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Xing Hang Limited
興航有限公司

*(Incorporated in the British Virgin Islands with
limited liability)*

EDS Wellness Holdings Limited

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

(Stock Code: 8176)

JOINT ANNOUNCEMENT

**COMPLETION OF SUBSCRIPTION OF NEW SHARES
AND NEW PREFERRED SHARES**

Reference is made to the Joint Announcement, the Supplemental Announcements and the Circular.

COMPLETION OF SUBSCRIPTION

The conditions precedent to Completion have been fulfilled and Completion has taken place on 6 November 2015. Immediately after Completion and as at the date of this joint announcement, Xing Hang and parties acting in concert with it are in aggregate interested in 397,500,096 Ordinary Shares, representing approximately 94.69% of the number of Ordinary Shares in issue as enlarged by the allotment and issue of the Ordinary Subscription Shares. Upon full conversion of the Preferred Shares, Xing Hang and parties acting in concert with it will in aggregate be interested in 427,500,096 Ordinary Shares, representing approximately 95.04% of the number of Ordinary Shares in issue as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no adjustment to the Conversion Price in accordance with the terms of the Preferred Shares and that there is no other change in the number of Ordinary Shares in issue).

UNCONDITIONAL MANDATORY CASH OFFER

Pursuant to Rule 26.1 and Rule 13.1 of the Takeovers Code, Xing Hang is required to make the Offer to all Shareholders (excluding the holders of the Excluded Shares). For the avoidance of doubt, the Offer will not be extended to: (i) the other Subscribers in respect of the Subscription Shares; (ii) Kingston Securities in respect of the 96 Ordinary Shares held by it; and (iii) Eternity in respect of 36,500,000 Ordinary Shares held by the Eternity Group, whilst the Offer will be extended to, among others, Eternity in respect of 16,000,000 Ordinary Shares held by the Eternity Group. Kingston Securities will make the Offer on behalf of Xing Hang in compliance with the Takeovers Code.

DESPATCH OF COMPOSITE DOCUMENT

Pursuant to the consent granted by the Executive under Rule 8.2 of the Takeovers Code on 15 September 2015, the latest time for the despatch of the Composite Document will be 7 days after Completion or 13 November 2015, whichever is earlier. Given that Completion took place on 6 November 2015, the Composite Document will be despatched to the Shareholders on or before 13 November 2015. Further announcement(s) in relation to the despatch of the Composite Document will be made by Xing Hang and EDS as and when appropriate.

Reference is made to (i) the announcement jointly issued by EDS Wellness Holdings Limited (“**EDS**”), Xing Hang Limited (“**Xing Hang**”) and Eternity Investment Limited dated 15 April 2015 in relation to, among others, the Subscription, the Specific Mandate, the Master Supply Agreement, the reclassification and redesignation of the existing authorized share capital of EDS, the amendment to the Bye-laws and the Offer (the “**Joint Announcement**”), (ii) the announcements jointly issued by EDS and Xing Hang dated 19 June 2015 and 28 August 2015 in respect of the extension of the Long Stop Date, (iii) the announcements of EDS dated 7 May 2015, 28 May 2015, 19 June 2015, 10 July 2015, 31 July 2015, 21 August 2015, 11 September 2015 and 30 October 2015 (the announcements referred to in (ii) and (iii) are collectively referred to as the “**Supplemental Announcements**”), and (iv) the circular of EDS dated 7 October 2015 (the “**Circular**”) in relation to, the Subscription, the Master Supply Agreement, the reclassification and redesignation of the existing authorized share capital of EDS and the amendment to the Bye-laws. Capitalized terms used herein shall have the same meaning as those defined in the Circular unless stated otherwise.

COMPLETION OF SUBSCRIPTION

As set out in the Joint Announcement, on 17 February 2015, EDS and the Subscribers entered into the Subscription Agreement (as amended and supplemented by the Supplemental Agreements). Pursuant to the Subscription Agreement, the Subscribers have conditionally agreed to subscribe for, and EDS has conditionally agreed to allot and issue to the Subscribers, a total of 375,000,000 Subscription Shares, comprising 345,000,000 Ordinary Subscription Shares and 30,000,000 Preferred Shares, at an issue price of HK\$0.40 per Subscription Share. The Board and the sole director of Xing Hang are pleased to announce that the conditions precedent to Completion have been fulfilled and Completion has taken place on 6 November 2015. On Completion, the Subscribers have paid HK\$150 million in total to EDS as consideration for the Subscription.

Immediately after Completion and as at the date of this joint announcement, Xing Hang and parties acting in concert with it are in aggregate interested in 397,500,096 Ordinary Shares, representing approximately 94.69% of the number of Ordinary Shares in issue as enlarged by the allotment and issue of the Ordinary Subscription Shares. Upon full conversion of the Preferred Shares, Xing Hang and parties acting in concert with it will in aggregate be interested in 427,500,096 Ordinary Shares, representing approximately 95.04% of the number of Ordinary Shares in issue as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no adjustment to the Conversion Price in accordance with the terms of the Preferred Shares and that there is no other change in the number of Ordinary Shares in issue).

UNCONDITIONAL MANDATORY CASH OFFER

Pursuant to Rule 26.1 and Rule 13.1 of the Takeovers Code, Xing Hang is required to make the Offer to all Shareholders (excluding the holders of the Excluded Shares). For the avoidance of doubt, the Offer will not be extended to: (i) the other Subscribers in respect of the Subscription Shares; (ii) Kingston Securities in respect of the 96 Ordinary Shares held by it; and (iii) Eternity in respect of 36,500,000 Ordinary Shares held by the Eternity Group, whilst the Offer will be extended to, among others, Eternity in respect of 16,000,000 Ordinary Shares held by the Eternity Group. Kingston Securities will make the Offer on behalf of Xing Hang in compliance with the Takeovers Code.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of EDS (i) immediately after Completion and as at the date of this joint announcement and (ii) immediately upon conversion in full of the Preferred Shares.

	Immediately after Completion and as at the date of this joint announcement		Immediately upon conversion in full of the Preferred Shares (Note 10)	
	Number of Ordinary Shares	Approximate %	Number of Ordinary Shares	Approximate %
Eternity (Note 1)	52,500,000	12.51%	52,500,000	11.67%
The Subscribers, who are parties acting in concert				
Xing Hang (Note 2)	179,921,200	42.86%	179,921,200	40.00%
Goldenland (Note 3)	45,396,178	10.81%	45,396,178	10.09%
Silver Empire (Note 4)	37,861,665	9.02%	37,861,665	8.42%
Truly Elite (Note 5)	41,628,921	9.92%	41,628,921	9.25%
High Aim (Note 6)	26,697,946	6.36%	56,697,946	12.61%
First Bonus (Note 7)	13,494,090	3.21%	13,494,090	3.00%
Existing public Shareholders				
Kingston Securities (Note 8)	96	0.00%	96	0.00%
Other public Shareholders	22,302,904	5.31%	22,302,904	4.96%
Total	<u>419,803,000</u>	<u>100.00%</u>	<u>449,803,000</u>	<u>100.00%</u>
Total public shareholding (Note 9)	<u>141,985,622</u>	<u>33.82%</u>	<u>101,793,586</u>	<u>22.63%</u>
Xing Hang and parties acting in concert with it (Note 9)	<u>397,500,096</u>	<u>94.69%</u>	<u>427,500,096</u>	<u>95.04%</u>
Number of Ordinary Shares subject to the Offer	<u>38,302,904</u>	<u>9.12%</u>	<u>38,302,904</u>	<u>8.52%</u>

Notes:

- As at the date of this joint announcement, New Cove was interested in 52,500,000 Ordinary Shares. As New Cove is an indirect wholly-owned subsidiary of Eternity, Eternity is deemed to be interested in such 52,500,000 Ordinary Shares.

2. Xing Hang is ultimately owned as to 82.5% by Mr. Cai Zhaoyang, 7.5% by Mr. Lin Fan, 3.75% by Ms. Xu Yaping, 3.75% by Mr. Guo Pengcheng and 2.5% by Mr. Chen Jie.
3. Goldenland is ultimately owned as to 50% by Mr. Liu Jin and 50% by Ms. Xue Siman. Goldenland is a party acting in concert with Xing Hang.
4. Silver Empire is wholly owned by Genius Earn Limited which is ultimately wholly owned by Mr. Liu Xiao Lin. As (i) Silver Empire is not a director, chief executive or substantial shareholder of EDS or any of its subsidiaries or a close associate of any of them (collectively, “**Core Connected Person(s)**”); (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person; and (iii) it is not accustomed to take instructions from any Core Connected Persons in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that Silver Empire does not as a result of the Subscription or otherwise become a Core Connected Person upon Completion and upon full conversion of the Preferred Shares as shown above, it is as at the date of this joint announcement and shall be upon full conversion of the Preferred Shares regarded as a public Shareholder. Silver Empire is a party acting in concert with Xing Hang.
5. Truly Elite is ultimately wholly owned by Mr. Yeung Heung Yeung. As (i) Truly Elite is not a Core Connected Person; (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person; and (iii) it is not accustomed to take instructions from any Core Connected Persons in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that Truly Elite does not as a result of the Subscription or otherwise become a Core Connected Person upon Completion and upon full conversion of the Preferred Shares as shown above, it is as at the date of this joint announcement and shall be upon full conversion of the Preferred Shares regarded as a public Shareholder. Truly Elite is a party acting in concert with Xing Hang.
6. High Aim is ultimately wholly owned by Mr. Ko Chun Shun, Johnson. As (i) High Aim is not a Core Connected Person; (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person; and (iii) it is not accustomed to take instructions from any Core Connected Persons in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that High Aim does not as a result of the Subscription or otherwise become a Core Connected Person upon Completion as shown above, it is regarded as a public Shareholder as at the date of this joint announcement. High Aim is a party acting in concert with Xing Hang. Upon full conversion of the Preferred Shares (assuming no further Ordinary Shares are issued), High Aim will become a Core Connected Person and therefore will not be regarded as a public Shareholder upon full conversion of the Preferred Shares.
7. First Bonus is a wholly-owned subsidiary of Reorient Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by REORIENT Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. Mr. Ko Chun Shun, Johnson is an executive director and the controlling shareholder (as defined under the Listing Rules) of REORIENT Group Limited. As (i) First Bonus is not a Core Connected Person; (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person; and (iii) it is not accustomed to take instructions from any Core Connected Persons in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that First Bonus does not as a result of the Subscription or otherwise become a Core Connected Person upon Completion as shown above, it is regarded as a public Shareholder as at the date of this joint announcement. First Bonus is a party acting in concert with Xing

Hang. Upon full conversion of the Preferred Shares (assuming no further Ordinary Shares are issued), First Bonus will become a Core Connected Person and therefore will not be regarded as a public Shareholder upon full conversion of the Preferred Shares.

8. As (i) Kingston Securities is not a Core Connected Person; and (ii) does not as a result of the Subscription or otherwise become a Core Connected Person of EDS upon Completion and upon full conversion of the Preferred Shares as shown above, it is as at the date of this joint announcement and shall be upon full conversion of the Preferred Shares regarded as a public Shareholder. Kingston Securities is a party acting in concert with Xing Hang.
9. Some of the Subscribers (being parties acting in concert with Xing Hang) are regarded as public Shareholders upon Completion and/or full conversion of the Preferred Shares. Accordingly, there are overlaps between the public Shareholders and Xing Hang and parties acting in concert with it and therefore the aggregate of the percentage shareholding of public Shareholders and the percentage shareholding of Xing Hang and parties acting in concert with it add up to over 100%.
10. This scenario is shown for illustrative purposes only. Conversion of any Preferred Shares will be limited by EDS being able to comply with the minimum public float requirements under the GEM Listing Rules immediately after Conversion.

DESPATCH OF COMPOSITE DOCUMENT

Pursuant to the consent granted by the Executive under Rule 8.2 of the Takeovers Code on 15 September 2015, the latest time for the despatch of the Composite Document will be 7 days after Completion or 13 November 2015, whichever is earlier. Given that Completion took place on 6 November 2015, the Composite Document will be despatched to the Shareholders on or before 13 November 2015. Further announcement(s) in relation to the despatch of the Composite Document will be made by Xing Hang and EDS as and when appropriate.

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

Hong Kong, 6 November 2015

As at the date of this joint announcement, the sole director of Xing Hang is Mr Cai Zhaoyang.

The sole director of Xing Hang accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to EDS and the parties acting in concert with it) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by EDS and the parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of EDS 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 joint announcement, for which the directors of EDS 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 EDS. The directors of EDS, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement (other than that relating to Xing Hang and the parties acting in concert with it) 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 joint announcement misleading.

The directors of EDS jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating by Xing Hang and parties acting in concert with it) and confirm having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Xing Hang and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint 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 EDS’s website at www.eds-wellness.com.