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EDS Wellness Holdings Limited

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

(Stock Code: 8176)

FURTHER UPDATE ON LEGAL PROCEEDINGS

Reference is made to the announcements (together, the “Announcements”) dated 5 April 2012, 4 July 2012, 24 July 2012, 3 August 2012, 21 August 2012, 28 September 2012, 26 October 2012, 1 November 2012, 21 December 2012, 29 January 2013, 25 April 2013, 3 May 2013, 12 January 2015, 23 January 2015 and 1 April 2015 respectively and the sub-section headed “Litigation” in the section headed “Management Discussion and Analysis” of the annual report dated 18 September 2014 for the year ended 30 June 2014 (the “Annual Report 2014”) of EDS Wellness Holdings Limited (the “Company”) in relation to, amongst others, the legal proceedings against Mr. Shum. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Annual Report 2014.

The Board announces that the Company commenced legal proceedings (the “May Proceedings”) in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “Court”) on 19 May 2015 against Mr. Shum as the 1st Defendant, E IN International Group Limited as the 2nd Defendant, E IN Properties Limited as the 3rd Defendant and Grand Fill Enterprise Limited as the 4th Defendant for, amongst others, the following reliefs to recover the judgment debt under the Summary Judgment:

- (1) Mr. Shum’s interest in all the shares or shareholdings in the 2nd Defendant, 3rd Defendant and 4th Defendant (the “Shares”) which have been charged in favour of the Company be sold without further reference to the Court by way of tender or public auction at the best price reasonably obtainable;
- (2) the solicitors for the Company shall have the conduct of the sale of the Shares by appointing an agent, to sell the Shares by way of tender or public action;

- (3) the execution of the requisite deeds or documents to effect the sale stated in paragraphs (1) and (2) above by Mr. Shum or by the Registrar of the Court;
- (4) the Company shall apply the sale proceeds from the sale of the Shares to (i) pay the costs and expenses of effecting the above sale; (ii) pay the costs of the May Proceedings; (iii) pay the judgment debt (together with interest) under the Summary Judgment; and (iv) pay the balance (if any) to Mr. Shum or into the Court or as the Court shall direct;
- (5) further or alternative to paragraphs (1), (2) and (3) above, a receiver be appointed to (i) receive Mr. Shum's profits, income, benefits, interest and/or assets deriving and/or arising from the Shares; and/or (ii) to take over and/or realize the Shares for the purpose of defraying the judgment debt (together with interest) under the Summary Judgment; and
- (6) the costs of the May Proceedings to the Company.

The Board will make further announcement(s) to update the Shareholders and potential investors of any material progress of the May Proceedings as and when appropriate.

By Order of the Board
EDS Wellness Holdings Limited
Lee Chan Wah
Executive Director

Hong Kong, 19 May 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