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TEAMWAY

International Group Holdings Limited

TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY

FORMATION OF JOINT VENTURE COMPANY

The Board is pleased to announce that on 31 July 2023 (after trading hours), Capital Wealth, an indirect wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner pursuant to which the parties agreed to establish the JV Company with a registered capital of RMB10,000,000 (approximately HK\$10,900,000).

Upon the establishment of the JV Company, it will be owned as to 51% and 49% by Capital Wealth and the JV Partner, respectively. The JV Company will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the JV Agreement is more than 5% but less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 31 July 2023 (after trading hours), Capital Wealth, an indirect wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner pursuant to which the parties agreed to establish the JV Company with a registered capital of RMB10,000,000 (approximately HK\$10,900,000).

The JV AGREEMENT

Date: 31 July 2023

Parties: Capital Wealth

JV Partner

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the JV Partner and its ultimate beneficial owners are Independent Third Parties.

Formation of the JV Company and its registered capital

Pursuant to the JV Agreement, Capital Wealth and the JV Partner agree to establish the JV Company which shall be principally engaged in the design, manufacturing, sales and marketing of mahogany home furniture in the PRC.

The registered share capital of the JV Company shall be RMB10,000,000, which will be contributed in cash as to RMB5,100,000 (approximately HK\$5,559,000) by Capital Wealth. The JV Partner shall contribute to the registered share capital of the JV Company in the form of existing equipment, raw materials and cash which shall be valued at no less than RMB4,900,000 (approximately HK\$53,410,000) by an independent valuer.

Upon the establishment of the JV Company, it will be owned as to 51% and 49% by Capital Wealth and the JV Partner, respectively. The JV Company will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

The capital contribution of RMB5,100,000 (approximately HK\$5,559,000) by Capital Wealth will be financed from the internal resources of the Group.

The amount of capital contributions was determined after arm's length negotiation between Capital Wealth and the JV Partner with reference to the total registered share capital of the JV Company and their respective equity interest in the JV Company.

Conditions precedent

The formation of the JV Company as contemplated under the JV Agreement is conditional upon the satisfaction of the following Conditions Precedent: -

- (a) the Company having complied with the applicable requirements of the Listing Rules and other regulatory provisions in connection with the transactions contemplated under the JV Agreement; and
- (b) the JV Partner having received a valuation report issued by an independent valuer showing the value of the existing equipment, raw materials and cash to be contributed to the JV Company by the JV Partner being no less than RMB4,900,000 (approximately HK\$53,410,000).

If all the Conditions Precedent have not been satisfied within three months after the date of signing of the JV Agreement (or such other date which may be agreed by the parties), the JV Agreement shall cease to be effective and neither party shall have any obligations and liabilities towards each other under the JV Agreement save for any antecedent breaches of the terms thereof.

As at the date of this announcement, none of the Conditions Precedent has been satisfied.

Corporate governance

The JV Company Board shall comprise of three directors. Capital Wealth is entitled to nominate two directors and the JV Partner is entitled to nominate one director. The chairman of the JV Company Board shall be nominated by the JV Partner. Each director of the JV Company shall have one vote. Matters arising in any meeting of the JV Company Board shall be decided by a majority of the directors being entitled to vote in person or by proxy at such meeting.

The JV Company does not have a supervisory committee but has one supervisor nominated by Capital Wealth. The general manager of the JV Company shall be nominated by the JV Partner and approved by the JV Company Board, failing which Wealth Capital shall be entitled to nominate the general manager of the JV Company for the JV Company Board's approval.

Matters arising in any shareholders' meeting of the JV Company shall be decided by a majority of the shareholders being entitled to vote in person or by proxy at such meeting.

Financing of the JV Company

Subject to the approval of the JV Company Board, in the event that further funds are required by the JV Company, the JV Shareholders shall contribute to the working capital by way of shareholders' loan (without interest) in such amount according to the proportion of their respective equity interest in the JV Company.

In the event that the JV Company decides to obtain borrowings from banks, financial institutions or other third parties, the JV Shareholders shall cooperate in providing security and/or guarantee for such borrowings, or equity pledge in proportion to their respective equity interest in the JV Company.

Distribution of surplus fund

Any surplus of the JV Company after reserving 3 months' operating costs and financing repayment amount (including bank loans, shareholders' loans, and borrowings from other parties) shall first be used to repay the outstanding principal amount and interest of the shareholders' loans due to the JV Shareholders, if any, and then distributed to the JV Shareholders in proportion to their respective equity interest in the JV Company.

INFORMATION ON THE COMPANY AND THE JV PARTNER

The Company is a company incorporated in the Cayman Islands with limited liability and the shares of which are listed in the Main Board of the Stock Exchange. The Company is principally engaged in the business of design, manufacture and sale of packaging products and structural components in the PRC, and property investment.

Capital Wealth is a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The JV Partner is a company established in the PRC with limited liability and is principally engaged in the selection, independent research and development, design, production, original equipment manufacturing (OEM), sales, and maintenance of the rosewood classical furniture and high-end home furnishing design and construction integration business. The JV Partner is beneficially owned as to 51% and 49% by Zheng Weisen and Chen Dejiang, respectively.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The Group is principally engaged in the business of design, manufacture and sale of packaging products and structural components in the PRC, and property investment.

The Group strives to expand its business via collaboration with different potential partners. The JV Partner has its own specialization and expertise in the design, manufacturing, sales and marketing of mahogany home furniture in the PRC. With assistance provided by the Company, the JV Company could enhance its competitiveness and have access to greater resources and could grasp the opportunities brought about by the development of the mahogany home furniture market in the PRC, which in turn will offer the Group a good opportunity to gain investment returns.

The terms of the JV Agreement were determined between the parties thereto after arm's length negotiation. In light of the above, the Directors consider that the terms of the JV Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the JV Agreement is more than 5% but less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Wealth”	CAPITAL WEALTH INC LIMITED, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Company”	Teamway International Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed in the Main Board of the Stock Exchange (stock code: 1239)
“Conditions Precedent”	the conditions precedent to the formation of the JV Company as contemplated under the JV Agreement

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company in accordance with the Listing Rules
“JV Agreement”	the joint venture agreement dated 31 July 2023 entered into between Capital Wealth and the JV Partner in relation to the formation of the JV Company
“JV Company”	the company to be formed under the JV Agreement and to be established under the laws of the PRC with limited liability
“JV Company Board”	the board of directors of the JV Company
“JV Partner”	泉州古德造木家居有限公司 Quanzhou Gude Wooden Home Furniture Company Limited*, a company established in the PRC with limited liability
“JV Shareholders”	the shareholders of the JV Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Taiwan and Macau
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

For the purpose of illustration only, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.09. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 31 July 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.

* *For identification purpose only*