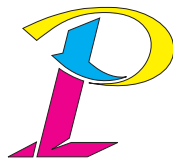


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Prosperous Printing Company Limited

萬里印刷有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8385)

FURTHER ANNOUNCEMENT OF THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019 AND FURTHER DELAY IN DESPATCH OF 2019 ANNUAL REPORT

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”, each a “**Director**”) of Prosperous Printing Company Limited (the “**Company**”) 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 (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.*

Reference is made to the announcement of Prosperous Printing Company Limited (the “**Company**”) dated 31 March 2020, in relation to the unaudited annual results for the year ended 31 December 2019 of the Company and its subsidiaries (the “**Group**”) (the “**Unaudited Annual Results Announcement**”). Terms used herein shall have the same meanings as those defined in the Unaudited Preliminary Announcement unless the context requires otherwise.

AUDITED ANNUAL RESULTS

The Board is pleased to announce that Crowe (HK) CPA Limited (“**Crowe**”), the auditors of the Company, has completed its audit of the annual results of the Group for the year ended 31 December 2019 in accordance with Hong Kong Standards on Auditing (“**HKSA**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The audited annual results for the year ended 31 December 2019 are set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

(Expressed in Hong Kong dollars)

	<i>Note</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue	<i>4(a)</i>	461,561	432,538
Cost of sales		<u>(328,147)</u>	<u>(305,250)</u>
Gross profit		133,414	127,288
Other net income	<i>5</i>	25,365	10,554
Distribution costs		(28,431)	(27,955)
Administrative expenses		(74,724)	(70,897)
Other operating expenses		<u>(16,747)</u>	<u>—</u>
Profit from operations		38,877	38,990
Finance costs	<i>6(a)</i>	<u>(8,803)</u>	<u>(8,221)</u>
Profit before taxation	<i>6</i>	30,074	30,769
Income tax	<i>7</i>	<u>(11,875)</u>	<u>(6,434)</u>
Profit for the year		<u>18,199</u>	<u>24,335</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Earnings per share			
Basic and diluted	<i>8</i>	<u>2.27</u>	<u>3.04</u>

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See Note 3.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2019

(Expressed in Hong Kong dollars)

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	18,199	24,335
Other comprehensive expense for the year, net of Nil tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of financial statements of subsidiaries outside Hong Kong	<u>(4,239)</u>	<u>(6,551)</u>
Total comprehensive income for the year	<u>13,960</u>	<u>17,784</u>

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See Note 3.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Expressed in Hong Kong dollars)

	Note	2019 HK\$'000	2018 HK\$'000
Non-current assets			
Property, plant and equipment		236,326	252,951
Intangible assets		627	755
Financial assets at fair value through profit or loss		2,407	2,433
Investments in key management insurance policies		8,536	8,343
Deposits for acquisition of property, plant and equipment		2,369	—
Deferred tax assets		625	—
		<u>250,890</u>	<u>264,482</u>
Current assets			
Inventories		73,030	86,318
Trade and other receivables	10	179,227	143,789
Pledged bank deposits		8,908	6,843
Cash and cash equivalents		29,116	35,448
		<u>290,281</u>	272,398
Current liabilities			
Trade and other payables	11	44,563	58,961
Bank loans and overdrafts		138,059	142,470
Lease liabilities		13,543	5,282
Tax payable		8,455	1,473
		<u>204,620</u>	<u>208,186</u>
Net current assets		<u>85,661</u>	<u>64,212</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2019**(Expressed in Hong Kong dollars)*

	2019	2018
	HK\$'000	HK\$'000
Total assets less current liabilities	336,551	328,694
Non-current liabilities		
Bank loans	20,227	30,243
Lease liabilities	9,327	7,045
Deferred tax liabilities	7,305	5,674
	<u>36,859</u>	<u>42,962</u>
NET ASSETS	<u>299,692</u>	<u>285,732</u>
CAPITAL AND RESERVES		
Share capital	100,843	100,843
Reserves	198,849	184,889
	<u>299,692</u>	<u>285,732</u>
TOTAL EQUITY	<u>299,692</u>	<u>285,732</u>

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See Note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1. GENERAL INFORMATION

Prosperous Printing Company Limited (the “**Company**”) was incorporated in Hong Kong on 23 December 1992 with limited liability under the Hong Kong Companies Ordinance. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 December 2017.

The address of the Company’s registered office is 3/F, Yip Cheung Centre, 10 Fung Yip Street, Chai Wan, Hong Kong.

The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the production and trading of books and paper products.

2. BASIS OF PREPARATION

The preliminary announcement of the Company’s annual results has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited. It was authorised for issue on 29 April 2020.

This financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (“**Companies Ordinance**”). This financial information is presented in Hong Kong dollars (“**HKS**”) and all values are rounded to the nearest thousand (“**HKS’000**”) except when otherwise indicated.

The financial information relating to the year ended 31 December 2019 and the financial information relating to the year ended 31 December 2018 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2018, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The financial statements for the year ended 31 December 2019 will be delivered to the Registrar of Companies. The Company’s auditors expressed an unqualified opinion on those financial statements; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of these developments have had a material effect on how the Group's results and the financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases — incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“**short-term leases**”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

(c) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 4.65%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	1 January 2019 <i>HK\$'000</i>
Operating lease commitments at 31 December 2018	13,929
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(9,454)
Less: total future interest expenses	<u>(135)</u>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019	4,340
Add: finance lease liabilities recognised as at 31 December 2018	<u>12,327</u>
Total lease liabilities recognised at 1 January 2019	<u><u>16,667</u></u>

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 December 2018.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “obligations under finance leases”, these amounts are included within “lease liabilities”, and the depreciated carrying amount of the corresponding leased asset is identified as a right-of-use asset. There is no impact on the opening balance of equity.

The Group presents right-of-use assets in ‘property, plant and equipment’ and presents lease liabilities separately in the statement of financial position.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the amounts received and receivable from sales of books and paper products and provision of sub-contracting services.

(b) Segment reporting

HKFRS 8 “Operating Segments” requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Company’s executive directors, being the Group’s chief operating decision makers (“CODM”), for the purpose of resource allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the production and sale of books and paper products.

(i) Information about major customers

The Group’s customer base is diversified and includes two customers (2018: two) with whom transactions have exceeded 10% of the Group’s revenue for the year ended 31 December 2019. Revenue arising from sales of books and paper products to these customers, including sales to entities which are known to the Group to be under common control with each of these customers, for the year ended 31 December 2019 was HK\$105,405,000 (2018: HK\$105,309,000) and HK\$83,099,000 (2018: HK\$64,707,000) respectively.

(ii) Information about geographical areas

The following table sets out information about the geographical location of (i) the Group’s revenue from external customers and (ii) the Group’s property, plant and equipment, intangible assets and deposits for acquisition of property, plant and equipment (“**specified non-current assets**”). The geographical location of customers is based on the location of external customers. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets.

	Revenue from		Specified	
	external customers		non-current assets	
	2019	2018	2019	2018
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Hong Kong (place of domicile)	245,823	213,089	139,354	139,443
Mainland China	16,255	27,336	99,968	114,263
United States	189,397	142,242	—	—
United Kingdom (“UK”)	4,666	27,965	—	—
Australia	908	3,315	—	—
Other countries	4,512	18,591	—	—
	<u>461,561</u>	<u>432,538</u>	<u>239,322</u>	<u>253,706</u>

Revenue from the individual countries included in other countries is not significant.

5. OTHER NET INCOME

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Bank interest income	377	426
Interest income from investments in key management insurance policies	348	281
Profit arising from sales of scrap materials	3,098	3,172
Government grants		
— compensation for relocation of factory in the PRC	16,165	—
— other government subsidies	1,472	2,681
Net foreign exchange gain	3,627	3,638
Loss on disposal of property, plant and equipment	—	(877)
Change in fair value of financial assets at fair value through profit or loss	(26)	(140)
Bad debt recovery	—	1,009
Sundry income	304	364
	<u>25,365</u>	<u>10,554</u>

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
(a) Finance costs		
Interest on bank loans and overdrafts	7,081	7,004
Interest on lease liabilities	1,016	504
Other borrowing costs	706	713
	<u> </u>	<u> </u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>8,803</u>	<u>8,221</u>
(b) Staff costs (including directors' emoluments)		
Contributions to defined contribution retirement plans	9,222	9,677
Salaries, wages and other benefits	84,382	92,080
	<u> </u>	<u> </u>
	<u>93,604</u>	<u>101,757</u>
(c) Other items		
Amortisation cost of intangible assets	113	118
Depreciation charge [#]		
— owned property, plant and equipment*	10,753	12,253
— right-of-use assets*	13,018	6,175
	<u>23,771</u>	<u>18,428</u>
Total minimum lease payments for leases previously classified as operating lease under HKAS 17* [#]	—	9,707
Expense relating to short-term leases with remaining lease term ending on or before 31 December 2019	5,852	—
Professional fee for application for transfer of listing [^]	2,571	—
Factory relocation expenses [^]		
— loss on disposal of property, plant and equipment	10,668	—
— others	2,233	—
	<u>12,901</u>	<u> </u>
Impairment losses on trade receivables	1,599	407
Auditors' remuneration		
— audit services	1,200	1,170
— other services	1,570	—
	<u>2,770</u>	<u>1,170</u>
Cost of finished goods [#]	<u>328,147</u>	<u>305,250</u>

- * The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. The depreciated carrying amount of the finance lease assets which were previously included in property, plant and equipment is also identified as a right-of-use asset. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. The Group has also applied one of the practical expedients permitted by HKFRS 16 to account for lease with remaining lease term ended on or before 31 December 2019 as short-term lease. See Note 3.
- ^ Professional fee for application for transfer of listing and factory relocation expenses were presented in “Other operating expenses” in the consolidated statement of profit or loss.
- # Cost of finished goods includes HK\$74,157,000 (2018: HK\$81,906,000) relating to staff costs, lease expenses and depreciation expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7. INCOME TAX

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	4,626	2,874
Under/(over)-provision in respect of prior years	1,006	(363)
Current tax — PRC Corporate Income Tax		
Provision for the year	5,142	2,535
Under-provision in respect of prior years	14	92
Deferred tax		
Origination and reversal of temporary differences	1,087	1,296
	<u>11,875</u>	<u>6,434</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operates.

The provision for the PRC Corporate Income Tax of the subsidiary established in the PRC is calculated at 25% of the estimated taxable profits for the reporting period.

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any income tax in the jurisdiction.

For the year ended 31 December 2019 and 2018, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$18,199,000 (2018: HK\$24,335,000) and weighted average of 800,000,000 (2018: 800,000,000) ordinary shares of the Company in issue throughout the year.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares during the years ended 31 December 2019 and 2018, and therefore, diluted earnings per share is the same as the basic earnings per share.

9. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

10. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables	175,899	147,854
Less: loss allowance	<u>(14,022)</u>	<u>(12,423)</u>
Trade receivables, net of loss allowance	161,877	135,431
Other receivables	<u>2,209</u>	<u>643</u>
Financial assets measured at amortised cost	164,086	136,074
Prepayments	10,802	4,356
Utility and other deposits	1,487	593
Other tax recoverable	<u>2,852</u>	<u>2,766</u>
	<u><u>179,227</u></u>	<u><u>143,789</u></u>

Depending on the requirements of the market and business, the Group may extend credit to its customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management and interest may be charged by the Group for overdue trade receivable balances at rates determined by the Group with reference to market practice. In the opinion of the directors, there is no significant concentration of credit risk. An aging analysis of the Group's trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Within 1 month	34,207	44,197
1 to 3 months	65,263	40,984
3 to 6 months	41,832	31,407
6 to 12 months	12,679	16,095
Over 1 year	7,896	2,748
	<u>161,877</u>	<u>135,431</u>

Trade receivables are normally due within 180 days from the date of billing.

11. TRADE AND OTHER PAYABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade creditors	18,573	37,582
Accrued staff costs	5,585	6,649
Other accruals	1,615	1,675
Other payables	16,724	12,807
Other tax payable	54	106
Receipts in advance	2,012	142
	<u>44,563</u>	<u>58,961</u>

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Within 1 month	6,286	10,114
1 to 3 months	9,773	22,371
3 to 6 months	2,322	4,837
6 to 12 months	49	197
Over 1 year	143	63
	<u>18,573</u>	<u>37,582</u>

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 had not been completed as at the date of publication of Unaudited Annual Results Announcement. Since subsequent adjustments have been made to the unaudited annual results of the Group contained in the Unaudited Annual Results Announcement upon the completion of audit, shareholders and potential investors of the Company are advised to pay attention to certain differences between the unaudited annual results of the Group contained in the Unaudited Annual Results Announcement and the audited annual results of the Group in this announcement. Set forth below are principal details and reasons for the material differences in such financial information in accordance with Rule 18.49 of the GEM Listing Rules.

Item for the year ended 31 December 2019	Disclosure in this announcement <i>HK\$'000</i>	Disclosure in the Unaudited Annual Results Announcement <i>HK\$'000</i>	Differences <i>HK\$'000</i>	Note
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Other net income	25,365	24,076	1,289	1
Income tax	(11,875)	(10,926)	(949)	4
Profit for the year	18,199	17,859	340	4

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of financial statements of subsidiary outside Hong Kong	(4,239)	(3,003)	(1,236)	1
Total comprehensive income for the year	13,960	14,856	(896)	4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Deferred tax assets	625	—	625	3
Tax payable	8,455	8,366	89	2
Deferred tax liabilities	7,305	5,873	1,432	3

Note:

1. The difference in 'other net income' was approximately HK\$1,289,000 mainly due to reclassification adjustment of certain exchange difference from profit or loss to other comprehensive income in accordance with HKAS 21.
2. The difference in 'tax payable' was approximately HK\$89,000 was mainly due to finalisation of income tax computation of certain entities within the Group.
3. The difference in 'deferred tax assets' and 'deferred tax liabilities' was approximately HK\$625,000 and HK\$1,432,000, respectively, was mainly based on finalisation of assessment on deferred tax in accordance with HKAS 12.
4. Difference in each of 'profit for the year', 'total comprehensive income for the year' and 'income tax' was mainly resulted from the adjustments of the items set out herein.

Save as disclosed in this announcement, the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above differences, all other information contained in the Unaudited Annual Results Announcement remain unchanged.

THE AUDIT COMMITTEE AND REVIEW OF PRELIMINARY ANNOUNCEMENT BY CROWE

The audited annual results of the Company for the year ended 31 December 2019 have been reviewed by the Audit Committee of the Company.

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in this audited preliminary announcement have been agreed by Crowe, to the amounts set out in the Group's audited consolidated financial statements for the year. Such work performed by Crowe in this respect did not constitute an audit, review or other assurance engagement in accordance with HKSA, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Crowe on this announcement.

FURTHER DELAY IN DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

As more time is still required to complete the remaining work of the annual report, and hence there will be a further delay in the despatch of the Company's annual report for the year ended 31 December 2019.

Based on the current progress, it is currently expected that the annual report of the Company for the year ended 31 December 2019 will be despatched by 11 May 2020.

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

Hong Kong, 29 April 2020

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 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) 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.