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PROSPEROUS INDUSTRIAL (HOLDINGS) LIMITED
其利工業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1731)

RENEWAL OF CONTINUING CONNECTED TRANSACTION AND ANNUAL CAPS

INTRODUCTION

Reference is made to the Company's announcement dated 19 December 2024 in relation to the Vietnam Lease Agreements and the 2024 Property Management Agreement.

Pursuant to the Vietnam Lease Agreements, Starite Vietnam has leased certain buildings for use in its operation from Pou Sung Vietnam, which are primarily used as factories, office buildings and warehouse for the Vietnam Production Base with a term up to 11 January 2055. In addition to lease payments which had been paid at the beginning of the respective lease terms, Starite Vietnam also pays Pou Sung Vietnam maintenance fees and utilities and other charges on a monthly basis.

Pursuant to the terms of the 2024 Property Management Agreement, Pou Sung Vietnam has been providing property management services to Starite Vietnam for the Vietnam Leased Premises. The 2024 Property Management Agreement will expire on 31 December 2025.

The annual caps and actual aggregated transaction amounts under the Vietnam Lease Agreements and the 2024 Property Management Agreement for the year ending 31 December 2025 are set out as below:

	For the year ending 31 December 2025 Annual Cap	Actual amount up to 30 November 2025
	US$	*US$*
Nature of transactions		
Vietnam Lease Agreements		
Maintenance	160,000	144,000
Utilities and other charges	600,000	467,000
2024 Property Management Agreement		
Property management fees	420,000	323,000
Aggregated	1,180,000	934,000

Based on the actual aggregated transaction amounts up to 30 November 2025, the Directors expect the annual caps for the financial year ending 31 December 2025 as set out above would not be exceeded.

As Starite Vietnam will continue to use the Vietnam Leased Premises, (i) Starite Vietnam and Pou Sung Vietnam entered into the 2025 Property Management Agreement to ensure the continued provision of property management services after the expiry of the 2024 Property Management Agreement; and (ii) the Company renewed the annual caps in respect of maintenance expense and utilities and other charges under the Vietnam Lease Agreements.

THE 2025 PROPERTY MANAGEMENT AGREEMENT

The principal terms of the 2025 Property Management Agreement are set out as follows:

Parties: (A) Starite Vietnam

(B) Pou Sung Vietnam

Term: From 1 January 2026 to 31 December 2026

Scope of services: Pou Sung Vietnam as the service provider will provide property management services to Starite Vietnam as the customer for the Vietnam Leased Premises.

Pricing policy and internal control measures:

The property management fees are determined with reference to the historical cost of providing such services by Pou Sung Vietnam, the total number of workers in the Bau Xeo Industrial Zone, and the number of workers at the Vietnam Leased Premises at the end of each month. The pricing standard is generally applicable to the entire Bau Xeo Industrial Zone.

The administration department of Starite Vietnam is responsible for providing the number of workers at the end of each month and the finance department will then review the calculation as provided by Pou Sung Vietnam to ensure the consistency of aforesaid pricing standard, and further ensure the management services fees are paid in accordance to the 2025 Property Management Agreement. The finance department of the Group will also review the aggregated transactions amount monthly to ensure the annual cap is not exceeded. In addition, the independent non-executive Directors and the auditors of the Company will review the transactions and report in the annual reports pursuant to Rule 14A.55 and Rule 14A.56 of the Listing Rules, respectively.

ANNUAL CAP AMOUNTS AND BASIS OF DETERMINATION

The proposed annual caps for the maintenance expense and utilities and other charges under the Vietnam Lease Agreements, and the property management fees under the 2025 Property Management Agreement for the year ending 31 December 2026 are set out as below:

	Proposed annual cap for the year ending 31 December 2026
	US$
Nature of transactions	
Vietnam Lease Agreements	
Maintenance	160,000
Utilities and other charges	600,000
2025 Property Management Agreement	
Property management fees	400,000
Aggregated	1,160,000

The directors confirmed that the annual caps are determined after taking account: (i) for the maintenance fees, such fees as set out in the Vietnam Lease Agreements which were negotiated at the time when entering into the agreements with reference to the then prevailing price; (ii) for the property management fees, utilities and other charges, the historical consumption and the expected increase in those fees based on their increasing trends; (iii) the total property area leased by the Group from Pou Sung Vietnam for the year ending 31 December 2026; and (iv) the workers capacity at the Vietnam Production Base.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 PROPERTY MANAGEMENT AGREEMENT AND THE RENEWAL OF ANNUAL CAPS

The entering into of the 2025 Property Management Agreement and the transactions contemplated thereunder and the Renewal of Annual Caps form part of the ordinary business of the Group. It will ensure the smooth operation of the Group's Vietnam Production Base.

The Directors (including independent non-executive Directors) considered that the 2025 Property Management Agreement and the transactions contemplated thereunder and the Renewal of Annual Caps are in the ordinary and usual course of business of the Group, on normal commercial terms and on terms that are fair and reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Pou Sung Vietnam is a wholly-own subsidiary of Yue Yuen, a substantial shareholder of the Company. Pou Sung Vietnam is therefore an associate of Yue Yuen and accordingly a connected person of the Company. As such, the transaction under the Vietnam Lease Agreements and 2025 Property Management Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) the parties under the Vietnam Lease Agreements and the 2025 Property Management Agreement are the same; (ii) all subject matters, in respect of the transactions contemplated under the Vietnam Lease Agreements and the 2025 Property Management Agreement are all related to the Vietnam Leased Premises; and (iii) the transactions contemplated under the Vietnam Lease Agreements and the 2025 Property Management Agreement are within a 12-month period, the transactions under such agreements shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

Since the applicable percentage ratios in respect of the proposed aggregate annual caps contemplated under the Vietnam Lease Agreements and the 2025 Property Management Agreement, on an annual basis, exceed 0.1% and more than HK$3,000,000, but are less than 5%, the Renewal of Annual Caps and the 2025 Property Management Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements.

As Mr. Chau Chi Ming, a non-executive Director of the Company, is an executive director and chief financial officer of Yue Yuen and Mr. Shih Chih-Hung, a non-executive Director of the Company, is a vice president of Pou Chen, they have a material interest in the 2025 Property Management Agreement and the Renewal of Annual Caps, therefore abstained themselves in the voting on the relevant board resolutions.

GENERAL INFORMATION

The Group is a leading manufacturer that designs, develops and manufactures recreational bags and packs, mainly backpacks, it also provides quality supply chain management services for renowned multinational sports and lifestyle brands.

Starite Vietnam, a company established in Vietnam and an indirect wholly-owned subsidiary of the Company, as lessee, leased certain buildings which are primarily used as factories, office premises and warehouse for the Vietnam Production Base.

Pou Sung Vietnam, a company established in Vietnam, is principally engaged in manufacturing and sales of footwear, and operates the Bau Xeo Industrial Zone which is located in Dong Nai Province, Vietnam.

DEFINITIONS

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

"2024 Property Management Agreement"	the property management agreement dated 19 December 2024 between Starite Vietnam and Pou Sung Vietnam
"2025 Property Management Agreement"	the property management agreement dated 18 December 2025 between Starite Vietnam and Pou Sung Vietnam
"associate"	has the meaning ascribed thereto under the Listing Rules
"Company"	Prosperous Industrial (holdings) Limited, an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Directors"	the director(s) of the Company
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Pou Chen"	Pou Chen Corporation, a company listed on Taiwan Stock Exchange (stock code: 9904 TSE) which is a shareholder of Yue Yuen and is interested as to 51.36% of Yue Yuen through its two wholly-owned subsidiaries
"Pou Sung Vietnam"	Pou Sung Vietnam Co., Limited, a company established in Vietnam and a wholly-owned subsidiary of Yue Yuen
"Renewal of Annual Caps"	the renewal of annual caps in respect of maintenance expense and utilities and other charges under Vietnam Lease Agreements for the year ending 31 December 2026
"Starite Vietnam"	Starite International Vietnam Limited, a company established in Vietnam and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules
"US$"	United States dollars, the lawful currency of the United States of America
"Vietnam"	the Socialist Republic of Vietnam
"Vietnam Lease Agreements"	the five lease agreements dated 1 May 2011, 1 October 2012, 1 May 2014, 1 July 2015 and 1 July 2016 between Starite Vietnam and Pou Sung Vietnam
"Vietnam Leased Premises"	properties leased under the Vietnam Lease Agreements
"Vietnam Production Base"	the Group's production base located at Bau Xeo Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam

"Yue Yuen"	Yue Yuen Industrial (Holdings) Limited, a company incorporated in Bermuda with limited liability and listed on the Stock Exchange (stock code: 551)

By order of the Board
Prosperous Industrial (Holdings) Limited
Yeung Shu Kin
Chairman

Hong Kong, 18 December 2025

As at the date of this announcement, the Board comprises Mr. Yeung Shu Kin, Mr. Yeung Shu Kai and Mr. Yeung Wang Tony as executive Directors, Mr. Chau Chi Ming and Mr. Shih Chih-Hung as non-executive Directors and Mr. Chiu Che Chung Alan and Ms. Sze Tak On as independent non-executive Directors.