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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 August 2016, the First Loan Agreement was entered into between Hong Kong Builders as lender and Customer AA as borrower. Pursuant to the First Loan Agreement, Hong Kong Builders has conditionally agreed to grant the First Loan Facilities of up to a principal amount of HK\$20.00 million to Customer AA for a term of 24 months from the date on which the First Loan Agreement becoming unconditional.

On 30 August 2016 (after morning session of the trading hours of the Stock Exchange), the Second Loan Agreement was entered into between Hong Kong Builders as lender and Customer AA as borrower. Pursuant to the Second Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Second Loan Facilities of up to a principal amount of HK\$20.00 million to Customer AA for a term of 24 months from the date on which the Second Loan Agreement becoming unconditional.

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

LISTING RULES IMPLICATIONS

As the First Loan Agreement remains in full force and effect as at the date of the Second Loan Agreement, the grant of the Second Loan Facilities under the Second Loan Agreement is aggregate with the First Loan Facilities under the First Loan Agreement in accordance with Rule 14.22 of the Listing Rules.

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

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The First Loan Agreement

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

Date	:	23 August 2016
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer AA
Principal amount of the First Loan Facilities	:	Up to HK\$20.00 million
Interest rate	:	9.00% per annum, payable monthly
Default interest rate	:	9.00% per annum on overdue sums, including outstanding principal amount of the First Loan Facilities, interest and other amounts payable under the First Loan Agreement, from the due date until payment in full.

- Security : A personal guarantee given by Mr. W in favour of Hong Kong Builders as a security for all the obligations of Customer AA under the First Loan Agreement.
- Availability period : 24 months from the date on which the First Loan Agreement becoming unconditional.
- If (i) Customer AA has not made the first drawing of the First Loan Facilities for 90 days (or such other number of days as Customer AA and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer AA has not made a drawing for 15 days (or such other number of days as Customer AA and Hong Kong Builders may agree in writing) after Customer AA has repaid all the principal amount of the First Loan Facilities, the interest accrued thereon and all other outstanding amounts under the First Loan Agreement to Hong Kong Builders, the First Loan 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 First Loan Agreement becoming unconditional.
- Repayment : Customer AA shall repay the outstanding principal amount of the First Loan Facilities in full together with any accrued and unpaid interest in one lump sum on the final repayment date.
- Prepayment : Customer AA may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the First Loan Facilities before the final repayment date provided that (i) Customer AA 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 AA 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 AA before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the First Loan Facilities shall not exceed HK\$20.00 million.

- Conditions precedent : The First Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) Hong Kong Builders having received a personal guarantee duly and properly executed by Mr. W in favour of Hong Kong Builders as a security for all obligations of Customer AA under the First Loan Agreement;
 - (b) all representations and warranties made by Customer AA in the First 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 First Loan Facilities being made); and
 - (d) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer AA as Hong Kong Builders may reasonably require.
- Long stop date : 9 September 2016 (or such later date as Hong Kong Builders and Customer AA may agree in writing).

As at the date of the Second Loan Agreement, the First Loan Agreement remains in full force and effect.

The Second Loan Agreement

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

Date	:	30 August 2016
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer AA
Principal amount of the Second Loan Facilities	:	Up to HK\$20.00 million
Interest rate	:	9.00% per annum, payable monthly
Default interest rate	:	9.00% per annum on overdue sums, including outstanding principal amount of the Second Loan Facilities, interest and other amounts payable under the Second Loan Agreement, from the due date until payment in full.
Security	:	A personal guarantee given by Mr. W in favour of Hong Kong Builders as a security for all the obligations of Customer AA under the Second Loan Agreement.
Availability period	:	24 months from the date on which the Second Loan Agreement becoming unconditional. If (i) Customer AA has not made the first drawing of the Second Loan Facilities for 90 days (or such other number of days as Customer AA and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer AA has not made a drawing for 15 days (or such other number of days as Customer AA and Hong Kong Builders may agree in writing) after Customer AA has repaid all the principal amount of the Second Loan Facilities, the interest accrued thereon and all other outstanding amounts under the Second Loan Agreement to Hong Kong Builders, the Second Loan 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 Second Loan Agreement becoming unconditional.
Repayment	:	Customer AA shall repay the outstanding principal amount of the Second Loan Facilities in full together with any accrued and unpaid interest in one lump sum on the final repayment date.

- Prepayment : Customer AA may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the Second Loan Facilities before the final repayment date provided that (i) Customer AA 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 AA 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 AA before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the Second Loan Facilities shall not exceed HK\$20.00 million.
- Conditions precedent : The Second Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the First Loan Agreement, the Second Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) Hong Kong Builders having received a personal guarantee duly and properly executed by Mr. W in favour of Hong Kong Builders as a security for all obligations of Customer AA under the Second Loan Agreement;
 - (c) all representations and warranties made by Customer AA in the Second 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;
 - (d) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Second Loan Facilities being made); and
 - (e) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer AA as Hong Kong Builders may reasonably require.
- Long stop date : 15 September 2016 (or such later date as Hong Kong Builders and Customer AA may agree in writing).

Funding of the First Loan Facilities and the Second Loan Facilities

The First Loan Facilities and the Second Loan Facilities are/will be financed by the internal resources of the Company.

Information on Customer AA and Mr. W

Customer AA is a company incorporated in Hong Kong with limited liability and its principal activity is property investment. Mr. W is a merchant engaging business in Hong Kong and a director of Customer AA. Mr. W and his spouse are the ultimate beneficial owners of Customer AA. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, Customer AA, Mr. W and his spouse are third parties 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, design and sale of jewelry products, and sale of precious stones.

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 First Loan Facilities under the First Loan Agreement and the Second Loan Facilities under the Second Loan Agreement

As money lending is one of the principal activities of the Group, the grant of the First Loan Facilities under the First Loan Agreement and the Second Loan Facilities under the Second Loan Agreement to Customer AA is in the ordinary and usual course of business of the Group.

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

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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 AA”	a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“First Loan Agreement”	the conditional loan agreement dated 23 August 2016 and entered into between Hong Kong Builders as lender and Customer AA as borrower relating to the grant of the First Loan Facilities
“First Loan Facilities”	the revolving loan facilities in the principal amount of up to HK\$20.00 million to be advanced by Hong Kong Builders subject to and upon the terms and conditions of the First Loan Agreement or any part thereof and for the time being outstanding
“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
“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
“Mr. W”	a director and an ultimate beneficial owner of Customer AA
“Second Loan Agreement”	the conditional loan agreement dated 30 August 2016 and entered into between Hong Kong Builders as lender and Customer AA as borrower relating to the grant of the Second Loan Facilities
“Second Loan Facilities”	the revolving loan facilities in the principal amount of up to HK\$20.00 million to be advanced by Hong Kong Builders subject to and upon the terms and conditions of the Second Loan Agreement or any part thereof and for the time being outstanding
“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, 30 August 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.