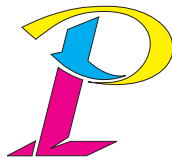


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Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

DISCLOSEABLE TRANSACTION DISPOSAL OF MACHINERY

The Board announces that on 6 May 2024, Prosperous (SZ), a wholly-owned subsidiary of the Company, entered into the SPA with the Purchaser in respect of Prosperous (SZ)'s sale of the Machinery.

Since one or more of the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes 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 6 May 2024, Prosperous (SZ), a wholly-owned subsidiary of the Company, entered into the SPA with the Purchaser in respect of Prosperous (SZ)'s sale of the Machinery.

THE SPA

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

Date : 6 May 2024

Parties : Prosperous (SZ), as vendor
the Purchaser (i.e. Dongguanshi Heyu Printing Company Limited (東莞市和煜印刷有限公司)), as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Subject property : The Machinery consists of one Scodix-brand UV gold-stamping digital enhancement printing press (視高迪UV燙金數碼增效印機) with one set of voltage regulator and air compressor (穩壓器及空壓機) and ancillary components.

Consideration : The total consideration for the sale and purchase of the Machinery is RMB1,360,000.

RMB300,000 shall be paid on or before 8 May 2024 and the remaining RMB1,060,000 shall be paid before 13 May 2024.

The Consideration of the Machinery 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 : 13 May 2024.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors believe that the SPA and transactions contemplated thereunder represent a good opportunity for the Company to dispose of the Machinery (which was initially manufactured in 2019) so as to obtain extra working capital. The Directors consider the terms of the SPA 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 Consideration of RMB1.36 million (approximately HK\$1.46 million) and the unaudited carrying value of the Machinery (which was initially manufactured in December 2019) was zero as at 31 December 2023, the Group currently expects to record a gain on disposal of approximately HK\$1.46 million upon Completion.

The proceeds arising from the Disposal 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 principal business of the Purchaser is the provision of printing services in the PRC. The ultimate beneficial owners of the Purchaser are CHEN Daming (陳大明) and CHEN Li (陳莉).

IMPLICATIONS UNDER THE LISTING RULES

Since one or more of the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes 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
“Completion Date”	please refer to “SPA – Completion Date”
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the amount of RMB1.36 million (which is equivalent to approximately HK\$1.46 million), being the consideration to be paid by the Purchaser to Prosperous (SZ) for the Disposal
“Directors”	directors of the Company
“Disposal”	the sale of the Machinery by Prosperous (SZ) to the Purchaser pursuant to the terms of the SPA
“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”	Please refer to “SPA – Machinery” in this announcement
“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”	東莞市和煜印刷有限公司 (unofficial English translation being Dongguanshi Heyu Printing Company Limited), a company established in the PRC with limited liability
“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
“Shareholders”	the holders of the shares of the Company
“SPA”	the sale and purchase agreement entered into between Prosperous (SZ) and the Purchaser in relation to the sale and purchase of the Machinery
“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, 6 May 2024

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