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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 29 September 2014 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between Hong Kong Builders as lender and Customer M as borrower. Pursuant to the Loan Agreement, Hong Kong Builders has conditionally agreed to grant the revolving loan facilities of up to a principal amount of HK\$80.00 million to Customer M for a term of six months from the date of the Loan Agreement becoming unconditional.

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

LISTING RULES IMPLICATIONS

As two of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the revolving loan facilities under the Loan Agreement are more than 5% but less than 25%, the grant of the revolving loan facilities under the 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.

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The Loan Agreement

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

- Date : 29 September 2014
- Lender : Hong Kong Builders, a licensed money lender in Hong Kong
- Borrower : Customer M
- Principal amount of the revolving loan facilities : Up to HK\$80.00 million at any time during the availability period
- Interest rate : 10.00% per annum
- Default interest rate : 10.00% per annum on overdue sums, including outstanding principal amount of the revolving loan facilities and interest accrued thereon, from the date of default until the overdue sums are paid.
- Security : No security will be provided by Customer M.
- Availability period : Six months from the date on which the Loan Agreement becoming unconditional.
- If Customer M has not made the first drawing of the revolving loan facilities for 30 days (or such other number of days as Customer M and Hong Kong Builders may agree in writing) after the commencement of the availability period, the revolving loan facilities shall automatically be cancelled and no longer be available for the drawing.
- Final repayment date : The date falling six months after the date on which the Loan Agreement becoming unconditional.
- Repayment : Customer M shall repay (i) the interest accrued on the outstanding principal amount of the revolving loan facilities on a quarterly basis in arrears and (ii) the outstanding principal amount of the revolving loan facilities together with any accrued and unpaid interest in one lump sum in full on the final repayment date.
- Prepayment : Customer M may at any time prepay the whole or any part of the outstanding principal amount of the revolving loan facilities together with the accrued interest by giving not less than one business day's prior written notice to Hong Kong Builders before prepayment.

- Drawing and repayment : Any amounts repaid by Customer M shall be available for re-borrowing and drawing provided that the outstanding principal amount of the revolving loan facilities shall not exceed HK\$80.00 million.
- Conditions precedent : The Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) all representations and warranties made by Customer M 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 drawing with reference to the facts and circumstances then subsisting;
 - (c) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the revolving loan facilities being made); and
 - (d) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer M may reasonably require.
- Long stop date : One month from the date of the Loan Agreement or such later date as Hong Kong Builders and Customer M may agree in writing.

Funding of the Loan

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

Information on Customer M

Customer M is a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. Customer M is an investment holding company and its subsidiaries are principally engaged in the provision of securities brokerage, securities underwriting and placements, and consultancy and advisory services. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Customer M is a third party independent of the Company and its connected persons (as defined under the Listing Rules). As at the date of the Loan Agreement, the Group is interested in 12,000,000 shares in Customer M, representing approximately 2.69% of the issued share capital of Customer M.

Financial assistance transaction with Customer M in the past 12 months prior to the date of this announcement

On 12 March 2014, Hong Kong Builders as lender and Customer M as borrower entered into a loan agreement relating to the grant of an unsecured revolving loan facilities of up to a principal amount of HK\$120.00 million (the “**Previous Revolving Loan Facilities**”) for a term of 24 months from the date of the aforesaid loan agreement becoming unconditional. However, Customer M did not make any drawing during the availability period, the Previous Revolving Loan Facilities was automatically cancelled and no longer available for drawing.

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, 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 revolving loan facilities under the Loan Agreement

As money lending is one of the principal activities of the Group, the grant of the revolving loan facilities under the Loan Agreement to Customer M is in the ordinary and usual course of business of the Group.

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

LISTING RULES IMPLICATIONS

As two of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the revolving loan facilities under the Loan Agreement are more than 5% but less than 25%, the grant of the revolving loan facilities under the 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 under stock code: 764
“Customer M”	a company incorporated in Hong Kong 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
“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
“Loan Agreement”	the loan agreement dated 29 September 2014 and entered into between Hong Kong Builders as lender and Customer M as borrower relating to the grant of an unsecured revolving loan facilities of up to a principal amount of HK\$80.00 million
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“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, 29 September 2014

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.