

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

DISCLOSEABLE TRANSACTION: PURCHASE OF MACHINERY

The Board is pleased to announce that on 26 February 2020, the Purchaser and the Vendor entered into the Purchase Agreement to purchase the Machinery at a total consideration of US\$1,570,000 (equivalent to approximately HK\$12.2 million).

The entering into of the Purchase Agreement constitutes a discloseable transaction of the Company under the GEM Listing Rules as the highest of all applicable percentage ratios (as defined under the GEM Listing Rules) for the transactions contemplated under the Purchase Agreement is more than 5% but less than 25%, and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

On 26 February 2020 (after trading hours), the Purchaser and the Vendor entered into the Purchase Agreement to purchase the Machinery at a total consideration of US\$1,570,000 (equivalent to approximately HK\$12.2 million).

THE PURCHASE AGREEMENT

The principal terms of the Purchase Agreement are summarised as follows:

Date : 26 February 2020

Purchaser : Great Wall Printing Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

- Vendor : Komori Hong Kong Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in the manufacture and sale of printing presses and printing equipment. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates as defined in the GEM Listing Rules
- Asset to be acquired : the Machinery
- Consideration and payment terms : US\$1,570,000 (equivalent to approximately HK\$12.2 million), inclusive of tax payment, in which HK\$1,000,000 shall be paid by the Purchaser to the Vendor as deposit within one week after the signing of the Purchase Agreement, which will be returned to the Purchaser upon the opening of an irrevocable letter of credit in favour of the Vendor thirty (30) days prior to the shipment of the Machinery

The Consideration will be funded by internal resources of the Group. The Directors confirm that the Consideration was determined after arm's length negotiations between the parties to the Purchase Agreement and was determined after having taken into account the prevailing market value of similar type of machinery.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

The Machinery is acquired by the Group in the usual and ordinary course of business, and is intended to be used to replace the Group's existing machinery in Hong Kong so as to enhance the efficiency and productivity of the Group.

The Directors are of the view that the terms of the Purchase Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest of all the applicable percentage ratios in relation to the transactions contemplated under the Purchase Agreement is more than 5% but less than 25%, the transactions contemplated under the Purchase Agreement constitute a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Prosperous Printing Company Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8385)
“Consideration”	the aggregate consideration in the amount of US\$1,570,000 (equivalent to approximately HK\$12.2 million) for the purchase of the Machinery pursuant to the Purchase Agreement
“Directors”	directors of the Company
“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 People’s Republic of China
“Machinery”	KOMORI Lithrone GL-37P, a sheet fed offset press with UV preparation as specified under the Purchase Agreement
“Purchase Agreement”	the agreement entered into between the Vendor and the Purchaser on 26 February 2020 for the purchase of the Machinery by the Purchaser from the Vendor
“Purchaser”	Great Wall Printing Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Komori Hong Kong Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in the manufacture and sale of printing presses and printing equipment
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 26 February 2020

As at the date of this announcement, the executive Directors are Mr. Lam Sam Ming, Ms. Chan Sau Po and Ms. Yao Yuan; the non-executive Director is Mr. Ong Chor Wei; 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 GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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 (www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.prosperous-printing-group.com.hk.