



TEAMWAY

International Group Holdings Limited

**TEAMWAY INTERNATIONAL
GROUP HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1239

2024
INTERIM
REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zeng Wenyou
Ms. Ngai Mei (duties suspended)
Ms. Duan Mengying (duties suspended)

Non-Executive Director

Mr. Lee Hung Yuen (appointed on 3 January 2024)

Independent Non-Executive Directors

Mr. Chow Ming Sang
Dr. Tsang Hing Bun
Mr. Chow Wai Hung Enzo
(appointed on 3 January 2024)

AUDIT COMMITTEE

(THE “AUDIT COMMITTEE”)

Dr. Tsang Hing Bun (*Chairman*)
Mr. Chow Ming Sang
Mr. Chow Wai Hung Enzo
(appointed on 3 January 2024)

NOMINATION COMMITTEE

(THE “NOMINATION COMMITTEE”)

Mr. Chow Wai Hung Enzo (*Chairman*)
(appointed on 3 January 2024)
Mr. Chow Ming Sang
Dr. Tsang Hing Bun

REMUNERATION COMMITTEE

(THE “REMUNERATION COMMITTEE”)

Dr. Tsang Hing Bun (*Chairman*)
Mr. Chow Ming Sang
Mr. Chow Wai Hung Enzo
(appointed on 3 January 2024)

COMPANY SECRETARY

Mr. Chang Chi Wai Stanley

AUDITORS

Prism Hong Kong Limited
Certified Public Accountant
Registered Public Interest Entity Auditor
Units 1903A–1905, 19/F, 8 Observatory Road
Tsim Sha Tsui, Kowloon, Hong Kong

PRINCIPAL BANKERS

Bank of China Limited
Bank of China (Hong Kong) Limited
China Minsheng Banking Corp., Ltd.
Chongqing Rural Commercial Bank Co., Ltd
DBS Bank Ltd.
Industrial and Commercial Bank of China Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
PO Box 1350, Windward 3, Regatta Office Park
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Ocorian Trust (Cayman) Limited
PO Box 1350, Windward 3, Regatta Office Park
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1604, 16/F, Tower 6
The Gateway, Harbour City
Tsim Sha Tsui, Kowloon, Hong Kong

STOCK CODE

01239

COMPANY WEBSITE

www.teamwaygroup.com

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
REVENUE	4	142,483	183,909
Cost of sales		(146,380)	(175,327)
Gross (loss)/profit		(3,897)	8,582
Other income and losses, net	5	(1,766)	(2,627)
Selling and distribution expenses		(15,813)	(17,432)
Administrative expenses		(20,660)	(14,858)
Finance costs	6	(3,300)	(2,790)
LOSS BEFORE TAX	7	(45,436)	(29,125)
Income tax credit	8	788	5,800
LOSS FOR THE PERIOD		(44,648)	(23,325)
ATTRIBUTABLE TO:			
Owners of the Company		(43,695)	(23,362)
Non-controlling interests		(953)	37
		(44,648)	(23,325)
			(restated)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	10	RMB(16.47 cents)	RMB(11.90 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
LOSS FOR THE PERIOD	(44,648)	(23,325)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(10,769)	(15,194)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(10,769)	(15,194)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(55,417)	(38,519)
ATTRIBUTABLE TO:		
Owners of the Company	(54,464)	(38,556)
Non-controlling interests	(953)	37
	(55,417)	(38,519)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		53,136	47,966
Investment property		60,578	60,388
Right-of-use assets		7,389	8,400
Deferred tax assets		939	939
Deposits and prepayments		7	7
Total non-current assets		122,049	117,700
CURRENT ASSETS			
Inventories		31,006	28,575
Trade and notes receivables	11	95,680	138,972
Deposits, prepayments and other receivables		25,152	11,891
Loan and interest receivable		—	2,701
Cash and bank balances		19,025	19,290
Total current assets		170,863	201,429
CURRENT LIABILITIES			
Trade payables	12	60,659	44,343
Other payables and accruals		12,337	16,174
Interest-bearing bank and other borrowings		272,621	259,981
Lease liabilities		1,483	2,250
Tax payables		725	734
Total current liabilities		347,825	323,482
NET CURRENT LIABILITIES		(176,962)	(122,053)
TOTAL ASSETS LESS CURRENT LIABILITIES		(54,913)	(4,353)

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	<i>Notes</i>	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		183,142	191,740
Lease liabilities		909	1,274
Deferred tax liabilities		232	1,055
Total non-current liabilities		(184,283)	194,069
Net liabilities		(239,196)	(198,422)
EQUITY			
Equity attributable to owners of the Company			
Share capital	13	3,518	27,082
Reserves		(249,740)	(233,443)
Non-controlling interests		(246,222)	(206,361)
		7,026	7,939
Deficiency in assets		(239,196)	(198,422)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attribute to owners of the Company										
	Share capital RMB'000	Share premium account RMB'000	Special reserve RMB'000	Exchange fluctuation reserve RMB'000	PRC capital reserve RMB'000	PRC statutory reserves RMB'000	Shareholders' contribution RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Deficiency in assets RMB'000
At 1 January 2023 (audited)	22,487	235,289	(39,934)	(14,281)	(8)	33,462	10,296	(392,636)	(145,325)	–	(145,325)
Loss for the period	–	–	–	–	–	–	–	(23,362)	(23,362)	37	(23,325)
Other comprehensive loss for the period:											
Exchange differences on translation of foreign operations	–	–	–	(15,194)	–	–	–	–	(15,194)	–	(15,194)
Total comprehensive loss for the period	–	–	–	(15,194)	–	–	–	(23,362)	(38,556)	37	(38,519)
Issue of share (note 13(a))	4,595	5,973	–	–	–	–	–	–	10,568	–	10,568
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	3,500	3,500
30 June 2023 (unaudited)	27,082	241,262	(39,934)	(29,475)	(8)	33,462	10,296	(415,998)	(173,313)	3,537	(169,776)
At 1 January 2024 (audited)	27,082	241,262	(39,934)	(17,590)	(8)	33,462	10,296	(460,931)	(206,361)	7,939	(198,422)
Loss for the period	–	–	–	–	–	–	–	(43,695)	(43,695)	(953)	(44,648)
Other comprehensive loss for the period:											
Exchange differences on translation of foreign operations	–	–	–	(10,769)	–	–	–	–	(10,769)	–	(10,769)
Total comprehensive loss for the period	–	–	–	(10,769)	–	–	–	(43,695)	(54,467)	(953)	(55,417)
Issue of shares by share placement and rights issue (note 13(c))	1,825	12,778	–	–	–	–	–	–	14,603	–	14,603
Capital reduction and share sub-division (note 13(b))	(25,389)	–	–	–	–	–	–	25,389	–	–	–
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	40	40
30 June 2024 (unaudited)	3,518	254,040*	(39,934)*	(28,359)*	(8)*	33,462*	10,296*	(479,237)*	(246,222)	7,026	(239,196)

* These reserve accounts comprise the negative consolidated reserves RMB249,740,000 (31 December 2023: RMB233,443,000) in the unaudited condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Net cash flows from/(used in) operating activities	1,373	(25,218)
Net cash flows used in investing activities	(8,128)	(14,349)
Net cash flows from financing activities	4,890	35,643
Net decrease in cash and cash equivalents	(1,865)	(3,924)
Cash and cash equivalents at beginning of period	19,290	33,265
Effect of foreign exchange rate changes, net	1,600	1,229
CASH AND CASH EQUIVALENT AT END OF PERIOD	19,025	30,570
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	19,025	30,570

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Teamway International Group Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 4 January 2011 and its shares (the “**Share(s)**”) are listed on the Main Board of 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. The Company is an investment holding company.

During the Period, the Group was involved in the following principal activities:

- design, manufacture and sale of packaging products and structural components in the People’s Republic of China (the “**PRC**”)
- 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 PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Notwithstanding that the Group incurred net loss of RMB44,648,000 for the period ended 30 June 2024, and as of that date, the Group’s net liabilities amounted to RMB239,196,000; and the current liabilities of the Group at 30 June 2024 exceed its current assets at that date by RMB176,962,000, and the Group’s current liabilities at that date includes interest-bearing bank and other borrowings with the carrying amounts of RMB272,621,000, in which including RMB233,711,000 (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.

2. BASIS OF PREPARATION *(Continued)*

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 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 30 June 2024 is HK\$155 million (equivalent to RMB144 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 24 April 2025 and 23 July 2025 respectively. In the light of the complexity of the matter, the legal representative expects the matter will not be resolved by 30 June 2025;

- (ii) the Company obtained a letter of continuous financial support and undertaken from the substantial shareholders;
- (iii) estimated sales proceed for RMB61 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. PRINCIPAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to HKFRSs in the Period has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

4. REVENUE AND 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, manufacture and sale of packaging products and structural components in the PRC
- trading of filtration media, equipment and related accessories for air purification
- design, manufacturing, sale and marketing of rosewood home furniture
- property investment

4. REVENUE AND OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2024	Sales of packaging products and structural components RMB'000 (unaudited)	Trading of filtration media, equipment and related accessories for air purification RMB'000 (unaudited)	Sales of rosewood home furniture RMB'000 (unaudited)	Property investment RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue:					
Revenue from external customers	141,112	815	—	556	142,483
Segment results	(32,072)	(1,070)	(805)	(1,399)	(35,346)
<i>Reconciliation:</i>					
Interest income					123
Finance costs					(3,300)
Corporate and other unallocated expenses					(6,913)
Loss before tax					(45,436)
<hr/>					
Six months ended 30 June 2023	Sales of packaging products and structural components RMB'000 (unaudited)	Trading of filtration media, equipment and related accessories for air purification RMB'000 (unaudited)	Property investment RMB'000 (unaudited)	Total RMB'000 (unaudited)	
Segment revenue:					
Revenue from external customers		183,494	—	415	183,909
Segment results		(20,809)	75	(135)	(20,869)
<i>Reconciliation:</i>					
Interest income					223
Finance costs					(2,790)
Corporate and other unallocated expenses					(5,689)
Loss before tax					(29,125)

4. REVENUE AND OPERATING SEGMENT INFORMATION *(Continued)*

30 June 2024	Sales of packaging products and structural components RMB'000 (unaudited)	Trading of filtration media, equipment and related accessories for air purification RMB'000 (unaudited)	Sales of rosewood home furniture RMB'000 (unaudited)	Property investment RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment assets	198,626	9,673	10,862	61,176	280,337
<i>Reconciliation:</i>					
Deferred tax assets					939
Corporate and other unallocated assets					11,636
Total assets					292,912
Segment liabilities	65,261	3,683	1,365	238	70,547
<i>Reconciliation:</i>					
Interest-bearing bank and other borrowings					455,763
Deferred tax liabilities					232
Corporate and other unallocated liabilities					5,566
Total liabilities					532,108

Notes to Condensed Consolidated Financial Statements

4. REVENUE AND OPERATING SEGMENT INFORMATION *(Continued)*

31 December 2023	Sales of packaging products and structural components RMB'000 (audited)	Trading of filtration media, equipment and related accessories for air purification RMB'000 (audited)	Sales of rosewood home furniture RMB'000 (audited)	Property investment RMB'000 (audited)	Total RMB'000 (audited)
Segment assets	222,005	9,201	11,678	60,889	303,773
<i>Reconciliation:</i>					
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
<i>Reconciliation:</i>					
Interest-bearing bank and other borrowings					451,721
Deferred tax liabilities					1,055
Corporate and other unallocated liabilities					7,005
Total liabilities					517,551

5. OTHER INCOME AND LOSSES, NET

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest income	123	223
Foreign exchange differences, net	(1,832)	(337)
Impairment of trade and notes receivables	(188)	(860)
Others	131	(1,653)
	(1,766)	(2,627)

6. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest on bank borrowings	1,315	155
Interest on other borrowings	1,518	1,709
Interest on lease liabilities	92	42
Finance costs arising on discounting trade and notes receivables	375	882
Others	—	2
	3,300	2,790

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cost of inventories sold	111,805	97,489
Employee benefit expenses (including directors' remuneration)	24,221	25,850
Lease payments not included in the measurement of lease liabilities	55	53
Depreciation of property, plant and equipment	3,005	2,448
Depreciation of right-of-use assets	1,025	448
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment property	333	213

8. INCOME TAX EXPENSE

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% (for the six months ended 30 June 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% (for the six months ended 30 June 2023: 17%) on the estimated assessable profits arising in Singapore during the Period.

No Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong during the Period (for the six months ended 30 June 2023: Nil).

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax — Mainland China		
Charge for the period	—	1
Over provision in prior years	—	(822)
Current tax — Singapore		
Charge for the period	28	23
	28	(798)
Deferred tax	(816)	(5,002)
	(788)	(5,800)

9. DIVIDENDS

No dividend was proposed by the board of directors in respect of the Period (for the six months ended 30 June 2023: Nil).

11. TRADE AND NOTES RECEIVABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade receivables from sales of packaging products and structural components	89,614	94,694
Notes receivables	9,015	47,039
	98,629	141,733
Impairment	(2,949)	(2,761)
	95,680	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 provision, is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 3 months	78,586	91,239
4 to 6 months	8,046	798
7 months to 1 year	191	721
	86,823	92,758

12. 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:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 3 months	58,296	42,992
4 to 6 months	1,576	650
7 months to 1 year	102	379
Over 1 year	685	322
	60,659	44,343

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

13. SHARE CAPITAL

A summary of the movements in the Company's authorised and issued share capital during the period are as follows:

	Number of shares '000	Share capital HK\$'000
Authorised ordinary shares at HK\$0.01 (2023: HK\$0.16)		
per share:		
At 1 January 2023 (audited)	5,000,000	200,000
Share consolidation (<i>note b(i)</i>)	(3,750,000)	—
At 31 December 2023 (audited)	1,250,000	200,000
Capital reduction and share sub-division (<i>note b(ii) and b(iii)</i>)	18,750,000	—
At 30 June 2024 (unaudited)	20,000,000	200,000

13. SHARE CAPITAL (Continued)

	Number of shares '000	Share capital HK\$'000	Equivalent to RMB RMB'000
Issued and fully paid shares at HK\$0.01			
(2023: HK\$0.16) per share:			
At 1 January 2023 (audited)	658,696	26,348	22,487
Issue of shares by share subscription (note a)	130,435	5,217	4,595
Share consolidation (note b(i))	(591,848)	—	—
At 31 December 2023 (audited)	197,283	31,565	27,082
Capital reduction and share sub-division (note b(ii) and b(iii))	—	(29,592)	(25,389)
Issued of shares by share placement and rights issue (note c)	197,279	1,973	1,825
At 30 June 2024 (unaudited)	394,562	3,946	3,518

Notes:

- a. On 26 April 2023, the Company entered into the subscription agreements with Mr. Zeng Wenyong and Mr. Lee Hung Yuen, pursuant to subscription agreements, the Company allotted and issued a total of 130,435,000 ordinary shares of the Company to two subscribers at HK\$0.092 per share. The aggregate cash subscription price received, before share issue expenses, was HK\$12,000,000 (equivalent to approximately RMB10,568,000). This transaction resulted in an increase of the issued share capital and share premium account of HK\$5,217,000 (equivalent to approximately RMB4,595,000) and HK\$6,783,000 (equivalent to approximately RMB5,973,000), respectively.

Share issue expenses of approximately HK\$35,000 (equivalent to approximately RMB31,000) was charged to profit or loss accordingly. The net subscription price (after deducting the share issue expenses) was approximately HK\$0.0917 per share. As at 26 April 2023, the closing price per share of the Company on the Stock Exchange was HK\$0.097.

Details of which were disclosed in the Company's announcements dated 26 April 2023 and 15 May 2023.

- b. Pursuant to a special resolution of the Company passed on 27 November 2023, a capital reorganisation was approved. It comprised the following changes to the capital structure:
- (i) every four issued existing ordinary shares with par value of HK\$0.04 each in share capital of the Company were consolidated into one consolidated share with par value of HK\$0.16 each with effective on 29 November 2023;
 - (ii) the par value of each issued consolidated share was reduced from HK\$0.16 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$0.15 on each issued consolidated share with effective on 13 March 2024. Immediately following the capital reduction, all the credits arising from the capital reduction was transferred to accumulated losses of the Company; and
 - (iii) Immediately following the capital reduction, each of the authorised but unissued consolidated shares of par value of HK\$0.16 each has been sub-divided into 16 new shares of par value of HK\$0.01 each with effective on 13 March 2024.

13. SHARE CAPITAL *(Continued)*

Notes: *(Continued)*

- c. On 3 June 2024, the Company completed a rights issue of 133,699,000 rights shares and a placing of 63,580,000 new shares at a subscription price of HK\$0.08 each per share with gross proceeds of HK\$15,782,000 of which HK\$1,973,000 (equivalent to RMB1,825,000) was credited to share capital and HK\$13,810,000 (equivalent to RMB12,777,000) was credited to share premium account. The subscription price represented a discount of approximately 32.77% to the closing price of HK\$0.119 per share as quoted on Stock Exchange on 10 January 2024. The net price per rights share and placing share was approximately HK\$0.074. Details of the rights issue and share placement were disclosed in the Company's announcement dated 10 January 2024, 11 January 2024, 9 February 2024, 29 February 2024, 8 March 2024, 14 March 2024, 15 April 2024 and 4 June 2024.

14. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these unaudited condensed consolidated financial statements, the Group entered into the following material transactions with related parties during the period:

The Group had an outstanding loan balance of RMB148,979,000 (31 December 2023: RMB153,596,000) due to Yitou (China) Limited ("**Yitou**"), a company of which Mr. Xu Gefei is a controlling shareholder. The interest expense of RMB1,518,000 (31 December 2023: RMB3,344,000) were charged at the rate of 2% per annum (31 December 2023: 2%) on a loan with a principal amount of US\$21,795,000 (equivalent to RMB148,979,000) (31 December 2023: RMB153,596,000) granted by Yitou and the interest payable as at 30 June 2024 was RMB17,163,000 (31 December 2023: RMB15,144,000).

15. EVENTS AFTER THE REPORTING PERIOD

As at date of this report, the Group has no significant events after the reporting period.

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 People's Republic of China (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:

	Six months ended 30 June			
	2024		2023	
	RMB'000	%	RMB'000	%
<i>Packaging products</i>				
Televisions	39,224	27.8	33,769	18.4
Washing machines	36,038	25.5	33,537	18.3
Air conditioners	31,350	22.2	55,372	30.2
Refrigerators	26,931	19.1	25,674	14.0
Water heater	2,522	1.8	5,751	3.1
Information Technology products	2,338	1.7	19,594	10.7
Others	429	0.3	1,820	1.0
<i>Structural components</i>				
For air conditioners	2,280	1.6	7,977	4.3
Total	141,112	100.0	183,494	100.0

For the six months ended 30 June 2024, the revenue amounted to approximately RMB141,112,000, decreased by approximately RMB42,382,000 or 23.1% when compared to that of approximately RMB183,494,000 for the six months ended 30 June 2023.

The revenue by product type remained relatively stable. For the six months ended 30 June 2024, the revenue derived from the Group's products for televisions, washing machines, air conditioners (including packaging products and structural components) and refrigerators being for the four largest contributions to the segment revenue, amounting approximately RMB135,823,000 or 96.3% of segment revenue (for the six months ended 30 June 2023: approximately RMB156,329,000 or 85.2% of segment revenue).

Cost of sales

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

	Six months ended 30 June			
	2024		2023	
	RMB'000	%	RMB'000	%
Raw materials	111,805	76.8	97,489	55.6
Direct labour costs	7,963	5.5	12,039	6.9
Manufacturing overhead	25,845	17.7	65,799	37.5
Staff costs	1,859	1.3	2,534	1.5
Depreciation	2,577	1.7	2,148	1.2
Utilities	10,065	6.9	18,161	10.3
Processing charges	10,633	7.3	42,658	24.3
Others	711	0.5	298	0.2
Total	145,613	100	175,327	100

For the six months ended 30 June 2024, the cost of sales amounted to approximately RMB145,613,000, decreased by approximately RMB29,714,000 or 16.9% when compared to that of approximately RMB175,327,000 for the six months ended 30 June 2023.

There was a decrease in revenue due to weakened demand from our customers. The decrease in gross profit margin in the current period was mainly attributable to the increase in cost of sales and diminishing economies of scale with respect to the lack of competitive advantage from mass production.

Supply of raw materials

The Group purchases raw materials and components necessary for the manufacturing of its packaging products and structural components from independent third parties. The raw materials mainly include expanded polystyrene (“EPS”) and expanded polyolefin (“EPO”). The Group retains a list of approved suppliers of raw materials and components and only makes its purchases from the list. The Group has established long-term commercial relationships with its major suppliers for stable supply and timely delivery of high quality raw materials and components. The Group has not experienced any major difficulties in procuring raw materials and components necessary for the manufacture of packaging products for the six months ended 30 June 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 current production capacity enables the Group to promptly respond to market demand and strengthen its market position.

Management Discussion and Analysis

Property Investment Business

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 RMB556,000 for the six months ended 30 June 2024. As at 30 June 2024, the investment property in Singapore was listed for sale and will be disposed to improve the liquidity of the Company should opportunities arise. 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 discloseable/notifiable transaction which will be subject to notification, publication and/or shareholders' approval requirement from the listing rules before the sales can be completed.

Update on the Petition

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) and 13 other respondents, alleging a series of complaints concerning various transactions (including the said Default Loan). Following the first case management conference in respect of the Petition on 12 June 2024, a second case management conference will be held on 24 April 2025 with a third case management conference fixed for 23 July 2025 respectively. In the circumstances, the Petition will not be resolved by 30 June 2025.

FUTURE OUTLOOK

Packaging Products and Structural Components Business

Although the COVID-19 pandemic has finally subsided, the economic growth in China was expected to be held back by the troubled property sector. Despite the concerns of the recovery, China's economy grew by 5.3%, well above expectations in the first quarter of 2024.

However, the China's economy remains challenging, with factors such as geographic tensions, high tariffs, and a weak housing sector threatening to slow the country's growth.

In the first half of 2024, the Company faced serious challenges, the business environment continued to show complexity and uncertainty, and the significant pressure from the increase in cost of sales also inevitably contribute to the drop in gross profit margin. Due to weakened demand from our customers, our competitive advantage from mass production no longer exists as a result from the diminishing economies of scale.

Property Investment Business

Singapore property prices are anticipated to remain high yet stable in 2024 as demand is expected to maintain at a consistent upward trajectory. Despite the deceleration in market activity amidst the uncertain economic prospects, Singapore's real estate is traditionally viewed as a resilient investment since there is a belief that even if property prices moderate in the short term, the pricing rebound could be much faster and higher when economic conditions improve.

The private residential market in Singapore is a beacon of stability in the dynamic world of real estate. The trend of property prices increasing in a sustainable pace is underpinned by a stable economy and the potential for lower interest rates.

Conclusion

The global economy continued to face a number of challenges during the review year. Although the COVID-19 pandemic has subsided, the pace of economic recovery has been slower than expected. In response to these challenges, the Company has proactively adopted a more prudent approach in maintaining a stable performance of our current business while actively trying to develop our new businesses of filtration media and equipment business and rosewood home furniture business.

In terms of new businesses, the management believed that the potential of the new businesses would be good for the Company to capture the opportunities for diversification of income for the Group. The Company attached greater importance to the high-quality development as the management believed providing high-quality and sustainable products to customers is essential for the long-term development in attracting high-end customers and a loyal customer base.

FINANCIAL REVIEW

Financial results

For the six months ended 30 June 2024, the Group recorded the revenue of approximately RMB142,483,000 representing a decrease of approximately RMB41,426,000 or 22.5% as compared to that of approximately RMB183,909,000 for the six months ended 30 June 2023.

Loss attributable to owners of the Company was approximately RMB43,695,000 for the six months ended 30 June 2024, increased by approximately RMB20,333,000 when compared to loss of approximately RMB23,362,000 for the six months ended 30 June 2023.

Basic and diluted loss per share attributable to owners of the Company were RMB16.47 cents respectively for the six months ended 30 June 2024 (for the six months ended 30 June 2023: RMB11.90 cents (restated) respectively).

Liquidity and Financial Resources

As at 30 June 2024, bank balances and cash of the Group amounted to approximately RMB19,025,000 of which approximately 51.6% was denominated in Hong Kong Dollars (“**HK\$**”), approximately 0.5% was denominated in United States Dollars (“**US\$**”), approximately 2.7% was denominated in Singapore Dollars (“**SGD**”) and the rest was denominated in Renminbi (“**RMB**”) (31 December 2023: approximately RMB19,290,000 of which approximately 57.7% was denominated in HK\$, approximately 0.5% was denominated in US\$, approximately 2.2% was denominated in SGD and the rest was denominated in RMB).

RIGHTS ISSUE AND USE OF NET PROCEEDS

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, all of which are expected to be settled in 2024.

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.

As at 30 June 2024, the Company has used up approximately HK\$13,000,000 of the proceeds for repayment of the Group’s outstanding borrowings and general working capital.

CAPITAL STRUCTURE AND CAPITAL MANAGEMENT

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 30 June 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.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the reporting period as compare with the year ended 31 December 2023.

Capital expenditure

Capital expenditure of the Group mainly includes the purchase of properties, plants and equipment. During the Period, capital expenditure of the Group amounted to approximately RMB5,598,000 (31 December 2023: approximately RMB8,767,000).

Capital commitment

As at 30 June 2024, the Group had no capital commitment (31 December 2023: Nil).

Contingent liabilities

As at 30 June 2024, the Group had no material contingent liabilities (31 December 2023: Nil).

Pledge of Assets

As at 30 June 2024, the Group had pledged (i) assets of buildings and prepaid lease payments to the bank in the amount of approximately RMB23,117,000 (31 December 2023: approximately RMB22,502,000); and (ii) the entire issued share capital of a wholly-owned subsidiary of the Company as at 30 June 2024 and 31 December 2023.

Gearing ratio

As at 30 June 2024, the gearing ratio was 1.56 (31 December 2023: 1.42), which was measured on the basis of the Group's total borrowings divided by total equity.

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.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, the interests and short positions of each Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in the Ordinary Shares of the Company:

Name of Director	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of the Company's total issued share capital
Mr. Zeng Wenyong	Beneficial owner	39,130,424	9.92%
Mr. Lee Hung Yuen	Beneficial owner	26,086,966	6.61%

Save as disclosed above, as at 30 June 2024, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and none of the Directors, the chief executive of the Company nor their associates (as defined in the Listing Rules) had any other interests or short positions in the shares of the Company, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered into the register maintained by the Company, pursuant to Section 352 of Part XV of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange, pursuant to the Model code for Securities Transaction by Directors of Listed Issuers contained in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders of the Company required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2024, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital:

Long Positions in Shares and Underlying Shares

Name of shareholders	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of the Company's total issued share capital
Ms. Cao Junying	Beneficial owner	37,815,000	9.58%
Mr. Gu Shaoxun	Beneficial owner	33,400,000	8.47%
Mr. Wang Yang	Beneficial owner	31,070,000	7.87%
Grand Luxe Limited (<i>Note 1</i>)	Beneficial owner	29,330,000	7.43%

Note:

- Mr. Xu Gefei beneficially held the entire issued share capital of Grand Luxe Limited which in turn, beneficially held 29,330,000 Shares.

Save as disclosed above, as at 30 June 2024, no person had registered an interest or short position in the securities or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme (the "**Scheme**") adopted by the Company on 11 June 2011 for a period of ten years was expired, and no option has been granted, outstanding, cancelled, lapsed or exercised by the Company under the Scheme. The Company currently has no other share option schemes.

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 30 June 2024, the Group had used up all the net proceeds, 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.

Other Information

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2024.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

Save as disclosed in this announcement, for the six months ended 30 June 2024, there was no material acquisition, disposal or investment by the Group.

DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

SEGMENT INFORMATION

Details of segment information of the Group for the six months ended 30 June 2024 are set out in Note 4 to the unaudited condensed consolidated financial statements.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the terms as contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to 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 throughout the Period.

CORPORATE GOVERNANCE

During the six months ended 30 June 2024, the Company has adopted the code provisions (the "**Code Provision(s)**") set out in the Corporate Governance Code (the "**CG Code**") contained in 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 full compliance with the applicable Code Provisions for the six months ended 30 June 2024.

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

Hong Kong, 30 August 2024

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