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EDS Wellness Holdings Limited

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

(Stock Code: 8176)

FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF 51% EQUITY INTEREST IN AND THE SHAREHOLDERS' LOAN DUE BY CHINA HONEST ENTERPRISES LIMITED

Reference is made to the announcement dated 4 November 2013 and the circular dated 21 March 2014 (the “**Circular**”) of EDS Wellness Holdings Limited (the “**Company**”) in relation to the acquisition of 51% equity interest in and the shareholders’ loan due by China Honest Enterprises Limited. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Pursuant to the Sale and Purchase Agreement, the Vendors have irrevocably and unconditionally warranted and guaranteed to the Purchaser that the profits before taxation and extraordinary items of the Target Company for the year ended 31 March 2015 (the “**Profit Guarantee**”) would not be less than HK\$9,000,000 (“**2015 Guaranteed Profit**”).

The Board is pleased to announce that according to the Guarantee Certificate received on 30 June 2015, the Profit Guarantee has been fulfilled and the PN II was fully settled on 30 June 2015 pursuant to the terms of the Sale and Purchase Agreement.

As set out in the announcement dated 15 April 2015 jointly issued by the Company, Xing Hang Limited and Eternity Investment Limited (the “**Announcement**”), with the publication of the announcement of the Company dated 21 January 2015 in relation to, among other things, a possible fund raising and new development of the Company, the offer period in respect of the possible unconditional mandatory cash offer (the “**Offer**”) has commenced since 21 January 2015. The Profit Guarantee constitutes an existing profit forecast on public record under the note to Rule 10.1 of the Codes on Takeovers and Mergers (the “**Takeovers Code**”) and will have to be reported on by both the Company’s financial adviser in respect of the Offer and its accountants or auditor in accordance with Rule 10.4 of the Takeovers Code. Given that the Profit Guarantee had been made before the

subscription and the Offer (as set out in the Announcement) was contemplated, the Profit Guarantee as set out in the Circular did not meet the standard required by Rule 10 of the Takeovers Code. The reports on the Profit Guarantee as required under Rule 10 of the Takeovers Code will be contained in the next document to be sent by the Company to its shareholders.

Shareholders and potential investors of the Company should exercise caution in placing reliance on the Profit Guarantee in assessing the merits and demerits of the subscription (as set out in the Announcement), the Offer and/or when dealing in the securities of the Company.

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

Hong Kong, 6 July 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.