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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)

ANNOUNCEMENT

This announcement is made by Prosperous Printing Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) and Rule 17.21 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (each, a “**Director**”) announces that the Group, in the ordinary course of business, obtained banking facilities (the “**Facility**”) from a commercial bank in Hong Kong (the “**Bank**”) with an outstanding principal amount of HK\$136,407,884 as at 31 March 2022 secured by, among others, the pledged bank deposits, charge over property, and corporate guarantees from the Company and certain subsidiaries. One of the terms of the Facility is that the tangible net worth of the Group shall not be less than HK\$200,000,000. The Group’s breach (the “**Breach**”) of the said term of Facility was noted when the Group performed an impairment assessment on the trade receivables as at 31 December 2021 in preparing the annual results for the year ended 31 December 2021, and an impairment loss of HK\$56,150,000 was made which took into consideration higher degree of recoverability uncertainties in light of economy uncertainty and COVID-19 pandemic, which decreased the Group’s tangible net worth to be less than HK\$200,000,000. The Company is currently in renegotiation of the terms of the Facility with the Bank.

The Company will closely monitor the development of the abovementioned matters and will further issue announcement as and when appropriate pursuant to the GEM Listing Rules.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 1 April 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 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.