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PROSTEN TECHNOLOGY HOLDINGS LIMITED

長達科技控股有限公司*

(a limited company incorporated in the Cayman Islands)

(Stock Code: 8026)

DISCLOSEABLE TRANSACTIONS PROVISION OF LOANS

THE LOAN AGREEMENTS

On 21 March 2016 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, respectively entered into the Loan Agreement A with Borrower-1 and the Loan Agreement B with Borrower-2, pursuant to which the Lender has agreed to lend to each of Borrower-1 and Borrower-2 a term loan in the principal amount of HK\$13,000,000.00, in aggregate amounting to HK\$26,000,000.00.

THE GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined in Rule 19.06 of the GEM Listing Rules are 5% or more but none of them is 25% or above, the Loans, on an aggregate basis, constitute discloseable transactions of the Group under Chapter 19 of the GEM Listing Rules. In light of the above, the Loans shall be subject to the reporting and announcement requirements under the GEM Listing Rules.

THE LOAN AGREEMENTS

Date:	21 March 2016
Lender:	SZ Enterprise Union Finance Limited (深企聯合小額貸款有限公司), an indirect wholly-owned subsidiary of the Company
Borrower:	Borrower-1 and Borrower-2 under the Loan Agreement A and the Loan Agreement B respectively
Principal Loan Amount:	HK\$13,000,000.00 under each of the Loan Agreement A and the Loan Agreement B, in aggregate amounting to HK\$26,000,000.00
Drawdown Date:	21 March 2016
Term:	6 months from the drawdown date
Final Repayment Date:	21 September 2016, but early repayment is also allowed.
Interest:	10% per annum. Accrued interest shall be paid in the first instance upon the end of the third month of the term, and thereafter on the final repayment date together with repayment of the principal.

The terms of the Loan Agreements were arrived at after arm's length negotiations between the Lender and the respective Borrowers. The Lender is a licensed money lender and its principal business activity is provision of money lending services. The provision of the Loans denote transactions of a revenue nature and carried out as part of the ordinary and usual course of business of the Lender.

The Loans will be funded by the net proceeds raised from the recent placing of shares in the Company completed on 10 March 2016.

INFORMATION ON THE COMPANY, THE GROUP AND THE LENDER

The Company is an investment holding company. The Group is principally engaged in the provision of wireless mobile value-added services. Apart from its core business, the Group has recently expanded its business into the advertising, pharmaceutical, jewellery and financial services industries. Reference is made to the voluntary announcements of the Company dated 23 December 2015 and 22 January 2016 respectively in relation to business updates.

The Lender is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The acquisition transaction by the Group in relation to, amongst others, the Lender, as disclosed in the announcement of the Company dated 22 January 2016 was successfully completed on 27 January 2016.

The Lender is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong), and is principally engaged in the business of provision of money lending services.

INFORMATION ON THE BORROWER

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Borrower-1 and Borrower-2 are merchants and independent third parties not connected with the Company and its connected persons.

REASON FOR AND BENEFITS OF THE LOAN ARRANGEMENTS

The Lender is a licensed money lender and its principal business activity is provision of money lending services. The provision of the Loans constitute transactions carried out as part of the ordinary and usual course of business of the Lender, and will bring in interest income to the Lender.

The Lender has conducted internal risk assessment on the subject loan arrangements. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, both of the Borrowers have substantial investments and assets in the PRC which support their respective financial capability to repay the Loans. The purpose of the Loans is to enhance their short-term cash flow. Therefore, the Lender has not sought additional securities or collaterals for their repayment of the Loans.

The Directors consider that the transactions contemplated by the Loan Agreements are on normal commercial terms, and the terms of the Loan Agreements are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole having considered the current market norm in relation to similar transactions.

The Loans will be recorded as loan receivable of the Group.

THE GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined in Rule 19.06 of the GEM Listing Rules are 5% or more but none of them is 25% or above, the Loans, on an aggregate basis, constitute discloseable transactions of the Group under Chapter 19 of the GEM Listing Rules. In light of the above, the Loans shall be subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower-1”	the Borrower under the Loan Agreement A
“Borrower-2”	the Borrower under the Loan Agreement B
“Borrowers”	Borrower-1 and Borrower-2 collectively
“Company”	Prosten Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (stock code: 8026)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries collectively

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the prevailing lawful currency of Hong Kong
“Lender”	SZ Enterprise Union Finance Limited (深企聯合小額貸款有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Loan(s)”	a term loan in the principal amount of HK\$13,000,000.00 granted by the Lender to each of Borrower-1 and Borrower-2 (amounting to HK\$26,000,000.00 in aggregate) pursuant to the terms of the Loan Agreement A and Loan Agreement B respectively; where the context permits or requires, the term “Loan(s)” may refer to these two loans collectively or any one of them, as the case may be
“Loan Agreement A”	the loan agreement dated 21 March 2016 entered into between the Lender and Borrower-1 in relation to the provision of the Loan in the principal amount of HK\$13,000,000.00
“Loan Agreement B”	the loan agreement dated 21 March 2016 entered into between the Lender and Borrower-2 in relation to the provision of the Loan in the principal amount of HK\$13,000,000.00
“Loan Agreements”	the Loan Agreement A and the Loan Agreement B collectively
“PRC”	the People’s Republic of China which excludes Hong Kong and Macau Special Administrative Regions for the purpose of this announcement

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board

PROSTEN TECHNOLOGY HOLDINGS LIMITED

Xu Zhigang

Chairman

Hong Kong, 21 March 2016

As at the date of this announcement, the Board comprises the following Directors:

Mr. Xu Zhigang (Executive Director (Chairman))

Mr. Han Jun (Executive Director)

Mr. Yeung Yiu Bong Anthony (Executive Director)

Mr. Chen Weixi (Non-Executive Director)

Mr. Yip Heon Keung (Non-Executive Director)

Mr. Poon Yan Wai (Independent Non-Executive Director)

Mr. Xu Xiaoping (Independent Non-Executive Director)

Mr. Lam Kwok Cheong (Independent Non-Executive Director)

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 at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at www.prosten.com.

** for identification purpose only*