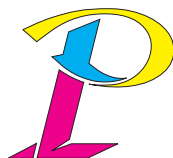


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities nor is it calculated to invite any such offer or invitation.



Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

Placing Agent



駿達證券有限公司

Tiger Faith Securities Limited

TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE PLACING AGREEMENT

After trading hours on 9 September 2024, the Vendor, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has agreed to place, and the Placing Agent has agreed to procure not less than six Placees, on a best effort basis, for the purchase of up to an aggregate of 17,390,000 Placing Shares at the Placing Price of HK\$0.125 per Placing Share.

The maximum number of the Placing Shares represents (i) approximately 19.99% of the Company's existing issued share capital of 86,998,000 Shares; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

THE SUBSCRIPTION AGREEMENT

After trading hours on 9 September 2024, the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor has agreed to subscribe for such number of Subscription Shares which is equivalent to the number of the Placing Shares placed by the Vendor, being a maximum number of 17,390,000 Subscription Shares, at the Subscription Price of HK\$0.125 per Subscription Share.

The Subscription is conditional upon (i) the completion of the Top-up Placing; and (ii) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. Under Rule 20.90(4)(a)(ii) of the GEM Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Agreement. If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, the Subscription under the Subscription Agreement will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the GEM Listing Rules.

Further announcement will be made by the Company upon completion of the Top-up Placing and the Subscription.

TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE PLACING AGREEMENT

Date:

9 September 2024 (after the end of trading hours)

Parties:

The Vendor, the Company and the Placing Agent.

The Vendor:

First Tech is a substantial shareholder and is wholly and beneficially owned by Mr. Lam Sam Ming, an executive Director. As at the date of this announcement, the Vendor is the beneficial owner of 48,000,000 Shares, representing approximately 55.17% of the entire issued share capital of the Company.

Placing Agent:

The Placing Agent and its ultimate beneficial owners are Independent Third Parties and not connected with the Company and its connected persons. The Placing Agent will be entitled to receive a placing commission of HK\$100,000, which was arrived at after arm's length negotiation between the Company and the Placing Agent.

Number of Placing Shares to be placed:

Up to 17,390,000 Shares, representing (i) approximately 19.99% of the Company's existing issued share capital of 86,998,000 Shares; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Placees:

None of the Vendor and the Company shall be involved in screening or selecting any of the Placees unless such involvement is strictly limited to due diligence enquiries by the Placing Agent regarding the independence of the Placees. The choice of Placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements of the GEM Listing Rules and, where applicable, the Takeovers Code.

The Placing Agent agreed to place the Placing Shares, on a best effort basis, to not less than six Placees who are Independent Third Parties and not connected with the Company, the Vendor, the Directors, chief executive and substantial shareholders (as those terms are defined in the GEM Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the GEM Listing Rules).

Price:

The Placing Price of HK\$0.125 represents (i) a discount of approximately 0.39% to the closing price of HK\$0.126 per Share as quoted on the Stock Exchange on 9 September 2024, being the date of the Placing Agreement; (ii) a discount of approximately 2.04% to the average closing price of HK\$0.1276 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 5 September 2024 (the "**Last Trading Day**"), being the last fully trading day immediately before the date of the Placing Agreement; and (iii) a discount of approximately 2.11% to the average closing price of HK\$0.1277 per Share as quoted on the Stock Exchange for the last ten trading days ended on and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares.

Rights:

The Placing Shares will be sold free of any third party rights and together with all dividends and distributions declared, made or paid on or after the date of the Placing Agreement.

Completion:

The Top-up Placing is unconditional and completion of the Top-up Placing will take place on the Closing Date.

Termination:

If at any time at or prior to 9:00 a.m. (Hong Kong time) on the Closing Date:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially adverse to the success of the Top-up Placing; or
- (ii) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provision of the Placing Agreement; or
- (iii) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Top-up Placing; or
- (iv) any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
- (v) any suspension of dealings in the Shares for any period of three consecutive business days or more (other than as a result of the Top-up Placing); or
- (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war; or

(vii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company and/or to the Vendor by giving notice in writing to the Vendor, provided that such notice is received prior to 12:00 noon on the Closing Date.

THE SUBSCRIPTION AGREEMENT

Date:

9 September 2024 (after the end of trading hours)

Parties involved:

The Company and the Vendor

Number of new Shares subscribed for:

The number of Subscription Shares is equivalent to the number of the Placing Shares, placed by the Vendor, being a maximum number of 17,390,000 Subscription Shares.

Subscription Price:

The Subscription Price is HK\$0.125 per Subscription Share. The Subscription Price is the same as the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price.

The Company will pay the costs and expenses of the Subscription, and will repay to the Vendor its costs and expenses of the Top-up Placing.

Assuming 17,390,000 Subscription Shares are being subscribed by the Vendor, the gross proceeds and net proceeds from the Subscription to be received by the Company will be HK\$2.17 million and approximately HK\$2.0 million respectively. The net price to the Company of each Subscription Share under Subscription is approximately HK\$0.115.

The Directors are of the view that the Subscription Price is fair and reasonable.

Ranking:

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the existing issued Shares.

Conditions of the Subscription:

The Subscription is conditional upon (i) the completion of the Top-up Placing; and (ii) the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

If the conditions are not fulfilled on or before 30 September 2024 or such later date as may be agreed between the Company and the Vendor, the Subscription Agreement shall terminate and neither of the parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

Completion of the Subscription:

Under Rule 20.90(4)(a)(ii) of the GEM Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Agreement.

If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, the Subscription will become a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the GEM Listing Rules and, where applicable, the Takeovers Code. Further announcement will be made as and when appropriate.

As the Vendor has continuously held more than 50% of the issued share capital and voting rights of the Company for more than 12 months immediately prior to the Top-up Placing and the Subscription, no waiver is required to be obtained from the Executive pursuant to Rule 26 of the Takeovers Code.

Mandate to issue the Subscription Share:

The Subscription Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 20 May 2024. The Directors were authorised to allot and issue up to 17,399,600 Shares pursuant to the General Mandate. Up to the date of this announcement, the Directors have not utilised any part of the General Mandate to issue Shares. Accordingly, the issue of the Subscription Shares is not subject to any approval by the shareholders of the Company.

Further announcement will be made by the Company upon completion of the Top-up Placing and the Subscription.

REASONS OF THE TOP-UP PLACING AND THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Group is principally engaged in the business of provision of printing services.

The Directors consider various ways of raising funds and consider that the Top-up Placing and the Subscription represent an opportunity to enlarge the equity base of the Company and provides general working capital for the Company's business expansion.

The Directors intend to use the net proceeds from the Subscription as general working capital. The Directors consider that the terms of the Placing Agreement and the Subscription Agreement (including the Placing Price) are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE TOP-UP PLACING AND THE SUBSCRIPTION

Assuming the maximum number of Shares have been subscribed by the Vendor under the Subscription, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion the Top-up Placing; and (iii) immediately after completion of the Top-up Placing and the Subscription:

	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Top-up Placing		Shareholding immediately after completion of the Top-up Placing and the Subscription	
	<i>No. of</i>		<i>No. of</i>		<i>No. of</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
First Tech	48,000,000	55.17	30,610,000	35.18	48,000,000	45.98
The Placees	–	–	17,390,000	19.99	17,390,000	16.66
Other public	38,998,000	44.83	38,998,000	44.83	38,998,000	37.36
Total	<u>86,998,000</u>	<u>100.00</u>	<u>86,998,000</u>	<u>100.00</u>	<u>104,388,000</u>	<u>100.00</u>

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The Company has not conducted any equity fund raising exercise in the past 12 month period immediately before the date of this announcement.

Completion of the Subscription is subject to the terms of the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“Closing Date”	any date on or before the fifth business day after the date of the Placing Agreement (or such later date as may be agreed among the Company, the Vendor and the Placing Agent in writing)
“Company”	Prosperous Printing Company Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on GEM
“connected person”	has the meaning set out in the GEM Listing Rules
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“First Tech” or “Vendor” or “Subscriber”	First Tech Inc., a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Lam Sam Ming, an executive Director
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 20 May 2024 to allot or otherwise deal with the unissued Shares

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party who is independent of and not connected with the Company and the connected person of the Company
“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Top-up Placing
“Placing Agent”	Tiger Faith Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a placing agreement between the Vendor, the Company and the Placing Agent dated 9 September 2024 in relation to the Top-up Placing
“Placing Price”	HK\$0.125 per Placing Share
“Placing Shares”	a maximum of 17,390,000 new Shares to be issued and placed under the Top-up Placing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement between the Company and the Vendor dated 9 September 2024 in relation to the subscription of a maximum of 17,390,000 Subscription Shares by the Vendor
“Subscription Price”	HK\$0.125 per Subscription Share
“Subscription Shares”	new Shares equivalent to the number of the Placing Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs of Hong Kong

“Top-up Placing”	the placing of a maximum of 17,390,000 Shares beneficially owned by the Vendor pursuant to the Top-up Placing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 9 September 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 the 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 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.