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EDS Wellness Holdings Limited

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

(Stock Code: 8176)

VOLUNTARY ANNOUNCEMENT DISPOSAL OF BLU SPA GROUP LIMITED

This announcement is made by EDS Wellness Holdings Limited (the “**Company**”) together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) announces that on 19 December 2014, the Company as vendor and Koffman Investment Limited (“**Koffman**”) as purchaser entered into a sale and purchase agreement pursuant to which the Company as vendor agreed to sell, and Koffman as purchaser agreed to purchase the entire issued share capital of Blu Spa Group Limited (“**BSG**”) at a nominal consideration of HK\$1.00 payable in cash (the “**Disposal**”). The Disposal was completed immediately after the execution of the sale and purchase agreement and the accounts of BSG will no longer be consolidated into the consolidated financial statements of the Group.

Koffman is owned as to 50% by Mr. Yu Zhen Hua Johnny, the chairman and an executive Director of the Company and as to 50% by a third party independent and not connected with the Company and its connected persons. The Disposal therefore constitutes a connected transaction on the part of the Company. Since all the applicable percentage ratios are less than 5% and the consideration is less than HK\$3,000,000, the Disposal is exempted from the reporting, announcement and independent shareholders’ approval requirements under Chapter 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

INFORMATION ON BSG

The principal activity of BSG is the holding of the equity interest in Blu Spa (Hong Kong) Limited (“**BSHK**”) and its subsidiaries (the “**BS Group**”). Blu Spa (Hong Kong) Limited is the process of being wound up and joint liquidators have been appointed for the winding up of BSHK. The assets and liabilities of the BS Group have not been consolidated into the consolidated financial statements of the Group. As at the date of this announcement, The BS Group is indebted to the Company in the amount of approximately HK\$241,420,000 which was fully impaired in the financial statements of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The BS Group is severely insolvent. It is expected that no dividend will be distributed in respect of the equity interest in BSHK. The Disposal will reduce the administrative expenses and audit fees of the Group. As such, the Directors consider that the terms of the Disposal are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

By Order of the Board
EDS Wellness Holdings Limited
Yu Zhen Hua Johnny
Chairman

Hong Kong, 19 December 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Zhen Hua Johnny, Mr. Chan Kin Wah Billy, Mr. Wang Shangzhong 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 Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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.