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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 Rule 17.10 and Rule 17.26B of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (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 respectively and the circular of the Company dated 21 March 2014 (the “**Circular**”) regarding the acquisition of 51% equity interest in and the shareholders’ loan due by China Honest Enterprises Limited; (ii) 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; (iii) the announcement of the Company dated 16 February 2015 regarding the deviation of the Group’s results for the six months ended 31 December 2014 from the results for the same period as included in the 2015 Profit Forecast; (iv) the announcement of the Company dated 30 April 2015 regarding the deviation of the Group results for the three months ended 31 March 2015 from the results for the same period as included in the 2015 Profit Forecast; and (v) 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 for the 6-month period ended 30 June 2015, it is anticipated that the Group will record a loss of not less than HK\$7.3 million for the 6-month period ended 30 June 2015 as compared to the forecast profit after tax of the Group of approximately HK\$5.1 million in the same period as estimated in the 2015 Profit Forecast (the “**Statement**”).

The deviation as set out in the Statement was mainly due to, amongst others, (i) substantial decrease in the revenue derived from the sale of the personal care products and provision of therapy services under the brand name “Evidens de Beauté” for the 6-month period ended 30 June 2015; (ii) the substantial increase in legal and professional fees for the 6-month period ended 30 June 2015; and (iii) the substantial increase in staff costs for the 6-month period ended 30 June 2015.

The Company is still in the process of finalizing the Group’s results for the 6-month period ended 30 June 2015. The information contained in this announcement is only based on the preliminary assessment by the Board based on the draft unaudited consolidated management accounts of the Group for the 6-month period ended 30 June 2015 and the information currently available, which have not been finalized as at the date hereof. The Group’s unaudited results for the 6-month period ended 30 June 2015 will be published in August 2015.

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**”) as set out in the Company’s announcement dated 15 April 2015 has commenced since 21 January 2015. Pursuant to Rule 10 of the Takeovers Code, the Statement constitutes a profit forecast and must be reported on by financial advisers and auditor, and under Rule 10.4 of the Takeovers Code, their reports (the “**Profit Forecast Reports**”) must be included in the next document addressed to the Shareholders. Taking into account (i) the practical difficulties to include the Profit Forecast Reports in this announcement in terms of the additional time required for the preparation of the Profit Forecast Reports by financial advisers and auditor of the Company; and (ii) the requirements of timely disclosures of the inside information under Rule 17.10 of the GEM Listing Rules and Part XIVA of the Securities and Futures Ordinance, the Company will not include the Profit Forecast Reports in this announcement. The Statement will be reported on in compliance with the requirements of the Takeovers Code as soon as practicable and the Profit Forecast Reports will be contained in the next document to be sent to the Shareholders under the Takeovers Code if the Company has not yet published its unaudited results announcement for the six months ended 30 June 2015 in accordance with the GEM Listing Rules at the time when such document is issued.

The Shareholders and potential investors of the Company should note that the Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Statement in assessing the merits and demerits of the Offer and/or dealing in the securities of the Company.

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

Hong Kong, 31 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.

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.

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 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.