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TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SHARE SUBSCRIPTIONS

On 26 April 2023 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, a total of 130,434,783 Subscription Shares at the Subscription Price of HK\$0.092 per Subscription Share.

The Subscription Shares represent approximately 19.80% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.53% of the issued share capital of the Company as enlarged by the Subscription Shares (assuming there will be no other change in the total number of Shares from the date of this announcement and up to the Completion Date). The net proceeds of the Share Subscriptions, after deduction of the relevant expenses, are estimated to be of approximately HK\$12 million, which is intended to be used by the Company for general working capital of the Group.

The Subscription Shares will be issued pursuant to the General Mandate and the issue and allotment of the Subscription Shares are not subject to Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the issue of the Subscription Shares is subject to the condition precedent under the Subscription Agreements and may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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The Subscription Agreement I

Date: 26 April 2023

Parties: (i) the Company
(ii) the Subscriber I

Based on the information provided by the Subscriber I, the Subscriber I is an individual investor with investments in both Hong Kong and China.

To the best of the Directors' knowledge, information and belief having made to all reasonable enquiries, the Subscriber I (i) is a third party independent of and not connected with the Company and the Directors, chief executive or substantial shareholders of the Company or any of their respective associates; and (ii) was not interested in any Shares or convertible securities of the Company at the time when the Subscription Agreement I was entered into.

Number of the Subscription Shares: 78,260,850 new Shares under the Subscription Agreement I, representing (i) 11.88% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.92% of the issued share capital of the Company as enlarged by the Subscription Shares (assuming there will be no other change in the total number of Shares from the date of this announcement and up to the Completion Date).

Subscription Price: HK\$0.092 per Subscription Share

The Subscription Agreement II

Date: 26 April 2023

Parties: (i) the Company
(ii) the Subscriber II

Based on the information provided by the Subscriber II, the Subscriber II is an individual investor with investments in both Hong Kong and China.

To the best of the Directors' knowledge, information and belief having made to all reasonable enquiries, the Subscriber II (i) is a third party independent of and not connected with the Company and the Directors, chief executive or substantial shareholders of the Company or any of their respective associates; and (ii) was not interested in any Shares or convertible securities of the Company at the time when the Subscription Agreement II was entered into.

Number of the Subscription Shares: 52,173,933 new Shares under the Subscription Agreement II, representing (i) 7.92% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.61% of the issued share capital of the Company as enlarged by the Subscription Shares (assuming there will be no other change in the total number of Shares from the date of this announcement and up to the Completion Date).

Subscription Price: HK\$0.092 per Subscription Share

The Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

The Subscription Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 15 June 2022. The Directors were authorised to allot and issue up to 131,739,152 Shares pursuant to the General Mandate. As at the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. The Share Subscriptions are therefore not subject to any further approval by the Shareholders.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Subscription Price

HK\$0.092 per Subscription Share, which was arrived at after arm's length negotiation among the Company and the Subscribers with reference to the prevailing market price of the Shares and the prospects of the Group.

The Subscription Price represents:

- (i) a discount of approximately 5.15% over the closing price of HK\$0.097 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a premium of approximately 3.37% over the average closing price of HK\$0.089 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Company will bear the costs and expenses in connection with the Share Subscriptions. The gross proceeds and the net proceeds from the Share Subscriptions are estimated to be approximately HK\$12 million and HK\$12 million respectively. As a result, the net Subscription Price will be approximately HK\$0.092 per Subscription Share.

Based on the closing price of the Shares of HK\$0.097 per Share on 26 April 2023, being the date of the Subscription Agreements, the Subscription Shares have a market value of approximately HK\$12.65 million. The aggregate nominal value of the Subscription Shares is approximately HK\$5.22 million.

Conditions Precedent

Completion is conditional upon, among other things, the following conditions precedent having been fulfilled on or before 30 May 2023 (or such other date as the parties to the Subscription Agreements may agree in writing):

1. the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in all the Subscription Shares;
2. all other Consents of the Stock Exchange, the SFC and any other applicable governmental or regulatory authorities or any other third party which are required or appropriate for the entering into and the implementation of the Subscription Agreements having been given; and all applicable statutory and legal obligations, all applicable securities regulations and all requirements of the applicable authorities having been complied with; and

3. the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Subscription Agreements up to the Completion Date, save for any temporary suspension not exceeding seven consecutive trading days (other than any temporary suspension relating to the clearance of any announcement in respect of the Subscription Agreements), or such longer period as the Subscribers may accept; and no indication being received on or before the Completion Date from the Stock Exchange and/or the SFC to the effect that the listing of the Shares or the Subscription Shares (as the case may be) on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the Completion or in connection with the terms of the Subscription Agreements.

In the event that the above conditions precedent are not satisfied on or before 30 May 2023 (or such later date as the parties to the Subscription Agreements may agree), the Subscription Agreements shall terminate and neither party shall be liable to the other or have any claim against the other party for damages, compensation or otherwise save and except any liability for antecedent breaches of either party.

Completion

Completion is expected to take place on or before the fifth Business Day after all the conditions precedent of the Subscription Agreements having been fulfilled (or such other date as the parties to the Subscription Agreements may agree in writing).

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon Completion (assuming that there will be no other change to the share capital of and shareholding in the Company other than the issue and allotment of the Subscription Shares) is set out below:

	As at the date of this announcement		After the Completion	
	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
Shareholders				
Mr. Xu Geifei (<i>Note 1</i>)	58,660,000	8.91	58,660,000	7.43
Mr. Chen Xiongwei (<i>Note 2</i>)	53,760,000	8.16	53,760,000	6.81
Mr. Chen Hui (<i>Note 3</i>)	48,400,000	7.35	48,400,000	6.14
Mr. Wu Jianxin	52,730,000	8.01	52,730,000	6.68
Mr. Xie Yuqiang	42,600,000	6.47	42,600,000	5.40
Public Shareholders				
The Subscriber I	—	—	78,260,850	9.92
The Subscriber II	—	—	52,173,933	6.61
Other public shareholders	402,545,764	61.10	402,545,764	51.01
Total	658,695,764	100.00	789,130,547	100.00

Notes:

1. Mr. Xu Gefei beneficially held the entire issued share capital of Grand Luxe Limited which owns 58,660,000 Shares.
2. Mr. Chen Xiongwei beneficially held 31,560,000 Shares. He also owns the entire issued share capital of Success Sense Limited which owns 22,200,000 Shares (i.e. 53,760,000 Shares in total).
3. Mr. Chen Hui beneficially held 11,800,000 Shares. He also owns the entire issued share capital of Kent Field Limited which owns 36,600,000 Shares (i.e. 48,400,000 Shares in total).

Reasons for the Share Subscriptions and the use of proceeds

The Company is an investment holding company. The Group is principally engaged in (a) the design, manufacture and sale of packaging products and structural components in the People's Republic of China; and (b) the property investment.

The Board considers that the Share Subscriptions offer a good opportunity to raise further capital and broaden the shareholders base of the Company, thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. Furthermore, the Board considers that the Subscription is a preferred method of fund raising as compared with other equity fund raising exercises based on the time and costs involved. The net proceeds of the Share Subscriptions, after deduction of the relevant expenses, are estimated to be of approximately HK\$12 million, which is intended to be used by the Company for general working capital of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Subscription Agreements are entered into on normal commercial terms and the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Fund raising exercise during the past 12 months

The Company has not conducted any fund raising activities in the past twelve (12) months immediately before the date of this announcement.

Completion of the issue of the Subscription Shares is subject to the condition precedent under the Subscription Agreements and may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are generally open for business in Hong Kong
“Company”	Teamway International Group Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange

“Completion”	the completion of the share subscriptions under the Subscription Agreements
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consent(s)”	including any license, consent, approval, authorisation, permission, waiver, order or exemption
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 15 June 2022 to allot and issue a maximum of 131,739,152 Shares, being 20% of the total number of Shares in issue as at 15 June 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the company
“Share Subscriptions”	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Mr. Zeng Wenyou
“Subscriber II”	Mr. Lee Hung Yuen

“Subscribers”	collectively, Subscriber I and Subscriber II
“Subscription Agreement I”	the conditional subscription agreement dated 26 April 2023 entered into between the Company as issuer and the Subscriber I as the subscriber for the subscription of 78,260,850 Shares at the Subscription Price
“Subscription Agreement II”	the conditional subscription agreement dated 26 April 2023 entered into between the Company as issuer and the Subscriber II as the subscriber for the subscription of 52,173,933 Shares at the Subscription Price
“Subscription Agreements”	collectively, Subscription Agreement I and Subscription Agreement II
“Subscription Price”	HK\$0.092 per Subscription Share with nominal value of HK\$0.04 each
“Subscription Shares”	an aggregate of 130,434,783 new Shares to be issued to the Subscribers under the Subscription Agreements
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“%”	per cent

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

Hong Kong, 26 April 2023

As at the date of this announcement, the Board comprises Ms. Ngai Mei and Ms. Duan Mengying as executive Directors; Mr. Poon Lai Yin Michael, Mr. Chow Ming Sang and Mr. Tsang Hing Bun as independent non-executive Directors.

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