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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 23 May 2016 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between Hong Kong Builders as lender and Customer Y as borrower. Pursuant to the Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Facilities of up to a principal amount of HK\$140.00 million to Customer Y for a term of 24 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 Facilities under the Loan Agreement are more than 5% but less than 25%, the grant of the 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	:	23 May 2016
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer Y
Principal amount of the Facilities	:	Up to HK\$140.00 million
Interest rate	:	8.00% per annum, payable quarterly
Default interest rate	:	8.00% per annum on overdue sums, including outstanding principal amount of the Loan, interest and other amounts payable under the Loan Agreement, from the due date until payment in full.
Security	:	No security will be provided by Customer Y.
Availability period	:	24 months from the date on which the Loan Agreement becoming unconditional. If (i) Customer Y has not made the first drawing of the Facilities for 90 days (or such other number of days as Customer Y and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer Y has not made a drawing for 15 days (or such other number of days as Customer Y and Hong Kong Builders may agree in writing) after Customer Y has repaid all the principal amount of the Loan, the interest accrued thereon and all other outstanding amounts under the Loan Agreement to Hong Kong Builders, the Facilities shall automatically be cancelled and no longer be available for drawing.
Final repayment date	:	The date falling 24 months after the date on which the Loan Agreement becoming unconditional.
Repayment	:	Customer Y shall repay the outstanding principal amount of the Loan in full together with any accrued and unpaid interest in one lump sum on the final repayment date.

- Prepayment : Customer Y may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the Loan before the final repayment date provided that (i) Customer Y shall have given to Hong Kong Builders not less than one business day's prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made, and (ii) Customer Y shall, on the date of prepayment, pay to Hong Kong Builders all accrued interest on the amount prepaid.
- Re-borrowing and drawing : Any amounts prepaid by Customer Y before the final repayment date shall be available for re-borrowing and drawing provided always that the aggregate outstanding principal amount of the Loan shall not exceed HK\$140.00 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 Y 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 Loan being made); and
 - (d) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer Y as Hong Kong Builders may reasonably require.
- Long stop date : 3 June 2016 (or such later date as Hong Kong Builders and Customer Y may agree in writing).

Funding of the Facilities

HK\$34.49 million of the Facilities will be financed by the net proceeds from the placing of 536,000,000 new shares of the Company under general mandate as completed on 18 February 2016 and the remaining balance of HK\$105.51 million will be financed by the internal resources of the Company.

Information on Customer Y

Customer Y is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM. Customer Y is an investment holding company and its subsidiaries are principally engaged in the provision and operation of travel business, treasury management and money lending. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Customer Y is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

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, money lending and design and sale of jewelry products.

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 Facilities under the Loan Agreement

As money lending is one of the principal activities of the Group, the grant of the Facilities under the Loan Agreement to Customer Y 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 Y. The Directors are of the view that the terms of the Loan Agreement 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 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 Facilities under the Loan Agreement are more than 5% but less than 25%, the grant of the 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 Y”	a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“Facilities”	the Loan to be made available by Hong Kong Builders to Customer Y under the Loan Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“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 principal amount of up to HK\$140.00 million to be advanced by Hong Kong Builders subject to and upon the terms and conditions of the Loan Agreement or any part thereof and for the time being outstanding
“Loan Agreement”	the conditional loan agreement dated 23 May 2016 and entered into between Hong Kong Builders as lender and Customer Y as borrower relating to the grant of the Facilities
“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, 23 May 2016

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.