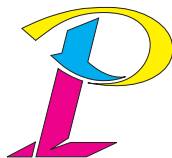


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Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

SUPPLEMENTAL ANNOUNCEMENT: MAJOR TRANSACTION COMPENSATION AGREEMENTS FOR SHENZHEN FACTORY RELOCATION

Reference is made to the announcement of Prosperous Printing Company Limited (the “**Company**”) in relation to the three Compensation Agreements entered into by Prosperous (SZ), a wholly owned subsidiary of the Company, with the relevant parties dated 29 July 2019 (the “**Announcement**”). Unless the context otherwise requires, terms used in this announcement shall have the meanings as defined in the Announcement.

The Company would like to provide further information in relation to the Announcement.

The iron infrastructure in respect of the Sale and Purchase Agreement for Iron Infrastructure is attached to the security guard room and electricity room in respect of the Sale and Purchase Agreement for the Security Guard Room, Electricity Room and other Infrastructure. The aggregate net book values of the infrastructures (including building and structures) under the Compensation Agreements (collectively, the “**Infrastructures**”) were approximately HKD2.6 million as at 31 December 2018, which are valued at approximately RMB6.8 million (which is equivalent to approximately HKD7.7 million) by Shenzhen Unity Land and Property Valuation Consultancy Company Limited (深圳市一統土地房地產評估工程諮詢勘測有限公司) based on replacement cost as at 31 October 2018.

The aggregate compensation amount of RMB26,386,015 under the Surrender of Premises Agreement consists of RMB2,145,152 for the Infrastructures, RMB6,703,220 for renovation, RMB12,795,300 for relocation and RMB4,742,343 for production interruption.

The aggregate compensation amount of RMB2,076,202 under the Sale and Purchase Agreement for the Security Guard Room, Electricity Room and other Infrastructures consists of RMB1,957,804 for the Infrastructures, RMB17,293 for renovation, and RMB101,105 for relocation.

The aggregate compensation amount of RMB2,697,535 under the Sale and Purchase Agreement for Iron Infrastructure consists of RMB2,697,535 for the Infrastructures.

The Board expects that the total costs for purchase of replacement equipment, renovation of the New Shenzhen Factory as well as the corresponding relocation cost will not exceed approximately RMB22.7 million (which is equivalent to approximately HKD25.6 million) (“**Expected Relocation Costs**”).

Based on the net book value of the Infrastructures and the Expected Relocation Costs, and the total compensation of approximately RMB31.2 million (equivalent to approximately HKD35.2 million) payable to the Group under the Compensation Agreements, it is expected that Group will record a gain of no less than approximately HK\$7 million arising from the Compensation Agreements.

As disclosed in the Announcement, the transactions contemplated under the Compensation Agreements are subject to notification, announcement, reporting and Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules, and no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the Compensation Agreements. The Company has obtained a written shareholder’s approval from First Tech Inc., the controlling shareholder holding 480,000,000 ordinary shares of the Company, representing 60% of the total issued shares of the Company as at the date of this announcement, in lieu of holding a general meeting to approve the Compensation Agreements and the transactions contemplated therein in accordance with Rule 19.44 of the GEM Listing Rules. A circular with further details of the transactions contemplated under the Compensation Agreements are expected to be despatched on or before 16 August 2019.

By Order of the Board
Prosperous Printing Company Limited
Mr. Lam Sam Ming
Chairman and Executive Director

Hong Kong, 7 August 2019

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 Rules Governing the Listing of Securities on 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 (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.

*For the purpose of this announcement, the following exchange rate is adopted:
RMB1 = HKD1.13.*