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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 20 March 2014 (after trading hours of the Stock Exchange), the Second Loan Agreement was entered into between Hong Kong Builders as lender and EDS as borrower. Pursuant to the Second Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Second Loan in the principal amount of HK\$30.00 million to EDS for a term of 36 months from the date of the drawdown.

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

#### **LISTING RULES IMPLICATIONS**

As the Subscription Agreement and the First Loan Agreement will become unconditional upon the fulfillment of the respective conditions precedent, the grant of the Second Loan under the Second Loan Agreement is aggregate with the Subscription Agreement and the First Loan Agreement in accordance with Rule 14.22 of the Listing Rules.

As three of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Second Loan under the Second Loan Agreement, the Subscription Agreement and the First Loan Agreement when aggregate are more than 5% but less than 25%, the grant of the Second Loan under the Second Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

## **PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of the Company dated 19 March 2014 in relation to the negotiation between the Company and EDS for the grant of a new loan in the principal amount of up to HK\$30.00 million.

The Board announces that, on 20 March 2014 (after trading hours of the Stock Exchange), the Second Loan Agreement was entered into between Hong Kong Builders as lender and EDS as borrower. Pursuant to the Second Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Second Loan in the principal amount of HK\$30.00 million to EDS for a term of 36 months from the date of drawdown.

### **The Second Loan Agreement**

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

Date	:	20 March 2014
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	EDS
Principal amount of the Second Loan	:	HK\$30.00 million
Interest rate	:	5.00% per annum
Security	:	No security will be provided by EDS under the Second Loan Agreement.
Term	:	36 months from the date of drawdown.
Repayment	:	EDS shall repay (i) the interest on a quarterly basis in arrears; and (ii) the principal amount of the Second Loan in full at maturity.
Prepayment	:	EDS may at any time prepay the Second Loan in full together with the accrued interest by giving not less than ten business days' prior written notice to Hong Kong Builders before maturity.
Condition precedent	:	The Second Loan Agreement is conditional upon the publication of an announcement of the Company in relation to the Second Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules.
Long stop date	:	2 April 2014 (or such later date as Hong Kong Builders and EDS may agree in writing).

## **Funding of the Second Loan**

The Second Loan will be financed by the internal resources of the Company.

## **Information on EDS**

EDS is a company incorporated in the Cayman Islands with limited liability and its issued shares are listed on GEM. EDS and its subsidiaries are principally engaged in the development, distribution and marketing of personal care treatment products.

Trading in the issued shares of EDS on GEM was suspended from 9:00 a.m. on 30 September 2011 and remains suspended as at the date of this announcement.

To the best of the knowledge, information and belief of the Directors having all reasonable enquires, EDS is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

## **Financial assistance transactions with EDS in the past 12 months prior to the date of the Second Loan Agreement**

On 21 March 2013, New Cove as subscriber entered into the Subscription Agreement with China AU Group Holdings Limited (the former name of EDS) as issuer in relation to the subscription for the zero coupon convertible bonds in the principal amount of HK\$40.00 million to be issued by EDS. On 30 October 2013, New Cove and EDS entered into a letter of extension to extend the long stop date of the Subscription Agreement from 31 October 2013 to 30 June 2014.

On 21 March 2013, Hong Kong Builders as lender entered into the First Loan Agreement with China AU Group Holdings Limited (the former name of EDS) as borrower in relation to the grant of an unsecured loan in the principal amount of HK\$40.00 million. On 30 October 2013, Hong Kong Builders and EDS entered into a letter of extension to extend the long stop date of the First Loan Agreement from 31 October 2013 to 30 June 2014.

As at the date of the Second Loan Agreement, the Subscription Agreement and the First Loan Agreement remain conditional as the certain conditions precedent of the Subscription Agreement and the First Loan Agreement have not been satisfied.

## **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 department of a gaming promoter in Macau, 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 grant of the Second Loan**

As money lending is one of the principal activities of the Group, the grant of the Second Loan under the Second Loan Agreement to EDS is in the ordinary and usual course of business of the Group.

The terms of the Second Loan Agreement are negotiated on an arm's length basis between Hong Kong Builders and EDS. The Directors are of the view that the terms of the Second Loan Agreement are on normal commercial terms. Given that a stable interest income would be generated from the Second Loan during the term of the Second Loan Agreement, the Directors consider that the grant of the Second Loan under the Second Loan Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As the Subscription Agreement and the First Loan Agreement will become unconditional upon the fulfillment of the respective conditions precedent, the grant of the Second Loan under the Second Loan Agreement is aggregate with the Subscription Agreement and the First Loan Agreement in accordance with Rule 14.22 of the Listing Rules.

As three of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Second Loan under the Second Loan Agreement, the Subscription Agreement and the First Loan Agreement when aggregate are more than 5% but less than 25%, the grant of the Second Loan under the Second Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement 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”	EDS Wellness Holdings Limited (stock code: 8176), a company incorporated in the Cayman Islands with limited liability and its issued shares are listed on GEM
“First Loan Agreement”	the conditional loan agreement dated 21 March 2013 (as amended by the letter of extension dated 30 October 2013) and entered into between Hong Kong Builders as lender and China AU Group Holdings Limited (the former name of EDS) as borrower in relation to the grant of an unsecured loan in the principal amount of HK\$40.00 million
“GEM”	the 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
“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
“New Cove”	New Cove Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Second Loan”	the unsecured loan in the principal amount of HK\$30.00 million
“Second Loan Agreement”	the conditional loan agreement dated 20 March 2014 and entered into between Hong Kong Builders as lender and EDS as borrower relating to the grant of the Second Loan
“Subscription Agreement”	the conditional subscription agreement dated 21 March 2013 (as amended by the letter of extension dated 30 October 2013) and entered into between China AU Group Holdings Limited (the former name of EDS) as issuer and New Cove as subscriber in relation to the subscription for the zero coupon convertible bonds in the principal amount of HK\$40.00 million to be issued by EDS

“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, 20 March 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.*