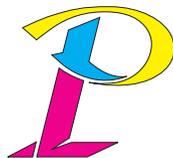


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## **Prosperous Printing Company Limited**

**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 21 October 2022, 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 21 October 2022, 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 : 21 October 2022

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 and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Subject property : The Machinery consists of one eight-color printing machine.

Consideration : The total consideration for the sale and purchase of the Machinery is RMB2,470,000.

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 : Within one month after signing of the SPA.

The consideration has been fully settled as at the date of this announcement.

#### **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 purchased in 2011 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 RMB2.47 million (approximately HK\$2.7 million) and the unaudited carrying value of the Machinery (which was initially purchased in 2011) was zero as at 30 June 2022, the Group currently expects to record a gain on disposal of approximately HK\$2.7 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 Cai Yongming (蔡永明) (70%) and Cai Liangui (蔡連貴) (30%).

## **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 RMB2.47 million (which is equivalent to approximately HK\$2.7 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”	三河市吉祥印務有限公司 (unofficial English translation being Sanhe City Jixiang Printing Company Limited), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency 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
“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, 21 October 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 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)*