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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

UPDATE ON TRADING HALT AND INSIDE INFORMATION

This announcement is made by Eternity Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 12 December 2014 in relation to the halt of trading (the “**Trading Halt**”) in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 12 December 2014 pending the release of an announcement in relation to a proposed acquisition by the Group (the “**Proposed Acquisition I**”) which, if materialises, constitutes a very substantial acquisition of the Company under the Listing Rules and (ii) the announcement of the Company dated 21 January 2015 in relation to a possible fund raising of EDS Wellness Holdings Limited (“**EDS Wellness**”), a 70.18% owned subsidiary of the Company and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (the “**GEM**”) under stock code: 8176.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the Company’s shareholders and potential investors of the current status of the Company and to provide update on the Trading Halt. In connection with the Proposed Acquisition I, the Company has submitted a draft announcement (the “**Proposed Acquisition Announcement I**”) to the Stock Exchange on 19 December 2014 for the Stock Exchange’s review and vetting. As at the date of this announcement, the Proposed Acquisition Announcement I is being reviewed by the Stock Exchange and is pending Stock Exchange’s clearance for publication.

In addition to the Proposed Acquisition I, the Board further wishes to inform the Company's shareholders and potential investors that:

- (a) on 11 February 2015 (after trading hours), the Group as the purchaser entered into a conditional sale and purchase agreement with a vendor, which is a third party independent of the Company and its connected persons (as defined under the Listing Rules), in relation to a proposed acquisition of approximately 74.63% of the issued share capital of a company listed (the "**Listed Company**") on the GEM (the "**Proposed Acquisition II**"), which, if materialises, constitutes a very substantial acquisition for the Company under the Listing Rules and lead a change in control of the Listed Company and the Group may be required to make a mandatory general offer under the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") in cash for all the shares and relevant securities of the Listed Company (other than those already owned by or agreed to be acquired by the Group and parties acting in concert in it). As at the date of this announcement, the Company has submitted an announcement (the "**Proposed Acquisition Announcement II**") in relation to the Proposed Acquisition II to the Stock Exchange for vetting; and
- (b) on 17 February 2015, EDS Wellness, as the issuer, entered into a conditional subscription agreement (the "**Subscription Agreement**") with six investors (the "**Subscribers**"), which are third parties independent of the Company and its connected persons (as defined under the Listing Rules), as the subscribers, in relation to a proposed subscription of new ordinary shares and convertible preferred shares of EDS Wellness (the "**Subscription Shares**") by the Subscribers (the "**Subscription**"). Subject to satisfaction and/or waiver (as the case may be) of the terms and conditions set out in the Subscription Agreement, upon completion of the Subscription Agreement, the Subscribers, in aggregate, will hold more than 50% of the then voting rights in EDS Wellness. Pursuant to the Subscription Agreement, one of the Subscribers, who will subscribe for the largest portion of the Subscription Shares and who will own approximately 42.86% of the ordinary shares of EDS Wellness in issue as enlarged by the allotment and issue of the Subscription Shares (assuming none of the convertible preferred shares of EDS Wellness to be subscribed by the Subscribers are converted) and 40.00% of the ordinary shares of EDS Wellness in issue as enlarged by the allotment and issue of the Subscription Shares and upon conversion in full of the convertible preferred shares of EDS Wellness to be subscribed by the Subscribers, has undertaken to EDS Wellness that, following and subject to completion of the Subscription Agreement, it will make an unconditional mandatory general offer (the "**Possible Offer**") in compliance with the Takeovers Code in cash for all the ordinary shares of EDS Wellness (other than those already owned by or agreed to be acquired by it and parties acting in concert with it including a certain number of the ordinary shares of EDS Wellness held by the Company (which is considered a party in concert with the Subscribers as a result of certain non-disposal undertakings between it and the Subscribers) in respect of which the Company has undertaken not to accept the Possible Offer). In addition, the Subscription, if materialises, constitutes a deemed disposal and major transaction (the "**Deemed Disposal**") of the Company under the Listing Rules. As at the date of this announcement, the Company is in the process of preparing an announcement (the "**Deemed Disposal Announcement**") in relation to the Deemed Disposal for submitting to the Stock Exchange for vetting.

The Board would prepare and/or publish (as the case may be) the Proposed Acquisition Announcement I, the Proposed Acquisition Announcement II and the Deemed Disposal Announcement in order to resume trading in the shares of the Company as soon as practicable.

Trading of the shares of the Company will remain suspended pending the publication of the Proposed Acquisition Announcement I, the Proposed Acquisition Announcement II and the Deemed Disposal Announcement.

There is no assurance that the Proposed Acquisition I, the Proposed Acquisition II, the Deemed Disposal or any transaction mentioned in this announcement will materialise or eventually be consummated. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the shares of the Company.

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

Hong Kong, 24 February 2015

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton, Mr. Chan Kin Wah, Billy and 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 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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 statement in this announcement misleading.