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## **ETERNITY INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

### **COMPLETION OF THE SUBSCRIPTION FOR THE CONVERTIBLE BONDS AND FULFILMENT OF THE CONDITIONS PRECEDENT TO THE LOAN AGREEMENT**

#### **COMPLETION OF THE SUBSCRIPTION FOR THE CONVERTIBLE BONDS**

The Board announces that all conditions precedent to the Subscription has been fulfilled and the subscription for the Convertible Bonds in the principal amount of HK\$40,000,000 was completed on 22 May 2014. Upon completion of the Subscription, the Convertible Bonds in the principal amount of HK\$40,000,000 were issued to the Subscriber in accordance with the terms of the Subscription Agreement.

#### **FULFILMENT OF THE CONDITIONS PRECEDENT TO THE LOAN AGREEMENT**

Upon completion of the Subscription, all conditions precedent to the Loan Agreement has been fulfilled. Pursuant to the Loan Agreement, upon the fulfilment of all conditions precedent to the Loan Agreement, the Loan can be fully drawn down by EDS Wellness on the next Business Day. EDS Wellness intends to draw down the Loan fully on 23 May 2014.

Reference is made to the announcement of Eternity Investment Limited (the “**Company**”) dated 21 March 2013 (the “**Announcement**”) in relating to (i) the subscription and conversion of convertible bonds to be issued by EDS Wellness Holdings Limited (“**EDS Wellness**”) (formerly known as China AU Group Holdings Limited); (ii) the provision of financial assistance; and (iii) the application for Whitewash Waiver. Reference is also made to the announcement of the Company dated 30 October 2013 in relation to the extension of the long stop dates of the Subscription Agreement and the Loan Agreement. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

## **COMPLETION OF THE SUBSCRIPTION FOR THE CONVERTIBLE BONDS**

The Board announces that all conditions precedent to the Subscription has been fulfilled and the subscription for the Convertible Bonds in the principal amount of HK\$40,000,000 was completed on 22 May 2014. Upon completion of the Subscription, the Convertible Bonds in the principal amount of HK\$40,000,000 were issued to the Subscriber in accordance with the terms of the Subscription Agreement.

As at the date of this announcement, EDS Wellness has 13,122,000 shares of HK\$0.10 each (each a “**EDS Wellness Share**”) in issue. Assuming the full exercise of the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$40,000,000 and based on the initial Conversion Price of HK\$1.00 (subject to adjustments) per Conversion Share, a total of 40,000,000 Conversion Shares (in the aggregate nominal value of HK\$4,000,000), representing (i) approximately 304.83% of the issued share capital of EDS Wellness as at the date of this announcement; and (ii) approximately 75.30% of the issued share capital of EDS Wellness as enlarged by the allotment and issue of the 40,000,000 Conversion Shares, will be allotted and issued to the Subscriber by EDS Wellness.

The Subscriber intends to convert not less than HK\$25 million of the Convertible Bonds to become a controlling shareholder (as defined in the GEM Listing Rules) of EDS Wellness in July 2014.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF EDS WELLNESS**

The shareholding structure of EDS Wellness as at the date of this announcement and the effects on the shareholding structure of EDS Wellness (i) immediately after the allotment and issue of 25,000,000 Conversion Shares assuming the exercise of the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$25,000,000; and (ii) for illustration purposes only, immediately after the allotment and issue of the 40,000,000 Conversion Shares assuming the

full exercise of the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$40,000,000 are as follows:

	As at the date of this announcement		Immediately after the allotment and issue of 25,000,000 Conversion Shares assuming the exercise of the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$25,000,000		Immediately after the allotment and issue of the 40,000,000 Conversion Shares assuming the full exercise of the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$40,000,000 (Note 3)	
	No. of EDS Wellness Shares	% (approx.)	No. of EDS Wellness Shares	% (approx.)	No. of EDS Wellness Shares	% (approx.)
<b>Shareholders of EDS Wellness</b>						
<b>The directors of EDS Wellness</b>						
Mr. Wang Xiaofei (Note 1)	2,304,000	17.56%	2,304,000	6.04%	2,304,000	4.34%
Mr. Du Juanhong (Note 2)	1,065,800	8.12%	1,065,800	2.80%	1,065,800	2.01%
<b>The Subscriber and parties acting in concert with it</b>	—	—	25,000,000	65.58%	40,000,000	75.30%
<b>Public shareholders</b>	<u>9,752,200</u>	<u>74.32%</u>	<u>9,752,200</u>	<u>25.58%</u>	<u>9,752,200</u>	<u>18.35%</u>
Total:	<u><u>13,122,000</u></u>	<u><u>100.00%</u></u>	<u><u>38,122,000</u></u>	<u><u>100.00%</u></u>	<u><u>53,122,000</u></u>	<u><u>100.00%</u></u>

Notes:

1. Mr. Wang Xiaofei is a substantial shareholder (as defined in the GEM Listing Rules) and an executive director of EDS Wellness.
2. Mr. Du Juanhong is the non-executive director of EDS Wellness.
3. For illustration purposes only. Pursuant to the terms of the Convertible Bonds, the conversion rights attaching to the Convertible Bonds may be exercised provided that EDS Wellness will maintain the public float in compliance with the GEM Listing Rules.

## **FULFILMENT OF THE CONDITIONS PRECEDENT TO THE LOAN AGREEMENT**

Upon completion of the Subscription, all conditions precedent to the Loan Agreement has been fulfilled. Pursuant to the Loan Agreement, upon the fulfilment of all conditions precedent to the Loan Agreement, the Loan can be fully drawn down by EDS Wellness on the next Business Day. EDS Wellness intends to draw down the Loan fully on 23 May 2014.

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

Hong Kong, 22 May 2014

*As at the date of this announcement, the board of directors of the Subscriber comprises two directors, namely, Mr. Lei Hong Wai and Mr. Cheung Kwok Wai, Elton.*

*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.*

*The directors of the Subscriber and the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*