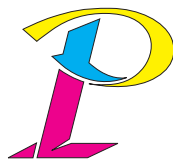


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## **Prosperous Printing Company Limited**

**萬里印刷有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock code: 8385)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF MACHINERIES**

The Board announces that on 27 October 2023, Prosperous (SZ), a wholly-owned subsidiary of the Company, entered into the SPAs with the Purchaser in respect of Prosperous (SZ)'s sale of the Machineries.

Since one or more of the applicable percentage ratios in respect of the Disposals, when aggregated, are more than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 19 of GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

### **INTRODUCTION**

The Board announces that on 27 October 2023, Prosperous (SZ), a wholly-owned subsidiary of the Company, entered into the SPAs with the Purchaser in respect of Prosperous (SZ)'s sale of the Machineries.

### **THE FIRST SPA**

The summary of principal terms of the First SPA is as follows:

Date : 27 October 2023

Parties : Prosperous (SZ), as vendor  
the Purchaser (i.e. Luo Feixiong (羅飛熊)), as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

Subject property : The Machinery to be disposed of under the First SPA consists of one six-color printing machine (六色印刷機) which was manufactured in 2007.

Consideration : The total consideration for the sale and purchase of the Machinery under the First SPA is RMB2,450,000.

RMB1,000,000 shall be paid upon signing of the First SPA, and the remaining RMB1,450,000 shall be paid within seven days after the signing of the First SPA.

The Consideration of the Machinery to be disposed under the First SPA was determined after arm's length negotiation between Prosperous (SZ) and the Purchaser on arm's length basis with reference to, among others, the price of a second-hand machinery of similar functions and age in the market.

As at the date of this announcement, the consideration has been fully settled by the Purchaser.

Completion date : The Machinery shall be delivered upon completion of the payment by the Purchaser and upon instruction of the Purchaser.

## **THE SECOND SPA**

The summary of principal terms of the Second SPA is as follows:

Date : 27 October 2023

Parties : Prosperous (SZ), as vendor  
the Purchaser, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

Subject property : The Machineries to be disposed of under the Second SPA consists of one two-color printing machine (雙色印刷機) which was manufactured in 2008 and one folio printing machine (對開印刷機) which was manufactured in 2010.

Consideration : The total consideration for the sale and purchase of the Machineries under the Second SPA is RMB1,000,000.

RMB200,000 shall be paid upon signing of the Second SPA, RMB300,000 shall be paid before disassembly of the Machineries, and the remaining RMB500,000 shall be paid upon commencement of delivery.

As at the date of this announcement, RMB200,000 being part of the consideration has been settled by the Purchaser.

The Consideration of the Machineries to be disposed under the Second SPA was determined after arm's length negotiation between Prosperous (SZ) and the Purchaser on arm's length basis with reference to, among others, the price of a second-hand machinery of similar functions and age in the market.

Completion date : The Machineries shall be delivered by end of November 2023.

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

The Directors believe that the SPAs and transactions contemplated thereunder represent a good opportunity for the Company to dispose of the Machineries which was initially manufactured in 2007, 2008 and 2010 respectively so as to obtain extra working capital. The Directors consider the terms of the SPAs and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS ON THE GROUP**

Based on, inter alia, the aggregate Consideration of RMB3.45 million (approximately HK\$3.76 million) and the unaudited carrying value of the Machineries (which was initially manufactured in 2007, 2008 and 2010 respectively) was zero as at 31 December 2022, the Group currently expects to record a gain on disposal of approximately HK\$3.76 million upon Completion.

The proceeds arising from the Disposals are expected to be used for general working capital purpose.

## **INFORMATION OF THE PARTIES**

The Group is principally engaged in the production and trading of books and paper products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a merchant in the PRC.

## IMPLICATIONS UNDER THE LISTING RULES

Since one or more of the applicable percentage ratios in respect of the Disposals, when aggregated, are more than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 19 of GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

## DEFINITIONS

“Board”	the board of Directors
“Company”	Prosperous Printing Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on GEM with stock code 8385
“Completion”	the completion of the Disposal
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration of the sale and purchase of the respective Machineries under the respective SPA
“Directors”	directors of the Company
“Disposal(s)”	the disposal(s) of the Machinery by Prosperous (SZ) to the Purchaser pursuant to the respective terms of the SPAs
“First SPA”	the sale and purchase agreement entered into between Prosperous (SZ) and the Purchaser in relation to the sale and purchase of the Machinery as stated in the section headed “The First SPA” in this announcement
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Machinery(ies)”	the machinery(ies) to be disposed under the First SPA or the Second SPA (as the case may be)

“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Purchaser”	Luo Feixiong (羅飛熊), a citizen of the PRC
“Prosperous (SZ)”	中萬印刷(深圳)有限公司(Prosperous Printing (Shenzhen) Co., Ltd), a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second SPA”	the sale and purchase agreement entered into between Prosperous (SZ) and the Purchaser in relation to the sale and purchase of the Machineries as stated in the section headed “The Second SPA” in this announcement
“Shareholders”	the holders of the shares of the Company
“SPAs”	the First SPA and the Second SPA
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 27 October 2023

*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](http://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](http://www.prosperous-printing-group.com.hk)*