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.

TEAMWAY

International Group Holdings Limited

TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Director(s)**") of Teamway International Group Holdings Limited (the "**Company**") is hereby to announces the annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022. The annual results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
REVENUE	6	**340,918**	385,163
Cost of sales		**(331,758)**	(327,331)
Gross profit		**9,160**	57,832
Other income and losses, net	6	**(4,627)**	(3,636)
Impairment of trade and notes receivables		**(165)**	(450)
Impairment of loan and other receivables		**(5)**	(354)
Selling and distribution expenses		**(32,999)**	(38,287)
Administrative expenses		**(35,670)**	(25,867)
Finance costs	7	**(6,046)**	(39,387)
LOSS BEFORE TAX	8	**(70,352)**	(50,149)
Income tax credit	9	**1,596**	548
LOSS FOR THE YEAR		**(68,756)**	(49,601)
ATTRIBUTABLE TO:			
Owners of the Company		**(68,295)**	(49,601)
Non-controlling interests		**(461)**	—
		(68,756)	(49,601)
			(restated)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	11	**RMB(36.85) cents**	RMB(30.12) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(68,756)**	(49,601)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(3,309)**	(18,787)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(3,309)**	(18,787)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(72,065)**	(68,388)
ATTRIBUTABLE TO:		
Owners of the Company	**(71,604)**	(68,388)
Non-controlling interests	**(461)**	—
	(72,065)	(68,388)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**47,966**	37,154
Investment property		**60,388**	59,591
Right-of-use assets		**8,400**	6,436
Deferred tax assets		**939**	939
Deposits and prepayments		**7**	264
Total non-current assets		**117,700**	104,384
CURRENT ASSETS			
Inventories		**28,575**	14,131
Trade and notes receivables	*12*	**138,972**	189,764
Deposits, prepayments and other receivables		**11,891**	4,854
Loan and interest receivable		**2,701**	2,641
Cash and bank balances		**19,290**	33,265
Total current assets		**201,429**	244,655
CURRENT LIABILITIES			
Trade payables	*13*	**44,343**	55,741
Other payables and accruals		**16,174**	17,591
Interest-bearing bank and other borrowings		**259,981**	254,132
Lease liabilities		**2,250**	784
Tax payable		**734**	737
Total current liabilities		**323,482**	328,985
NET CURRENT LIABILITIES		**(122,053)**	(84,330)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(4,353)**	20,054

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2023

	2023	2022
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**191,740**	161,938
Lease liabilities	**1,274**	762
Deferred tax liabilities	**1,055**	2,679
Total non-current liabilities	**194,069**	165,379
Net liabilities	**(198,422)**	(145,325)
EQUITY		
Equity attributable to owners of the Company		
Share capital	**27,082**	22,487
Reserves	**(233,443)**	(167,812)
	(206,361)	(145,325)
Non-controlling interests	**7,939**	—
Deficiency in assets	**(198,422)**	(145,325)

NOTES:

1. CORPORATE AND GROUP INFORMATION

Teamway International Group Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Suite 1604, 16/F, Tower 6, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") was involved in the following principal activities:

- design, manufacturing and sale of packaging products and structural components
- trading of filtration media, equipment and related accessories for air purification
- design, manufacturing, sale and marketing of mahogany home furniture
- property investment

During the year, the Group deployed additional resources to expand its operation to (i) trading of filtration media, equipment and related accessories for air purification and (ii) design, manufacturing, sales and marketing of mahogany home furniture as described above. In prior year, the Group presented separate segment information as it operated in two segments which are design, manufacturing, sales of packaging products and structural components and property investment.

2. BASIS OF PRESENTATION

Notwithstanding that the Group incurred net loss of RMB68,756,000 for the year ended 31 December 2023, and as of that date, the Group's net liabilities amounted to RMB198,422,000; and the current liabilities of the Group at 31 December 2023 exceed its current assets at that date by RMB122,053,000, and the Group's current liabilities at that date includes interest-bearing bank and other borrowings with the carrying amounts of RMB259,981,000, in which including RMB226,780,000 (the "**Default Loan**") has default to a single lender (the "**Lender**"), according to their scheduled repayment date. These condition indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as going concern.

Given the above condition, the directors of the Company have prepared a cash flow projection for a period of fifteen months after the end of the reporting period, after taking into account of the following circumstances and measures to be implemented:

(i) in relation to the Default Loan for which the Group entered into an agreement with Lender on 31 March 2015, pursuant to which the Lender has agreed to provide a loan for a principal amount of HK$200 million to the Group, the outstanding principal amount as at 31 December 2023 is HK$155 million (equivalent to RMB140 million). The loan drawn down by the Group was secured by share charge over the entire issued shares of Cheng Hao International Limited, a wholly-owned subsidiary of the Company, carries interest at 18% per annum and repayable on 2 January 2023.

    As disclosed in the Company's announcement dated 16 November 2022, the Securities and Futures Commission ("**SFC**") filed a petition (the "**Petition**") against the Company as the 1st respondent, alleging a series of complaints. These include the said Default Loan, a case management conference related to the Petition has been scheduled for 12 June 2024. In the light of the complexity of the matter, the legal representative expects the matter will not be resolved by 31 March 2025;

(ii) the Company obtained a letter of continuous financial support and undertaken from the substantial shareholders;

(iii) estimated sales proceed for RMB60 million from the disposal of the Group's investment property in Singapore; and

(iv) the Group is actively identifying any other possible financing options to improved the liquidity portion of the Group.

Significant uncertainties exist as to whether the Group's plans and measures as describe above will be able to be achieved by the Group and whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future, obtaining the continuous financial support from its shareholders and successful obtaining of additional new source of financial assets and when needed.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide further liabilities that might arise and to reclassify non-current assets and non-current liabilities to current assets and current liabilities, respectively. The consolidated financial statements do not include any adjustments that would result from the failure of the Group to continue as a going concern.

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group losses control over a subsidiary, it derecognises (i) the assets and liabilities of the subsidiary and (ii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs AND CHANGES IN OTHER ACCOUNTING POLICIES

Application of new and amendments to HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group's financial performance and positions, but has affected the disclosures of accounting policies.

Impact on application of Amendments to HKAS 8 — Definition of Accounting Estimates

The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated financial statements of the Group.

Impact on application of Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The Group previously applied HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

There was no impact on the consolidated statement of financial position and financial performance because the related deferred tax balances qualify for offsetting under HKAS 12. There was no impact on the opening retained earnings as at 1 January 2022. The key impact to the Group relates to the disclosures of the component of deferred tax assets and liabilities.

Amendments to HKFRSs issued but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*[1]
Amendments to HKAS 1	*Non-current Liabilities with Covenants*[1]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

5. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services and has four reportable segments as follows:

- design, manufacturing and sale of packaging products and structural components
- trading of filtration media, equipment and related accessories for air purification
- design, manufacturing, sale and marketing of mahogany home furniture
- property investment

During the year, the Group deployed additional resources to expand its operation to (i) trading of filtration media, equipment and related accessories for air purification and (ii) design, manufacturing, sales and marketing of mahogany home furniture as described above. In prior year, the Group presented separate segment information as it operated in two segments which are design, manufacturing, sales of packaging products and structural components and property investment.

	Sales of packaging products and structural components *RMB'000*	Trading of filtration media, equipment and related accessories for air purification *RMB'000*	Sales of mahogany home furniture *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Year ended 31 December 2023					
Segment revenue:					
Revenue from external customers	**336,623**	**3,368**	**—**	**927**	**340,918**
Segment results	**(51,866)**	**(384)**	**(487)**	**(106)**	**(52,843)**
Reconciliation:					
Interest income					**461**
Finance costs					**(6,046)**
Corporate and other unallocated expenses					**(11,924)**
Loss before tax					**(70,352)**
Other segment information					
Depreciation					
— Property, plant and equipment	**5,102**	**3**	**9**	**—**	**5,114**
— Right-of-use assets	**122**	**207**	**239**	**—**	**568**
Impairment of trade and notes receivables	**165**	**—**	**—**	**—**	**165**
(Impairment)/reversal of impairment of other receivables	**(27)**	**6**	**24**	**—**	**3**
Fair value losses on investment property	**—**	**—**	**—**	**1,594**	**1,594**
Capital expenditure*	**4,875**	**1,139**	**2,698**	**—**	**8,712**

	Sales of packaging products and structural components *RMB'000*	Trading of filtration media, equipment and related accessories for air purification *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Year ended 31 December 2022				
Segment revenue:				
Revenue from external customers	384,372	—	791	385,163
Segment results	(1,919)	(1)	974	(946)
Reconciliation:				
Interest income				314
Finance costs				(39,387)
Corporate and other unallocated expenses				(10,130)
Loss before tax				(50,149)
Other segment information				
Depreciation				
— Property, plant and equipment	6,749	—	—	6,749
— Right-of-use assets	122	—	—	122
Impairment of trade and notes receivables	450	—	—	450
Impairment of other receivables	274	—	—	274
Capital expenditure*	4,255	—	—	4,255

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

31 December 2023	Sales of packaging products and structural components *RMB'000*	Trading of filtration media, equipment and related accessories for air purification *RMB'000*	Sales of mahogany home furniture *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment assets	**222,005**	**9,201**	**11,678**	**60,889**	**303,773**
Reconciliation:					
Deferred tax assets					**939**
Corporate and other unallocated assets					**14,417**
Total assets					**319,129**
Segment liabilities	**53,973**	**2,494**	**963**	**340**	**57,770**
Reconciliation:					
Interest-bearing bank and other borrowings					**451,721**
Deferred tax liabilities					**1,055**
Corporate and other unallocated liabilities					**7,005**
Total liabilities					**517,551**

31 December 2022	Sales of packaging products and structural components *RMB'000*	Trading of filtration media, equipment and related accessories for air purification *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment assets	264,472	552	59,591	324,615
Reconciliation:				
Deferred tax assets				939
Corporate and other unallocated assets				23,485
Total assets				349,039
Segment liabilities	69,118	552	245	69,915
Reconciliation:				
Interest-bearing bank and other borrowings				416,070
Deferred tax liabilities				2,679
Corporate and other unallocated liabilities				5,700
Total liabilities				494,364

Geographical information

(a) Revenue from external customers

	Sales of packaging products and structural components *RMB'000*	Trading of filtration media, equipment and related accessories for air purification *RMB'000*	Sales of mahogany home furniture *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Year ended 31 December 2023					
Mainland China	**336,623**	**3,368**	**—**	**—**	**339,991**
Singapore	**—**	**—**	**—**	**927**	**927**
	336,623	**3,368**	**—**	**927**	**340,918**
Year ended 31 December 2022					
Mainland China	384,372	—	—	—	384,372
Singapore	—	—	—	791	791
	384,372	—	—	791	385,163

The revenue information is based on the location of the customers.

(b) Non-current assets

	2023	2022
	RMB'000	*RMB'000*
Hong Kong	**1,063**	2,390
Mainland China	**55,310**	41,464
Singapore	**60,388**	59,591
	116,761	103,445

The non-current asset information is based on the location of the assets and excludes deferred tax assets.

Information about major customers

Revenue from each single customers (including sales to a group of entities which are known to be under common control with that customer) which accounted for 10% or more of the Group's revenue that solely derived from sales of packaging products and structural components' segment for the year, is set out below:

	2023	2022
	RMB'000	*RMB'000*
Customer A	**170,746**	174,962
Customer B	**83,923**	84,609
Customer C	**N/A**[1]	43,552

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. REVENUE AND OTHER INCOME AND LOSSES, NET

	2023	2022
	RMB'000	*RMB'000*
Revenue		
Sales of packaging products and structural components	**336,623**	384,372
Trading of filtration media, equipment and related accessories for air purification	**3,368**	—
Rental income from investment properties	**927**	791
	340,918	385,163

	2023	2022
	RMB'000	*RMB'000*
Other income and losses, net		
Interest income	**461**	314
Fair value losses on investment properties, net	**(1,594)**	—
Foreign exchange differences, net	**(1,941)**	(3,850)
Loss on disposal of items of property, plant and equipment	**(774)**	(181)
Government grants *(Note)*	**187**	290
Others	**(966)**	(209)
	(4,627)	(3,636)

Note: The amount represented subsidies of RMB187,000 (2022: RMB118,000) received from certain government authorities in PRC for the Group's operation of sales of packaging products and structural components, where there are no unfulfilled conditions or contingencies relating to these grants during the year. In addition, subsidies of RMB103,000 received from the Employment Support Scheme in Hong Kong during the year ended 31 December 2022 which the Group was required to undertake not to implement redundancy in the subsidy period and to use the subsidy to pay wages of the employees, all conditions relating to these grants had been fulfilled.

7. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Interest on bank borrowings	**1,234**	264
Interest on other borrowings *(Note)*	**3,280**	38,351
Finance costs arising on discounting trade and notes receivables	**1,385**	667
Interest on lease liabilities	**147**	103
Others	**—**	2
	6,046	39,387

Note: In 2022, the amount included the interest expenses amounted of RMB35,430,000 for the Default Loan. Since SFC filed the Petition regarding to this loan, no interest expenses were recognised.

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2023	2022
	RMB'000	*RMB'000*
Cost of inventories sold	**145,880**	245,257
Employee benefit expenses	**51,425**	55,896
Auditors' remuneration	**854**	773
Lease payments not included in the measurement of lease liabilities	**108**	145
Depreciation of property, plant and equipment	**5,440**	7,153
Depreciation of right-of-use assets	**1,355**	871
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**392**	230

9. INCOME TAX CREDIT

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax.

The provision for current income tax in Mainland China has been calculated at the applicable tax rate of 25% (2022: 25%) on the assessable profits of subsidiaries of the Group based on existing PRC Corporate Income Tax Law.

Singapore Corporate Income Tax has been provided at 17% (2022: 17%) on the estimated assessable profits arising in Singapore during the year.

No Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong during the year (2022: Nil).

	2023	2022
	RMB'000	*RMB'000*
Current tax — Mainland China		
Charge for the year	**1**	342
Over provision in prior years	**(11)**	—
Current tax — Singapore		
Charge for the year	**38**	47
	28	389
Deferred tax	**(1,624)**	(937)
	(1,596)	(548)

10. DIVIDENDS

No dividend was proposed or declared by the board of directors in respect of the year (2022: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

The calculation of basic and diluted loss per share are based on:

	2023	2022
	RMB'000	*RMB'000*
Loss:		
Loss attributable to owners of the Company	**(68,295)**	(49,601)

	2023	2022
		(restated)
Shares:		
Weighted average number of ordinary shares in issue during the year, used in the basic loss per share calculation	**185,311,000**	164,674,000

(b) Diluted

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

12. TRADE AND NOTES RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables from sales of packaging products and structural components	**94,694**	121,806
Notes receivables	**47,039**	70,554
	141,733	192,360
Impairment	**(2,761)**	(2,596)
	138,972	189,764

An ageing analysis of the trade receivables as at the end of the reporting period, based on the delivery date and net of provisions, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**91,239**	118,357
3 to 6 months	**798**	1,885
7 months to 1 year	**721**	42
	92,758	120,284

13. TRADE PAYABLES

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

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**42,992**	54,110
3 to 6 months	**650**	923
7 months to 1 year	**358**	363
Over 1 year	**343**	345
	44,343	55,741

The trade payables are non-interest-bearing and are normally settled on 30 days to 90 days.

14. EVENTS AFTER THE REPORTING PERIOD

Capital Reorganisation

The Company completed a capital reorganisation which included the share consolidation, capital reduction and the share sub-division. On 14 March 2024, all the conditions precedent to the capital reorganisation have been fulfilled and the capital reorganisation became effective.

Right Issue

On 10 January 2024, the Board proposed to raise up to approximately HK$15.78 million before expenses by way of the rights issue of 197,282,636 rights shares at the subscription price of HK$0.08 per rights share on the basis of one rights share for every one adjusted share held by the qualifying shareholders on the record date (the "**Rights Issue**").

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2023.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements which states that, the Group incurred a loss of RMB68,756,000 for the year ended 31 December 2023, and as of that date, had net current liabilities and net liabilities of RMB122,053,000 and RMB198,422,000 respectively. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and therefore, it maybe unable to realise its assets and discharge its liabilities in the normal course of business. The directors having considered the measures being taken by the Group, are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements do not include any adjustment that would result from a failure of achieving the measures. We considered that the material uncertainty has been adequate disclosed in the consolidated financial statements. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of (i) design, manufacturing and sale of packaging products and structural components in the PRC; (ii) trading of filtration media, equipment and related accessories for air purification; (iii) design, manufacturing, sale and marketing of mahogany home furniture and (iv) property investment.

Packaging Products and Structural Components Business

Revenue

Most of the Group's customers under the packaging products and structural components business are leading consumer electrical appliance manufacturers in the PRC.

An analysis of revenue by products is as follows:

	Year ended 31 December			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Packaging products				
Air conditioners	**86,200**	**25.6**	94,344	24.5
Washing machines	**82,405**	**24.5**	87,054	22.7
Televisions	**68,968**	**20.5**	88,896	23.1
Refrigerators	**52,355**	**15.5**	45,614	11.9
Information technology products	**20,402**	**6.0**	31,797	8.3
Water heaters	**9,321**	**2.8**	19,525	5.1
Others	**1,950**	**0.6**	3,573	0.9
Structural components				
For air conditioners	**15,022**	**4.5**	13,569	3.5
Total	**336,623**	**100**	384,372	100

During the current year, the revenue by product type remained relatively stable with the revenue derived from the Group's products for air conditioners (including packaging products and structural components), washing machines, televisions and refrigerators being the four largest contributions to the segment revenue, amounting to approximately RMB304,950,000 or 90.6% of total segment revenue (2022: approximately RMB329,477,000 or 85.7% of total segment revenue).

Cost of sales

The following table sets out a breakdown of the cost of sales for the periods stated below:

	Year ended 31 December			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Raw materials	**145,880**	**44.3**	245,257	74.9
Direct labour costs	**21,300**	**6.5**	27,166	8.3
Manufacturing overhead	**161,836**	**49.2**	54,908	16.8
Staff costs	**4,736**	**1.5**	4,794	1.5
Depreciation	**4,570**	**1.4**	6,114	1.8
Utilities	**28,640**	**8.7**	30,735	9.4
Processing charges	**123,160**	**37.4**	12,234	3.8
Others	**730**	**0.2**	1,031	0.3
Total	**329,016**	**100**	327,331	100

For the year ended 31 December 2023, the cost of sales amounted to approximately RMB329,016,000 increased by approximately RMB1,685,000 or 0.5% when compared to that of approximately RMB327,331,000 for the year ended 31 December 2022.

The gross profit margin for the year ended 31 December 2023 decreased to approximately 2.3% (2022: approximately 14.8%). Such decrease in gross profit margin is mainly attributable to the increase in cost of sales starting in the second quarter of 2023 due to higher production costs for partially outsourcing our production to other factories. The situation is expected to improve once our newly purchased production facilities are setup and put into production in the second quarter of 2024.

There are still many challenges ahead after the slow recovery of the post-pandemic period driven by the unstable macroeconomic environment. All we can is trying to enhance our operating processes to achieve higher operational efficiency and cost synergy while trying to maintain our cost of sales at a similar level in the coming year.

Supply of raw materials

The Group purchases raw materials and components necessary for the manufacturing of the Group's packaging products and structural components from independent third parties. The raw materials mainly include expanded polystyrene and expanded polyolefin. The Group retains a list of approved suppliers of raw materials and components and only makes purchases from the list. The Group has established long- term commercial relationships with its major suppliers for a stable supply and timely delivery of high quality raw materials and components. The Group had not experienced any major difficulties in procuring raw materials and components necessary for the manufacture of packaging products for the year ended 31 December 2023. The Group continues to diversify its suppliers of raw materials and components to avoid over reliance on a single supplier for any type of raw materials and components.

Production capacity

The Group's two factories are capable of an annual manufacturing capacity, in aggregate, of 9,600 tonnes of packaging products and structural components. The current production capacity enables the Group to promptly respond to market demand and strengthen its market position.

Property Investment Business

For the year ended 31 December 2023, the Group's investment property, situated in Singapore at 1 Bishopsgate #04–06 Bishopsgate Residences, Singapore 247676 (registered in the Singapore Land Authority under the Land Lot No. TS24-U13661M) with a gross floor area of approximately 3,068 square feet recorded a rental income of RMB927,000.

In 2023, the red-hot Singapore rental market observed at the start of the year seems to be stabilizing. Residential private property saw a slowdown in sales activity. This was partly in reaction to property cooling measures, sustained high interest rates, and uncertain economic conditions. However, property owners exhibited resilience and did not show a strong sense of urgency to sell their properties. This was reflected in their steady high asking prices.

To improve the liquidity of the Company, the Company has listed the investment property for sale as at 31 December 2023. Since the market price of the investment property constitute significant portions of the Company's assets, the proposed sale is likely to constitute discloseable/notifiable transactions which will be subject to notifications, publications and/or shareholders' approval requirements from the listing rules before the sales can be completed.

Filtration Media and Equipment Business and Mahogany Home Furniture Business

To capture the huge potential of health-related products after the COVID-19 pandemic, the Group has started the healthcare-related business of trading of filtration media, equipment, and related accessories for air purification since April 2023 and had generated a revenue of approximately RMB3.4 million during the year. The Group has also started the mahogany home furniture business since July 2023 and is expected to provide another source of income for the Group. The Group is holding 51% shareholdings of both businesses and oversees the operations and financial performances together with our business partners of 49% shareholdings. Both of our business partners have their own specialisation and expertise in their relevant fields and our management believes that the new businesses will have good development in the long run.

Rights Issue

To improve the liquidity of the Group, the Board proposed the Rights Issue on 10 January 2024 to raise up to approximately HK$15.78 million before expenses and is expected to complete in June 2024. Details of the Rights Issue are set out in (i) the circular of the Company dated 15 March 2024; (ii) the notice of the extraordinary general meeting of the Company dated 15 March 2024; and (iii) the announcements of the Company dated 10 January 2024, 11 January 2024, 9 February 2024, 29 February 2024 and 8 March 2024.

Update on the Petition

The Company (as the 1st respondent) was served with the Petition by SFC on 8 November 2022. According to the Petition, the Company was joined for the purpose of enabling it to benefit from orders sought in the Petition, and for it to make any representations it thinks fit in the proceedings. A hearing of the Petition was held on 2 June 2023 and the court made directions for the next steps of the Petition. The Company has filed and served its Points of Defence in January 2024 and the SFC is expected to file its Points of Reply in due course. A case management conference will be held on 12 June 2024, and the parties should file and serve their respective proposed directions with brief written explanatory submissions 7 clear days before the said case management conference.

FUTURE OUTLOOK

Packaging Products and Structural Components Business

During the year ended 31 December 2023, the China economy continued to improve with a slow pace due to sluggish economic recovery and evident conservative consumption. The economic development has shifted to the domestic market due to the slow recovery after the pandemic and global turbulence and complex international relations. However, this effect on us is minimal because all of our revenue derived from the packaging products and structural components business comes from domestic sales.

Due to higher production costs for partially outsourcing our production to other factories starting in the second quarter of 2023, there was a significant decrease in gross profit margin. Looking forward, the situation is expected to be improved once our newly purchased production facilities are put into production and it is believed that the gross profit margin will return to the similar level as before coming into 2024.

The Group will continue to optimise and refine the existing utilization on cost control and allocation of resources to promote long term productivity and cost efficiency; whilst restructuring its operating processes to achieve higher operational efficiency and cost synergy amongst group companies.

Property Investment Business

In 2024, property prices are anticipated to remain high yet stable and demand should maintain at a consistent upward trend. Meanwhile, the Singapore rental market is projected to experience a gentle deceleration. However, there is a belief that even if the property prices moderate in the short term, the pricing rebound would be much faster and higher when the economy gets better.

Although concerns around inflation, the possibility of mortgage rates going up, and uncertain economic conditions remain, Singapore's economy is projected to maintain a consistent growth trajectory and property owners may not feel the pressure to lower their asking prices for quicker transactions.

Filtration Media and Equipment Business and Mahogany Home Furniture Business

After the experience of COVID-19 in these few years, the Company started the trading of filtration media and equipment business in order to cope with the stronger demand of air purifications in the post-pandemic period.

The Mahogany Home Furniture business is another new venture that our management believes in for long term development. Mahogany furniture is high-quality with traditional style which is renowned for its durability and resistance to water and rot, making it a popular choice for far high-end customers. In addition, mahogany is known to be free from formaldehyde, a harmful chemical commonly found in furniture made from other materials.

In today's health-oriented lifestyle, the demand for products that are safe and environmentally friendly is on the rise. With our new businesses, we are positioning ourselves as a provider of high-quality, sustainable products that meets the needs of health-conscious consumers. By offering products that are not only durable but also free from harmful chemicals, we are confident that we can attract a loyal customer base. The management believed the potential of the businesses related to the healthcare industry and would like to capture the opportunities for diversification of income for the Group.

PROSPECTS

The economies of Hong Kong and Mainland China are anticipated to continue on a slow post-pandemic recovery path in the 2024, but the prospects remain highly uncertain driven by the adverse impact of high market interest rate environment and the development of geopolitical factors. Despite the foregoing challenges, the Group will continue to pursue long-term business and profitability growth to be in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management to preserve adequate buffer to meet the challenges ahead.

The Management believed that diversification of income source can promote long term development for the Group. Moving forward, the Group will continue to diversify income streams whilst trying to improve the performance of our current business at the same time. During the year, the Group started the trading of filtration media and equipment business and the mahogany home furniture business in PRC and expected to generate positive results in the long run.

With the uncertain geopolitical and macroeconomic conditions, the management foresees that there is full of challenges and will use their best endeavors to enhance operation efficiency while trying to maintain a stable performance of our business.

FINANCIAL REVIEW

Financial results

For the year ended 31 December 2023, the Group recorded the revenue of approximately RMB340,918,000, representing a decrease of 11.5% when compared to that of approximately RMB385,163,000 for the year ended 31 December 2022.

Loss attributable to owners of the Company was approximately RMB68,295,000 for the year ended 31 December 2023 when compared to loss of approximately RMB49,601,000 for the year ended 31 December 2022.

The increase in loss for the year ended 31 December 2023 was mainly attributable to the increase in cost of sales starting in the second quarter of 2023 due to higher production costs for partially outsourcing our production to other factories before our newly purchased production facilities are ready to be put into production.

Basic and diluted loss per share were RMB36.85 cents respectively (2022: RMB30.12 cents (restated) respectively).

Liquidity and financial resources

As at 31 December 2023, bank balances and cash of the Group amounted to approximately RMB19,290,000 of which approximately 57.7% was denominated in Hong Kong dollars ("**HK$**"), approximately 0.5% was denominated in United States Dollars ("**US$**"), approximately 2.2% was denominated in Singapore Dollars ("**SGD**") and the rest was denominated in Renminbi ("**RMB**") (2022: approximately RMB33,265,000 of which approximately 48.7% was denominated in HK$, approximately 0.3% was denominated in US$, approximately 5.6% was denominated in SGD and the rest was denominated in RMB).

As at 31 December 2023, the Group's bank borrowing of approximately RMB33,000,000 (2022: approximately RMB10,000,000) had variable interest rates and was repayable within two years (2022: one year), which was secured by the Group's buildings and prepaid land lease payments. As at 31 December 2023 and 2022, all of the bank borrowings were denominated in RMB.

As at 31 December 2023, the Group's other borrowings of (i) approximately RMB23,201,000 (2022: approximately RMB22,697,000) had fixed interest rate at 6.5% per annum, was repayable on demand and was denominated in US$; (ii) approximately RMB168,740,000 (2022: RMB161,938,000) had fixed interest rate at 2% per annum, was repayable on 31 May 2025, was unsecured and was denominated in US$; and (iii) approximately RMB226,780,000 (2022: RMB221,453,000) had fixed interest rate at 18% per annum, was repayable on demand, which was secured by the entire issued share capital of a wholly-owned subsidiary of the Company and was denominated in HK$.

Capital Structure

As at 31 December 2023, a total of 197,282,636 shares with par value of HK$0.16 each are in issue.

On 15 May 2023, the Company allotted and issued 130,434,783 shares (the "**Share Subscriptions**") with par value of HK$0.092 each in the share capital of the Company in relation to the share subscriptions dated 26 April 2023 pursuant to the general mandate granted at the annual general meeting of the Company dated 15 June 2022.

On 27 November 2023, the Board put forward to the shareholders of the Company (the "**Shareholders**") a proposal of share consolidation (the "**Share Consolidation**") on the basis that every four (4) issued existing ordinary shares with par value of HK$0.04 each in the share capital of the Company be consolidated into one (1) consolidated share with par value of HK$0.16 each. Pursuant to the resolution passed by the Shareholders at the extraordinary general meeting of the Company on 27 November 2023, the Share Consolidation became effective on 28 November 2023.

Details of the Share Subscriptions have been disclosed in the announcements of the Company dated 26 April 2023 and 15 May 2023. Details of the Share Consolidation have been disclosed in (i) the announcements of the Company dated 13 October 2023, 27 October 2023 and 31 October 2023; (ii) the circular of the Company dated 3 November 2023; (iii) the notice of the extraordinary general meeting of the Company dated 3 November 2023; and (iv) the poll results of the extraordinary general meeting of the Company dated 27 November 2023.

Acquisitions, disposals and significant investment

Save as disclosed in this announcement, for the year ended 31 December 2023, there was no material acquisition, disposal or significant investment by the Group.

Capital expenditure

Capital expenditure of the Group mainly includes the purchase of property, plant and equipment and right-of-use assets. For the year ended 31 December 2023, capital expenditure of the Group amounted to approximately RMB8,767,000 (2022: approximately RMB5,215,000).

Pledge of assets

The Group had pledged (i) assets of buildings and right-of-use assets to the bank in the amount of approximately RMB17,537,000 as at 31 December 2023 (2022: approximately RMB6,265,000; and (ii) the entire issued share capital of a wholly-owned subsidiary of the Company to the lender as at 31 December 2023 and 2022.

Segment information

Details of segment information of the Group for the year ended 31 December 2023 are set out in Note 5 to the consolidated financial statements.

Human resources and training

As at 31 December 2023, the Group has 491 employees (2022: 598 employees). Total employee benefit expenses amounted to approximately RMB51,425,000 (2022: approximately RMB55,896,000). The Group has a management team (including product design and development team) with extensive industry experience. The Group has adopted an employee-focused management concept to involve the Group's staff in the management and development of the Group. The Group has implemented a strict selection process for hiring its employees and a number of initiatives to enhance the productivity of its employees. The Group conducts regular performance reviews for its employees. The remuneration, promotion and salary increments of the employees are assessed according to their performance, professional and working experience, and prevailing market practices. In addition, the Group has implemented training programs for employees in various positions.

Gearing ratio

As at 31 December 2023, the gearing ratio was 1.42 (2022: 1.19), which was measured on the basis of the Group's total borrowings divided by total assets.

Foreign exchange risk

Business transactions of the Group are mainly denominated in HK$ and RMB. Accordingly, the Directors consider that the Group is not exposed to significant foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the Group's management monitors foreign exchange exposure. In the view of the fluctuation of RMB in recent years, the Group will consider hedging significant foreign currency exposure should the need arise.

Capital commitment

As at 31 December 2023, the Group had no capital commitment (2022: Nil).

Contingent liabilities

As at 31 December 2023, the Group had no material contingent liabilities (2022: Nil).

DIVIDENDS

No final dividend was proposed by the Board in respect of the year (2022: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any listed securities of the Company.

USE OF PROCEEDS FROM THE PLACING AND PUBLIC OFFER

The Company was successfully listed on the Main Board of the Stock Exchange on 18 November 2011 by way of placing and public offer (the "**Placing and Public Offer**").

The proceeds received by the Company from the Placing and Public Offer, after deducting the relevant costs of the Placing and Public Offer, amounted to approximately HK$44,500,000 in total. As at 31 December 2023, the Group had used up all the net proceed, of which (i) approximately HK$2,700,000 had been used for the repayment of bank loan; (ii) approximately HK$2,900,000 had been used as general working capital; (iii) approximately HK$29,000,000 was used for acquiring, remodifying and upgrading of plant and machines; and (iv) approximately HK$9,900,000 was used for acquiring and remodifying of mould.

USE OF PROCEEDS FROM THE SHARE SUBSCRIPTIONS

The proceed received by the Company from the Share Subscriptions, after deducting the relevant costs of the Share Subscriptions, amounted to approximately HK$12,000,000 in total. The Company intended to use the net proceeds as general working capital of the Group.

As at 31 December 2023, the Company has used up the proceeds from Share Subscriptions as general working capital.

USE OF PROCEEDS FROM THE RIGHTS ISSUE AND PLACING

On 7 September 2020, the Company completed a rights issue of 198,772,264 rights shares and a placing of 113,740,000 new shares. The proceed received by the Company after deducting the relevant costs amounted to approximately HK$50 million. The Company intended to use the net proceeds for repayment of the Group's outstanding borrowings.

As at 31 December 2023, the Company has used approximately HK$49.34 million of the proceeds for repayment of the Group's outstanding borrowings. The remaining balance of the net proceeds is expected to be utilised on or before 31 December 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted terms as contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**Model Code**") as the Company's code of conduct regarding securities transactions and dealings by the Directors. Upon specific enquiries of all existing Directors, each of them confirmed that they have complied with the Model Code during the year ended 31 December 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provision(s)**") set out in the Corporate Governance Code (the "**CG Code**") contained in the Appendix 14 to the Listing Rules.

The Board periodically reviews the corporate governance practices of the Company to ensure its continuous compliance with the CG Code. The Company was in compliance with the applicable Code Provisions for the year ended 31 December 2023.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely, Dr. Tsang Hing Bun (an independent non-executive director with the appropriate professional qualifications as required under rule 3.10(2) of the Listing Rules who serves as chairman of the Audit Committee), Mr. Chow Ming Sang and Mr. Chow Wai Hung Enzo.

The audit committee has reviewed the accounting principles and practices adopted by the Group with the management and the Company's external auditors and discussed risk management, internal control and financial reporting matters (including the review of the annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2023).

The figures in respect of the Group's consolidated results for the year ended 31 December 2023 as set out in this announcement have been agreed by the Company's external auditors to the amounts set out in the Company's audited consolidated financial statements for the year ended 31 December 2023.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at https://www.hkexnews.hk and on the website of the Company at https://www.teamwaygroup.com. The 2023 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company in due course and will be published on the websites of the Company and the Stock Exchange.

By order of the Board
Teamway International Group Holdings Limited
Mr. Zeng Wenyou
Executive Director

Hong Kong, 22 March 2024

As at the date of this announcement, the executive Directors are Mr. Zeng Wenyou, Ms. Ngai Mei (duties suspended) and Ms. Duan Mengying (duties suspended); the non-executive Director is Mr. Lee Hung Yuen; and the independent non-executive Directors are Mr. Chow Ming Sang, Mr. Tsang Hing Bun and Mr. Chow Wai Hung Enzo.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.