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EDS Wellness Holdings Limited

(Formerly known as China AU Group Holdings Limited 中國金豐集團控股有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8176)

UPDATE ON SETTLEMENT OF LEGAL PROCEEDINGS

Reference is made to the announcements (together, the “**Announcements**”) of EDS Wellness Holdings Limited (formerly known as China AU Group Holdings Limited) (the “**Company**”) 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 and 29 January 2013 respectively in relation to, among other matters, the Deed of Termination, the issuing of the writ of summons in the High Court of Hong Kong Special Administrative Region by Blu Spa (Hong Kong) Limited (“**BSHK**”) against Mr. Shum Yeung (“**Mr. Shum**”), the subsequent execution of a deed of settlement (the “**Deed**”) by BSHK and Mr. Shum for the settlement of legal proceedings represented by the Writ, the extension to the repayment dates for Mr. Shum to make repayment pursuant to the Deed, the execution of the Deed of Assignment and the execution of a second deed of settlement (the “**Second Deed**”) by BSHK, the Company and Mr. Shum. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The board (the “**Board**”) of directors (the “**Directors**”) wishes to announce that, on 31 March 2013 Mr. Shum failed to pay the New Balance of HK\$34,627,500.00 to the Company as covenanted under the Second Deed. Upon negotiations, on 22 April 2013, the Company agreed to accept Mr. Shum’s repayment proposal (the “**Repayment Proposal**”) on the following terms:

- (a) Mr. Shum shall pay HK\$34,627,500.00, being the New Balance to the Company on or before 30 April 2013;
- (b) Mr. Shum shall pay the additional daily interest to the Company for the period from 1 April 2013 to 26 April 2013 in the total sum of HK\$739,984.93 on or before 4:00 p.m. on 26 April 2013. Mr. Shum shall further pay the additional daily interest to the Company from 26 April 2013 until actual payment on or before 30 April 2013; and
- (c) Mr. Shum shall pay the agreed legal costs of HK\$20,000.00 to the Company on or before 30 April 2013.

* *For identification purpose only*

The Directors consider that the acceptance of the Repayment Proposal may save legal costs to be incurred by the Company and is in the interests of the Company and the Shareholders as a whole.

The Board will make further announcement(s) to update the Shareholders and potential investors of any new development of the settlement process as and when appropriate.

By order of the Board
EDS Wellness Holdings Limited
Yu Shu Kuen
Chairman

Hong Kong, 25 April 2013

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Shu Kuen, Mr. Wang Xiaofei (with Mr. Lee Chan Wah as alternate), Mr. Wang Shangzhong and Mr. Lee Chan Wah; one non-executive Director, namely Mr. Du Juanhong; 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.china-au-group.com (which will be changed to www.edswellness.com with effect from Monday, 29 April 2013).