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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 10 October 2013 (after trading hours of the Stock Exchange), the Offer Letter issued by Hong Kong Builders as lender to Customer F as borrower was accepted by Customer F. Pursuant to the Offer Letter, Hong Kong Builders has conditionally agreed to grant the Loan in the principal amount of HK\$100.00 million to Customer F for a term of two years from the date of drawdown.

The principal terms and conditions of the Offer Letter are set out in the paragraph headed “The Offer Letter” in this announcement.

IMPLICATIONS ON LISTING RULES

As one of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan is more than 5% but less than 25%, the grant of the Loan 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.

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The Offer Letter

The principal terms and conditions of the Offer Letter are summarised as follows:

- Date : 10 October 2013
- Lender : Hong Kong Builders, a licensed money lender in Hong Kong
- Borrower : Customer F
- Principal amount of the Loan : HK\$100.00 million
- Interest rate : Hong Kong Prime Rate (as quoted by The Hongkong and Shanghai Banking Corporation Limited) minus 2.50% per annum
- Security : (a) a personal guarantee given by Mr. Z in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer F under the Loan Agreement;
- (b) a first legal mortgage over the Mortgage Properties;
- (c) an assignment of Customer F's interests in insurance policies in respect of the Mortgage Properties; and
- (d) an assignment of all rental, sales proceeds and other income in relation to the Mortgage Properties.
- Term : Two years commencing from the date of drawdown.
- Repayment : Customer F shall repay (a) the interest on a monthly basis in arrears and (b) the principal amount of the Loan in full together with any accrued interest at maturity.
- Prepayment : Customer F may at any time prepay the 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.

- Conditions precedent : The Loan is conditional upon the fulfillment of the following conditions:
- (a) the signing of the Loan Agreement by Hong Kong Builders and Customer F on or before 31 October 2013 (or such other date as Hong Kong Builders and Customer F may agree in writing);
 - (b) the publication of an announcement of the Company in relation to the Loan and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (c) Hong Kong Builders having received a personal guarantee duly and properly executed by Mr. Z in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer F under the Loan Agreement;
 - (d) Hong Kong Builders having received an undated first legal mortgage duly and properly executed by Customer F over the Mortgage Properties and all original copy title deeds related to the Mortgage Properties to secure all the obligations and liabilities of Customer F under the Loan Agreement;
 - (e) Hong Kong Builders having received a valuation report prepared by an independent professional valuer of the Mortgage Properties with valuation not less than HK\$135.00 million;
 - (f) Hong Kong Builders having received an undated assignment duly and properly executed by Customer F in favour of Hong Kong Builders relating to the assignment of Customer F's interests in insurance policies in respect of the Mortgage Properties;
 - (g) Hong Kong Builders having received the insurance policies in respect of the Mortgage Properties;
 - (h) Hong Kong Builders having received an undated assignment duly and properly executed by Customer F in favour of Hong Kong Builders relating to the assignment of all rental, sales proceeds and other income in relation to the Mortgage Properties;
 - (i) all representations and warranties made by Customer F in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawdown with reference to the facts and circumstances then subsisting;

- (j) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Loan being made); and
- (k) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer F as Hong Kong Builders may reasonably require.

Availability period : The Loan is available for drawing during a period of two months from the first business day after the fulfillment of all conditions precedent as set out above.

Funding of the Loan

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

Information on Customer F and Mr. Z

Customer F is a company incorporated in Hong Kong with limited liability and the principal activity of which is property investment. Mr. Z is a merchant engaging business in Hong Kong, a director and the ultimate beneficial owner of Customer F. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Customer F and Mr. Z are third parties independent of the Company and its connected persons.

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, 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 Loan

As money lending is one of the principal activities of the Group, the grant of the Loan to Customer F is in the ordinary and usual course of business of the Group.

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

IMPLICATIONS ON LISTING RULES

As one of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan is more than 5% but less than 25%, the grant of the Loan 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Customer F”	a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“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 a wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the secured loan in the principal amount of HK\$100.00 million
“Loan Agreement”	the loan agreement containing all the terms and conditions of the Loan as set out in the Offer Letter to be entered into between Hong Kong Builders as lender and Customer F as borrower relating to the grant of the Loan

“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
“Mortgage Properties”	the properties located in Hong Kong and beneficially owned by Customer F
“Mr. Z”	an individual who is a director and the ultimate beneficial owner of Customer F
“Offer Letter”	the legally binding offer letter dated 10 October 2013 and issued by Hong Kong Builders as lender to Customer F as borrower relating to the grant of the Loan
“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, 10 October 2013

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.