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EDS Wellness Holdings Limited

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

(stock code: 8176)

PROFIT WARNING IN RESPECT OF THE DEVIATION TO THE PROFIT FORECAST FOR THE 12-MONTH PERIOD ENDING 30 JUNE 2015

The announcement is made by EDS Wellness Holdings Limited (the “**Company**”) pursuant to Rules 17.10 and 17.26A of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcements of the Company dated 4 November 2013 and 11 April 2014 and the circular of the Company dated 21 March 2014 (the “**Circular**”) regarding the acquisition of a 51% equity interest in and the shareholders’ loan due by China Honest Enterprises Limited; (ii) the announcement of the Company’s dated 15 October 2014 regarding the change of the Group’s financial year end date from 30 June to 31 December; (iii) the announcement of the Company dated 11 November 2014 regarding the occurrence of events that may have negative impact on the profit forecast of the Company for the 12-month period ending 30 June 2015 (the “**2015 Profit Forecast**”) with the basis and assumptions; and (iv) the 2015 Profit Forecast. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board wishes to inform the Shareholders and potential investors that, based on the draft unaudited consolidated management accounts of the Group, it is anticipated that the Group will record a substantial loss of not less than HK\$47.0 million for the 6-month period ended 31 December 2014 as compared to the forecast profit after tax of the Group of approximately HK\$6.2 million in the same period as estimated in the 2015 Profit Forecast (the “**Deviation**”).

The Deviation was mainly due to, amongst others, (i) a substantial decrease in the sale of personal care products under the brand name “Evidens de Beauté” for the 6-month period ended 31 December 2014; and (ii) an impairment loss of approximately HK\$46.5 million recognised in respect of other receivables.

The Company is still in the process of finalising the Group’s results for the 6-month period ended 31 December 2014 and the related audit work has not yet been completed. The information contained in this announcement is a preliminary assessment by the Board based

on the draft unaudited consolidated management accounts of the Group for the 6-month period ended 31 December 2014 and the information currently available, which have not been confirmed or audited by the Company's auditors. The Group's audited results for the 6-month period ended 31 December 2014 will be published in March 2015.

The Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 16 February 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.

This announcement, for which the Directors the Company collectively and individually accept 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 enquires, confirm that to the best of their knowledge and belief the information contained in this report 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 report 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.