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PROSTEN HEALTH HOLDINGS LIMITED

長達健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8026)

DISCLOSEABLE TRANSACTION EXTENSION OF LOAN

EXTENSION OF LOAN

Reference is made to the announcement of the Company dated 8 November 2016. As disclosed in such announcement, pursuant to the Loan Agreement made between the Lender, an indirect wholly-owned subsidiary of the Company and the Borrower on 8 November 2016, a loan in the principal amount of HK\$13,000,000 bearing interest at a rate of 10% per annum for a period of six months was advanced to the Borrower. The final repayment date of the Loan falls on 8 May 2017.

The Board announces that on 8 May 2017, the Lender entered into the Extension Agreement with the Borrower whereby the final repayment date of the Loan in the amount of HK\$13,000,000 was extended for 5 months from 8 May 2017 to 8 October 2017.

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 in respect of the Extension are 5% or more but none of them is 25% or above, the Extension constitutes a discloseable transaction of the Group under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

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At the request of the Borrower, the Lender and the Borrower had negotiated for an extension of the final repayment date of the Loan and on 8 May 2017, the Lender entered into the Extension Agreement with the Borrower, whereby the final repayment date of the Loan was extended for 5 months from 8 May 2017 to 8 October 2017 (or if such day is not a business day, the next following business day).

Interest accrued under the Loan Agreement (prior to the Extension) has been fully paid to the Lender on or before 8 May 2017.

THE LOAN AGREEMENT WITH THE EXTENSION

The principal terms of the Loan Agreement (as varied by the Extension Agreement) are summarised as follows:

Date of the Loan Agreement:	8 November 2016
Date of the Extension Agreement:	8 May 2017
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:	Mr. Wen Qimin
Principal Loan Amount:	HK\$13,000,000
Drawdown Date:	8 November 2016
Term:	6 months from the drawdown date under the Loan Agreement 5 months from 9 May 2017 under the Extension Agreement

Final Repayment Date: original final repayment date falls on 8 May 2017, and pursuant to the Extension Agreement, the final repayment date is extended to 8 October 2017 (or if such day is not a business day, the next following business day), but early repayment is also allowed.

Interest: 10% per annum. Accrued interest under the Loan Agreement shall be paid in the first instance upon the end of the third month of the term, and thereafter on the original final repayment date. Accrued interest under the Extension Agreement shall be paid in the first instance upon the end of the third month of the extended term, and thereafter on the final repayment date together with repayment of the principal.

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

Save for the extension of the final repayment date of the Loan, the terms of the Loan Agreement have not been modified or varied.

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 value-added services; trading, distribution and manufacturing of medical, pharmaceutical and healthcare food products; design, research, development, wholesale and retail of jewellery; and provision of financial services, including money lending services.

The Lender is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company and 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, the Borrower is a merchant and an independent third party not connected with the Company and its connected persons.

REASON FOR AND BENEFITS OF THE EXTENSION

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

The Lender has conducted internal risk assessment on the Extension. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower has substantial investments and assets in the PRC and in Hong Kong which support his respective financial capability to repay the Loan. The purpose of the Extension is to enhance his short-term cash flow. Therefore, the Lender has not sought securities or collaterals for the repayment of the Loan.

The Directors consider that the transaction contemplated under the Extension Agreement is on normal commercial terms, and the terms of the Extension Agreement 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 GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined in Rule 19.06 of the GEM Listing Rules in respect of the Extension are 5% or more but none of them is 25% or above, the Extension constitutes a discloseable transaction of the Group under Chapter 19 of the GEM Listing Rules. In light of the above, the Extension 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”	Mr. Wen Qimin, the borrower under the Loan Agreement and the Extension Agreement
“Company”	Prosten Health 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
“Extension”	the extension of the final repayment date of the Loan pursuant to the Extension Agreement
“Extension Agreement”	the loan extension agreement dated 8 May 2017 entered into between the Lender and the Borrower to extend the final repayment date of the Loan for 5 months to 8 October 2017 (or if such day is not a business day, the next following business day)
“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”	a term loan in the principal amount of HK\$13,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 8 November 2016 entered into between the Lender and the Borrower in relation to the provision of the Loan in the principal amount of HK\$13,000,000
“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 HEALTH HOLDINGS LIMITED
Xu Zhigang
Chairman

Hong Kong, 8 May 2017

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. Shi Liangsheng (Executive Director)

Mr. Wen Xingcheng (Executive Director)

Mr. Chen Weixi (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.