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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 3 June 2013 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between Hong Kong Builders as lender and Mason Capital as borrower. Pursuant to the Loan Agreement, Hong Kong Builders has conditionally agreed to grant Mason Capital the revolving loan facilities of up to a principal amount of HK\$70.00 million for a term of 24 months from the date of the Loan Agreement becoming unconditional.

The principal terms of the Loan Agreement are set out in the paragraph headed “The Loan Agreement” in this announcement.

LISTING RULES IMPLICATION

As two of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of revolving loan facilities under the Loan Agreement are more than 5% but less than 25%, the grant of revolving loan facilities under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements of the Listing Rules.

In the event that the Proposed Subscription of EDS Wellness’s CBs is completed and EDS Wellness becomes an indirect non-wholly owned subsidiary of the Company upon the exercise of the conversion rights attaching to the convertible bonds of EDS Wellness by New Cove Limited, Mason Capital, as a company indirect wholly and beneficially owned by Mr. Yu who is an executive director of EDS Wellness, will become a connected person of the Company (as defined under the Listing Rules). Accordingly, the grant of revolving loan facilities to Mason Capital under the Loan Agreement will constitute a continuing connected transaction of the Company. The Company will comply with all applicable reporting, annual review and disclosure requirements of Chapter 14A of the Listing Rules in respect of such continuing connected transaction pursuant to Rule 14A.41 of the Listing Rules.

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The Loan Agreement

The principal terms of the Loan Agreement are summarised as follows:

Date	:	3 June 2013
Lender	:	Hong Kong Builders
Borrower	:	Mason Capital
Principal amount of the revolving loan facilities	:	Up to HK\$70.00 million at any time during the availability period
Interest rate	:	10% per annum
Default rate	:	10% per annum on overdue sums, including outstanding principal amount of the revolving loan facilities and interest accrued thereon
Security	:	(a) a personal guarantee given by Mr. Yu for full amount of principal and interest of the revolving loan facilities owing by and for the performance of all obligations of Mason Capital to Hong Kong Builders under the Loan Agreement; and (b) an undated share charge duly executed by Koffman Greater China Limited over all issued shares of Mason Capital in favour of Hong Kong Builders.
Availability period	:	24 months from the date on which the Loan Agreement becoming unconditional.
Final repayment date	:	The date falling 24 months after the date on which the Loan Agreement becoming unconditional.

- Repayment : Mason Capital shall repay (a) the interest accrued on the outstanding principal amount of the revolving loan facilities on a quarterly basis in arrears and (b) the outstanding principal amount of the revolving loan facilities together with any accrued and unpaid interest in one lump sum in full on the final repayment date.
- Prepayment : Mason Capital may at any time prepay the whole or any part of the outstanding principal amount of the revolving loan facilities together with the accrued interest by giving not less than one business day's prior written notice to Hong Kong Builders before prepayment.
- Drawing and repayment : Any amounts repaid by Mason Capital shall be available for re-borrowing and drawing provided that the outstanding principal amount of the revolving loan facilities shall not exceed HK\$70.00 million.
- Conditions precedent : The Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) Hong Kong Builders having received a personal guarantee duly executed by Mr. Yu in favour of the Hong Kong Builders as a security for all the obligations of Mason Capital under the Loan Agreement within seven days from the date of the Loan Agreement;
 - (c) Hong Kong Builders having received an undated share charge over all the issued shares of Mason Capital duly executed by Koffman Greater China Limited, the immediate holding company of Mason Capital, in favour of Hong Kong Builders as a security for all the obligations of Mason Capital under the share charge and all ancillary documents to the Loan Agreement within seven days from the date of the Loan Agreement;
 - (d) all representations and warranties made by Mason Capital in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of date of drawdown with reference to the facts and circumstances then subsisting;

- (e) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the loan being made); and
- (f) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Mason Capital of the Loan Agreement as Hong Kong Builders may reasonably require.

Long stop date : One month from the date of the Loan Agreement or such other date as Hong Kong Builders and Mason Capital may agree in writing.

Funding of the revolving loan facilities

HK\$10.33 million of the revolving loan facilities will be financed by the net proceeds from the open offer of the Company as completed on 26 April 2013 and the remaining balance of HK\$59.67 million will be financed by the internal resource of the Company.

Information on Mason Capital, Koffman Greater China Limited and Mr. Yu

Mason Capital is principally engaged in property investment in Hong Kong and the entire issued shares of Mason Capital is owned by Koffman Greater China Limited.

Koffman Greater China Limited is principally engaged in investment holdings and the entire issued shares of Koffman Greater China Limited is owned by Mr. Yu.

Mr. Yu is a private investor and directly interested in the entire issued shares of Koffman Greater China Limited and indirectly interested in the entire issued shares of Mason Capital. As at the date of this announcement, Mr. Yu is an executive director of EDS Wellness.

The Group had the following previous transactions with Mr. Yu and EDS Wellness:

On 3 January 2012, Wingo Consultants Limited (now known as Eternity Finance Group Limited), an indirect wholly owned subsidiary of the Company, as purchaser entered into a conditional sale and purchase agreement with Koffman Financial Group Limited, a company beneficially owned as to 50% by Mr. Yu, as vendor relating to the proposed acquisition of the entire issued shares in and the sale loan due by Hong Kong Builders at a consideration of HK\$33.07 million (the “**Proposed Acquisition**”). The Proposed Acquisition was completed on 5 January 2012. Please refer to the Company’s announcement dated 3 January 2012 for more details.

On 19 March 2012, Eternity Finance Group Limited as subscriber entered into a conditional subscription agreement with Koffman Corporate Service Limited, a company wholly and beneficially owned by Mr. Yu, as issuer relating to the proposed subscription of a convertible bond in the

principal amount of HK\$27.00 million at their face value (the “**Proposed Subscription of Koffman’s CB**”). The Proposed Subscription of Koffman’s CB was completed on 22 March 2012 and Eternity Finance Group Limited is still holding the convertible bond issued by Koffman Corporate Service Limited as at the date of this announcement. Please refer to the Company’s announcement dated 19 March 2012 for more details.

On 21 March 2013, New Cove Limited, an indirect wholly owned subsidiary of the Company, as subscriber entered into a conditional subscription agreement with EDS Wellness as issuer relating to the proposed subscription of convertible bonds in the principal amount of HK\$40.00 million at their face value (the “**Proposed Subscription of EDS Wellness’s CBs**”). On the same date, Hong Kong Builders as lender entered into a conditional loan agreement with EDS Wellness as borrower relating to the proposed grant of an unsecured loan in the principal amount of HK\$40.00 million for a term of three years from the date of drawdown (the “**Proposed Grant of Loan**”). As at the date of this announcement, the Proposed Subscription of EDS Wellness’s CBs and the Proposed Grant of Loan have not yet been completed. Please refer to the Company’s announcement dated 21 March 2013 for more details.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Mason Capital, Mr. Yu and Koffman Greater China Limited are third parties independent of the Company and its connected persons (as defined under the Listing Rules) as at the date of this announcement.

Information on the Group and Hong Kong Builders

The Company is an investment holding company and its subsidiaries are principally engaged in distribution of films, sub-licensing of film rights, sale of financial assets, provision of management services to the concierge departments of a gaming promoter, property investment and money lending.

Hong Kong Builders is a money lender licensed in Hong Kong under the provisions of the Money Lenders Ordinance. Hong Kong Builders conducts money lending business in Hong Kong through the provision of secured and unsecured loans to customers.

Reasons for and benefits of the Loan Agreement

As money lending is one of the principal activities of the Group, the grant of the revolving loan facilities to Mason Capital under the Loan Agreement is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement are negotiated on an arm’s length basis between Hong Kong Builders and Mason Capital. The Directors are of the view that the terms of the Loan Agreement are on normal commercial terms. Given that a stable interest income would be generated from the revolving loan facilities under the Loan Agreement, the Directors consider that the grant of revolving loan facilities under the Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As two of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of revolving loan facilities under the Loan Agreement are more than 5% but less than 25%, the grant of revolving loan facilities under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements of the Listing Rules.

In the event that the Proposed Subscription of EDS Wellness's CBs is completed and EDS Wellness becomes an indirect non-wholly owned subsidiary of the Company upon the exercise of the conversion rights attaching to the convertible bonds of EDS Wellness by New Cove Limited, Mason Capital, as a company indirect wholly and beneficially owned by Mr. Yu who is an executive director of EDS Wellness, will become a connected person of the Company (as defined under the Listing Rules). Accordingly, the grant of revolving loan facilities to Mason Capital under the Loan Agreement will constitute a continuing connected transaction of the Company. The Company will comply with all applicable reporting, annual review and disclosure requirements of Chapter 14A of the Listing Rules in respect of such continuing connected transaction pursuant to Rule 14A.41 of the Listing Rules.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“Board”	the board of Directors
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EDS Wellness”	EDS Wellness Holdings Limited (formerly known as China AU Group Holdings Limited) (stock code: 8176), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Hong Kong Builders”	Hong Kong Builders Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 3 June 2013 entered into between Hong Kong Builders as lender and Mason Capital as borrower in respect of the revolving loan facilities of up to a principal amount of HK\$70.00 million
“Mason Capital”	Mason Capital Limited, a company incorporated in Hong Kong with limited liability
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Mr. Yu”	Mr. Yu Zhen Hua Johnny (former name: Mr. Yu Shu Kuen), a private investor directly interested in the entire issued shares of Koffman Greater China Limited and indirectly interested in the entire issued shares of Mason Capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“%”	per cent.

By Order of the Board
Eternity Investment Limited
Lei Hong Wai
Chairman

Hong Kong, 3 June 2013

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton and Mr. Chan Kin Wah, Billy; one non-executive Director, namely, Mr. Cheung Kwok Fan; and three independent non-executive Directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen.