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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)

PROFIT GUARANTEE CONCERNING THE DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF 6% SHAREHOLDING IN HONG KONG NET TV LIMITED

Reference is made to the announcement of Prosten Health Holdings Limited (the “**Company**”) dated 23 October 2015 (the “**Announcement**”) in relation to the acquisition of 6% shareholding in Hong Kong Net TV Limited (i.e. the Target Company) which constituted a discloseable transaction for the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Under the Transfer Agreement, there is profit guarantee (based on the consolidated audited financial statements of the Target Company) (the “**Profit Guarantee**”) as set out below:

- (i) the Target Company’s after-tax net profits of HK\$16 million for the financial year ended 31 December 2015 (“**FY2015**”);
- (ii) the Target Company’s after-tax net profits of HK\$18 million for the financial year ended 31 December 2016 (“**FY2016**”); or
- (iii) the Target Company’s aggregate after-tax net profits of HK\$37 million for the two financial years ended 31 December 2015 and 31 December 2016 respectively.

In the event that any of the Profit Guarantee above is not met after completion of the Acquisition, Meteor Storm shall have a right (but not an obligation) exercisable at its discretion mandating the Vendor to repurchase within 3 business days of Meteor Storm’s issuance of the exercise notice the entire shares in the Target Company then held by Meteor Storm at the original unit Purchase Price per Sale Share paid by Meteor Storm in the Acquisition (i.e. Repurchase Option).

Based on the audited consolidated financial statements of the Target Company for each of FY2015 and FY2016, (i) the Profit Guarantee for FY2015 was met; and (ii) the Profit Guarantee for FY2016 and the Profit Guarantee for FY2015 and FY2016 on an aggregated basis were not met.

Given that Meteor Storm can only receive the original unit Purchase Price per Sale Share paid by Meteor Storm in the Acquisition by exercising the Repurchase Option, the Board has been considering to (i) seek opportunity to dispose the Sale Shares at a price higher than the original unit Purchase Price to generate investment return; (ii) exercise the Repurchase Option; or (iii) retain its investment in the Sale Shares for long-term investment (the “**Alternatives**”).

As there is no expiry date for the Repurchase Option, the Board can opt to exercise the Repurchase Option anytime from now when the Board considers that there is no better alternative. As at the date of this announcement, the Board is still considering the Alternatives and no conclusion is drawn.

Further announcement will be made by the Company as and when appropriate.

By Order of the Board
PROSTEN HEALTH HOLDINGS LIMITED
Zhang Chunhua
Chairman

Hong Kong, 28 March 2018

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

Mr. Zhang Chunhua (Executive Director (Chairman))

Ms. Zhang Chunping (Executive Director)

Mr. Xu Zhigang (Non-executive Director)

Ms. Chan Mei Yan Hidy (Independent Non-executive Director)

Mr. Kwan Chi Hong (Independent Non-executive Director)

Ms. Lee Kwun Ling, May Jean (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.