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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

**CLOSE AND RESULTS OF THE
UNCONDITIONAL MANDATORY CASH OFFER BY**



KINGSTON SECURITIES LTD

**ON BEHALF OF XING HANG LIMITED
FOR ALL ISSUED ORDINARY EDS SHARES
(OTHER THAN THOSE EXCLUDED EDS SHARES)**

CLOSE OF THE OFFER AND LEVEL OF ACCEPTANCE

EDS and Xing Hang jointly announce that the Offer was closed at 4:00 p.m. on Friday, 11 December 2015 and the Offer has not been revised or extended by Xing Hang.

As at 4:00 p.m. on Friday, 11 December 2015, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of a total of 4,349 Offer Shares under the Offer, representing approximately 0.001% of the total number of Ordinary EDS Shares in issue as at the date of this joint announcement.

SHAREHOLDING AND PUBLIC FLOAT OF EDS

Upon the close of the Offer and as at the date of this joint announcement, 141,981,273 Ordinary EDS Shares, representing approximately 33.82% of the total number of Ordinary EDS Shares in issue, are held by the public. Accordingly, as at the date of this joint announcement, the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules is satisfied.

Reference is made to the composite offer and response document dated 20 November 2015 in relation to the Offer (the “Composite Document”). Capitalised terms used herein shall have the same meaning as those defined in the Composite Document unless stated otherwise.

CLOSE OF THE OFFER AND LEVEL OF ACCEPTANCE

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As at 4:00 p.m. on Friday, 11 December 2015, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of a total of 4,349 Offer Shares under the Offer, representing approximately 0.001% of the total number of Ordinary EDS Shares in issue as at the date of this joint announcement.

SHAREHOLDING AND PUBLIC FLOAT OF EDS

Immediately prior to the commencement of the Offer Period on 21 January 2015, save for the Eternity Group holding 52,500,000 Ordinary EDS Shares and Kingston Securities holding 96 Ordinary EDS Shares, Xing Hang or parties acting in concert with it did not hold, control or have direction over any Ordinary EDS Shares or any rights over Ordinary EDS Shares. Immediately following the close of the Offer and as at the date of this announcement, taking into account (i) the Subscription Shares, consisting of the 345,000,000 Ordinary Subscription EDS Shares and the 30,000,000 Preferred Shares, acquired by the Subscribers upon Completion which took place on 6 November 2015; (ii) the 96 Ordinary EDS Shares held by Kingston Securities; (iii) the 52,500,000 Ordinary EDS Shares held by the Eternity Group and (iv) the valid acceptances in respect of 4,349 Offer Shares under the Offer, Xing Hang and parties in concert with it are interested in 397,504,445 Ordinary EDS Shares, representing approximately 94.69% of the total number of Ordinary EDS Shares in issue, and 30,000,000 Preferred Shares (none of which have been converted into Conversion Shares as at the date of this joint announcement), representing all of the Preferred Shares in issue, upon the close of the Offer and as at the date of this joint announcement.

Save for the acquisition of the Subscription Shares pursuant to the Subscription Agreement and the acquisition of 4,349 Offer Shares pursuant to valid acceptances under the Offer, Xing Hang and parties acting in concert with it did not acquire or agree to acquire any Ordinary EDS Shares or any rights over Ordinary EDS Shares during the Offer Period.

Set out below is the shareholding structure of EDS (i) upon Completion but before the commencement of the Offer; (ii) immediately after the close of the Offer and as at the date of this joint announcement; and (iii) immediately upon conversion in full of the Preferred Shares:

	Upon Completion but before commencement of the Offer		Immediately after the close of the Offer and as at the date of this joint announcement		Immediately upon conversion in full of the Preferred Shares (Note 10)	
	Number of Ordinary EDS Shares	Approximate %	Number of Ordinary EDS Shares	Approximate %	Number of Ordinary EDS Shares	Approximate %
Eternity (Note 1)	52,500,000	12.51%	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%	179,925,549	42.86%	179,925,549	40.00%
Goldenland (Note 3)	45,396,178	10.81%	45,396,178	10.81%	45,396,178	10.09%
Silver Empire (Note 4)	37,861,665	9.02%	37,861,665	9.02%	37,861,665	8.42%
Truly Elite (Note 5)	41,628,921	9.92%	41,628,921	9.92%	41,628,921	9.25%
High Aim (Note 6)	26,697,946	6.36%	26,697,946	6.36%	56,697,946	12.61%
First Bonus (Note 7)	13,494,090	3.21%	13,494,090	3.21%	13,494,090	3.00%
Existing public Shareholders						
Kingston Securities (Note 8)	96	0.00%	96	0.00%	96	0.00%
Other public EDS Shareholders	22,302,904	5.31%	22,298,555	5.31%	22,298,555	4.96%
Total	<u>419,803,000</u>	<u>100.00%</u>	<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>141,981,273</u>	<u>33.82%</u>	<u>115,283,231</u>	<u>25.63%</u>
Xing Hang and parties acting in concert with it (Note 9)	<u>397,500,096</u>	<u>94.69%</u>	<u>397,504,445</u>	<u>94.69%</u>	<u>427,504,445</u>	<u>95.04%</u>

Notes:

1. Upon Completion and as at the date of this joint announcement, New Cove is interested in 52,500,000 Ordinary EDS Shares. As New Cove is an indirect wholly-owned subsidiary of Eternity, Eternity is deemed to be interested in such 52,500,000 Ordinary EDS 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**”); (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person of EDS; and (iii) it is not accustomed to take instructions from any Core Connected Persons of EDS in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that Silver Empire is not as a result of the Subscription, the Offer or otherwise a Core Connected Person of EDS upon Completion, close of the Offer and 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 EDS 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 of EDS; (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person of EDS; and (iii) it is not accustomed to take instructions from any Core Connected Persons of EDS in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that Truly Elite is not as a result of the Subscription or otherwise a Core Connected Person of EDS upon Completion, close of the Offer and 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 EDS 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 of EDS; (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person of EDS; and (iii) it is not accustomed to take instructions from any Core Connected Persons of EDS in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that High Aim is not as a result of the Subscription, the Offer or otherwise a Core Connected Person of EDS upon Completion and close of the Offer as shown above, it is regarded as a public EDS Shareholder upon Completion and as at the date of this joint announcement. High Aim is a party acting in concert with Xing Hang.
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 of REORIENT Group Limited. As (i) First Bonus is not a Core Connected Person of EDS; (ii) its subscription of its portion of the Subscription Shares is not financed by any Core Connected Person of EDS; and (iii) it is not accustomed to take instructions from any Core Connected Persons of EDS in relation to the acquisition, disposal, voting or other disposition of its portion of the Subscription Shares; and (iv) given that First Bonus is not as a result of the Subscription, the Offer or otherwise a Core Connected Person of EDS upon Completion, close of the Offer and full conversion of the Preferred Shares as shown above, it is regarded as a public EDS Shareholder upon Completion and as at the date of this joint announcement and shall be regarded as a public EDS Shareholder upon full conversion of the Preferred Shares. First Bonus is a party acting in concert with Xing Hang.

8. As (i) Kingston Securities is not a Core Connected Person of EDS; and (ii) will 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 at the date of this joint announcement and shall be upon full conversion of the Preferred Shares regarded as a public EDS 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/will be regarded as public EDS Shareholders upon Completion and/or full conversion of the Preferred Shares. Accordingly, there are overlaps between the public EDS Shareholders and Xing Hang and parties acting in concert with it and therefore the aggregate of the percentage shareholding of public EDS 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 of the Preferred Shares.
11. 38,302,904 Ordinary EDS Shares were subject to the Offer.

Neither Xing Hang nor any parties acting in concert with it has borrowed or lent any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of EDS during the Offer Period.

Upon the close of the Offer and as at the date of this joint announcement, 141,981,273 Ordinary EDS Shares, representing approximately 33.82% of the total number of Ordinary EDS Shares in issue, are held by the public. Accordingly, as at the date of this joint announcement, the minimum public float requirement of 25% under Rule 11.23(7) of the GEM Listing Rules is satisfied.

Based on the valid acceptance in respect of 4,349 Ordinary EDS Shares, the total consideration of the Offer is approximately HK\$17,700.43.

Remittances in respect of the cash consideration (after deducting the seller's Hong Kong ad valorem stamp duty in respect of acceptance of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to the Independent EDS Shareholders accepting the Offer by ordinary post at their own risk within seven Business Days after the date of receipt by the Registrar of all relevant documents of title to render such acceptance complete and valid in accordance with the Takeovers Code.

By Order of the Board
EDS Wellness Holdings Limited
Cai Zhaoyang
Executive Director and Chief Executive Officer

Hong Kong, 11 December 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 three executive directors, namely Mr. Cai Zhaoyang, 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.