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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**

On 21 February 2017 (after trading hours of the Stock Exchange), the First Loan Agreement was entered into between Hong Kong Builders as lender and Customer C as borrower. Pursuant to the First Loan Agreement, Hong Kong Builders has conditionally agreed to grant the First Facilities of up to a principal amount of HK\$60.00 million to Customer C for a term of 24 months commencing from the date on which the First Loan Agreement becoming unconditional.

The granting of the First Facilities under the First Loan Agreement was announced by the Company on 21 February 2017.

On 13 April 2017 (after trading hours of the Stock Exchange), the Second Loan Agreement was entered into between Hong Kong Builders as lender and Customer C as borrower. Pursuant to the Second Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Second Facilities of up to a principal amount of HK\$65.00 million to Customer C for a term of 24 months commencing from the date on which the Second Loan Agreement becoming unconditional.

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

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.

The Directors consider that the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second Loan Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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

As two of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second Loan Agreement when aggregated are more than 5% but less than 25%, the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second 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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As at the date of the Second Loan Agreement, the First Loan Agreement remains in full force and effect.

## The First Loan Agreement

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

Date	:	21 February 2017
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer C
Principal amount of the First Facilities	:	Up to HK\$60.00 million
Interest rate	:	8.00% per annum, payable quarterly in arrears
Default interest rate	:	8.00% per annum on overdue sums from the due date until payment in full.
Security	:	No security is provided by Customer C.
Availability period	:	24 months commencing from the date on which the First Loan Agreement becoming unconditional.  If (i) Customer C has not made the first drawing for 90 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer C has not made a drawing for 15 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after Customer C has repaid all the principal amount of the First Loan, the interest accrued thereon and all other outstanding amounts under the First Loan Agreement to Hong Kong Builders, the First 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 C shall repay the outstanding principal amount of the First Loan in full together with any accrued and unpaid interest in one lump sum on the final repayment date.

- Prepayment : Customer C may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the First Loan before the final repayment date provided that (i) Customer C 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 C 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 C before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the First Loan shall not exceed HK\$60.00 million.
- Conditions precedent : The First 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 and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
  - (b) all representations and warranties made by Customer C 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 being made); and
  - (d) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer C of the First Loan Agreement as Hong Kong Builders may reasonably require.
- Long stop date : 28 February 2017 (or such later date as Hong Kong Builders and Customer C may agree in writing).

## The Second Loan Agreement

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

Date	:	13 April 2017
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer C
Principal amount of the Second Facilities	:	Up to HK\$65.00 million
Interest rate	:	8.00% per annum, payable quarterly in arrears
Default interest rate	:	8.00% per annum on overdue sums from the due date until payment in full.
Security	:	No security will be provided by Customer C.
Availability period	:	24 months commencing from the date on which the Second Loan Agreement becoming unconditional.  If (i) Customer C has not made the first drawing for 90 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer C has not made a drawing for 15 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after Customer C has repaid all the principal amount of the Second Loan, the interest accrued thereon and all other outstanding amounts under the Second Loan Agreement to Hong Kong Builders, the Second 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 C shall repay the outstanding principal amount of the Second Loan in full together with any accrued and unpaid interest in one lump sum on the final repayment date.

- Prepayment : Customer C may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the Second Loan before the final repayment date provided that (i) Customer C shall have given to Hong Kong Builders prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made, and (ii) Customer C 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 C before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the Second Loan shall not exceed HK\$65.00 million.
- Conditions precedent : The Second Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) if required, 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) all representations and warranties made by Customer C 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;
  - (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 Second Loan being made); and
  - (d) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer C of the Second Loan Agreement as Hong Kong Builders may reasonably require.
- Long stop date : 28 April 2017 (or such later date as Hong Kong Builders and Customer C may agree in writing).

## **Funding of the Second Facilities**

The Second Facilities will be financed by the internal resources of the Company.

## **Information on Customer C**

Customer C is an individual who is a merchant.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Customer C is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

## **Financial assistance transactions with Customer C in the past 12 months prior to the date of the Second Loan Agreement**

In addition to the First Loan Agreement, on 14 March 2016, Hong Kong Builders as lender and Customer C as borrower entered in the Previous Loan Agreement relating to the granting of an unsecured revolving loan facilities of up to a principal amount of HK\$25.00 million for a term of 24 months commencing from the date on which the Previous Loan Agreement becoming unconditional. Prior to the final repayment date, Customer C made full prepayment of the unsecured revolving loan facilities and all interest accrued thereon on 30 June 2016 and did not make any drawing after the full prepayment. Accordingly, the unsecured revolving loan facilities under the Previous Loan Agreement was cancelled and no longer be available for drawing.

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

## **Information on the Group and Hong Kong Builders**

The Company is an investment holding company and its subsidiaries are principally engaged in sale of financial assets, property investment, money lending, design and sale of jewelry products, and sale of precious stones.

Hong Kong Builders is a licensed money lender in Hong Kong under 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 granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second Loan Agreement**

As money lending is one of the principal activities of the Group, the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second Loan Agreement to Customer C 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 C. 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 and the Second Loan during the term of the First Loan Agreement and the Second Loan Agreement respectively, the Directors consider that the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second Loan Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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

As two of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second Loan Agreement when aggregated are more than 5% but less than 25%, the granting of the First Facilities under the First Loan Agreement and the Second Facilities under the Second 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 C”	an individual
“Director(s)”	the director(s) of the Company
“First Facilities”	the First Loan to be made available by Hong Kong Builders to Customer C under the First Loan Agreement



“First Loan”	the principal amount of up to HK\$60.00 million to be advanced by Hong Kong Builders to Customer C subject to and upon the terms and conditions of the First Loan Agreement or any part thereof and for the time being outstanding.
“First Loan Agreement”	the conditional loan agreement dated 21 February 2017 entered into between Hong Kong Builders as lender and Customer C as borrower relating to the granting of the First Facilities
“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
“Previous Loan Agreement”	the conditional loan agreement dated 14 March 2016 entered into between Hong Kong Builders as lender and Customer C as borrower relating to the granting of an unsecured revolving loan of up to a principal amount of HK\$25.00 million
“Second Facilities”	the Second Loan to be made available by Hong Kong Builders to Customer C under the Second Loan Agreement
“Second Loan”	the principal amount of up to HK\$65.00 million to be advanced by Hong Kong Builders to Customer C subject to and upon the terms and conditions of the Second Loan Agreement or any part thereof and for the time being outstanding
“Second Loan Agreement”	the conditional loan agreement dated 13 April 2017 entered into between Hong Kong Builders as lender and Customer C as borrower relating to the granting of the Second Facilities
“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, 13 April 2017

*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.*