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

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

VERY SUBSTANTIAL ACQUISITION ACQUISITION OF SHARES IN THE TARGET COMPANY LISTED ON THE NEEQ

AGREEMENT

On 5 October 2023 (after trading hours), IWS Services, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and IWS Services has conditionally agreed to purchase, the Sale Shares representing approximately 13.16% of the total number of shares of the Target Company at the Consideration of RMB50,000,000 (equivalent to approximately HK\$54,000,000) in accordance with the terms and conditions of the Agreement.

As at the date of this announcement, IWS Services is in the process of establishing IWS Investment in the PRC as a wholly foreign-owned enterprise to be directly 100% held by IWS Services. After its establishment, IWS Investment will replace IWS Services as the purchaser under the Agreement for the acquisition and holding of the Sale Shares. It is a term of the Agreement that as soon as possible within 3 Business Days after IWS Investment has been established, the Vendor, IWS Services and IWS Investment shall enter into the Supplemental Agreement whereby IWS Investment will take up all the rights, and assume all obligations, of IWS Services under the Agreement as from the time of signing of the Agreement.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

Further, pursuant to Rule 14.72 of the Listing Rules, the Vendor's Right of First Refusal constitutes an option granted by the Group to the Vendor. As its exercise is not at the discretion of the Group, the Vendor's Right of First Refusal will be classified at the time of grant as if it had been exercised. Since the exercise price of the Vendor's Right of First Refusal and the value of the underlying shares of the Target Company cannot be determined until IWS Investment proposes to dispose of any shares of the Target Company, the grant of the Vendor's Right of First Refusal will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the grant of the Vendor's Right of First Refusal is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder (including the Vendor's Right of First Refusal); (ii) financial information and other information of the Group; (iii) financial information and other information of the Target Group; and (iv) the unaudited pro forma financial information of the Group, is expected to be despatched to the Shareholders on or before 27 November 2023 as additional time is needed, in particular, to prepare the pro forma information and other financial information of the Group to be included in the Circular.

As Completion is conditional upon fulfilment (or, if applicable, waiver) of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

AGREEMENT

The major terms of the Agreement are set out below:

Date: 5 October 2023 (after trading hours)

Parties: (i) the Vendor, as vendor
(ii) IWS Services, a wholly owned subsidiary of the Company, as purchaser

As at the date of this announcement, IWS Services is in the process of establishing IWS Investment in the PRC as a wholly foreign-owned enterprise to be directly 100% held by IWS Services. After its establishment, IWS Investment will replace IWS Services as the purchaser under the Agreement for the acquisition and holding of the Sale Shares. It is a term of the Agreement that as soon as possible within 3 Business Days after IWS Investment has been established, the Vendor, IWS Services and IWS Investment shall enter into the Supplemental Agreement, whereby IWS Investment will take up all the rights, and assume all obligations, of IWS Services under the Agreement as from the time of signing of the Agreement.

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Vendor is an Independent Third Party.

Subject matters

The Sale Shares held by the Vendor, representing approximately 13.16% of the total number of shares of the Target Company, free from all encumbrances and together with all rights attaching thereto as from the date of transfer of the Sale Shares, including but not limited to all dividends paid, declared or made the record date for the entitlement of which falls on or after the date of transfer of the Sale Shares.

The Sale Shares rank pari passu in all respects among themselves and with the other existing shares of the Target Company.

Consideration

The Consideration is RMB50,000,000 (equivalent to approximately HK\$54,000,000), which shall be paid by IWS Investment to the Vendor in cash.

The Consideration was determined after arm's length negotiations between the Vendor and IWS Services with reference to, among other things, (i) the preliminary valuation of the fair value of 100% equity interests of the Target Company of approximately RMB439,000,000 (equivalent to approximately HK\$474,120,000) as at 31 August 2023 by an independent valuer based on market approach using guideline public company method where the public companies selected are those mainly engaged in the provision of freight logistics and related services in the PRC; (ii) the recent financial performance of the Target Group; and (iii) the business development and the prospects of the Target Group.

Based on the aforesaid valuation by the independent valuer, the value of Sale Shares would be approximately RMB57,800,000. The Consideration represents a discount of approximately 13.5% to the valuation of the Sale Shares.

The Directors have noted that while the shares of the Target Company are listed on NEEQ, trading of the shares of the Target Company on NEEQ has been illiquid, where shares were not traded on daily basis, and has been of negligible trading volume. As an example, there has been no trading so far since 1 September 2023, while less than 20,000 shares were traded in the whole of August 2023. Consequently, no significant emphasis on the traded share prices of the Target Company has been placed in the determination of the Consideration.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable, taking into account, among others, that the Consideration is at a discount to the valuation of the Sale Shares.

The Consideration will be funded partly by an unsecured, interest-bearing loan in the principal amount of HK\$50,000,000 (equivalent to approximately RMB46,296,000) to be advanced to the Group by Chow Tai Fook Nominee Limited, being a controlling shareholder of the Company, and partly by internal resources of the Group. The 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 will be on normal commercial terms or better and will be unsecured. The Company expects its share of profit from the Target Company as an associated company to be higher than the finance cost of the loan (before taking into account potential capital gains on the Group's investment in the Target Company which the Company expects). The return on investment of the Acquisition is therefore justified and it is beneficial to the Group.

Conditions precedent

Completion is conditional upon the satisfaction (or, where applicable, waiver) of the following:

- (1) the approval by the Shareholders in general meeting for the Acquisition and the matters relating to the entering into, execution and performance of the Agreement (as supplemented and revised by the Supplemental Agreement) by IWS Services and IWS Investment being obtained in accordance with the relevant requirements of the Listing Rules;
- (2) IWS Investment having been lawfully established, with the powers to execute and perform the purchaser's duties and obligations under the Agreement and the Supplemental Agreement; IWS Services completing in compliance with the requirements of the PRC laws and regulations the relevant foreign investment compliance procedures (including those relating to commerce and foreign exchange) in relation to the establishment of IWS Investment; and the exchange of foreign fund and its usage being in compliance with the requirements of the foreign exchange regulatory authority of the PRC;
- (3) the Vendor, IWS Services and IWS Investment executing the Supplemental Agreement;
- (4) the respective board of directors and (if required) the shareholders of IWS Services and IWS Investment approving the entering into, execution and performance of the Agreement and the Supplemental Agreement;
- (5) all requisite consents, approvals, waivers and authorisations from any relevant government departments or authorities (including but not limited to the NEEQ), regulatory authorities or other relevant third parties (whether in Hong Kong, the PRC or elsewhere) having been obtained by the Vendor and (if required) the Target Company;
- (6) all requisite consents, approvals, waivers and authorisations from any relevant government departments or authorities, regulatory authorities (including but not limited to the Stock Exchange) or other relevant third parties (whether in Hong Kong, the PRC or elsewhere) having been obtained by IWS Investment;

- (7) IWS Services (or IWS Investment, as the case may be) being satisfied, as indicated in writing, with the results of the due diligence exercise (whether legal, accounting, financial, business, operation and other aspects that IWS Services (or IWS Investment, as the case may be) considers necessary) conducted against the Target Group and its business, assets, liabilities, activities, operations, prospects and other status which IWS Services (or IWS Investment, as the case may be) considers reasonable, necessary and appropriate;
- (8) the shares of the Target Company remaining listed and being traded on the NEEQ after the date of the Agreement up to Completion, and neither the CSRC nor the NEEQ indicating at any time before Completion that the listing of the shares of the Target Company on the NEEQ will be or may be cancelled or objected;
- (9) the total bank borrowings of the Target Group not exceeding RMB50,000,000;
- (10) no event occurring which constitutes a material and adverse effect (or change) on the financial position, business, prospect or results of operations of the Target Group as a whole;
- (11) the Vendor not having breached the provisions of the Agreement (including but not limited to undertakings); and
- (12) the representations and warranties by the Vendor under the Agreement remaining to be true, accurate and not misleading in all respects.

The Vendor shall use her best endeavours to satisfy all the conditions precedent set out above (other than those under sub-paragraphs (1), (2), (4), (6) and (7) above). IWS Services (or IWS Investment, as the case may be) shall use its best endeavours to satisfy the conditions precedent set out in sub-paragraphs (1), (2), (3), (4), (6) and (7) above.

IWS Services (or IWS Investment, as the case may be) may at any time waive in writing any of the conditions precedent set out in sub-paragraphs (9), (10), (11) and (12) above. Save as aforesaid, none of the conditions precedent may be waived.

If all the conditions precedent shall not have been fulfilled (or, where applicable, waived) on or before the Longstop Date, the Agreement shall automatically terminate immediately, and no party to the Agreement shall have any claim against the other, save in respect of any antecedent breaches.

Completion

Subject to the fulfilment (or, where applicable, waiver) of all conditions precedent set out in the paragraph headed “Conditions precedent” above, Completion will take place in the following manner:

- (1) as to 2,130,000 Sale Shares will be transferred by the Vendor to IWS Investment through the NEEQ on or before the Longstop Date (or such later date as the Vendor and IWS Investment may agree in writing), while the corresponding part of the Consideration will be settled by IWS Investment at the same time (the “**First Transfer**”);
- (2) as to 2,130,000 Sale Shares will be transferred by the Vendor to IWS Investment through the NEEQ within 3 NEEQ trading days from the date on which the First Transfer occurs (or such later date as the Vendor and IWS Investment may agree in writing), while the corresponding part of the Consideration will be settled by IWS Investment at the same time (the “**Second Transfer**”); and
- (3) as to 1,345,263 Sale Shares will be transferred by the Vendor to IWS Investment through the NEEQ within 3 NEEQ trading days from the date on which the Second Transfer occurs (or such later date as the Vendor and IWS Investment may agree in writing), while the corresponding part of the Consideration will be settled by IWS Investment at the same time (the “**Third Transfer**”).

In the event that after the First Transfer has occurred, the Second Transfer or the Third Transfer does not occur within the prescribed timeline due to any reason other than the default of IWS Investment, IWS Investment shall have the right to require the Vendor (or the person designated by the Vendor and approved by IWS Investment) to purchase all the Sale Shares which have at that time been transferred to IWS Investment at the same consideration that IWS Investment has paid the Vendor for these Sale Shares. In addition, the Vendor shall be liable to pay compensation to IWS Investment in the amount of RMB5,000,000 in case any of the First Transfer, the Second Transfer and the Third Transfer does not occur due to any reason other than the default of IWS Investment.

Upon Completion, the Target Company will be treated as an associate of the Group and equity accounting will be adopted in the Group’s financial statements by virtue of the Group’s substantial influence on the daily management and operations of the Target Company.

Undertakings from the Vendor

The Vendor has undertaken in favour of IWS Services, which are subject to Completion having taken place, to fulfil, or to procure the Target Company to fulfil, the following:

- (1) During the period when IWS Investment shall hold not less than 8% of all the shares of the Target Company:
 - (a) IWS Investment shall have the right to nominate one person to be appointed as a director of the Target Company;

- (b) during the period from the Completion Date to the date of appointment of the director of the Target Company nominated by IWS Investment as mentioned in sub-paragraph (a) above, the board of directors of the Target Company shall not approve any of the reserved matters as set out in the Agreement. Further, as from the date of appointment of the director of the Target Company nominated by IWS Investment as mentioned in sub-paragraph (a) above, unless unanimously resolved by all the directors of the Target Company present at the meeting, the board of directors of the Target Company shall not approve any of the reserved matters as set out in the Agreement;
 - (c) within the first 21 days of the first month of each quarter, provide IWS Investment with the consolidated financial statements of the Target Group and the individual financial statements of each of the other members of the Target Group for the immediate preceding quarter;
 - (d) IWS Investment shall have the right to designate one person to participate and attend the day-to-day and regular management meetings of the Target Company;
 - (e) upon IWS Investment's demand from time to time, the Target Company shall issue to IWS Investment a written confirmation that IWS Investment has substantial influence on the daily management and operations of the Target Group Companies but it is not involved in their daily management and operations; and
 - (f) the total dividends declared and paid to the shareholders of the Target Company for every year shall not be less than 30% of the audited net profits after tax of the Target Company for that year.
- (2) The Vendor shall, and shall procure the Target Group to, reduce the bank borrowings of the Target Group through the following means:
- (a) before Completion, the total bank borrowings shall be reduced to not more than RMB50,000,000;
 - (b) within 7 Business Days after the Completion Date, the Target Company shall repay bank borrowings in the amount of RMB20,000,000, for the purpose of which the Vendor shall extend a loan to the Target Company in the same amount from the proceeds from the Acquisition she received from IWS Investment. Such loan may bear interest at a rate charged by banks in the PRC at that time for short-term borrowings of similar amount; and
 - (c) in the event that the Proposed New Issue (as defined below) is proceeded with, within 7 Business Days after completion of the Proposed New Issue, the Target Company shall apply 20% of the net proceeds from the Proposed New Issue to repay bank borrowings in the same amount.

- (3) In the event that the Target Company conducts a new issue (the “**Proposed New Issue**”) of shares after Completion:
- (a) should the valuation of the Target Company after completion of the Proposed New Issue be less than RMB450,000,000, the Vendor shall compensate IWS Investment by paying a sum of RMB5,000,000 in cash within 7 Business Days from completion of the Proposed New Issue;
 - (b) if the Proposed New Issue shall complete within 6 months from the Completion Date, provided that IWS Investment shall not have reduced its shareholding in the Target Company during the said 6-month period, IWS Investment shall have a right (but not an obligation) to purchase from the Vendor additional shares of the Target Company on the same price determination basis as the Sale Shares, to the extent that the percentage shareholding of IWS Investment in the Target Company shall be restored to 13.16%; and
 - (c) save and except for any new issue of shares by the Target Company that may occur upon its new listing on a stock exchange (other than the NEEQ) acceptable to IWS Investment, the Target Company shall not issue any new shares within 6 months from completion of the Proposed New Issue.
- (4) Should the Vendor intend to dispose of shares of the Target Company to a proposed purchaser, IWS Investment shall have a tag-along right to sell to the proposed purchaser such number of shares of the Target Company forming part of the number of shares proposed to be acquired by the proposed purchaser from the Vendor based on the then shareholding proportion in the Target Company as between the Vendor and IWS Investment and upon the same terms.

Right of first refusal

Each of the Vendor and IWS Investment shall have the right of first refusal to acquire from the other party any shares of the Target Company (in whole or in part) which the other party may after Completion propose to dispose of to a third party purchaser. Such acquisition shall be on the same terms that the other party offers to the third party purchaser.

Exclusivity period

During the period commencing from the date of the Agreement and ending on 31 October 2023 (both dates inclusive), unless having obtained the prior written consent from IWS Services, the Vendor shall not: (a) directly or indirectly engage in negotiations and discussions with any person other than IWS Services in relation to the acquisition of any shares of the Target Company held by the Vendor, any transaction similar or identical to those contemplated under the Agreement, or any matter having similar or identical effect to the transactions contemplated under the Agreement; (b) contact any such person in relation thereto; (c) allow any such person to conduct due diligence exercise in relation thereto; and (d) reach any agreement or arrangement in relation thereto.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in the trading of recovered paper and materials, provision of confidential materials destruction services, manufacturing of recycling plastic pellets, and provision of logistics services in Hong Kong. The Group also has indirect shareholding interests in hazardous waste treatment operations in Lianyungang City, Jiangsu Province, the PRC and Kaifeng, Henan Province, the PRC.

Contemporaneous with the Group's goal of transforming into a high value-added integrated waste solutions providers in Hong Kong and the PRC, its strategy is to proactively seek opportunities to enhance shareholders' return in its core business areas. Noting its vast market size and potential but cognizant of the industry's intense competition, the Group's focus has been on companies operating in the PRC market with unique competitive edge and serving growing industries.

The Directors believe an investment in the Target Company suits the above criteria where (i) the Target Company's area of business is encouraged under the PRC national policies; (ii) the Target Company is an established operator in the PRC which, in particular, holds relevant licenses to transport chemical hazardous items and such services are in high demand from the fast growing new energy sectors; and (iii) the Target Company has profitable track record and can immediately contribute to the Group's profitability. One of the Target Group's business areas of transportation of hazardous waste matches with the Group's line of businesses and is consistent with the Group's corporate goals of making positive impact on the environment. There is also potential synergistic cooperation between the Target Group and the hazardous waste treatment projects in the PRC in which the Group has indirectly invested.

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

INFORMATION ON THE VENDOR

As at the date of this announcement, the Vendor is the legal representative, a director and the majority shareholder of the Target Company and holds approximately 63.04% of the shares of the Target Company.

INFORMATION ON THE TARGET GROUP

The Target Company is a company established in the PRC as a joint stock company with limited liability and the shares of which are listed on the NEEQ. The principal activities of the Target Group are the provisions of integrated supply chain solutions, including comprehensive logistics and warehousing services and transportation of chemical hazardous goods. The Target Company is one of the leading operators in Guangdong Province, the PRC and, in particular, possesses specific licenses to transport and handle chemical hazardous items which include lithium-ion batteries and related raw materials used in its production in the fast-growing new energy sectors. Another business scope of the Target Group is transportation of hazardous waste. Operating out of Jiangmen City, Guangdong Province, the PRC, its customers are mainly manufacturing and fast moving consumer goods companies.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is a summary of the audited consolidated financial information of the Target Group for the two years ended 31 December 2021 and 2022 and the unaudited consolidated financial information of the Target Group for the six months ended 30 June 2023, prepared based on China Accounting Standards for Business Enterprises (CASBE) and as extracted from the Target Company's publicly published annual report for the year ended 31 December 2022 and interim report for the six months ended 30 June 2023:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
	(audited)	(audited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>
Revenue	238,021	313,029	144,592
Profit before taxation	25,128	38,427	15,907
Profit after taxation attributable to shareholders	22,077	33,851	14,019
	As at 31 December 2021	As at 31 December 2022	As at 30 June 2023
	(audited)	(audited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>
Net assets	93,925	121,146	125,214

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

Further, pursuant to Rule 14.72 of the Listing Rules, the Vendor's Right of First Refusal constitutes an option granted by the Group to the Vendor. As its exercise is not at the discretion of the Group, the Vendor's Right of First Refusal will be classified at the time of grant as if it had been exercised. Since the exercise price of the Vendor's Right of First Refusal and the value of the underlying shares of the Target Company cannot be determined until IWS Investment proposes to dispose of any shares of the Target Company, the grant of the Vendor's Right of First Refusal will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the grant of the Vendor's Right of First Refusal is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder (including the Vendor's Right of First Refusal); (ii) financial information and other information of the Group; (iii) financial information and other information of the Target Group; and (iv) the unaudited pro forma financial information of the Group, is expected to be despatched to the Shareholders on or before 27 November 2023 as additional time is needed, in particular, to prepare the pro forma information and other financial information of the Group to be included in the Circular.

As Completion is conditional upon fulfilment (or, if applicable, waiver) of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition by IWS Services (subsequently through IWS Investment) from the Vendor of the Sale Shares
“Agreement”	the conditional share transfer agreement dated 5 October 2023 and entered into between the Vendor and IWS Services in relation to, among others, the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which licensed banks are open for general business in the PRC
“Company”	Integrated Waste Solutions Group Holdings Limited, (stock code: 923), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement
“Completion Date”	the date on which Completion in respect of all the Sale Shares have taken place in accordance with the terms of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	RMB50,000,000 (equivalent to approximately HK\$54,000,000), being the total consideration to be paid by IWS Investment to the Vendor for the Acquisition
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and its connected persons, and “Independent Third Parties” shall be construed accordingly
“IWS Investment”	a limited liability company to be established in the PRC by IWS Services with the proposed name “綜環投資(珠海橫琴)有限公司(IWS Investment (Zhuhai Hengqin) Company Limited*)” as an indirect wholly owned subsidiary of the Company
“IWS Services”	Integrated Waste Solutions Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	22 December 2023 or such later date as may be agreed in writing between the Vendor and IWS Services (or IWS Investment, as the case may be)
“NEEQ”	the National Equities Exchange And Quotations (全國中小企業股份轉讓系統)
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	renminbi, the lawful currency of the PRC

“Sale Shares”	5,605,263 shares of the Target Company, being part of the shares of the Target Company owned by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.10 each in the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Agreement to be entered into between the Vendor, IWS Services and IWS Investment, whereby IWS Investment will take up all the rights, and assume all obligations, of IWS Services under the Agreement as from the time of signing of the Agreement
“Target Company”	An Jie Supply Chain Management Co., Ltd. (廣東安捷供應鏈管理股份有限公司), a company established in the PRC as a joint stock company with limited liability and the shares of which are listed on the NEEQ (NEEQ: 870009)
“Target Group”	collectively, the Target Company and its subsidiaries
“Vendor”	Zhang Yan (張艷)
“Vendor’s Right of First Refusal”	the right of the Vendor granted by IWS Services (subsequently to be replaced by IWS Investment) under the Agreement to acquire from IWS Investment any shares of the Target Company (in whole or in part) which IWS Investment may propose to dispose of after Completion to a third party purchaser upon the same terms that IWS Investment may offer to the third party purchaser
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.08, and vice versa. Such exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at such rate or any other rates or at all.

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

Hong Kong, 5 October 2023

As at the date of this announcement, the Board comprises two executive Directors, namely, Messrs. Lam King Sang and Tam Sui Kin, Chris; two non-executive Directors, namely, Messrs. Cheng Chi Ming, Brian (Chairman) 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.

* *For identification purposes only*