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EDS Wellness Holdings Limited

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

(Stock Code: 8176)

ANNOUNCEMENT PURSUANT TO RULE 17.50A(2)

This announcement is made by EDS Wellness Holdings Limited (the “**Company**”) pursuant to Rule 17.50A(2) of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company has been informed by Mr. Tam B Ray, Billy (“**Mr. Tam**”), an independent non-executive Director, that the GEM Listing Committee of the Stock Exchange (“**Committee**”) has made a public statement which involves criticism on, among others, Mr. Tam as a former non-executive director of Larry Jewelry International Company Limited (Stock Code: 8351) (“**Larry Jewelry**”), which is listed on the GEM. The Committee found that Mr. Tam breached:

- (1) Rule 5.01(6) of the GEM Listing Rules (“**Rule 5.01(6)**”) for (a) failure to consider the application of the announcement requirement under Rule 19.36 of the GEM Listing Rules (“**Rule 19.36**”) to the waiver (the “**Waiver**”) by a supplemental agreement (the “**Supplemental Agreement**”) of a profit guarantee arrangement in relation to an acquisition (the “**Acquisition**”) by a subsidiary of Larry Jewelry (the “**Profit Guarantee**”) at the relevant time; (b) alternatively, if Mr. Tam did in fact consider the application of Rule 19.36 at the material time, his failure to properly understand the requirements of the GEM Listing Rules and Rule 19.36 in arriving at the decision that the Waiver and the Supplemental Agreement was not a material variation to the Acquisition and was not subject to announcement; and (c) his failure to consult and seek advice from the compliance adviser of Larry Jewelry (the “**Compliance Adviser**”); and
- (2) his obligations under the Director’s Declaration and Undertaking given to the Stock Exchange in the form set out in Appendix 6A to the GEM Listing Rules (a) to use his best endeavours to procure Larry Jewelry’s compliance with the GEM Listing Rules by reason of (i) failing to contemplate and consider the application of Rule 19.36 in respect of the Waiver and the Supplemental Agreement; and (ii) failing to consult the Compliance Adviser who, had he done so, could and should have reasonably advised that the Waiver and

the Supplemental Agreement constituted a material variation to the Acquisition requiring announcement and shareholders' approval hence preventing a breach of Rule 19.36; and (b) to comply with the GEM Listing Rules to the best of his ability by reason of his breach of Rule 5.01(6).

Further details relating to the aforesaid public statement are set out in the news release made by the Stock Exchange on 6 August 2015.

This announcement is made by the Company to report the change of information in relation to Mr. Tam in compliance with the requirements of Rule 17.50A(2) of the GEM Listing Rules. Mr. Tam has confirmed to the Company that save as disclosed in this announcement, there is no other matter that needs to be brought to the attention of the shareholders of the Company in connection with the above. Having considered that Mr. Tam will attend 24 hours of training on GEM Listing Rules compliance, director's duties and corporate governance matters together with four hours on GEM Listing Rules Chapter 19 requirements (including in particular Rule 19.36) compliance (the "Training") as directed by the Stock Exchange, the Board considers, subject to completion of the Training in accordance with the direction of the Stock Exchange, it suitable that Mr. Tam remains as an independent non-executive Director.

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

Hong Kong, 7 August 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 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.