TEAMWAY
International Group Holdings Limited

TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT
AND
ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2018

Reference is made to the announcement of Teamway International Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 28 March 2019 in relation to the final results of the Group for the year ended 31 December 2018 (the "**2018 Annual Results Announcement**") and the annual report of the Group for the year ended 31 December 2018 (the "**2018 Annual Report**"). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the 2018 Annual Results Announcement and the 2018 Annual Report.

AUDIT QUALIFICATIONS

With regards to the section headed "EXTRACT OF INDEPENDENT AUDITOR'S REPORT — BASIS FOR DISCLAIMER OF OPINION" on page 25 of the 2018 Annual Report. The Board would like to provide further information in relation to the following audit qualifications.

MANAGEMENT'S VIEW ON THE AUDIT QUALIFICATIONS

Disclaimer opinion in relation to scope limitation on inability to obtain sufficient appropriate audit evidence concerning the Subsidiaries ("Audit Qualification (a)")

With regard to the Audit Qualification (a), the Company has decided to discontinue the operations of the Subsidiaries and will take steps to wind-up the Subsidiaries. The Company has been advised that the liquidators intend to complete the liquidations of the Subsidiaries by 31 December 2019 but the timing for the completion of the winding-up of the Hong Kong companies among the Subsidiaries is subject to when a tax clearance is obtained from the Inland Revenue Department.

Accordingly, if the Group successfully disposes of the equity interest in the Subsidiaries before 31 December 2019 as described above, the Company, based on the Group's auditor's advice, expects that the Audit Qualification (a) will be removed in the next year's auditor's report to the extent that it will only affect the opening balance of certain accounts and the related impact on the profit or loss for the year ending 31 December 2019.

Disclaimer opinion in relation to impairment loss on goodwill recognized on the Subsidiaries ("Audit Qualification (b)")

With regard to the Audit Qualification (b), as mentioned above, the Company has decided to discontinue the operations of the Subsidiaries and to wind-up the Subsidiaries. Since the Company has made a provision for the impairment for the whole amount of the goodwill attributed to the Subsidiaries for the year ended 31 December 2018, the Company does not expect further provision for this item for the year ended 31 December 2019.

Accordingly, the Company, based on the Group's auditor's advice, expects that the Audit Qualification (b) will be removed in the next year's auditor's report to the extent that it will only affect the opening balance of the goodwill and hence may not be comparable with the figures for 2018.

Disclaimer opinion in relation to impairment on loan and interest receivables ("Audit Qualification (c)")

With regard to the Audit Qualification (c), the Company (as the Plaintiff) has commenced the legal proceedings against Rossoneri, Mr. Li Yong Hong and Ms. Huang Qingbo (as the Defendants) on 15 August 2018 to seek repayment of the Loan together with interest accrued thereon and costs of the legal proceedings. The Company had issued an application for summary judgment to be entered against the Defendants on 14 May 2019. The application for summary judgment has been adjourned to 11 September 2019 for full argument and the Company expects the Court will render a judgement shortly thereafter.

Since the Company has made a full provision for the outstanding principal amount of the Loan for the year ended 31 December 2018, the Company does not expect further provision for this item for the year ended 31 December 2019.

Accordingly, the Company, based on the Group's auditor's advice, expects that the Audit Qualification (c) will be removed in the next year's auditor's report to the extent that it will only affect the opening balances of the Loan and interest receivable and hence may not be comparable with the figures for 2018.

Disclaimer opinion in relation to material uncertainty related to going concern ("Audit Qualification (d)")

With regard to the Audit Qualification (d), the Company:

(a) had been in negotiations with Mr. Xu Gefei ("**Mr. Xu**"), the beneficial of 100% interest in the lender of a loan to the Company, to convert the loan granted by Mr. Xu through his wholly owned company and the accrued interest into shares of the Company. On 26 June 2019, amongst other parties, the Company and Grand Luxe Limited (the "**Subscriber**") entered into a loan capitalisation agreement (the "**Loan Capitalisation Agreement**"). However, due to change in circumstances subsequent to the entry into the Agreement, the parties to the Loan Capitalisation Agreement (the "**Parties**") considered it is beneficial and in the interest to all Parties not to proceed with the loan capitalisation. Accordingly, on 4 July 2019 the Parties entered into a deed of termination pursuant to which each of the Parties releases and discharges the other Parties from all claims or demands under or in connection with the Loan Capitalisation Agreement;

(b) has listed the investment property located in Singapore, the book value of which was SGD9,400,000 as of 31 December 2018, for sale and expects that the investment property will be sold within or around the next three (3) months. Since the market price of the investment property constitutes a significant portion of the Company's assets, the proposed sale is likely to constitute a notifiable transaction which will be subject to notification, publication and/or shareholders' approval requirements, the Company expects that it will take around a further 3 to 6 months to complete the approval processes before the sale can be completed;

(c) is in the process of negotiating with Pengtian for an extension of the interest-bearing borrowing of approximately RMB191 million from Pengtian, the original due date for the repayment of the which was 30 September 2017 and was then extended to 30 September 2018. The management reached out to Pengtian to start negotiations on a further extension of the borrowing in August 2018. In the meantime, the Company has continued to pay the amount of interest on the borrowing as requested by Pengtian. The management verbally put forwarded their latest proposal to Pengtian in or around the middle of May 2019 and received a new proposal from Pengtian in the middle of August 2019. They are actively negotiating with Pengtian and there has not been any indication that Pengtian will refuse to extend the borrowing. The Company intends to conclude the negotiation and extend the borrowing by or around December 2019; and

(d) is actively seeking new investors to inject capital and intends to utilize the general mandate passed during the last annual general meeting dated 20 June 2019 to issue shares.

Further, the Company is actively identifying any other possible financing options which would improve the liquidity of the Company.

In the event that the borrowing from Pengtian is extended or the investment property is sold, the Company's current asset should exceed its current liabilities resulting in a net current asset in the consolidated financial statements.

Accordingly, the Company, based on the Group's auditor's advice, expects that the Audit Qualification (d) will likely be removed in the year ending 31 December 2019 if the appropriateness of management's use of the going concern basis of accounting in the preparation of financial statements is established.

THE BOARD AND THE AUDIT COMMITTEE'S VIEW

The Board and the audit committee agree with the Group's auditor's view in respect of the Audit Qualification. The audit committee of the Company has reviewed the management's position on the major judgment areas. There is no disagreement by the audit committee of the Company with the management's position on the disclaim of opinion issued by the Group's auditor.

Save as stated above, all information in the 2018 Annual Results Announcement and the 2018 Annual Report remains unchanged.

By order of the Board
Teamway International Group Holdings Limited
Ngai Mei
Executive Director

Hong Kong, 26 August 2019

As at the date of this announcement, the Board comprises Mr. Xu Gefei and Ms. Ngai Mei as executive Directors; Mr. Poon Lai Yin Michael, Mr. Chow Ming Sang and Chan Ka Leung Kevin as independent non-executive Directors.

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