenditure in respect of | | |
| – property, plant and equipment contracted but not provided for in the consolidated financial statements | **495** | — |

## 17 Non-adjusting events after the reporting period

### *(a) Entering into new tenancy agreement*

On 23 March 2026, the Group entered into a tenancy agreement (the "Tenancy Agreement") with an independent third party to lease a property in Sheung Shui, New Territories, for the Group's industrial and business operations. The lease term spans three years, commencing on 1 April 2026 and expiring on 31 March 2029, with a monthly rental of $880,000. As the lease commencement date falls after the end of the reporting period, this constitutes a non-adjusting event. Upon the commencement of the lease on 1 April 2026, in accordance with IFRS 16, the Group will recognise a right-of-use asset and a corresponding lease liability of approximately $45,300,000 and $44,000,000 respectively, representing the present value of the aggregate lease payments. Details of the tenancy agreement were disclosed in the circular of the Company dated 30 March 2026 (the "Circular").

### *(b) Update on relocation to the New Premises*

Up to the date of approval of these financial statements, the relocation remains targeted to complete no later than 30 September 2026. Notwithstanding that 30 April 2026, being the date of surrender of the Existing Lease under the Surrender Agreement, has passed, the discussion between IWS Promotion Limited and HKSTP on the extension of the date of surrendering the Existing Lease and delivering vacant possession of the Existing Premises is still ongoing and so far IWS Promotion Limited has not received any notice to vacate the Existing Premises. Details of the update on relocation to the premises were disclosed in the announcements the Company dated 9 March 2026, 19 March 2026, 23 March 2026 and 7 May 2026 respectively and the Circular, relating to, among others, the Tenancy Agreement between the independent third party landlord and Confidential Materials Destruction Service Limited in relation to the leasing of the New Premises. Unless otherwise stated, terms used in these financial statements shall have the same meaning as those defined in the Circular.

### *(c) Leasehold improvement work for New Premises*

On 1 June 2026, the Group entered into a renovation contract with an independent third party amounted to $20,000,000 in relation to the leasehold improvements and related works at the New Premises.

## 18 Comparative figures

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

## GROUP REVIEW

Integrated Waste Solutions Group Holdings Limited provides integrated environmental services across waste management, recycling and treatment, logistics, and supply chain solutions. With operations spanning Hong Kong and Chinese Mainland, the Group is dedicated to supporting both public and private sector clients in achieving sustainable resource management and regulatory compliance. Our business segments comprise Confidential Materials Destruction Service ("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., "An Jie").

During FY2026, the Group advanced its strategic transition from an asset-heavy to an asset-light operating model. In July 2025, the Group reached an agreement with Hong Kong Science and Technology Parks Corporation ("HKSTP") in relation to the surrender of the lease of the Group's headquarters at Tseung Kwan O (the "Surrender"). Following the cessation of plastic recycling and tissue paper production, with only CMDS and logistics operations remaining on-site, the premises had become materially underutilised and the associated upkeep costs were no longer justifiable. The Surrender is intended to alleviate long-term financial pressures, reduce property-related fixed costs, improve operational efficiency and redirect resources towards CMDS and logistics operations. Relocation of the CMDS and logistics operations to a new leased facility is currently targeted for completion no later than the end of September 2026, subject to fit-out progress and operational readiness, with the security and confidentiality of client materials remaining the top priority throughout the transition.

## MARKET REVIEW

The operating environment in FY2026 remained challenging, with customer spending discipline, competitive pricing pressure and broader macroeconomic uncertainty affecting demand and margins across several business lines. Broader geopolitical uncertainty and trade-related tensions continued to affect market sentiment and contributed to volatility in certain cost components.

In the recovered materials market, demand for recovered paper remained relatively stable, though average selling prices softened further year-on-year in line with weaker global pulp and paper market conditions. On the regulatory front, the enhanced Producer Responsibility Scheme on Waste Electrical and Electronic Equipment ("WPRS"), expanded to cover additional categories of regulated electrical equipment, took full effect during FY2026, supporting higher WEEE collection and processing volumes. The HKSAR Government's continued commitment to extending producer responsibility regulations is expected to provide medium-term structural support for the environmental services industry.

In Chinese Mainland, economic conditions were characterised by persistent deflationary pressures and subdued domestic consumption. Conventional logistics, industrial waste and hazardous waste treatment segments all continued to face margin compression from persistent overcapacity and weak pricing, and the Group has no further material exposure to the latter following the full impairment in the prior year and subsequent divestment of its interest. On the other hand, segments linked to the new energy economy, particularly energy storage cabinet and lithium battery transportation, continued to see demand growth. However, the broader Chinese

Mainland market outlook remained uncertain, while intensified competition continued to place pressure on service rates and gross margins. Operating costs in certain logistics corridors were, however, impacted by rising subcontractor rates and fuel costs arising from the ongoing geopolitical situation.

The Group will continue to monitor these market developments closely and position its core businesses cautiously, with an emphasis on cost control, service quality, operational efficiency and disciplined capital commitment.

## FINANCIAL REVIEW

Loss attributable to equity shareholders of the Company for the year ended 31 March 2026 amounted to HK$169.4 million, compared to a loss of HK$490.1 million for the year ended 31 March 2025. The year-on-year improvement was primarily attributable to (i) reduction in impairment losses on the Group's land and building at Tseung Kwan O and certain machineries; (ii) a significant reduction in depreciation and amortisation charges following the write-down of the land and building to their recoverable amount at 31 March 2025; and (iii) the absence of share of losses from the Group's interest in the Mainland China hazardous waste treatment associate, Dugong IWS HAZ Limited ("DIWS"), which was fully impaired at 31 March 2025 and subsequently divested during FY2026.

Following the offer made in April 2025, the Group reached an agreement in July 2025 with HKSTP in relation to the surrender of the lease of the Group's land and building at Tseung Kwan O. Accordingly, an impairment loss of HK$143.1 million was provided against the remaining carrying value of the land and building in the current financial year pursuant to the entering into of the agreement between the Group and HKSTP. As at 31 March 2026, completion of the Surrender remained subject to the relevant arrangements and the readiness of the Group's new facility.

A summary of the Group's results is set out below:

| | **FY2026** | FY2025 | **Fav./(Unfav.) Change** | |
|---|---|---|---|---|
| | **HK$'000** | HK$'000 | **HK$'000** | % |
| **Results of Operating Segments** | **(3,261)** | 937 | **(4,198)** | **(448.0)** |
| **Net Corporate expenses** | **(36,800)** | (50,816) | **14,016** | **27.6** |
| **Sub-total** | **(40,061)** | (49,879) | **9,818** | **19.7** |
| **Share of results of associates** | **1,732** | (57,010) | **58,742** | **103.0** |
| **Share of results of joint ventures** | **12,090** | 11,703 | **387** | **3.3** |
| **Non-operating/non-recurring items:** | | | | |
| Impairment of profit guarantee receivable | **—** | (4,564) | **4,564** | **100.0** |
| Impairment of property, plant and equipment and right-of-use assets | **(143,171)** | (356,569) | **213,398** | **59.8** |
| Impairment of interests in an associate | **—** | (33,826) | **33,826** | **100.0** |
| **Loss attributable to equity shareholders of the Company** | **(169,410)** | (490,145) | **320,735** | **65.4** |

Results of operating segments decreased by HK$4.2 million or 448.0% in FY2026, which was primarily caused by the decline in the profit margin of CMDS business in FY2026. Net corporate expenses decreased by HK$14.0 million or 27.6% was contributed by the HK$15.9 million reduction in depreciation and amortisation charges for the Group's land and building at Tseung Kwan O, after an impairment loss provision of HK$352.7 million made to write down the carrying amounts of land and building to recoverable amount of HK$151.0 million at 31 March 2025.

Share of results of associates improved by HK$58.7 million compared to FY2025. The improvement was driven by the absence of share of losses from DIWS which was fully impaired at 31 March 2025 and divested in FY2026. The share of losses from DIWS amounted to HK$59.9 million in FY2025.

Share of results of joint ventures amounted to a profit of HK$12.1 million in FY2026 (FY2025: HK$11.7 million), supported by the continued stable contribution from the WEEE joint venture with ALBA Group.

**Revenue Analysis**

The Group's revenue for FY2026 and FY2025 are summarised below:

| | **FY2026** | FY2025 | **Fav./(Unfav.) Change** | |
|---|---|---|---|---|
| | **HK$'000** | HK$'000 | **HK$'000** | % |
| Sales of recovered paper and materials | | | | |
| – Sales of recovered paper | **26,118** | 25,863 | **255** | **1.0** |
| – Sales of other waste materials | **161** | 153 | **8** | **5.2** |
| **Sub-total** | **26,279** | 26,016 | **263** | **1.0** |
| CMDS service income | **12,203** | 15,477 | **(3,274)** | **(21.2)** |
| Sales of tissue paper products | **200** | 1,061 | **(861)** | **(81.1)** |
| Logistics service income | **2,294** | 2,535 | **(241)** | **(9.5)** |
| **Total** | **40,976** | 45,089 | **(4,113)** | **(9.1)** |

**Recovered Paper** business recorded revenue of HK$26.1 million in FY2026 (FY2025: HK$25.9 million), representing a year-on-year increase of HK$0.2 million or 1.0%. Revenue was supported by continued paper sales volumes delivered under contracts secured in earlier periods, although average unit prices slightly declined by 1.3% year-on-year, reflecting prevailing market conditions. Sales quantity for the current financial year increased by 2.3% overall. Of this, recovered office paper generated from CMDS services recorded revenue of HK$21.8 million (FY2025: HK$21.6 million), representing a slight increase of HK$0.2 million or 1.1%, driven by an increase in sales quantity of 0.7%. Gross profit margin of Recovered Paper came under pressure during the year, due to higher purchase costs and weaker market pricing. The gross profit of Recovered Paper has decreased by HK$1.4 million or 11.0%, and gross profit margin has also decreased from 47.6% to 42.0%. Management continues to monitor procurement cost dynamics closely as part of its broader effort to sustain segment profitability.

**CMDS** remained one of the core business segments for the Group, and recovered paper generated from CMDS activities also contributed to the Group's recovered paper sales. Service income amounted to HK$12.2 million in FY2026 (FY2025: HK$15.5 million), representing a decrease of HK$3.3 million or 21.2%.

Both paper and non-paper destruction volumes recorded a modest decline compared to FY2025, reflecting intense industry competition and heightened cost sensitivity among customers in the prevailing economic environment. Despite these headwinds, overall segment performance remained on track. Following the proposed lease surrender at Tseung Kwan O, the subsequent relocation of CMDS operations to a new facility remains management's foremost operational priority. The transition will be executed with particular emphasis on maintaining the Group's stringent confidentiality, information security, and service continuity standards throughout the process.

The **WEEE** joint venture with ALBA Group continued to provide a stable contribution to the Group. Collection and processing volumes were supported by the expanded scope of regulated electrical equipment under the WPRS. The Group's share of profit from the joint venture was HK$12.1 million in FY2026 (FY2025: HK$11.7 million), representing an increase of HK$0.4 million or 3.5% compared to FY2025. The existing operating contract with ALBA is due to expire in 2027, and the Group is actively preparing for the Government's forthcoming re-tendering process.

**Logistics** division primarily provides support services to other business segments of the Group, and continued to support the WEEE transport operations during the year. Revenue amounted to HK$2.3 million in FY2026 (FY2025: HK$2.5 million). Demand for WEEE transport services softened marginally year-on-year, while the segment continued to face cost pressure from diesel fuel prices.

As communicated in FY2025, in-house production of **Tissue Paper** has ceased in light of persistent cost pressure and declining volumes. Following the cessation of in-house tissue paper production, the Group continued to conduct tissue paper indent trading during FY2026, generating revenue of HK$0.2 million (FY2025: HK$1.1 million).

In relation to the Group's Chinese Mainland **Hazardous Waste Treatment** interest, the divestment of the Group's entire interest in Dugong IWS HAZ Limited was completed during FY2026, relieving the Group of any further share of losses and funding obligations in respect of this business. As at 31 March 2026, the Group has no further exposure to this segment.

**An Jie** continued to operate in the specialised logistics sector, serving clients in the new energy vehicle ("NEV") and chemical industries. During FY2026, revenue growth was supported by higher volumes in energy storage cabinet and lithium battery transportation. However, service unit prices and gross margins came under pressure from intensifying competition in Chinese Mainland. An Jie also commenced a new overland logistics corridor into Central Asia during the year. The Central Asian operation is being closely monitored as rising natural gas costs, subcontractor price increases and customer demands for price reductions arising from the prevailing geopolitical situation have materially increased operating costs. An Jie contributed HK$1.7 million to the Group's share of results of associates in FY2026 (FY2025: HK$2.9 million). The Group is continuing to expand An Jie's tender participation and broaden its market coverage.

**Gross Profit and Gross Profit Margin**

The Group recorded a gross profit of HK$18.8 million in FY2026 (FY2025: HK$22.9 million) with gross profit margin of 45.9% (FY2025: 50.9%). Both gross profit and gross profit margin have declined compared to FY2025, which were caused by the decrease in the profitability of Recovered Paper and CMDS.

**Selling, Distribution, Administrative and Other Operating Expenses**

Selling, distribution, administrative and other operating expenses amounted to HK$59.7 million in FY2026 (FY2025: HK$73.8 million). The year-on-year decrease mainly reflected the reduction in depreciation and amortisation following the FY2025 write-down of the Group's land and building.

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

Owing to the reduction in impairment losses on the Group's land and building at Tseung Kwan O and certain machineries and the absence of share of losses from the Group's interest in Dugong IWS HAZ Limited, LBITDA for FY2026 has been significantly improved by approximately HK$307.0 million, from HK$464.9 million in FY2025 to HK$157.9 million in FY2026.

**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, with a particular preference for equity as it does not increase recurring finance costs. The Group acknowledges that it may continue to encounter difficulties in raising debt funding from financial institutions given its recent financial performance. During the current financial year, the Group did not raise any external finance and capital expenditure incurred was financed by internal resources.

As at 31 March 2026, the Group had unrestricted bank deposits and cash of approximately HK$16.7 million (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 (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 (2025: HK$50.0 million) as at 31 March 2026. The Group had no bank loans and overdrafts as at 31 March 2026 (2025: Nil). As at 31 March 2026, the Group has a net debt balance of HK$33.7 million (cash and cash equivalents less loan from a controlling shareholder and loan from controlling interests) (2025: HK$7.3 million) and the gearing ratio of the Group (net debt over total equity) was 62.9% as at 31 March 2026 compared to 3.3% as at 31 March 2025.

As at 31 March 2026, the Group had net current liabilities of HK$23.6 million (2025: net current assets of HK$47.2 million). The current ratio of the Group was 0.6 as at 31 March 2026 (2025: 6.0).

The Group entered into a new loan agreement during the year ended 31 March 2026 with its controlling shareholder for a total facility of HK$80.0 million, which is unsecured and available for drawdown on or before 17 June 2026. Under the terms of this agreement, HK$50.0 million shall be used to repay the existing loan, and HK$30.0 million to be used for general working capital purposes, with a maturity of three years from the drawdown date. On 16 June 2026, the Group drew down an amount of HK$80.0 million under this facility, which is repayable on 15 June 2029.

### 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 material purchases are also denominated in Hong Kong dollars. The Group's monetary assets and liabilities are principally denominated in Hong Kong dollars, Renminbi and United States dollars. Certain subsidiary, associate and joint venture companies have local currency project loans in place, which are naturally hedged as their revenues are also denominated in the same local currency of the entity concerned.

For the years ended 31 March 2026 and 31 March 2025, the Group recorded a net foreign exchange gain/loss of HK$0.2 million and HK$1.1 million respectively due to appreciation/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$0.3 million in respect of the New Premises. As at 31 March 2026, the Group has capital commitments of approximately HK$0.5 million, which are mainly related to the acquisition of leasehold improvements in relation to the lease of New Premises.

### Pledge of Assets

As at 31 March 2026, the Group had no pledge of assets (2025: Nil).

### Capital Structure

Details of the capital structure of the Company are set out in Note 15.

### Contingent Liabilities

As at 31 March 2026, the Group had, upon receiving legal advice, lodged certain claims against a former director and employees, the outcome of which remains uncertain.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is a trusted provider of integrated waste solutions in Hong Kong and Chinese Mainland, dedicated to advancing sustainability and supporting the transition to a circular economy. We fully recognise 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's website and the Group's official website. The report complies with Appendix C2 to the Listing Rules and provides a comprehensive overview of our environmental policies, performance metrics and stakeholder engagement initiatives.

The FY2026 annual report and the accompanying ESG report have been prepared on the basis of the Group's operations as at 31 March 2026, which were principally conducted from the existing Tseung Kwan O facility. ESG initiatives, performance metrics and disclosures in respect of the new facility will be incorporated in the Group's subsequent annual reports as the relocation progresses. The Group remains committed to embedding energy efficiency and other ESG considerations in the selection of equipment and the fit-out of the new facility.

### Environmental Policy and Compliance

As a leading provider of integrated waste solutions, the Group is recognised as Hong Kong Green Organisation, holding the Wastewi$e Certificate at Excellent Level. We are committed to delivering effective waste management services while upholding the highest standards of environmental stewardship. This commitment is embedded in our ISO 14001:2015 certified environmental management system and underpinned by measurable targets across water conservation, energy efficiency and waste reduction.

To further mitigate our environmental footprint, we continued to progressively increase the use of B5 biodiesel in our vehicle fleet to replace traditional diesel, supporting lower carbon emissions and cleaner transportation. The Group continued its participation in the CLP Peak Demand Management Incentive Programme during the year, contributing to reduced electricity consumption during designated peak periods. Overall, electricity consumption decreased by 2.8% compared with the previous year, reflecting the combined effect of operational changes and energy management initiatives. As the Group transitions to its new facility, energy efficiency considerations will continue to guide equipment procurement and facility setup, ensuring that our environmental commitments are maintained through and beyond the relocation process.

The Group remains fully compliant with all applicable environmental laws and regulations in the jurisdictions in which it operates, including the Waste Disposal Ordinance, the Water Pollution Control Ordinance and the Air Pollution Control Ordinance. No material instances of non-compliance with environmental laws and regulations were recorded during the reporting period.

**Stakeholders Engagement**

The Group places great importance on building and maintaining strong relationships with its stakeholders. We are dedicated to fostering open, structured and ongoing dialogue with its key stakeholder groups, encompassing employees, customers, investors, non-governmental organisations, suppliers and subcontractors, through a broad range of communication channels. Such engagement enables the Group to develop a deeper understanding of stakeholders' needs, expectations and concerns, and to assess the extent to which its operations influence their decisions, as well as the broader community, economy and environment.

The insights derived from this process are integral to the formulation of the Group's strategies and ensure that its corporate direction remains aligned with stakeholder priorities. A comprehensive account of the Group's stakeholder engagement framework and activities is set out in the annual ESG report and on the Group's corporate website.

**Employees**

The Group's employees are the driving force behind our operations, and we remain committed to creating a working environment where employees feel safe, valued and supported in their professional growth. As of 31 March 2026, the Group employed 103 staff members (31 March 2025: 114). Total employee costs, including directors' emoluments, amounted to HK$41.6 million for FY2026 (FY2025: HK$41.9 million).

The Group upholds fair and transparent employment practices across recruitment, performance evaluation and employee benefits, and maintains a zero-tolerance policy against discrimination of any form. The Group updated its policies and procedures to reflect the implementation of the abolition of the MPF offsetting arrangement during FY2026. We are equally committed to the health and safety of our workforce, conducting regular training and site inspections to maintain safe working conditions across all operations. The Group's occupational health and safety policy was subject to its annual review and updated in December during the reporting year.

### Customers

The Group places strong emphasis on customer satisfaction and information security. During the reporting period, the Group distributed 500 customer satisfaction surveys and recorded an overall satisfaction rate of 85.5% among respondents. All customer complaints were thoroughly investigated and addressed with tailored solutions, with a grievance mechanism in place to collect feedback and implement corrective actions for ongoing improvement.

The Group holds ISO/IEC 27001:2022 Information Security Management certification and maintains dedicated oversight through the Information Management Committee, which is responsible for risk identification, assessment and mitigation. To ensure the integrity of its information security management system, the Group conducts at least one internal audit and engages an independent external certification body to perform at least one audit and certification review annually. Staff receive annual external training to stay current with evolving security standards and safeguard against potential breaches. Throughout FY2026, no customer data leaks or security incidents were recorded. Upholding strong information security standards is particularly critical as the Group prepares for the relocation of its CMDS operations, and is integral to sustaining the trust of our customers and other stakeholders.

### Suppliers

The Group places great importance on maintaining strong and responsible supplier relationships. Our supplier selection process prioritises partners who demonstrate a commitment to environmental and social responsibility and uphold high ESG standards. Suppliers are evaluated annually against criteria encompassing price competitiveness, product and service quality, cooperation, on-time delivery and compliance with environmental requirements, with those failing to meet the Group's standards subject to review and potential replacement.

During the reporting period, the Group conducted audits on 14 key suppliers, with all suppliers successfully passing the assessments.

### Business Integrity

The Group is committed to upholding the highest standards of integrity and ethical conduct across all aspects of its operations. During the reporting period, employees were arranged to attend the ICAC online anti-corruption training programme, accumulating a total of 99 training hours. These regular training programmes reinforce a culture of honesty, accountability and compliance throughout the organisation.

## PROSPECTS

Looking ahead, the Group remains cautiously optimistic about the long-term development of the environmental services sector, while recognising the near-term challenges posed by subdued economic conditions, intense competition and rising operating costs. The successful relocation of CMDS and logistics operations to the new facility will be the Group's foremost operational priority. Management will focus on maintaining service continuity, information security and customer confidence throughout the transition.

The proposed surrender of the Tseung Kwan O premises, once completed, is expected to support the Group's transition to a leaner operating platform with lower long-term fixed commitments. In the WEEE segment, the Group will continue to work closely with its joint venture partner and monitor the Government's arrangements ahead of the expiry of the existing operating contract in 2027. For An Jie, the Group remains cautiously optimistic about demand from the new energy logistics sector, while continuing to manage pricing pressure and cost volatility on cross-border and overland routes.

The Group will continue to adopt a disciplined approach to cost control, capital allocation and liquidity management, with a focus on strengthening its core businesses and delivering sustainable long-term value to shareholders.

## DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2026 (2025: Nil).

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 31 August 2026 to Friday, 4 September 2026 both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible for attending and voting at the 2026 annual general meeting of the Company to be held on Friday, 4 September 2026, all completed 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, 28 August 2026.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's share during the year ended 31 March 2026.

## CORPORATE GOVERNANCE

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 financial year ended 31 March 2026.

The Company has, in order to strengthen its overall corporate governance and without prejudice to the principles of the CG Code, established various policies focusing, in particular, on risk management, internal communication and internal control mechanisms. These policies, subject to regular review from time to time by the Board of Directors, stipulate for staff compliance the necessary policies and instructions on corporate governance, finance and accounting, human resources and administration. The Company will continue improving its corporate governance that is conducive to the conduct and growth of its business, and aligning the corporate value of good governance with its purpose, value and strategy, thereby meeting the expectations of shareholders and investors.

## 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") as set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. Following specific enquiries by the Company, all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2026.

## 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 year ended 31 March 2026.

## AUDIT COMMITTEE

The Audit Committee of the Company, which 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, has reviewed the consolidated financial statements of the Group for the year ended 31 March 2026 and discussed with the management of the Company on the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters.

## REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2026. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the designated websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.iwsgh.com). The annual report of the Company for the year ended 31 March 2026 containing all the information required by the Listing Rules will be dispatched 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, 26 June 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.*