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**TEAMWAY**

International Group Holdings Limited

## **TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 01239)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF SUBSIDIARY**

#### **THE DISPOSAL**

On 14 January 2021 (after trading hours), the Company as vendor entered into the Provisional Agreement with the Purchaser, pursuant to which the Company agrees to sell and assign, and the Purchaser agrees to purchase and take up an assignment of, the Sale Shares and the Sale Debt at the Purchase Price of HK\$47,800,000 (subject to adjustment). Upon Completion, the Company will cease to hold any shares in the Disposal Company. As the Disposal Company will cease to be a subsidiary of the Company, its financial statements will cease to be consolidated into the financial statements of the Company.

#### **LISTING RULES IMPLICATIONS**

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

**As Completion of the Disposal is subject to the satisfaction of certain conditions precedent set out in the Provisional Agreement, the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on 14 January 2021 (after trading hours), the Company as vendor entered into the Provisional Agreement with the Purchaser, pursuant to which the Company agrees to sell and assign, and the Purchaser agrees to purchase and take up an assignment of, the Sale Shares and the Sale Debt at the Purchase Price of HK\$47,800,000 (subject to adjustment).

## **THE PROVISIONAL AGREEMENT**

Principal terms of the Provisional Agreement are set out below:

### **Date:**

14 January 2021

### **Parties:**

- (1) the Company as vendor
- (2) the Purchaser, an Independent Third Party

### **Assets to be disposed of**

The assets to be disposed of by the Company comprise of the Sale Shares, representing the entire issued share capital of the Disposal Company legally and beneficially owned by the Company, and the Sale Debt.

### **Purchaser Price**

The total Purchase Price payable for the sale and purchase of the Sale Shares and the assignment of the title, rights, benefits and interests of and in the Sale Debt is HK\$47,800,000 (subject to adjustment), which shall be paid by the Purchaser to the Company in the manner as follows: -

- (a) an Initial Deposit in the sum of HK\$2,390,000 shall be paid upon signing of the Provisional Agreement;
- (b) a Further Deposit in the sum of HK\$2,390,000 shall be paid on or before 22 February 2021; and
- (c) the balance of the Purchase Price in the sum of HK\$43,020,000 shall be paid on the Completion Date.

If the NTAV as shown in the Proforma Accounts is more or less than zero, the balance of the Purchase Price shall be adjusted upwards or downwards (as the case may be) accordingly in the manner as follows: -

- (a) it shall be added to the balance of the Purchase Price all current tangible assets of the Disposal Company as shown in the Proforma Accounts including rental receivable (if applicable) (up to and inclusive of the Completion Date), utilities and other miscellaneous deposits, prepaid rates and government rent, and other expenses relating to the Property (up to but exclusive of the Completion Date); and
- (b) it shall be deducted from the balance of the Purchase Price all liabilities of the Disposal Company as shown in the Proforma Accounts (other than the Sale Debt).

The Purchase Price was determined after arm's length negotiations among the parties to the Provisional Agreement taking into account (a) the net asset value of the Disposal Company of approximately RMB33,274,000 (equivalent to approximately HK\$39,896,000) as shown in the unaudited management account of the Disposal Company as at 31 December 2020; (b) the prevailing market price of the Property of similar nature available in the localities; and (c) the reasons set out in the section headed "Reasons for and Benefits of the Disposal" below.

### **Conditions precedent**

Completion of the Disposal shall be subject to and conditional on: -

- (a) the Purchaser having completed its due diligence investigation on the business, financial, legal and all other aspects of the Disposal Company and being satisfied with the results thereof; and
- (b) the Company, shall at the Company's own cost, procure the Disposal Company to prove and give a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong).

If any of the foregoing conditions precedent is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under the Provisional Agreement whereupon the Initial Deposit and Further Deposit shall be returned by the Company or the Company's solicitors to the Purchaser forthwith.

### **Formal Agreement**

Pursuant to the Provisional Agreement, the Formal Agreement shall be signed on or before 22 February 2021.

## Completion

Completion of the Disposal shall take place on the Completion Date (or such later date as the Company and the Purchaser may agree in writing).

## INFORMATION ON THE PARTIES, THE DISPOSAL COMPANY AND THE PROPERTY

### The Company

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

### Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

### Disposal Company

The Disposal Company is a company incorporated in the BVI and is legally and beneficially owned by the Company as at the date of this announcement. The Disposal Company is primarily engaged in property investment. The Property is the Disposal Company's only asset.

The audited financial information of the Disposal Company for the two financial years ended 31 December 2018 and 31 December 2019 are set out below:

	<b>Year ended 31 December 2018</b> <i>(RMB)</i>	<b>Year ended 31 December 2019</b> <i>(RMB)</i>
Net profit/(loss) before tax and extraordinary items	1,290,000	(3,813,000)
Net profit/(loss) after tax and extraordinary items	1,290,000	(3,813,000)

The unaudited net asset value of the Disposal Company as at 31 December 2020 was approximately RMB33,274,000 (equivalent to approximately HK\$39,896,000).

## **Property**

The Property is situated at Flat A, 21/F., Tower 1, One SilverSea, 18 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Subject to audit, the estimated gain arising from the Disposal is expected to be RMB5,901,000 (equivalent to approximately HK\$7,075,000), which is determined with reference to the difference between the Purchase Price (subject to adjustment) and the aggregate of (a) the unaudited net asset value of the Disposal Company as at 31 December 2020; and (b) the estimated expenses and outgoings in connection with the Disposal.

Shareholders should note that the financial effect set out in the above is for illustrative purpose only. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company. The actual gain or loss on the Disposal to be recorded by the Group will depend on the fair value of the Property recorded on the Group's financial statements at the Completion Date and therefore may be different from the amount mentioned above.

Upon Completion, the Company will cease to hold any shares in the Disposal Company. As the Disposal Company will cease to be a subsidiary of the Company, its financial statements will cease to be consolidated into the financial statements of the Company.

## **INTENDED USE OF PROCEEDS FROM THE DISPOSAL**

The net proceeds from the Disposal (after deducting transaction costs, tax and professional expenses) will be approximately HK\$46,971,000.

The Company intends to use the net proceeds from the Disposal for general working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Board considers that the Disposal represents a good opportunity for realisation of the Group's investment through the disposal of the Sale Shares and the Sale Debt pursuant to the Provisional Agreement. The proceeds from the Disposal can further strengthen the cash flow of the Group and the Disposal will enable the Group to reallocate its resources for future development should opportunities arise.

The Directors, including the independent non-executive Directors, therefore consider that the Disposal is conducted through arm's length negotiation between the parties on normal commercial terms, and the terms of the Provisional Agreement are fair and reasonable, and the entering into the Provisional Agreement is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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

**As Completion of the Disposal is subject to the satisfaction of certain conditions precedent set out in the Provisional Agreement, the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Teamway International Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed in the Main Board of the Stock Exchange (stock code: 1239)
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the title, rights, benefits and interests of and in the Sale Debt pursuant to the Provisional Agreement
“Completion Date”	on or before 13 April 2021 (or such later date as the Company and the Purchaser may agree in writing)
“Disposal”	the disposal of the Sale Shares and the assignment of the title, rights, benefits and interests of and in the Sale Debt under the Provisional Agreement
“Disposal Company”	Gorgeous Assets Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase in respect of the Disposal to be signed on or before 22 February 2021 pursuant to the Provisional Agreement
“Further Deposit”	a further deposit in the sum of HK\$2,390,000 payable by the Purchaser to the Company under the Provisional Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company in accordance with the Listing Rules
“Initial Deposit”	an initial deposit in the sum of HK\$2,390,000 payable by the Purchaser to the Company under the Provisional Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“NTAV”	the aggregate of all tangible assets of the Disposal Company which are readily convertible into cash or cash equivalents (excluding the Property, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Sale Debt) and provisions of the Disposal Company as at the Completion Date
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Taiwan and Macau
“Proforma Account”	the proforma completion account comprising a proforma profit and loss account of the Disposal Company for the period from the beginning of the current financial year to the Completion Date and a proforma balance sheet of the Disposal Company as the Completion Date
“Property”	the property situated at Flat A, 21/F., Tower 1, One SilverSea, 18 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 14 January 2021 and entered into between the Company as vendor and the Purchaser in relation to the Disposal
“Purchase Price”	HK\$47,800,000 (subject to adjustment), being the purchase price payable by the Purchaser to the Company for the sale and purchase of the Sale Shares and the assignment of the title, rights, benefits and interests of and in the Sale Debt pursuant to the Provisional Agreement



“Purchaser”	Top Nice Investments Limited, a company incorporated in Hong Kong with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Debt”	the right to all debts owing by the Disposal Company to the Company and his associates (if any) as at Completion
“Sale Shares”	100 shares in the Disposal Company, representing the entire issued share capital of the Disposal Company as at the date of the Provisional Agreement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

*For the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.199. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 14 January 2021

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

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