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EDS Wellness Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8176)

BUSINESS UPDATE THE LOAN AGREEMENT

On 11 June 2015, the Company as borrower entered into the Loan Agreement with the Lender, pursuant to which the Lender agreed to make available to the Company a revolving loan facility in respect of the Loan which is to be utilized for developing a new business in the provision of in-flight WLAN and WIFI engineering and services to airline companies in the PRC as mentioned in the Joint Announcement.

On 11 June 2015, the Company as borrower entered into the Loan Agreement with the Lender, pursuant to which the Lender agreed to make available to the Company a revolving loan facility in respect of the Loan.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Lender and its ultimate beneficial owners are third parties independent of the Company and its respective connected persons.

The principal terms of the Loan Agreement are as follows:

Loan amount	:	up to HK\$10,000,000
Term	:	12 months from the date on which the Loan Agreement becomes unconditional
Interest rate	:	10% per annum
Security	:	non-secured

- Conditions precedent : (1) all representations and warranties made by the Company in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the drawdown date with reference to the facts and circumstances then subsisting;
- (2) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the loan being made); and
- (3) the Lender having received and found satisfactory such additional information and documents relating to the Company of the Loan Agreement as the Lender may reasonably require.
- Repayment : the Company shall repay the outstanding principal amount of the loan in full together with any accrued and unpaid interest in one lump sum on the date falling 12 months after the date on which the Loan Agreement becoming unconditional (the “**Final Repayment Date**”).
- Prepayment : the Company may prepay to the Lender the whole or any part of the outstanding principal amount of the loan before the Final Repayment Date under the terms set out in the Loan Agreement. Any amounts prepaid shall be available for re-borrowing and drawing.

The Group is principally engaged in the development, distribution and marketing of personal care treatments, products and services and as stated in the Joint Announcement, it is the Company’s business plan to develop a new business (the “**New Business**”) in the provision of in-flight WLAN and WIFI engineering and services to airline companies in the PRC. The Loan is to be utilized for financing the development of the New Business.

The Company also refers to the announcements of the Company dated 21 January 2015, 16 February 2015, 24 February 2015 and 24 March 2015 and the Joint Announcement. Capitalised terms used hereunder have the same meanings as defined in the Joint Announcement. As stated in the Joint Announcement, the offer period in respect of the Offer commenced on 21 January 2015. For the purpose of Rule 4 of the Takeovers Code, the entering into of the Loan Agreement constitutes a frustrating action. The Company has obtained the consent of Xing Hang, being the offeror of the Offer, to the entering into of the Loan Agreement. The Company has applied for and obtained a waiver from the Executive from the general requirement to obtain shareholders’ approval in respect of the entering into of the Loan Agreement pursuant to Rule 4 of the Takeovers Code.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	EDS Wellness Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8176)
“connected persons”	having the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Announcement”	the announcement dated 15 April 2015 jointly issued by the Company, Xing Hang Limited and Eternity Investment Limited
“Lender”	Pure Profit Holdings Limited, a company incorporated in Hong Kong with limited liability, being the lender under the Loan Agreement
“Loan”	the principle amount of up to HK\$10,000,000 being made available by the Lender to the Company under the Loan Agreement
“Loan Agreement”	the loan agreement entered into between the Company and the Lender dated 11 June 2015, pursuant to which the Lender agreed to make available the Loan to the Company on the terms and subject to the conditions set out therein
“PRC”	The People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“WIFI”	Wireless Fidelity, a set of standards for WLAN based on the IEEE 802.11 specifications developed by the Institute of Electrical and Electronics Engineers, an independent non-profit organization based in the United States for establishing standards for computers formats and devices
“WLAN”	wireless local area network

By Order of the Board
EDS Wellness Holdings Limited
Chan Kin Wah, Billy
Chairman

Hong Kong, 11 June 2015

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chan Kin Wah, Billy and Mr. Lee Chan Wah; and three independent non-executive Directors, namely Mr. Tam B Ray, Billy, Mr. Chu Kin Wang, Peleus and Mr. Tse Joseph.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.eds-wellness.com.