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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 LOANS

EXTENSION OF LOANS

Reference is made to the announcements of the Company dated 25 January 2017 and 2 June 2017. As disclosed in such announcements, pursuant to the Loan Agreement I and the Loan Agreement II made between the Lender, an indirect wholly-owned subsidiary of the Company and the Borrower on 25 January 2017 and 2 June 2017 respectively, the Loan I and the Loan II in the principal amount of HK\$6,000,000 each bearing interest at a rate of 12% per annum for a period of 12 months and 8 months respectively were advanced to the Borrower. The final repayment date of the Loan I and the Loan II falls on 25 January 2018 and 7 February 2018 respectively, but early repayment is also allowed. On 30 November 2017, HK\$2,640,000 of the Loan I was repaid.

The Board announces that on 25 January 2018, the Lender entered into the Extension Agreement with the Borrower whereby the final repayment date of the Remaining Loan I in the amount of HK\$3,360,000 was extended for 3 months from 25 January 2018 to 25 April 2018, and the final repayment date of the Loan II in the amount of HK\$6,000,000 was extended for 3 months from 7 February 2018 to 7 May 2018.

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.

EXTENSION OF LOANS

Reference is made to the announcements of the Company dated 25 January 2017 and 2 June 2017. As disclosed in such announcements, pursuant to the Loan Agreement I and the Loan Agreement II made between the Lender, an indirect wholly-owned subsidiary of the Company and the Borrower on 25 January 2017 and 2 June 2017 respectively, the Loan I and the Loan II in the principal amount of HK\$6,000,000 each bearing interest at a rate of 12% per annum for a period of 12 months and 8 months respectively were advanced to the Borrower. The final repayment date of the Loan I and the Loan II falls on 25 January 2018 and 7 February 2018 respectively, but early repayment is also allowed. On 30 November 2017, HK\$2,640,000 of the Loan I was repaid.

At the request of the Borrower, the Lender and the Borrower had negotiated for an extension of the final repayment date of the Remaining Loan I and the Loan II and on 25 January 2018, the Lender entered into the Extension Agreement with the Borrower, whereby the final repayment date of the Remaining Loan I in the amount of HK\$3,360,000 was extended for 3 months from 25 January 2018 to 25 April 2018, and the final repayment date of the Loan II in the amount of HK\$6,000,000 was extended for 3 months from 7 February 2018 to 7 May 2018.

Interest accrued under the Loan Agreement I and the Loan Agreement II (prior to the Extension) due on or before the date of this announcement has been fully paid to the Lender.

THE LOAN AGREEMENTS WITH THE EXTENSION

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

Loan Agreement I

Date of the Loan Agreement I: 25 January 2017

Date of the Extension Agreement: 25 January 2018

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. Chen Tianju

Principal Amount: HK\$10,000,000 among which HK\$6,000,000 was actually drawndown

Drawdown Date: 25 January 2017

Term: 12 months from the drawdown date under the Loan Agreement I and 3 months from 26 January 2018 under the Extension Agreement

Final Repayment Date: original final repayment date falls on 25 January 2018, but early repayment is allowed (HK\$2,640,000 was repaid on 30 November 2017); and

pursuant to the Extension Agreement, the final repayment date of the Remaining Loan I of HK\$3,360,000 is extended to 25 April 2018, but early repayment is also allowed.

Interest: 12% per annum. Accrued interest under the Loan Agreement I shall be paid in the first instance upon the end of the sixth month of the term, and thereafter on the original final repayment date; and

accrued interest under the Extension Agreement shall be paid on the final repayment date together with repayment of the remaining principal.

Loan Agreement II

Date of the Loan Agreement II: 2 June 2017

Date of the Extension Agreement: 25 January 2018

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. Chen Tianju

Principal Amount: HK\$6,000,000

Drawdown Date: 7 June 2017

Term:	8 months from the drawdown date under the Loan Agreement II and 3 months from 8 February 2018 under the Extension Agreement
Final Repayment Date:	original final repayment date falls on 7 February 2018 and pursuant to the Extension Agreement, the final repayment date of the Loan II is extended to 7 May 2018, but early repayment is also allowed.
Interest:	12% per annum. Accrued interest under the Loan Agreement II shall be paid in the first instance on 7 December 2017, and thereafter on the original final repayment date; and accrued interest under the Extension Agreement shall be paid 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 of the Loans and the extension of the Remaining Loan I and the Loan II 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 dates of the Remaining Loan I and the Loan II, the terms of the Loan Agreement I and the Loan Agreement II 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 trading, distribution and manufacturing of medical, pharmaceutical and healthcare food products; design, research, development, wholesale and retail of jewellery; and provision of 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 of the Loans and the extension of the Remaining Loan I and the Loan II constitute transactions 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 which support his financial capability to repay the Remaining Loan I and the Loan II. The purpose of the Remaining Loan I and the Loan II is to enhance his short-term cash flow. Therefore, the Lender has not sought securities or collaterals for his repayment of the Remaining Loan I and the Loan II.

The Directors consider that the transactions 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. Chen Tianju (陳天駒), the borrower under the Loan Agreement I, the Loan Agreement II 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 Remaining Loan I and the Loan II pursuant to the Extension Agreement
“Extension Agreement”	the loan extension agreement dated 25 January 2018 entered into between the Lender and the Borrower to extend the final repayment date of the Remaining Loan I for 3 months to 25 April 2018, and to extend the final repayment date of the Loan II for 3 months to 7 May 2018
“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 I”	the term loan in the principal amount of HK\$6,000,000 (being the first instalment) actually advanced by the Lender to the Borrower pursuant to the terms of the Loan Agreement I
“Loan II”	a term loan in the principal amount of HK\$6,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement II
“Loan Agreement I”	the loan agreement dated 25 January 2017 entered into between the Lender and the Borrower in relation to the provision of a term loan in the aggregate principal amount of HK\$10,000,000 divided into two tranches, the first instalment being HK\$6,000,000 and the second instalment being the remaining HK\$4,000,000 (drawdown of the second instalment did not take place)
“Loan Agreement II”	the loan agreement dated 2 June 2017 entered into between the Lender and the Borrower in relation to the provision of the Loan II in the principal amount of HK\$6,000,000
“Loans”	the Loan I and the Loan II
“PRC”	the People’s Republic of China which excludes Hong Kong and Macau Special Administrative Regions for the purpose of this announcement
“Remaining Loan I”	the outstanding portion of the Loan I in the amount of HK\$3,360,000

“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, 25 January 2018

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. 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.