



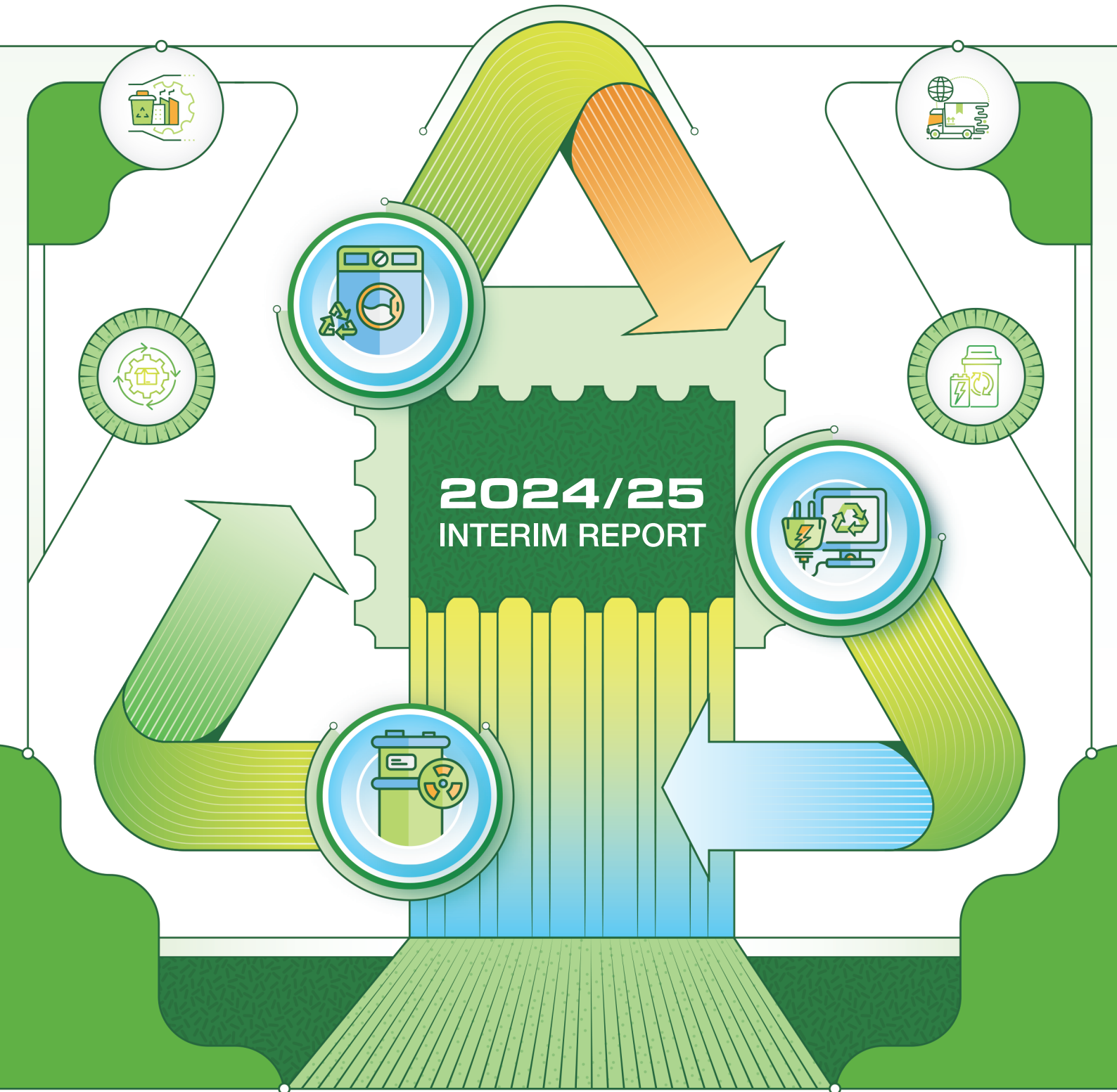
IWS

**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





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CORPORATE INFORMATION

DIRECTORS

Executive directors

Mr. Lam King Sang (*Chief Executive Officer*)

Mr. Tam Sui Kin, Chris

Non-executive directors

Mr. Cheng Chi Ming, Brian (*Chairman*)

Mr. Lee Chi Hin, Jacob

Independent non-executive directors

Mr. Chow Shiu Wing, Joseph

Mr. Wong Man Chung, Francis

Mr. Chan Ting Bond, Michael

BOARD COMMITTEES

Executive Committee

Mr. Lam King Sang (*Chairman*)

Mr. Tam Sui Kin, Chris

Audit Committee

Mr. Wong Man Chung, Francis (*Chairman*)

Mr. Cheng Chi Ming, Brian

Mr. Chow Shiu Wing, Joseph

Mr. Chan Ting Bond, Michael

Mr. Lee Chi Hin, Jacob

Remuneration Committee

Mr. Chan Ting Bond, Michael (*Chairman*)

Mr. Chow Shiu Wing, Joseph

Mr. Wong Man Chung, Francis

Mr. Lee Chi Hin, Jacob

Nomination Committee

Mr. Chow Shiu Wing, Joseph (*Chairman*)

Mr. Wong Man Chung, Francis

Mr. Chan Ting Bond, Michael

Mr. Lee Chi Hin, Jacob

COMPANY SECRETARY

Ms. Ng Sum Yu, Phyllis

AUTHORISED REPRESENTATIVES

Mr. Tam Sui Kin, Chris

Ms. Ng Sum Yu, Phyllis

AUDITOR

KPMG

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Integrated Waste Solutions Building
8 Chun Cheong Street
Tseung Kwan O Industrial Estate
New Territories
Hong Kong

CORPORATE WEBSITE

www.iwsggh.com

STOCK CODE

923

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Fubon Bank (Hong Kong) Limited
Bank of Communications Co., Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Although the post-COVID recovery has fallen short of our expectations, the Group has maintained resilience and its strategic focus. While the economic environment continues to pose significant challenges to our operations across various business segments, the Group has continued with its prudent cost management approach to attain greater efficiency in operations and a sustainable financial position to explore new opportunities for further growth. During the period under review, our Confidential Materials Destruction Service (“**CMDS**”) business segment remained as our significant source of revenue for the Group, and we plan to adopt a more aggressive strategy to further enhance its business growth.

FINANCIAL REVIEW

The loss attributable to equity shareholders of the Company for the six months ended 30 September 2024 (the “Current Period”) amounted to HK\$19.6 million, a slight decrease of approximately HK\$0.1 million loss compared to the six months ended 30 September 2023 (the “Last Period”).

Results of operating segments decreased by HK\$3.5 million or 61.1% which was mainly caused by the decline in profit margin of **CMDS** business in the Current Period, and the loss of income from RGF Environmental New Material Limited (“**RGF**”), our joint venture engaging in the provision of OEM solution for plastic wastes, which has suspended operation since January 2024 due to the unfavourable economic environment in this business segment.

Share of results of joint ventures and associates have been improved by HK\$2.6 million or 69.5% and HK\$0.5 million or 13.7% respectively in the Current Period, which were contributed by the reduction in share of loss of **RGF** and the improvement in profitability of our joint venture with ALBA Group, and the contribution from An Jie Supply Chain Management Co., Ltd. (“**An Jie**”), an associated company of which 13.16% interest was acquired by the Group in January 2024.

	6 months ended 30.09.2024 HK\$'000	6 months ended 30.09.2023 HK\$'000	Fav./ (Unfav.) Change	
			HK\$'000	%
Results of operating segments	2,231	5,730	(3,499)	(61.1)
Net corporate expenses	(25,027)	(25,490)	463	1.8
	(22,796)	(19,760)	(3,036)	(15.4)
Share of results of associates	(3,196)	(3,702)	506	13.7
Share of results of joint ventures	6,376	3,761	2,615	69.5
Loss attributable to equity shareholders of the Company	(19,616)	(19,701)	85	0.4

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue Analysis

	6 months	6 months	Fav./ (Unfav.)	
	ended	ended	Change	
	30.09.2024	30.09.2023	HK\$'000	%
	HK\$'000	HK\$'000	HK\$'000	%
Sales of Recovered Paper	11,962	10,089	1,873	18.6
CMDS service income	8,186	8,725	(539)	(6.2)
Logistics service income	1,361	1,261	100	7.9
Sales of tissue paper products	811	672	139	20.7
Sales of other waste materials	103	129	(26)	(20.2)
	22,423	20,876	1,547	7.4

The revenue of **Recovered Paper** business was HK\$12.0 million, an increase of HK\$1.9 million or 18.6% when compared to the Last Period, due to an increase in sales quantity of 26.2% during the Current Period. The sales revenue of recovered office paper generated from the CMDS services has increased by HK\$0.7 million or 7.6%, caused by the increase in sales quantity of 14.2%. However, the gross profit of recovered paper trading only slightly increased by HK\$0.1 million or 1.1% from HK\$6.5 million to HK\$6.6 million, and gross profit margin decreased from 64.5% to 55.0%, due to the reduction in unit selling price and increase in unit purchase price.

CMDS service income has slightly decreased by HK\$0.5 million or 6.2%, to HK\$8.2 million, caused by the reduction in revenue from non-paper destruction services. The overall segment performance was on track. With a diverse customer base that includes government authorities, financial and professional institutions, and private corporations in Hong Kong, we expect the income from this segment to improve steadily.

The joint venture with ALBA Group for treatment and recycling of **waste electrical and electronic equipment ("WEEE")** continued to be one of the major income contributors, with share of HK\$6.4 million profit to the Group for the Current Period, which increased by HK\$1.0 million or 18.0% compared to the Last Period. We foresee significant growth opportunities stemming from the enlargement of WEEE recycling regulations effective on 1 July 2024 which covers small electrical appliances and computers, that would drive an increase in WEEE processing volumes and the associated revenue.

Our **Logistics** Division primarily focuses on providing support services to other business segments of the Group, and it also plays a major role in the transportation of WEEE items to the treatment plant of our joint venture. Logistics service income amounted to HK\$1.4 million which was similar to the Last Period.

The Group's **Hazardous Waste Treatment** project in Mainland China operates through Dugong IWS HAZ Limited. This business has faced challenging market conditions characterized by intense price competition and stagnant demand, affecting profitability and growth adversely, resulting a share of loss in both the Last Period and Current Period. We are confident that its performance will be improved once the PRC economy regains growth momentum with the government's economic stimulation policy.

An Jie, an associate acquired on 19 January 2024, operates in the logistics and supply chain sector with a focus on new energy and hazardous materials transportation. An Jie has contributed share of HK\$2.0 million profit to the Group for the Current Period. The Group is optimistic about An Jie's growth prospects, especially in the new energy sector, which offers significant growth opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

The Gross Profit of the Group for the Current Period was HK\$12.3 million, which was close to HK\$12.7 million in the Last Period. The Gross Profit Margin has decreased from 61.0% to 54.7%, mainly due to the decrease in profitability of Recovered Paper and CMDS.

Selling, Distribution, Administrative and Other Operating Expenses

Selling, Distribution, Administrative and Other Operating Expenses amounted to a total of HK\$35.4 million, representing a slight reduction of 1.3% when compared to the Last Period due to the cost control measures initiated by the management throughout the Current Period.

Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”)

LBITDA decreased by approximately HK\$3.0 million, from HK\$9.7 million in the Last Period to HK\$6.7 million in the Current Period, due to the recognition of HK\$2.9 million foreign exchange loss in the Last Period caused by the depreciation of the Renminbi.

Liquidity and Financial Resources

As at 30 September 2024, the Group had unrestricted bank deposits and cash of approximately HK\$51.1 million (31 March 2024: HK\$50.7 million).

The Group had a loan from non-controlling interests of approximately HK\$0.4 million (31 March 2024: HK\$0.4 million) and a loan from a controlling shareholder of HK\$50.0 million (31 March 2024: HK\$50.0 million) as at 30 September 2024. The Group had no bank loans and overdrafts as at 30 September 2024 (31 March 2024: Nil).

As at 30 September 2024, the Group had net current assets of approximately HK\$90.2 million, compared to net current assets of approximately HK\$72.4 million as at 31 March 2024. The current ratio of the Group was 8.7 as at 30 September 2024 compared to 7.7 as at 31 March 2024.

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

Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of its sales denominated in Hong Kong dollars. Most of raw materials purchases are denominated in Hong Kong dollars. Furthermore, most of the Group's monetary assets and liabilities are denominated in Hong Kong dollars, Renminbi and United States dollars. Certain associate/joint venture companies have local currency project loans in place and these are naturally hedged with operations in same local currency of the entity concerned.

For the six months ended 30 September 2024, no foreign exchange loss was recorded during the Current Period, compared to HK\$2.9 million net foreign exchange loss was recognised in the Last Period due to depreciation of the Renminbi. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

MANAGEMENT DISCUSSION AND ANALYSIS

Major Capital Expenditure and Commitments

During the Current Period, the Group incurred approximately HK\$0.1 million mainly for the capital expenditure in respect of the headquarters of the Group in Tseung Kwan O Industrial Estate, Hong Kong. As at 30 September 2024, the Group has no material capital commitments.

Contingent Liabilities

At 30 September 2024, the Group still had certain claims against its former directors and employees and the outcomes of which remain to be seen.

Employees and Remuneration Policies

The Group employed approximately 106 employees in Hong Kong as at 30 September 2024. Employee costs, including directors' emoluments, amounted to HK\$18.8 million for the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$18.9 million). In addition to the mandatory MPF contributions by both employers and employees, the Group offers all full-time employees a comprehensive benefits package which includes discretionary performance bonus, annual leave, sick leave, maternity and paternity leave, marriage leave and compassionate leave entitlements, healthcare benefits and labour insurance.

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

All of the Group companies are equal opportunity employers, with the selection and promotion of employees based on suitability for the position offered. The Group also believes that, with proper training and guidance, people with intellectual disabilities can be capable, loyal and conscientious workers to contribute to society. By providing job opportunities to people with intellectual disabilities, we can enhance their social integration and assist them in seeking open employment.

OUTLOOK AND PROSPECT

Although there are still risks and uncertainties that would hinder the global economic recovery and hence could impact our business in the future, we remain optimistic about volume recovery and confident in the Group's ability to adapt and thrive. We expect stable revenue streams from our high-quality CMDS services and an efficient logistics fleet, and anticipate growth opportunities bringing from the regulatory expansions in WEEE recycling in Hong Kong, and from the Hazardous Waste Treatment and An Jie in Mainland China.

We are committed to explore opportunities to increase its revenue base for future growth, and we will continue to enhance our capabilities and maintain our competitive edge in order to deliver sustainable solutions and enhance share value in the long term.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2024 (Interim dividend for the Last Period: Nil).

OTHER INFORMATION

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “Share Option Scheme”) which was approved by the shareholders of the Company at the annual general meeting held on 30 August 2023. The Share Option Scheme is valid and effective for a period of 10 years commencing from 30 August 2023. The principal terms of the Share Option Scheme were summarized in the circular of the Company dated 28 July 2023.

The number of share options available for grant under the Share Option Scheme mandate is 482,300,900 as at the date of this Interim Report.

No share option of the Company has been granted, exercised nor cancelled/lapsed under the Share Option Scheme since its adoption and up to 30 September 2024.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”), which was required pursuant to: (a) Divisions 7 to 8 of Part XV of the SFO, to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”); (b) section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (the “Model Code”) to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SHARES

As at 30 September 2024, the following persons (other than the Directors and chief executive of the Company) had interests or short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

Long Positions in the ordinary shares of HK\$0.10 each in the share capital of the Company (“Shares”) and underlying Shares

Name of Shareholders	Note	Capacity	Number of Shares held*	% of the issued share capital of the Company
Cheng Yu Tung Family (Holdings) Limited	1	Interest in controlled corporations	2,742,514,028 (L)	56.86%
Cheng Yu Tung Family (Holdings II) Limited	1	Interest in controlled corporations	2,742,514,028 (L)	56.86%
Chow Tai Fook Capital Limited	1	Interest in controlled corporations	2,742,514,028 (L)	56.86%
Chow Tai Fook (Holding) Limited	2	Interest in controlled corporations	2,742,514,028 (L)	56.86%
Chow Tai Fook Nominee Limited	3	Beneficial owner	1,530,601,835 (L)	31.74%
		Interest in controlled corporations	732,550,000 (L)	15.19%
Victory Day Investments Limited	3	Interest in controlled corporation	732,550,000 (L)	15.19%
Smart On Resources Ltd.	3	Beneficial owner	732,550,000 (L)	15.19%
Prestige Safe Limited	2	Beneficial owner	479,362,193 (L)	9.94%
Firstrate Enterprises Limited	4	Beneficial owner	780,000,000 (L)	16.17%
Mr. Wong Kim Pun	4	Interest in controlled corporation	780,000,000 (L)	16.17%

* The letter “L” denotes the person’s long position in the Shares.

OTHER INFORMATION

Notes:

1. As at 30 September 2024, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 48.98% and 46.65% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 81.03% interest in Chow Tai Fook (Holding) Limited. As such, each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited is deemed to be interested in the 2,742,514,028 Shares.
2. Chow Tai Fook (Holding) Limited is the controlling shareholder of Chow Tai Fook Nominee Limited and the 100% holding company of Prestige Safe Limited, and accordingly Chow Tai Fook (Holding) Limited is deemed to be interested in an aggregate of 2,742,514,028 Shares.
3. Chow Tai Fook Nominee Limited is the beneficial owner of 1,530,601,835 Shares and is interested in 732,550,000 Shares through its interest in a wholly-owned subsidiary, Victory Day Investments Limited, which in turn wholly owns Smart On Resources Ltd.
4. Pursuant to the disclosure of interests notification received by the Company, Mr. Wong Kim Pun controls 100% interest in Firstrate Enterprises Limited and hence is deemed to be interested in 780,000,000 shares of the Company held by Firstrate Enterprises Limited.

Save as disclosed above, the Company has not been notified of any other person who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 30 September 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is a reputable integrated waste solutions provider in Hong Kong and Mainland China, committed to sustainability and meeting the evolving demands of its customers for enhanced waste recovery practices. We recognise our environmental and social responsibilities and are dedicated to contribute to shaping a sustainable future for the society and the economy. By embedding environmental, social, and governance (“ESG”) considerations in our daily business operations, we strive to address sustainability challenges effectively.

Our ESG performance is detailed in the annual ESG report, accessible on both the Stock Exchange and our company website. This report is in compliance with the ESG Reporting Guide set out in Appendix C2 to the Listing Rules and explains the Group’s environmental policy and its relationship with key stakeholder groups.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance and has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Listing Rules. The Company has complied with the code provisions set out in the CG Code throughout the six months ended 30 September 2024.

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

OTHER INFORMATION

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiries by the Company with the Directors, all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 September 2024.

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

The Company has also adopted Code for Securities Transactions by Relevant Employees (the “Own Code”) on no less exacting terms than the Model Code for governing securities transactions by employees who are likely to be in possession of inside information of the Company or its securities. No incident of non-compliance of the Own Code by any relevant employee was noted by the Company during the six months ended 30 September 2024.

UPDATE ON DIRECTORS’ INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors since the date of the 2024 Annual Report are set out below:

Mr. Lee Chi Hin, Jacob (Non-executive Director)

On 1 September 2024, the Company renewed the letter of appointment with Mr. Lee as a non-executive Director for a term of three years from 1 September 2024. Pursuant to the letter of appointment, Mr. Lee is entitled to annual director’s fee of HK\$348,000 which was determined with reference to his time commitment and responsibilities as well as the prevailing market conditions, and is subject to review by the Remuneration Committee of the Company from time to time.

Mr. Lee has been appointed a member of the Appeal Panel (Housing) under the Housing Bureau of the Hong Kong Housing Authority.

Mr. Wong Man Chung, Francis (Independent Non-executive Director)

On 27 June 2024, Mr. Wong retired as an independent non-executive director of Digital China Holdings Limited (stock code: 861).

OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

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

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited interim financial report of the Group for the six months ended 30 September 2024 with the management and the external auditor, KPMG. The unaudited interim financial report of the Group for the six months ended 30 September 2024 has been reviewed by the Company's external auditor, KPMG, in accordance with International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by International Auditing and Assurance Standards Board.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2024.

By Order of the Board

Integrated Waste Solutions Group Holdings Limited

Cheng Chi Ming, Brian

Chairman

Hong Kong, 29 November 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2024 - unaudited
(Expressed in Hong Kong dollars)

		Six months ended	
		30 September	
		2024	2023
	<i>Note</i>	\$'000	\$'000
Revenue	5	22,423	20,876
Cost of sales and services		(10,157)	(8,138)
Gross profit		12,266	12,738
Other revenue	6	399	3,367
Other net loss	7	–	(2,846)
Selling and distribution expenses		(5,580)	(5,420)
Administrative and other operating expenses		(29,867)	(30,476)
Operating loss		(22,782)	(22,637)
Finance income	8(a)	1,721	2,755
Finance costs	8(b)	(1,798)	(6)
Share of losses of associates		(3,196)	(3,702)
Share of profits of joint ventures		6,376	3,761
Loss before taxation	8	(19,679)	(19,829)
Income tax	9	–	–
Loss for the period		(19,679)	(19,829)
Attributable to:			
Equity shareholders of the Company	10	(19,616)	(19,701)
Non-controlling interests		(63)	(128)
Loss for the period		(19,679)	(19,829)
Basic and diluted loss per share	10	(0.4) cent	(0.4) cent

The notes on pages 16 to 27 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2024 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
Loss for the period	(19,679)	(19,829)
Other comprehensive income for the period (net of nil tax):		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of:		
– associates operating outside Hong Kong	–	(1,828)
Other comprehensive income for the period	–	(1,828)
Total comprehensive income for the period	(19,679)	(21,657)
Attributable to:		
Equity shareholders of the Company	(19,616)	(21,529)
Non-controlling interests	(63)	(128)
Total comprehensive income for the period	(19,679)	(21,657)

The notes on pages 16 to 27 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2024 - unaudited
(Expressed in Hong Kong dollars)

		At 30 September 2024 \$'000	At 31 March 2024 \$'000
Non-current assets			
Property, plant and equipment and right-of-use assets	11	528,057	540,820
Interests in associates	12	112,880	133,376
Interests in joint ventures	13	10,013	14,164
Deposits and prepayments		4	1
		650,954	688,361
Current assets			
Inventories		400	432
Trade receivables	14	5,421	4,058
Other receivables, deposits and prepayments		10,839	10,813
Amount due from an associate	12	33,795	17,091
Amounts due from joint ventures	13	234	140
Amount due from a related company		12	12
Bank deposits and cash		51,135	50,677
		101,836	83,223
Current liabilities			
Trade payables	15	1,223	826
Other payables and accruals		10,447	9,959
Amount due to a related company		10	10
		11,680	10,795
Net current assets		90,156	72,428
Total assets less current liabilities		741,110	760,789
Non-current liability			
Loan from a controlling shareholder	16	50,000	50,000
NET ASSETS		691,110	710,789
CAPITAL AND RESERVES			
Share capital		482,301	482,301
Reserves		209,015	228,631
Total equity attributable to equity shareholders of the Company		691,316	710,932
Non-controlling interests		(206)	(143)
TOTAL EQUITY		691,110	710,789

The notes on pages 16 to 27 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2024 - unaudited
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Accumulated losses	Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Balance at 1 April 2023	482,301	3,092,937	(964,044)	49	(1,834,266)	776,977	144	777,121	
Changes in equity for the six months ended 30 September 2023:									
Loss for the period	-	-	-	-	(19,701)	(19,701)	(128)	(19,829)	
Share of other comprehensive income of									
- an associate operating outside Hong Kong	-	-	-	(1,828)	-	(1,828)	-	(1,828)	
Total comprehensive income for the period	-	-	-	(1,828)	(19,701)	(21,529)	(128)	(21,657)	
Balance at 30 September 2023 and 1 October 2023	482,301	3,092,937	(964,044)	(1,779)	(1,853,967)	755,448	16	755,464	
Changes in equity for the six months ended 31 March 2024:									
Loss for the period	-	-	-	-	(45,031)	(45,031)	(159)	(45,190)	
Share of other comprehensive income of									
- associates operating outside Hong Kong	-	-	-	515	-	515	-	515	
Total comprehensive income for the period	-	-	-	515	(45,031)	(44,516)	(159)	(44,675)	
Balance at 31 March 2024 and 1 April 2024	482,301	3,092,937	(964,044)	(1,264)	(1,898,998)	710,932	(143)	710,789	
Changes in equity for the six months ended 30 September 2024:									
Loss and total comprehensive income for the period	-	-	-	-	(19,616)	(19,616)	(63)	(19,679)	
Balance at 30 September 2024	482,301	3,092,937	(964,044)	(1,264)	(1,918,614)	691,316	(206)	691,110	

The notes on pages 16 to 27 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2024 - unaudited
(Expressed in Hong Kong dollars)

		Six months ended	
		30 September	
		2024	2023
	<i>Note</i>	\$'000	\$'000
Operating activities			
Operating loss before working capital changes		(9,852)	(7,656)
Changes in working capital		(427)	(1,169)
Net cash used in operating activities		(10,279)	(8,825)
Investing activities			
Payment for purchase of property, plant and equipment		(190)	(4,652)
Proceeds from disposal of property, plant and equipment		–	35
Loan repaid by a joint venture	13(a)	–	1,500
Dividends received from an associate		1,461	–
Dividends received from joint ventures		10,500	9,875
Distribution received from a joint venture upon liquidation		27	–
Increase in amounts due from joint ventures		(94)	(3,281)
Interest received		856	4,087
Net cash generated from investing activities		12,560	7,564
Financing activities			
Interest paid on loan from non-controlling interests		(6)	(6)
Interest paid on loan from a controlling shareholder		(1,817)	–
Net cash used in financing activities		(1,823)	(6)
Net increase/(decrease) in cash and cash equivalents		458	(1,267)
Cash and cash equivalents at the beginning of the period		50,677	74,399
Cash and cash equivalents at the end of the period		51,135	73,132

The notes on pages 16 to 27 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

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

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

2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 29 November 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with International Standard on Review Engagements 2410 “*Review of interim financial information performed by the independent auditor of the entity*” issued by the International Auditing and Assurance Standards Board. KPMG’s independent review report to the Board of Directors is included on page 28.

The financial information relating to the financial year ended 31 March 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Changes in accounting policies

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

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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.

4 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The interim financial report does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2024. There have been no changes in the risk management policies since 31 March 2024.

Fair value measurement

At 30 September 2024, the fair values of financial assets and liabilities approximate their carrying amounts.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Revenue and segment information

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

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

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

Revenue from contracts with customers within the scope of IFRS 15

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
Disaggregated by major products or service lines		
– Provision of CMDS	8,186	8,725
– Provision of logistics services	1,361	1,261
– Sales of recovered paper and materials	12,065	10,218
– Sales of tissue paper products	811	672
	22,423	20,876

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Revenue and segment information (continued)

The segment results and other segment items included in the loss for the six months ended 30 September 2024 and 30 September 2023 are as follows:

– For the six months ended 30 September 2024:

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Revenue and segment information (continued)

The segment results and other segment items included in the loss for the six months ended 30 September 2024 and 30 September 2023 are as follows (continued):

– For the six months ended 30 September 2023:

	Six months ended 30 September 2023				Total \$'000
	CMDS \$'000	Logistics services \$'000	Recovered paper and materials \$'000	Tissue paper products \$'000	
<i>Segment revenue:</i>					
Sales to external customers	8,725	1,261	10,218	672	20,876
Inter-segment sales	–	3,799	–	–	3,799
Reportable segment revenue	8,725	5,060	10,218	672	24,675
Elimination of inter-segment revenue	–	(3,799)	–	–	(3,799)
	8,725	1,261	10,218	672	20,876
<i>Segment results:</i>					
Reportable segment profit/(loss)	6,418	(301)	6,415	(70)	12,462
Elimination of inter-segment loss					276
Reportable segment profit derived from the Group's external customers					12,738
Other revenue					3,367
Other net loss					(2,846)
Selling and distribution expenses					(5,420)
Administrative and other operating expenses					(30,476)
Finance income					2,755
Finance costs					(6)
Share of losses of associates					(3,702)
Share of profits of joint ventures					3,761
Loss before taxation					(19,829)
Income tax					–
Loss for the period					(19,829)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

6 Other revenue

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
Licence fee income	–	2,100
Service income	–	41
Management fee income	–	757
Subsidy income	69	–
Others	330	469
	399	3,367

7 Other net loss

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
Gain on disposals of property, plant and equipment, net	–	68
Foreign exchange loss, net	–	(2,914)
	–	(2,846)

8 Loss before taxation

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

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
(a) Finance income		
Interest income from bank deposits	(856)	(1,144)
Interest income from loans to an associate	(865)	(842)
Interest income from loans to a joint venture	–	(769)
	(1,721)	(2,755)
(b) Finance costs		
Interest on loan from non-controlling interests	6	6
Interest on loan from a controlling shareholder	1,792	–
	1,798	6

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Loss before taxation (continued)

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

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
(c) Other items		
Cost of inventories sold	6,162	4,266
Depreciation charge:		
– Owned property, plant and equipment	12,359	12,296
– Right-of-use assets	546	546
Short-term lease payments not included in the measurement of lease liabilities	16	19

9 Income tax

No provision for Hong Kong Profits Tax and Corporate Income Tax for the six months ended 30 September 2024 and 30 September 2023 has been made in respect of the subsidiaries in Hong Kong and Mainland China as either the tax losses brought forward from previous years exceed the estimated assessable profits of the subsidiaries for the period or the subsidiaries have no estimated assessable profits in Hong Kong and Mainland China during the period.

10 Loss per share

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to equity shareholders of the Company of \$19,616,000 (six months ended 30 September 2023: \$19,701,000) and the weighted average of 4,823,009,000 (six months ended 30 September 2023: 4,823,009,000) ordinary shares in issue during the interim period.

(b) Diluted loss per share

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding for the six months ended 30 September 2024 and 30 September 2023.

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

During the six months ended 30 September 2024, the Group acquired items of property, plant and equipment and right-of-use assets with aggregate cost of \$142,000 (six months ended 30 September 2023: \$4,518,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Interests in associates

	At 30 September 2024 \$'000	At 31 March 2024 \$'000
Share of net assets	112,880	117,537
Loans to an associate (note 12(a))	33,285	32,481
Amount due from an associate (note 12(b))	510	449
	146,675	150,467
Represented by:		
Non-current portion	112,880	133,376
Current portion	33,795	17,091
	146,675	150,467

(a) Loans to an associate

- (i) Loan of RMB15,130,000 (equivalent to approximately \$16,641,000) at 30 September 2024 (31 March 2024: RMB15,130,000 (equivalent to approximately \$16,642,000)) which was unsecured, interest-bearing at the rate of 5.46% (31 March 2024: 5.46%) per annum and repayable on 16 March 2025; and
- (ii) Loan of RMB15,132,000 (equivalent to approximately \$16,644,000) at 30 September 2024 (31 March 2024: RMB14,400,000 (equivalent to approximately \$15,839,000)) which was unsecured, interest-bearing at the rate of 5.46% (31 March 2024: 5%) per annum and repayable on 28 September 2025.

(b) Amount due from an associate

The amount due from an associate at 30 September 2024 and 31 March 2024 was unsecured, interest-free and had no fixed terms of repayment.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Interests in joint ventures

	At 30 September 2024 \$'000	At 31 March 2024 \$'000
Share of net liabilities	(27,223)	(23,072)
Loans to a joint venture (note 13(a))	18,000	18,000
Amounts due from joint ventures (note 13(b))	41,655	41,561
Less: Impairment	(22,185)	(22,185)
	10,247	14,304
Represented by:		
Non-current portion	10,013	14,164
Current portion	234	140
	10,247	14,304

(a) Loans to a joint venture

At 30 September 2024, loans to a joint venture of \$18,000,000 (31 March 2024: \$18,000,000) were unsecured, interest-bearing at the rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 4% per annum and repayable on demand. The loans were impaired at 30 September 2024 and 31 March 2024.

During the six months ended 30 September 2023, \$1,500,000 was repaid from a joint venture to the Group.

(b) Amounts due from joint ventures

The amounts due from joint ventures at 30 September 2024 and 31 March 2024 were unsecured, interest-free and had no fixed terms of repayment, in which \$4,185,000 were impaired.

14 Trade receivables

	At 30 September 2024 \$'000	At 31 March 2024 \$'000
Trade receivables	6,059	4,696
Less: Loss allowance	(638)	(638)
Trade receivables, net	5,421	4,058

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Trade receivables (continued)

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

	At 30 September 2024 \$'000	At 31 March 2024 \$'000
0 - 30 days	5,134	3,867
31 - 60 days	278	105
61 - 90 days	33	57
91 - 120 days	11	29
Over 120 days	603	638
	6,059	4,696
Less: Loss allowance	(638)	(638)
	5,421	4,058

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

15 Trade payables

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

	At 30 September 2024 \$'000	At 31 March 2024 \$'000
Current	339	275
1 - 30 days	239	123
31 - 60 days	228	102
61 - 90 days	123	20
91 - 120 days	7	11
Over 120 days	287	295
	1,223	826

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

16 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.

17 Capital and reserves

(a) Equity settled share-based transactions

Pursuant to the resolutions passed by the shareholders of the Company on 30 August 2023, the Company adopted a share option scheme ("Share Option Scheme") on 30 August 2023. The Share Option Scheme is valid and effective for a period of 10 years commencing from 30 August 2023 and the number of share options available for grant under the Share Option Scheme mandate is 482,300,900. Under the Share Option Scheme, no option has been granted, exercised nor cancelled since its adoption and up to 30 September 2024.

No expenses related to equity settled share-based payment transactions was recognised by the Group during the six months ended 30 September 2024 and 30 September 2023.

(b) Dividends

No dividends had been paid or declared by the Company for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

18 Claims against former directors and employees

At 30 September 2024, the Group has lodged certain claims against its former directors and employees. The outcome of these claims and the recovery of loss and damages from these claims cannot yet be reliably estimated.

19 Major non-cash transaction

During the six months ended 30 September 2024, accrued interests from loan to an associate amounting to RMB732,000 (equivalent to approximately \$805,000) was capitalised into the principal amount of loan to an associate in accordance with the supplemental agreement entered into on 15 March 2024.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Material related party transactions

In addition to the transactions disclosed elsewhere in the interim financial report, the Group entered into the following material related party transactions during the period:

(a) Remuneration of key management personnel

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
Salaries, wages and other short-term benefits	4,112	4,673
Contributions to defined contribution retirement plan	18	18
	4,130	4,691

(b) Transactions with related parties

	Six months ended	
	30 September	
	2024	2023
	\$'000	\$'000
Interest income received from an associate	865	842
Interest income received from a joint venture	–	769
Logistics service income received from joint ventures	1,361	1,260
Licence fee income received from a joint venture	–	2,100
Management fee income received from a joint venture	–	757
Dividend income received from an associate	1,461	–
Dividend income received from joint ventures	10,500	9,875
Distribution received from a joint venture upon liquidation	27	–
Interest expense paid to a controlling shareholder	1,792	–
Purchase of property, plant and equipment from a joint venture	–	4,187

21 Approval of interim financial report

The interim financial report was approved by the Board on 29 November 2024.

INDEPENDENT AUDITOR'S REVIEW REPORT



**Review report to the Board of Directors of
Integrated Waste Solutions Group Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 11 to 27 which comprises the consolidated statement of financial position of Integrated Waste Solutions Group Holdings Limited as of 30 September 2024 and the related consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the International Auditing and Assurance Standards Board. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 November 2024



TWS

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