

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

---



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)*

---

## **MAJOR TRANSACTION ACQUISITION OF SHARES IN THE TARGET COMPANY – NON-SATISFACTION OF NET INCOME BENCHMARK**

Reference are made to (a) the announcement of Integrated Waste Solutions Group Holdings Limited (the “**Company**”) dated 11 December 2019 and (b) the circular of the Company dated 31 December 2019 (the “**Circular**”), both in relation to, among others, the acquisition of 40,000 issued shares in Dugong IWS HAZ Limited (the “**Target Company**”) by IWS Engineering Company Limited (“**IWS Engineering**”), a wholly owned subsidiary of the Company, which constituted a major transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Unless otherwise defined, terms defined in the Circular shall have the same meaning when used in this announcement.

As disclosed in the section headed “Letter from the Board — Shareholders’ Agreement — Net income benchmark”, according to the terms of the Shareholders’ Agreement, in the event that the aggregate net income (audited in accordance with the PRC GAAP) of Lvrn for the three years ended 31 December 2021 (the “**Agreed Period**”) is less than RMB90,000,000, the Vendor will receive cash payment from Dugong out of the distributions to be made by the Target Company to Dugong and Dugong will pay or procure the Target Company to pay such sum to the Vendor in the amount calculated in accordance with the following formula:

$$(RMB90,000,000 - A) \times 51\% \times 40\% \text{ (less tax, expenses and interests (if any))}$$

where A is the aggregate audited net income of Lvrn during the Agreed Period.

At Completion, IWS Engineering was assigned the Vendor’s rights to receive any sums to which the Vendor may become entitled as mentioned above.

Based on the audited accounts of Lvrn for the Agreed Period, the aggregate audited net income of Lvrn during the Agreed Period is approximately RMB69,123,780 (after agreed adjustments). Therefore, IWS Engineering has become entitled to receive from Dugong a sum of approximately RMB4,258,749 (equivalent to approximately HK\$5,260,000 using an exchange rate of RMB0.8096:HK\$1.00) (the “**Agreed Sum**”) as a result of a shortfall of approximately RMB20,876,220 between RMB90,000,000 and RMB69,123,780.

Since the board of directors of the Target Company has resolved not to declare any dividends or make any other distributions to its shareholders for the Agreed Period, IWS Engineering has not received the Agreed Sum or any part thereof as at the date of this announcement. Subject to any future declaration of dividends and/or making of other distributions by the Target Company and (if declared or made) the amount(s) of dividends and/or distributions to be paid to Dugong, IWS Engineering will receive the Agreed Sum or any part thereof.

Appropriate disclosures on the payment status of the Agreed Sum will be made by the Company in its annual report for the year ended 31 March 2022 and in each of its annual report for a financial year commencing on or after 1 April 2022.

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

Hong Kong, 30 May 2022

*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, Messrs. Cheng Chi Ming, Brian (Chairman), Tsang On Yip, Patrick and Lee Chi Hin, Jacob; and three Independent Non-executive Directors, namely, Messrs. Chow Shiu Wing, Joseph, Wong Man Chung, Francis and Chan Ting Bond, Michael.*