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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 on GEM: 8385)

PROPOSED TRANSFER OF LISTING FROM GEM TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Sole Sponsor



This announcement is made pursuant to Rules 9.26 and 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions.

The Board is pleased to announce that the Company submitted a formal application to the Stock Exchange on 25 October 2019 (after trading hours) for the Proposed Transfer of Listing pursuant to Chapter 9A and Appendix 28 of the Main Board Listing Rules and the relevant provisions of the GEM Listing Rules. The Proposed Transfer of Listing will not involve issue of any new Shares by the Company.

There is no assurance that approval and permission will be obtained from the Stock Exchange for the Proposed Transfer of Listing. Shareholders and potential investors should be aware that the Proposed Transfer of Listing is subject to, among others, the fulfillment of all the pre-conditions for the Proposed Transfer of Listing as set out under Rule 9A.02 of the Main Board Listing Rules by the Company and the granting of relevant approval by the Stock Exchange. Accordingly, the Proposed Transfer of Listing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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The Company has applied for the listing of, and permission to deal in (i) all the Shares in issue; and (ii) the new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of the listing from GEM to the Main Board.

REASONS FOR THE PROPOSED TRANSFER OF LISTING

The Company has been listed on GEM since 13 December 2017. The Group is a provider of printing products to Hong Kong-based print brokers with customers in overseas markets and to international publishers.

The Directors are of the view that the listing status of the Group on GEM has assisted the Group in achieving its business strategies and strengthened its market position as a reliable provider of printing products. Given that the listing requirements for the Main Board are generally higher than that for GEM, the Directors believe that the Proposed Transfer of Listing will further promote the Company's corporate profile and recognition among the public investors and the public in general. The Directors also believe that the Proposed Transfer of Listing will:

- i) enhance the business reputation of the Group which in turn will open up more opportunities for the Group to explore for new customers, including top tier publishers in the U.S. and U.K., and pursue for purchase orders of greater size from existing customers. In addition, by enhancing the Group's corporate profile, it will provide the Group with greater bargaining power over customers and suppliers, whereby the Group can negotiate more favourable trade and credit terms with them;
- ii) strengthen the Group's position in the industry and enhance the Group's competitive strengths in attracting and retaining professional staff. In particular, the Group intends to expand and enhance the sales and marketing team by recruiting experienced sales personnel. By enhancing the listing status as a Main Board listed issuer, the Directors believe that the Group will be able to attract and retain top talents in the industry;
- iii) strengthen the Group's recognition among institutional and retail investors and further increase the confidence of its investors and stakeholders; and

- iv) enhance the trading liquidity of the Shares as well as the funding raising capability of the Company.

Therefore, the Directors are of the view that the Proposed Transfer of Listing will be beneficial to the future growth, financing flexibility and business development of the Group which will create a long-term value to the Shareholders.

As at the date of this announcement, the Board does not contemplate any material change in the nature of the business activities of the Group following the Proposed Transfer of Listing. The Proposed Transfer of Listing will not involve any issue of new Shares by the Company.

NO CHANGE IN PRINCIPAL BUSINESS

There has been no change in the principal business of the Group since the Listing and up to the date of this announcement. As at the date of this announcement, the Board has no plans to change the nature of the business of the Group up to and following the proposed Transfer.

NO CHANGE IN CONTROL

At the time of the Listing, First Tech owned 480,000,000 Shares, being 60% of the entire issued share capital of the Company. First Tech is wholly-owned by Mr. Lam, the Controlling Shareholder of the Company. The above shareholding structure remained the same as at the date of this announcement. Accordingly, there has been no change in the Controlling Shareholders of the Company since the Listing and up to the date of this announcement.

LISTING RULES IMPLICATIONS

The Proposed Transfer of Listing will not affect the current business objective and strategies of the Group. As the Company has not changed its principal businesses and Controlling Shareholders since the Listing, pursuant to Rule 9A.01A of the Main Board Listing Rules and the transitional arrangements set out in Appendix 28 to the Main Board Listing Rules, the Company is qualified as an Eligible Issuer and is not required to publish a listing document. The Company has appointed Innovax Capital as its sole sponsor to the Proposed Transfer of Listing in accordance with the Main Board Listing Rules.

CONDITIONS OF THE PROPOSED TRANSFER OF LISTING

The Proposed Transfer of Listing is conditional upon, among other things:

- (i) the Company's fulfilment of all the applicable listing requirements on the Main Board as stipulated in the Main Board Listing Rules;

- (ii) the Stock Exchange granting approval for the listing of, and permission to deal in all Shares in issue and the new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme on the Main Board; and
- (iii) all other relevant consents or approvals (if any) required or in connection with the implementation of the Proposed Transfer of Listing having been obtained, and the fulfillment of all conditions which may be attached to such consents or approvals (if any).

GENERAL

In connection with the Proposed Transfer of Listing, the Company has appointed Innovax Capital as its sole sponsor to the Proposed Transfer of Listing in accordance with the Main Board Listing Rules.

The Board would like to emphasise that the definitive timetable for the Proposed Transfer of Listing has yet to be finalised. The Company will make further announcements in relation to the progress of the Proposed Transfer of Listing as and when appropriate in accordance with the GEM Listing Rules and/or the Main Board Listing Rules.

There is no assurance that approval and permission will be obtained from the Stock Exchange for the Proposed Transfer of Listing. Shareholders and potential investors should be aware that the implementation of the Proposed Transfer of Listing is subject to, among others, the fulfillment of all the pre-conditions for the Proposed Transfer of Listing as set out under Rule 9A.02 of the Main Board Listing Rules by the Company and the granting of relevant approval by the Stock Exchange. Accordingly, the Proposed Transfer of Listing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	board of Directors
“Company”	Prosperous Printing Company Limited, a company incorporated in Hong Kong with limited liability, whose issued Shares are listed and traded on GEM
“Director(s)”	the director(s) of the Company
“Eligible Issuer”	has the meaning ascribed to it under the Main Board Listing Rules

“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Innovax Capital”	Innovax Capital Limited, a corporation licenced under the SFC and permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and is the sole sponsor for the Proposed Transfer of Listing
“Inside Information Provisions”	the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO
“Listing”	listing of Shares on GEM on 13 December 2017
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Proposed Transfer of Listing”	the proposed transfer of the listing of the Shares from GEM to the Main Board pursuant to Chapter 9A and Appendix 28 of the Main Board Listing Rules
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 15 November 2017
“Shareholder(s)”	holder(s) of Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“U.K.” the United Kingdom of Great Britain and Northern Ireland

“U.S.” the United States of America

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

Hong Kong, 25 October 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 GEM Listing Rules 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.