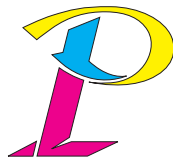


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Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE BUSINESS COOPERATION

This announcement is made by Prosperous Printing Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 24 June 2022 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with 西安喜愛購商貿股份有限公司 (Xi’an Loves Trading Co., Ltd.) (the “**Prospective Partner**”), in relation to the potential cooperation with the Prospective Partner for the development of convenience store business in the People’s Republic of China (the “**PRC**”) and the printing support of convenience store promotional materials.

The Company and the Prospective Partner are in the process of discussing possible ways of cooperation, which may include (i) the formation of a joint venture between the Company and the Prospective Partner; or (ii) the Company’s investment in the Prospective Partner. It is intended that the Company will be responsible for providing printing and production services of promotional leaflets and general paper products to the convenience stores of Prospective Partner, while the Prospective Partner will be responsible for business operations of the convenience stores. Upon conclusion of the negotiation, a formal agreement will be signed between the parties. As at the date of the MOU, none of the material terms or the form of business cooperation has been finalised and no legally binding agreement in relation to the cooperation has been entered into between the parties.

BACKGROUND OF THE PROSPECTIVE PARTNER

The Prospective Partner is a limited company established in Xi'an, PRC, and is principally engaged in the retail sale of food, daily necessities and health products in PRC.

To the best knowledge, information, and belief of the Directors, having made all reasonable enquiries, the Prospective Partner and its ultimate beneficial owners are independent third parties and are not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Group is principally engaged in printing. The printed products include books, leaflets, calendars, greeting cards, etc.

The Directors consider that the entering into of the MOU is in the interest of the Group and its shareholders (the “**Shareholders**”) as a whole as the transactions contemplated under the MOU, if materialised, are expected to broaden the income stream of the Group and to eventually increase the Group's profitability and maximise the returns to the Shareholders. Having considered the above, the Board is of the view that the entering into of the MOU is in the interest of the Group and the Shareholders as a whole.

NATURE OF THE MOU

The MOU does not constitute any legally binding commitment in respect of the possible business cooperation, save and except that each party agrees to be legally bound by certain confidentiality clause with regard to the contents of the MOU. The possible business cooperation will only be finalised after the conclusion of negotiation and execution of a formal agreement between the relevant parties.

The MOU's validity period is 6 months starting from the date of this announcement.

GENERAL

The Board wishes to emphasise that the cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements as and when appropriate in accordance with the GEM Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 June 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-Gené.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.