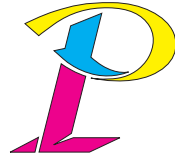


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Prosperous Printing Company Limited

萬里印刷有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8385)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2024 ANNUAL REPORT

Reference are made to the annual report of Prosperous Printing Company Limited (the “**Company**”) for the year ended 31 December 2024 published on 31 March 2025 (the “**2024 Annual Report**”). Unless otherwise defined, capitalized terms used in this announcement have the same meaning as given to them in the 2024 Annual Report.

In addition to the disclosures in the corporate governance report as set out in the 2024 Annual Report, the Company would like to supplement additional information in relation to the Company’s audit committee’s view towards the uncertainties relating to going concern as follows:

Audit Committee’s View on Uncertainties Relating to Going Concern

As disclosed in the section of “Board’s View on Material Uncertainty” on page 26 of the 2024 Annual Report, the Group incurred a loss of approximately HK\$45,607,000 for the year ended 31 December 2024, and as of that date, the Group has net current liabilities of approximately HK\$134,213,000. The Group had total bank loans and overdrafts of approximately HK\$107,580,000, which are repayable on demand or within one year, while the Group had bank and cash balances of approximately HK\$849,000 only. As a result of breach of loan covenants, current bank borrowings of approximately HK\$96,062,000 as at 31 December 2024 became due and repayable on demand, and were classified as current borrowings accordingly.

The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company have prepared a cash flow forecast of the Group with plans and measures to mitigate the liquidity pressure and to improve its financial position. Certain plans and measures have been or will be taken by the directors of the Company include, but not limited to, the following: (i) active negotiation with banks for seeking continuous support; (ii) obtaining letter of continual financial support from Mr. Lam Sam Ming (“**Mr. Lam**”, chairman and controlling shareholder of Company); (iii) seeking alternative financing; and (iv) tightening cost control.

Based on the cash flow forecast assuming the above plans and measures can be successfully implemented as scheduled notwithstanding the inherent uncertainties associated with the future outcome of the above plans and measures, the management of the Company are of the opinion that the Group is able to continue as a going concern.

However, in respect of the assumptions regarding the successful and favourable outcomes of the plans and measures being undertaking by the management of the Company as detailed above, the auditors of the Company (“**Auditors**”) were unable to obtain the information that they considered necessary for their evaluation of the viability of the plans and measures. As such, the Auditors issued disclaimer of audit opinion (“**Disclaimer**”).

The audit committee of the Company has reviewed and agreed with the management’s position concerning major judgmental areas in relation to the Group being able to continue as a going concern and resolving the Disclaimer in light of following: (1) the Group has been actively negotiating with the banks for resolving the loan repayment. As at the date of this announcement, the banks have taken up vacant possession of the pledged properties for sale as disclosed in the announcement dated 11 November 2024. Based on the current property valuation, the Company and the banks may be able to find suitable offer for the pledged property in Hong Kong; (2) Mr. Lam, as chairman and controlling shareholder of Company executed a letter of continual financial support, according to which: (a) Mr. Lam confirmed to provide financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due; and (b) Mr. Lam would not call for repayment of amount due to him until the Company is in a financial position to do so; (3) the Group has actively considered alternative financing. In 2024, the Company completed placing of shares as disclosed in the announcement dated 20 September 2024. The Company will continue to seek financing opportunities such as placing of shares or convertible bonds; (4) it is noted that the Group has implemented and will continue to implement stringent cost control measures, as a result of which the administrative expenses decreased from approximately HK\$50.9 million in 2023 to approximately HK\$43.1 million in 2024. Further, the Group shifted its business model from self-production to outsourcing orders to Huizhou Factory (as disclosed in the announcements dated 30 October 2024 and 29 November 2024) which will greatly reduce the fixed costs in 2025.

The supplementary information does not affect other information contained in the 2024 Annual Report. Save as disclosed above, all other information in the 2024 Annual Report remains unchanged.

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

Hong Kong, 16 May 2025

As at the date of this announcement, the executive Directors are Mr. Lam Sam Ming, Ms. Yao Yuan, Ms. Chan Sau Po, Ms. Xu Yuling and Mr. Lu Wei; and the independent non-executive Directors are Ms. Cheung Yin, Mr. Wong Hei Chiu and Mr. Leung Vincent Gar-Gene.