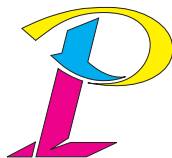


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Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

SUPPLEMENTAL ANNOUNCEMENT PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON RECORD DATE

Reference is made to the announcement (the “**Announcement**”) of Prosperous Printing Company Limited (the “**Company**”) dated 29 December 2021 in relation to, among other things, the proposed Rights Issue on the basis of three (3) Rights Shares for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the **Announcement**.

The Company would like to supplement the below information relating to the Rights Issue.

INTENDED USE OF PROCEEDS

As disclosed in the **Announcement**, assuming full subscription under the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$51.4 million (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date). The Company initially intended to apply the net proceeds from the Rights Issue for general corporate and working capital purposes.

To improve the financial position of the Group and implement its business strategies with a view to improving its profitability, the Company intends to change the use of the net proceeds from the Rights Issue as to:

- (i) approximately HK\$30.8 million (or approximately 60% of the net proceeds) for the development of the Group's existing printing business, including but not limited to (a) upgrading equipment with higher level of automation; (b) expanding customer base and strengthening sales and marketing coverage; and (c) attracting and retaining top talent in the industry; and
- (ii) approximately HK\$20.6 million (or approximately 40% of the net proceeds) for general corporate and working capital purposes, including but not limited to settling trade and other payables, staff salaries, wages and other benefits, rental expenses and interests on bank loans and overdrafts.

THE IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, First Tech is interested in an aggregate of 480,000,000 Shares, representing 60.00% of the existing issued share capital of the Company. As disclosed in the Announcement, pursuant to the Irrevocable Undertakings, First Tech has unconditionally and irrevocably undertaken to the Company, among other things, that (i) it shall accept and subscribe its entitlement to the provisional allotment of 540,000,000 Rights Shares; and (ii) it shall not sell, transfer or otherwise dispose of the Shares held by it in any manner before the completion or lapse of the Rights Issue. For the avoidance of doubt, First Tech will subscribe the Rights Shares up to a level such that the Public Float Requirement will be complied with upon completion of the Rights Issue and will not subscribe any additional Rights Shares other than the aforesaid 540,000,000 Rights Shares.

For illustrative purpose only, if (i) First Tech has taken up its Rights Share of 540,000,000 under the Irrevocable Undertakings; (ii) none of the other Qualifying Shareholders have taken up any of their entitled Rights Shares; and (iii) the Underwriter does not take up any Rights Share, First Tech would be interested in an aggregate of 1,020,000,000 Shares, representing approximately 76.12% of the enlarged issued share capital of the Company, which would result in non-compliance with the Public Float Requirement on the part of the Company. In such circumstance, First Tech shall reduce its subscription amount to a level which would not result in non-compliance with the Public Float Requirement on the part of the Company. As a result, First Tech shall only take up 480,000,000 Rights Shares and shall be interested in an aggregate of 960,000,000 Shares, representing approximately 75.00% of the enlarged issued share capital of the Company.

Save for the abovementioned changes, all other information in the Announcement remains unchanged.

By order of the Board
Prosperous Printing Company Limited
Lam Sam Ming
Chairman and executive Director

Hong Kong, 25 January 2022

As at the date of this announcement, the executive Directors are Mr. Lam Sam Ming, Ms. Chan Sau Po and Ms. Yao Yuan; and the independent non-executive Directors are Ms. Cheung Yin, Mr. Wong Hei Chiu and Mr. Leung Vincent Gar-Gene.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website with the domain name of www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of the Company at www.prosperous-printing-group.com.hk.