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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION — SUBSCRIPTION FOR OFFER SHARES UNDER THE OPEN OFFER OF EDS WELLNESS HOLDINGS LIMITED

On 25 June 2014 (after trading hours of the Stock Exchange), EDS proposed to issue 19,061,000 Offer Shares at the Subscription Price of HK\$3.00 per Offer Share under the EDS Open Offer. For more details of the EDS Open Offer, please refer to the EDS Announcement.

THE SUBSCRIPTION

On 25 June 2014 (after the trading hours of the Stock Exchange), New Cove has given the Undertaking in favour of EDS and the Underwriter:

- (a) to convert the Convertible Bonds in the principal amount of HK\$25,000,000 into 25,000,000 new EDS Shares before the commencement of the book close period of the EDS Open Offer, i.e. 11 July 2014;
- (b) not to convert the remaining balance of the Convertible Bonds in the principal amount of HK\$15,000,000 into 15,000,000 new EDS Shares before the record date for the EDS Open Offer, i.e. 16 July 2014;
- (c) to subscribe for or procure the subscription for the 12,500,000 Offer Shares to be allotted to it under its entitlement pursuant to the EDS Open Offer; and
- (d) to lodge the application form(s) in respect of the 12,500,000 Offer Shares referred to in paragraph (c) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the EDS Prospectus Documents prior to the latest time for acceptance under the EDS Open Offer.

Upon completion of the due performance of the Undertaking and the EDS Open Offer, New Cove will be interested in 37,500,000 EDS Shares, representing approximately 65.58% of the issued share capital of EDS as enlarged by the allotment and issue of the 25,000,000 new EDS Shares pursuant to the partial conversion of the Convertible Bonds and the 19,061,000 Offer Shares, and the Convertible Bonds in the aggregate principal amount of HK\$15,000,000. Accordingly, New Cove will become the controlling shareholder (as defined in the Listing Rules) of EDS.

The amount involved in the Subscription is HK\$37,500,000, which is based on the Subscription Price and the number of the Offer Shares to be subscribed for by New Cove pursuant to the Undertaking, and is payable on application of the Offer Shares.

IMPLICATIONS UNDER THE LISTING RULES

As stated in the Company's announcement dated 21 March 2013, the subscription and conversion of the Convertible Bonds constitute discloseable transactions of the Company. The announcement requirement for the subscription and conversion of the Convertible Bonds under Chapter 14 of the Listing Rules has been complied with.

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

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors should note that the EDS Open Offer is conditional upon (i) the underwriting agreement in relation to the EDS Open Offer having become unconditional and (ii) the underwriting agreement in relation to the EDS Open Offer has not been terminated in accordance with the terms thereof. Accordingly, the Subscription may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Reference is made to the Company's announcement dated 21 March 2013 relating to (i) the subscription and conversion of the Convertible Bonds, (ii) the provision of financial assistance and (iii) the application for Whitewash Wavier. Reference is also made to the Company's announcement dated 22 May 2014 relating to (i) the completion of subscription for the Convertible Bonds and (ii) the fulfilment of the conditions precedent to the loan agreement.

As at the date of this announcement, New Cove is interested in the Convertible Bonds in the aggregate principal amount of HK\$40,000,000 carrying rights entitling the holder thereof to convert their principal amount into 40,000,000 new EDS Shares, representing approximately (i) 304.83% of the issued share capital of EDS as at the date of this announcement and (ii) 75.30% of the issued share capital of EDS as enlarged by the allotment and issue of the 40,000,000 new EDS Shares at the initial conversion price of HK\$1.00 per EDS Share (subject to adjustment).

On 25 June 2014 (after trading hours of the Stock Exchange), EDS proposed to issue 19,061,000 Offer Shares at the Subscription Price of HK\$3.00 per Offer Share under the EDS Open Offer. For more details of the EDS Open Offer, please refer to the EDS Announcement.

THE SUBSCRIPTION

On 25 June 2014 (after the trading hours of the Stock Exchange), New Cove has given the irrevocable undertaking (the “**Undertaking**”) in favour of EDS and the Underwriter:

- (a) to convert the Convertible Bonds in the principal amount of HK\$25,000,000 into 25,000,000 new EDS Shares before the commencement of the book close period of the EDS Open Offer, i.e. 11 July 2014;
- (b) not to convert the remaining balance of the Convertible Bonds in the principal amount of HK\$15,000,000 into 15,000,000 new EDS Shares before the record date for the EDS Open Offer, i.e. 16 July 2014;
- (c) to subscribe for or procure the subscription for 12,500,000 Offer Shares to be allotted to it under its entitlement pursuant to the EDS Open Offer; and
- (d) to lodge the application form(s) in respect of the 12,500,000 Offer Shares referred to in paragraph (c) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the EDS Prospectus Documents prior to the latest time for acceptance under the EDS Open Offer.

Upon completion of the due performance of the Undertaking and the EDS Open Offer, New Cove will be interested in 37,500,000 EDS Shares, representing approximately 65.58% of the issued share capital of EDS as enlarged by the allotment and issue of the 25,000,000 new EDS Shares pursuant to the partial conversion of the Convertible Bonds and the 19,061,000 Offer Shares, and the Convertible Bonds in the aggregate principal amount of HK\$15,000,000. Accordingly, New Cove will become the controlling shareholder (as defined in the Listing Rules) of EDS.

The amount involved in the Subscription is HK\$37,500,000, which is based on the Subscription Price and the number of the Offer Shares to be subscribed for by New Cove pursuant to the Undertaking, and is payable on application of the Offer Shares.

The Subscription will be financed by the Group's internal resources.

INFORMATION ON THE EDS GROUP

The EDS Group is principally engaged in the development, distribution and marketing of personal care treatment and beauty products and provision of consultancy services.

As stated in the interim results announcement of EDS for the six month ended 31 December 2013, the EDS Group had the consolidated net liabilities of HK\$218,000 as at 31 December 2013. For the six months ended 31 December 2013, the consolidated turnover of the EDS Group was HK\$8,502,000 and the loss before and after income tax expense were both HK\$2,139,000.

Following the completion of acquisition of a 51% equity interest in China Honest Enterprises Limited by the EDS Group, the trading of EDS Shares on the Growth Enterprise Market of the Stock Exchange has been resumed on 14 April 2014.

REASONS FOR THE SUBSCRIPTION

As disclosed in the Company's announcement dated 21 March 2013, the subscription and conversion of the Convertible Bonds enable the Group to participate in the development of the EDS Group and provide the Group with an opportunity to be benefited from the business of the EDS Group through conversion of part or whole of the Convertible Bonds into the EDS Shares as and when the Group considers appropriate. In addition, the Directors consider that the subscription and conversion of the Convertible Bonds, which enable the Group to diversify its businesses, are in interest of the Company and the Shareholders as a whole.

The Undertaking given by New Cove is to maintain its controlling level of shareholding interest in EDS after the partial conversion of the Convertible Bonds in the principal amount of HK\$25,000,000 into 25,000,000 new EDS Shares and facilitate the EDS Open Offer for raising additional capital for repayment of the outstanding debts of EDS. The Directors consider that the terms of the Undertaking are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

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 and money lending.

IMPLICATIONS UNDER THE LISTING RULES

As stated in the Company's announcement dated 21 March 2013, the subscription and conversion of the Convertible Bonds constitute discloseable transactions of the Company. The announcement requirement for the subscription and conversion of the Convertible Bonds under Chapter 14 of the Listing Rules has been complied with.

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

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors should note that the EDS Open Offer is conditional upon (i) the underwriting agreement in relation to the EDS Open Offer having become unconditional and (ii) the underwriting agreement in relation to the EDS Open Offer has not been terminated in accordance with the terms thereof. Accordingly, the Subscription may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

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.

“Board”	the board of Directors
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Convertible Bonds”	the zero coupon convertible bonds in the aggregate principal amount of HK\$40,000,000 issued by EDS to New Cove pursuant to the subscription agreement dated 21 March 2013 and entered into between EDS as issuer and New Cove as subscriber. Details of the subscription agreement have been disclosed in the Company’s announcements dated 21 March 2013
“Directors”	the director(s) of the Company
“EDS”	EDS Wellness Holdings Limited (stock code: 8176) (formerly known as China AU Group Holdings Limited), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued EDS Shares are listed on the Growth Enterprise Market operated by the Stock Exchange
“EDS Announcement”	the announcement issued by EDS on 25 June 2014 relating to the EDS Open Offer

“EDS Group”	EDS and its subsidiaries
“EDS Open Offer”	the proposed issue of the Offer Shares by way of open offer to the qualifying shareholders of EDS on the basis of one Offer Share for every two existing EDS Shares held on the record date
“EDS Prospectus Documents”	the document and the application form containing details of the EDS Open Offer to be despatched to the shareholders of EDS
“EDS Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of EDS
“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
“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
“Offer Shares”	19,061,000 new EDS Shares to be allotted and issued pursuant to the EDS Open Offer
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 12,500,000 Offer Shares by New Cove pursuant to the Undertaking
“Subscription Price”	HK\$3.00 per Offer Share pursuant to the EDS Open Offer
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the underwriter of the EDS Open Offer

“Whitewash Waiver”	the waiver granted by the executive director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong in favour of the New Cove in respect of the obligations of the New Cove to extend a general offer to acquire the issued EDS Shares (excluding the issued EDS Shares which are owned or agreed to be acquired by New Cove and parties acting in concert with it) in accordance with the Hong Kong Code on Takeovers and Mergers
“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, 25 June 2014

As at the date of this announcement, the Board comprises of 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.