

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 2024

The board (the “**Board**”) of directors (the “**Director(s)**”) of Teamway International Group Holdings Limited (the “**Company**”) is hereby to announce the annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023. 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 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	4	252,949	340,918
Cost of sales		<u>(257,363)</u>	<u>(331,758)</u>
Gross (loss)/profit		(4,414)	9,160
Other income and (losses), net	4	(3,800)	(4,627)
Impairment of property, plant and equipment		(22,129)	—
Impairment of right-of-use assets		(1,712)	—
Impairment of trade and notes receivables		(880)	(165)
Reversal of impairment/(impairment) of loan and other receivables		345	(5)
Selling and distribution expenses		(27,416)	(32,999)
Administrative expenses		(42,022)	(35,670)
Finance costs	5	<u>(6,240)</u>	<u>(6,046)</u>
LOSS BEFORE TAX	6	(108,268)	(70,352)
Income tax credit	7	<u>193</u>	<u>1,596</u>
LOSS FOR THE YEAR		<u><u>(108,075)</u></u>	<u><u>(68,756)</u></u>
ATTRIBUTABLE TO:			
Owners of the Company		(105,586)	(68,295)
Non-controlling interests		<u>(2,489)</u>	<u>(461)</u>
		<u><u>(108,075)</u></u>	<u><u>(68,756)</u></u>
			(restated)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	9	<u><u>RMB(32.28) cents</u></u>	<u><u>RMB(30.92) cents</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(108,075)</u>	<u>(68,756)</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(13,699)</u>	<u>(3,309)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(13,699)</u>	<u>(3,309)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(121,774)</u>	<u>(72,065)</u>
ATTRIBUTABLE TO:		
Owners of the Company	(119,285)	(71,604)
Non-controlling interests	<u>(2,489)</u>	<u>(461)</u>
	<u>(121,774)</u>	<u>(72,065)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		35,269	47,966
Investment property		59,457	60,388
Right-of-use assets		6,824	8,400
Deferred tax assets		26	939
Deposits and prepayments		626	7
		<hr/>	<hr/>
Total non-current assets		102,202	117,700
CURRENT ASSETS			
Inventories		20,989	28,575
Trade and notes receivables	10	86,196	138,972
Deposits, prepayments and other receivables		22,294	11,891
Loan and interest receivable		—	2,701
Cash and bank balances		39,922	19,290
		<hr/>	<hr/>
Total current assets		169,401	201,429
CURRENT LIABILITIES			
Trade payables	11	67,960	44,343
Other payables and accruals		20,235	16,174
Interest-bearing bank and other borrowings		307,070	259,981
Lease liabilities		1,426	2,250
Tax payable		518	734
		<hr/>	<hr/>
Total current liabilities		397,209	323,482
NET CURRENT LIABILITIES			
		(227,808)	(122,053)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		(125,606)	(4,353)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2024

	2024	2023
	RMB'000	RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	178,500	191,740
Lease liabilities	1,959	1,274
Deferred tax liabilities	129	1,055
	<hr/>	<hr/>
Total non-current liabilities	180,588	194,069
	<hr/>	<hr/>
Net liabilities	<u>(306,194)</u>	<u>(198,422)</u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	3,518	27,082
Reserves	(315,582)	(233,443)
	<hr/>	<hr/>
	(312,064)	(206,361)
Non-controlling interests	5,870	7,939
	<hr/>	<hr/>
Deficiency in assets	<u>(306,194)</u>	<u>(198,422)</u>

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 rosewood home furniture
- property investment

2. BASIS OF PRESENTATION AND APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Basis of presentation

Notwithstanding that the Group incurred net loss of approximately RMB108,075,000 for the year ended 31 December 2024, and as of that date, the Group’s net liabilities amounted to approximately RMB306,194,000; and the current liabilities of the Group at 31 December 2024 exceed its current assets at that date by approximately RMB227,808,000, and the Group’s current liabilities at that date includes interest-bearing bank and other borrowings with the carrying amounts of approximately RMB307,070,000, in which including RMB235,936,000 (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 twelve 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 2022 is HK\$155 million (equivalent to RMB136 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 said Default Loan has entered into a dispute and its initial hearing of the petition has been set for 2 June 2023 at the High Court of Hong Kong. In the light of the complexity of the matter and the ongoing Case Management Conference for the Petition, the legal representative of the Company do not expect the matter to be resolved by 31 March 2026;

- (ii) the Company obtained a letter of continuous financial support and undertaken from the substantial shareholders;
- (iii) estimated sales proceed for RMB59 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.

These financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the Hong Kong Companies Ordinance 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 2024. 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, 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 loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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.

2.2 Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to HKAS 1	<i>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</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

Except as described below, the application of the new and amendments to HKFRS Accounting Standards 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 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 –Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group’s liabilities.

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21 and HKFRS 1	<i>Lack of Exchangeability</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards-Volume 11</i> ²
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that the application of new and amendments to HKFRS Accounting Standards will have no material impact on the result and the financial position of the Group.

3. 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 rosewood home furniture
- property investment

	Sales of packaging products and structural components <i>RMB'000</i>	Trading of filtration media, equipment and related accessories for air purification <i>RMB'000</i>	Sales of rosewood home furniture <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024					
Segment revenue:					
Revenue from external customers	<u>250,802</u>	<u>909</u>	<u>113</u>	<u>1,125</u>	<u>252,949</u>
Segment results	(73,265)	(2,274)	(3,580)	(2,720)	(81,839)
<i>Reconciliation:</i>					
Other income and (losses), net					(2,978)
Finance costs					(3,111)
Corporate and other unallocated expenses					<u>(20,340)</u>
Loss before tax					<u><u>(108,268)</u></u>
Other segment information					
Depreciation					
— Property, plant and equipment	6,425	5	293	—	6,723
— Right-of-use assets	122	414	717	—	1,253
Provision of allowance for inventories	1,830	—	33	—	1,863
Impairment of property, plant and equipment	21,003	3	1,123	—	22,129
Impairment of right-of-use assets	—	518	1,194	—	1,712
Impairment of trade and notes receivables	876	3	1	—	880
Impairment of other receivables	6	—	—	—	6
Fair value losses on investment property	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,043</u>	<u>1,043</u>
Capital expenditure*	<u>16,367</u>	<u>—</u>	<u>1,169</u>	<u>—</u>	<u>17,536</u>

	Sales of packaging products and structural components <i>RMB'000</i>	Trading of filtration media, equipment and related accessories for air purification <i>RMB'000</i>	Sales of rosewood home furniture <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023					
Segment revenue:					
Revenue from external customers	<u>336,623</u>	<u>3,368</u>	<u>—</u>	<u>927</u>	<u>340,918</u>
Segment results	(51,866)	(384)	(487)	(106)	(52,843)
<i>Reconciliation:</i>					
Other income and (losses), net					461
Finance costs					(6,046)
Corporate and other unallocated expenses					<u>(11,924)</u>
Loss before tax					<u>(70,352)</u>
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
(Reversal of impairment)/ impairment of other receivables	(27)	6	24	—	3
Fair value losses on investment property	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,594</u>	<u>1,594</u>
Capital expenditure*	<u>4,875</u>	<u>1,139</u>	<u>2,698</u>	<u>—</u>	<u>8,712</u>

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

31 December 2024	Sales of packaging products and structural components <i>RMB'000</i>	Trading of filtration media, equipment and related accessories for air purification <i>RMB'000</i>	Sales of rosewood home furniture <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	159,238	8,746	8,810	86,594	263,388
<i>Reconciliation:</i>					
Deferred tax assets					26
Corporate and other unallocated assets					<u>8,189</u>
Total assets					<u><u>271,603</u></u>
Segment liabilities	97,434	3,432	1,476	34	102,376
<i>Reconciliation:</i>					
Interest-bearing bank and other borrowings					459,570
Deferred tax liabilities					129
Corporate and other unallocated liabilities					<u>15,722</u>
Total liabilities					<u><u>577,797</u></u>

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

Geographical information

(a) Revenue from external customers

	Sales of packaging products and structural components <i>RMB'000</i>	Trading of filtration media, equipment and related accessories for air purification <i>RMB'000</i>	Sales of rosewood home furniture <i>RMB'000</i>	Property investment <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended					
31 December 2024					
Mainland China	250,802	909	113	—	251,824
Singapore	—	—	—	1,125	1,125
	<u>250,802</u>	<u>909</u>	<u>113</u>	<u>1,125</u>	<u>252,949</u>
Year ended					
31 December 2023					
Mainland China	336,623	3,368	—	—	339,991
Singapore	—	—	—	927	927
	<u>336,623</u>	<u>3,368</u>	<u>—</u>	<u>927</u>	<u>340,918</u>

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

(b) Non-current assets

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Hong Kong	2,401	1,063
Mainland China	40,318	55,310
Singapore	59,457	60,388
	<u>102,176</u>	<u>116,761</u>

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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	137,428	170,746
Customer B	61,201	83,923
	<u>61,201</u>	<u>83,923</u>

4. REVENUE AND OTHER INCOME AND (LOSSES), NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue		
Sales of packaging products and structural components	250,802	336,623
Trading of filtration media, equipment and related accessories for air purification	909	3,368
Sales of rosewood home furniture	113	—
Rental income from investment property	1,125	927
	<u>252,949</u>	<u>340,918</u>
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other income and (losses), net		
Interest income	135	461
Fair value losses on investment property	(1,043)	(1,594)
Foreign exchange differences, net	(3,170)	(1,941)
Loss on disposal of items of property, plant and equipment	(245)	(774)
Government grants (<i>Note</i>)	853	187
Others	(330)	(966)
	<u>(3,800)</u>	<u>(4,627)</u>

Note: The amount represented subsidies of approximately RMB853,000 (2023: RMB187,000) received from certain government authorities in the People's Republic of China ("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 years ended 31 December 2024 and 2023.

5. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank borrowings	1,225	1,234
Interest on other borrowings	3,090	3,280
Finance costs arising on discounting trade and notes receivables	1,776	1,385
Interest on lease liabilities	149	147
	<u>6,240</u>	<u>6,046</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold	255,500	331,758
Employee benefit expenses	47,003	52,820
Auditors' remuneration	778	854
Lease payments not included in the measurement of lease liabilities	603	108
Provision of allowance for inventories (included in cost of sales)	1,863	—
Depreciation of property, plant and equipment	7,290	5,440
Depreciation of right-of-use assets	2,048	1,355
Gross rental income from investment property	(1,125)	(927)
Less: Direct operating expenses incurred for investment property that generated rental income during the year	443	392
	<u>(682)</u>	<u>(535)</u>

7. INCOME TAX CREDIT

Pursuant to the rules and regulations of the Cayman Islands, the Company 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% (2023: 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% (2023: 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 (2023: Nil).

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax — Mainland China		
Charge for the year	—	1
Over provision in prior years	(126)	(11)
Current tax — Singapore		
Charge for the year	<u>34</u>	<u>38</u>
	(92)	28
Deferred tax	<u>(101)</u>	<u>(1,624)</u>
	<u><u>(193)</u></u>	<u><u>(1,596)</u></u>

8. DIVIDENDS

No dividend was proposed or declared by the board of directors in respect of the year (2023: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss:		
Loss attributable to owners of the Company	<u>(105,586)</u>	<u>(68,295)</u>
	2024	2023
		(restated)
Shares:		
Weighted average number of ordinary shares in issue during the year, used in the basic loss per share calculation (<i>Note</i>)	<u>327,049,000</u>	<u>220,876,000</u>

Note: The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the right issue on 15 April 2024.

(b) Diluted

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

10. TRADE AND NOTES RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables from sales of packaging products and structural components	65,969	94,694
Notes receivables	23,868	47,039
	89,837	141,733
Impairment	(3,641)	(2,761)
	86,196	138,972

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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	57,793	91,239
3 to 6 months	3,575	798
7 months to 1 year	1,521	721
	62,889	92,758

11. 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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	55,393	42,992
3 to 6 months	11,127	650
Over 6 months	1,440	701
	<u>67,960</u>	<u>44,343</u>

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

12. EVENTS AFTER THE REPORTING PERIOD

The Company as the first respondent was served with a petition (the “**Petition**”) issued by the Securities and Futures Commission (the “**SFC**”) as petitioner on 8 November 2022. An initial hearing of the Petition has been set in June 2023 at the High Court of Hong Kong. Details of the Petition are set out in the announcement of the Company dated 16 November 2022. In the light of the complexity of the matter and the ongoing Case Management Conference for the Petition, the legal representative of the Company do not expect the matter to be resolved by 31 March 2026.

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 2024.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements, which indicated that the Group incurred a net loss of approximately RMB108,075,000 for the year ended 31 December 2024 and, as of that date, the Group had net current liabilities of approximately RMB227,808,000 and net liabilities of approximately RMB306,194,000. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate that material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. 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 rosewood 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			
	2024		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
<i>Packaging products</i>				
Televisions	82,275	32.8	68,968	20.5
Washing machines	69,935	27.9	82,405	24.5
Refrigerators	42,324	16.9	52,355	15.5
Air conditioners	42,071	16.8	86,200	25.6
Water heaters	4,134	1.6	9,321	2.8
Information technology products	3,425	1.4	20,402	6.0
Others	255	0.1	1,950	0.6
<i>Structural components</i>				
For air conditioners	6,383	2.5	15,022	4.5
Total	<u>250,802</u>	<u>100</u>	<u>336,623</u>	<u>100</u>

During the current year, the revenue by product type remained relatively stable with the revenue derived from the Group's products for televisions, washing machines, refrigerators and air conditioners (including packaging products and structural components) being the four largest contributions to the segment revenue, amounting to approximately RMB242,988,000 or 96.9% of total segment revenue (2023: approximately RMB304,950,000 or 90.6% 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			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Raw materials	98,682	38.5	145,880	44.3
Direct labour costs	12,795	5.0	21,300	6.5
Manufacturing overhead	144,944	56.5	161,836	49.2
Staff costs	3,261	1.3	4,736	1.5
Depreciation	5,434	2.1	4,570	1.4
Utilities	18,196	7.1	28,640	8.7
Processing charges	116,900	45.6	123,160	37.4
Others	1,153	0.4	730	0.2
Total	<u>256,421</u>	<u>100</u>	<u>329,016</u>	<u>100</u>

For the year ended 31 December 2024, the cost of sales amounted to approximately RMB256,421,000 decreased by approximately RMB72,595,000 or 22.1% when compared to that of approximately RMB329,016,000 for the year ended 31 December 2023.

The gross loss margin for the year ended 31 December 2024 increased to approximately 2.2% (2023: gross profit margin of approximately 2.3%). Such decrease in gross profit margin is mainly attributable to the diminishing economies of scale with respect to the lack of competitive advantage from mass production.

With rising operating costs due to inflationary pressures, there are still many challenges ahead of us. All we can do is to enhance our efficiency to better monitor and control expenses in our manufacturing process while trying to look for new customers and maintain an optimum gross profit margin.

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 2024. 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 11,800 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 2024, the Group's investment property, situated in Singapore at 1 Bishopgate #04–06 Bishopgate 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 approximately RMB1,125,000.

In 2024, the Singapore rental market was relatively stable as compared to 2023. Actual rental prices fell for the first time in three years in the first quarter of 2024. There was a decrease in local demand in the rental market, but more foreigners were seeking to rent at the same time, which led the rental prices to be stabilized towards the end of 2024 and is expected to maintain the same in 2025.

To improve the liquidity of the Company, the Company has listed the investment property for sale as at 31 December 2024. 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.

Rights Issue

To improve the liquidity of the Group, on 10 January 2024, the Company announced its plans to raise gross proceeds of up to approximately HK\$15.78 million by issuing up to 197,282,636 new shares (the “**Rights Share(s)**”) at a subscription price of HK\$0.08 per Rights Share (the “**Subscription Price**”) on the basis of one (1) Rights Share for every one (1) share of the Company (the “**Share(s)**”) held by the Company’s shareholders on the record date (the “**Rights Issue**”).

The Rights Issue was completed on 3 June 2024 (the “**Completion**”), with a total of 197,279,115 Rights Shares being allotted and issued, representing approximately 50.0% of the issued share capital of the Company immediately after the Completion.

The Rights Issue resulted in gross proceeds of approximately HK\$15.78 million, with net proceeds, after deducting all relevant expenses, amounting to approximately HK\$14.67 million. As disclosed in the prospectus published by the Company dated 16 April 2024 (the “**Prospectus**”), the Company intended to allocate such net proceeds as to (i) repay the Group’s current liabilities, specifically those debts, liabilities, or other payables expected to be due and payable; and (ii) utilise the funds for the Group’s general working capital, including staff salaries, remuneration of the Company’s directors, remuneration of the Company’s auditor, and other legal and professional fees.

Particulars of the Rights Issue was set out in (i) the Prospectus; (ii) circular published by the Company dated 15 March 2024; and (iii) the announcements published by the Company dated 3 June 2024, 8 May 2024, 2 April 2024, 8 March 2024, 29 February 2024, 9 February 2024, 11 January 2024 and 10 January 2024 respectively.

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. The first Case Management Conference for the Petition was held on 12 June 2024. The second Case Management Conference addressing the question of expert evidence and the third Case Management Conference for the Petition will be held on 24 April 2025 and 23 July 2025 respectively.

FUTURE OUTLOOK

Packaging Products and Structural Components Business

During the year ended 31 December 2024, the China economy continued to recover in a slow and steady pace. With the sluggishness of the global economy and the lack of domestic demand and weak social expectations, a full recovery is yet to come until the market confidence be restored in the foreseeable future.

Looking forward, in order to alleviate the pressure of high production costs, our factories in China will aim to optimize our production process and minimize our labour costs and overhead costs. It is expected that the gross profit margin will improve once all of our newly purchased production facilities are fully utilized.

The Group is constantly seeking ways to enhance our operational efficiency and the profitability of our business. The Group will also proactively explore opportunities to expand our customer base and our market share which will boost value to our shareholders. Looking ahead, our Company remains focused on navigating the challenging economic landscape and seizing strategic opportunities to drive sustainable growth.

Property Investment Business

Moving into 2025, private property prices in Singapore are set to continue their upward trajectory, driven by constrained supply, robust demand and an expected growth of gross domestic product of at least 2% to 3% forecast range.

There are many factors to fuel the private property price trend in Singapore in 2025. The stable economic environment will bolster buyer confidence. In addition, a recovering recovery, combined with improved employment rates, will strengthen purchasing power, particularly for high-income individuals and expatriates.

PROSPECTS

China's economy showed complexity and diversity during the post-pandemic normalization. The rapid recovery of the services sector gave a positive boost to consumption, which in turn contributed to the gradual recovery of the economy. However, the marked decline in real estate sales and development investment, as well as the drop in demand for exports, put pressure on residents' employment and incomes, leading to a prominent structural differentiation among different fields, industries and subjects. Despite the confirmed recovery, China is still under test in the momentum and sustainability of the recovery.

As we look to the future, we will continue to focus on the development of our new businesses in filtration media and equipment and rosewood home furniture business and meanwhile, we remain vigilant for any new business opportunities that could further generate greater returns for our valued shareholders. The Management still believed that diversification of income source can promote long term development for the Group. The Group will continue to diversify income streams whilst trying to improve the performance of our current business at the same time.

Amidst uncertainties in the economy, the year of 2025 remains a challenging year ahead for the Group. The Group will continue to enhance operation efficiency and seek growth opportunities in the order to ensure sustainable earnings in the coming year.

FINANCIAL REVIEW

Financial results

For the year ended 31 December 2024, the Group recorded the revenue of approximately RMB252,949,000, representing a decrease of 25.8% when compared to that of approximately RMB340,918,000 for the year ended 31 December 2023.

Loss attributable to owners of the Company was approximately RMB105,586,000 for the year ended 31 December 2024 when compared to loss of approximately RMB68,295,000 for the year ended 31 December 2023.

The increase in loss for the year ended 31 December 2024 was mainly attributable to the increase in cost of sales starting in the second quarter of 2024 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 RMB32.28 cents respectively (2023: RMB30.92 cents (restated) respectively).

Liquidity and financial resources

The Group generally finances its operations with internally generated cash flows, bank borrowings, loans from shareholders and from independent third parties.

As at 31 December 2024, the Group has bank balances and cash of approximately RMB39,922,000, which were principally denominated in Singapore Dollars (“**SGD**”) (67.9%), Hong Kong Dollars (“**HK\$**”) (20.2%), Renminbi (“**RMB**”) (11.8%) and United States Dollars (“**US\$**”) (0.1%) (2023: approximately RMB19,290,000).

As at 31 December 2024, the Group had total borrowings of approximately RMB485,570,000 (2023: approximately RMB451,721,000), with approximately RMB307,070,000 repayable on demand or within one year, approximately RMB178,500,000 repayable after two years and within five years. Approximately 49.2%, 38.8%, 6.6% and 5.4% of these borrowings were denominated in HKD, USD, SGD and RMB, respectively. Details of pledge of assets in respect of bank and other borrowings are set out in the section Pledge of assets.

The management closely review the financial resources of the Group in a cautious manner and continue to explore opportunities in external financing and equity funding. The Company will take proactive actions to improve the liquidity and financial position of the Group by way of equity fund raising exercises. The Company will closely monitor the market situation and take prompt actions when such opportunities arise.

Capital Structure

As at 31 December 2023, the Company's issued share capital was approximately RMB27.08 million, equivalent to HK\$31.57 million and divided into 197,282,636 ordinary shares of HK\$0.16 each.

On 14 March 2024, the Company completed a capital reorganisation which included capital reduction (the "**Capital Reduction**") and share sub-division (the "**Share Sub-division**"). For Capital Reduction, the par value of each of the issued shares was reduced from HK\$0.16 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.15 per issued share. For Share Sub-division, each of the authorised but unissued shares with par value of HK\$0.16 each has been sub-divided into sixteen (16) unissued new shares with par value of HK \$0.01 each. For further details of Capital Reduction and Share Sub-division, please refer to the announcements of the Company dated 13 October 2023, 27 October 2023, 31 October 2023, 27 November 2023, 31 January 2024, 9 February 2024 and 13 March 2024 and circular of the Company dated 2 November 2023.

On 3 June 2024, the Company completed the Rights Issue with a total of 197,279,115 Rights Shares being allotted and issued. For details of the Rights Issue, please refer to the section above.

As at 31 December 2024, the Company's issued share capital was approximately RMB3.52 million, equivalent to HK\$3.95 million and divided into 394,561,751 ordinary shares of HK\$0.01 each.

Acquisitions, disposals and significant investment

Save as disclosed in this announcement, for the year ended 31 December 2024, 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 2024, capital expenditure of the Group amounted to approximately RMB21,087,000 (2023: approximately RMB8,767,000).

Pledge of assets

The Group had pledged (i) assets of buildings and right-of-use assets to the bank in the amount of approximately RMB22,200,000 as at 31 December 2024 (2023: approximately RMB22,502,000; (ii) the entire issued share capital of a wholly-owned subsidiary of the Company to the lender as at 31 December 2024 and 2023; and (iii) the investment property situated in Singapore to the financial institution as at 31 December 2024.

Segment information

Details of segment information of the Group for the year ended 31 December 2024 are set out in Note 3 to the consolidated financial statements.

Human resources and training

As at 31 December 2024, the Group has 345 employees (2023: 491 employees). Total employee benefit expenses amounted to approximately RMB47,003,000 (2023: approximately RMB52,820,000). 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 2024, the gearing ratio was 1.79 (2023: 1.42), 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 2024, the Group had no capital commitment (2023: Nil).

Contingent liabilities

As at 31 December 2024, the Group had no material contingent liabilities (2023: Nil).

DIVIDENDS

No final dividend was proposed by the Board in respect of the year (2023: Nil).

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

For the year ended 31 December 2024, 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 2024, 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 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 has used up all of the proceeds for repayment of the Group's outstanding borrowings.

On 3 June 2024, the Company completed the Right Issue by issuing 197,279,115 right shares, with net proceeds, after deducting all relevant expenses, amounting to approximately HK\$ 14.67 million. As at 31 December 2024, the Company has used up all of the proceeds for repayment of the Group's outstanding borrowings and general working capital.

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 2024.

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 2024.

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 2024).

The figures in respect of the Group's consolidated results for the year ended 31 December 2024 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 2024.

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 2024 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 Wenyu
Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Zeng Wenyu, 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, Dr. 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.