

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



金利豐證券

KINGSTON SECURITIES

On 20 February 2014 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 91,000,000 Placing Shares to currently expected not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates at the Placing Price of HK\$0.78 per Placing Share.

The Placing Price of HK\$0.78 per Placing Share represents:

- (a) a discount of approximately 17.02% to the closing price of HK\$0.940 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (b) a discount of approximately 19.09% to the average closing price of approximately HK\$0.964 per Share in the last five consecutive trading days immediately prior to the date of this announcement.

The 91,000,000 Placing Shares represent (i) approximately 19.93% of the existing issued share capital of the Company of 456,673,243 Shares as at the date of this announcement; and (ii) approximately 16.62% of the issued share capital of the Company of 547,673,243 Shares as enlarged by the allotment and issue of the 91,000,000 Placing Shares assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing.

Completion of the Placing is subject to the conditions as set out in the section headed “Conditions of the Placing” below.

On the basis that all of the 91,000,000 Placing Shares are placed in full, the gross proceeds from the Placing will be amounted to approximately HK\$70.98 million and the net proceeds from the Placing will be amounted to approximately HK\$70.14 million which is intended to be used for the Group’s money lending business.

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the conditions precedent as set out in the section headed “Conditions of the Placing” and the Placing Agent not having terminated the Placing Agreement in accordance with the terms thereunder. Accordingly, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise extreme caution when dealings in the Shares.

On 20 February 2014 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 91,000,000 Placing Shares to currently expected not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates at the Placing Price of HK\$0.78 per Placing Share.

THE PLACING AGREEMENT

Date: 20 February 2014

Parties: The Company and the Placing Agent

Placing Agent

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates. As at the date of this announcement, the Placing Agent is interested in one Share.

Placees

The Placing Shares are expected to be placed to not fewer than six Placees which are independent professional, institutional or other investors who and whose ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

None of the individual Placees will become a substantial shareholder of the Company as a result of the Placing.

Placing Price

The Placing Price of HK\$0.78 per Placing Share represents:

- (a) a discount of approximately 17.02% to the closing price of HK\$0.940 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (b) a discount of approximately 19.09% to the average closing price of approximately HK\$0.964 per Share in the last five consecutive trading days immediately prior to the date of this announcement.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the prevailing trading price of the Shares. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

The net price per Placing Share will be approximately HK\$0.7707.

Number of the Placing Shares

Pursuant to the Placing Agreement, up to 91,000,000 Placing Shares will be placed by the Placing Agent. The 91,000,000 Placing Shares represent (i) approximately 19.93% of the existing issued share capital of the Company of 456,673,243 Shares as at the date of this announcement; and (ii) approximately 16.62% of the issued share capital of the Company of 547,673,243 Shares as enlarged by the allotment and issue of the 91,000,000 Placing Shares assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing.

The aggregate nominal value of the Placing Shares will be HK\$910,000.

Ranking of the Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

General mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the general mandate (the “**General Mandate**”) granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 28 June 2013, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the annual general meeting. Under the General Mandate, the Directors

are authorised to allot and issue 91,334,648 new Shares. Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate and the Directors are allowed to allot and issue up to 91,334,648 new Shares.

Accordingly, the allotment and issue of the Placing Shares is not subject to the Shareholders' approval.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereunder, including provision regarding force majeure event.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business day after the fulfillment of the conditions as set out above or such other later date to be agreed between the Company and the Placing Agent.

If the above conditions are not satisfied and/or waived in whole or in part by the Placing Agent prior to 5:00 p.m. on or before 7 March 2014 (the “**Long Stop Date**”) or such later date to be agreed between the Company and the Placing Agent, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties to the Placing Agreement will forthwith cease and determine and no party will have any claim against the others, save for any antecedent breaches of the Placing Agreement.

Application for Listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (i) the completion of the Placing; (ii) the Long Stop Date if the conditions as set out in section headed “Conditions of the Placing” have not been satisfied (or waived as the case may be) and (iii) termination of the Placing Agreement by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.

The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the completion date of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investors or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investors) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the date of completion of the Placing;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcements relating to the Placing; or

- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

REASONS FOR AND BENEFIT OF THE PLACING AND USE OF PROCEEDS

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 department of a gaming promoter, property investment and money lending.

On the basis that all of the 91,000,000 Placing Shares are placed in full, the gross proceeds from the Placing will be amounted to approximately HK\$70.98 million and the net proceeds from the Placing will be amounted to approximately HK\$70.14 million which is intended to be used for the Group's money lending business.

The Directors consider that the Placing presents an opportunity for the Company to raise additional funds for the operation of the Group's money lending business while broadening the shareholder base of the Company. In view of the above, the Directors consider that the terms of the Placing are on normal commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon completion of the Placing (assuming (i) there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing; and (ii) all of the 91,000,000 Placing Shares are placed in full) are set out below:

	As at the date of this announcement		Upon completion of the Placing (assuming (i) there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing; and (ii) all of the 91,000,000 Placing Shares are placed in full)	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Twin Success International Limited (Note 1)	105,708,000	23.15	105,708,000	19.30
Mr. Chan Kin Wah, Billy (Note 2)	2,449,500	0.54	2,449,500	0.45
Existing public Shareholders (Note 3)	348,515,742	76.31	348,515,742	63.63
The Placing Agent	1	0.00	1	0.00
The Placees (Note 3)	0	0.00	91,000,000	16.62
Total	456,673,243	100.00	547,673,243	100.00

Notes:

- These Shares are beneficially owned by Twin Success International Limited. Twin Success International Limited is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai, the Chairman of the Board and an executive Director. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai, Elton, an executive Director, and as to 50% by Mr. Cheung Kwok Fan, the non-executive Director.
- Mr. Chan Kin Wah, Billy is an executive Director.
- Some Placees may be the existing public Shareholders (holding less than 5% of the existing issued share capital of the Company as at the date of this announcement). The existing holdings of such Placees, if any, are included under “Existing public Shareholders”.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Set out below is the fund raising activity conducted by the Company in the past 12 months prior to the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
13 March 2013	Issue of 152,224,414 new Shares at a subscription price of HK\$1.20 per new Shares by way of open offer to the qualifying Shareholders on the basis of one new Share for every two existing Shares held on 5 April 2013	HK\$180.02 million	HK\$40.00 million for financing the proposed subscription of the convertible notes to be issued by EDS Wellness, HK\$40.00 million for financing the proposed granting of an unsecured loan to EDS Wellness and the remaining balance of HK\$100.02 million for financing the development and expansion of the Group's money lending business.	The HK\$40.00 million for financing the proposed subscription of the convertible notes to be issued by EDS Wellness and the HK\$40.00 million for financing the proposed granting of an unsecured loan to EDS Wellness have not been utilised. The HK\$100.02 million for financing the development and expansion of the Group's money lending business has been utilised.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the conditions precedent as set out in the section headed “Conditions of the Placing” and the Placing Agent not having terminated the Placing Agreement in accordance with the terms thereunder. Accordingly, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise extreme caution when dealings in the Shares.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“EDS Wellness”	EDS Wellness Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8176)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any independent professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 91,000,000 Placing Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 20 February 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.78 per Placing Share
“Placing Shares”	up to 91,000,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 20 February 2014

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.