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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

 **KINGSTON SECURITIES**

On 26 April 2017 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 643,200,000 Placing Shares to currently expected not fewer than six Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price of HK\$0.16 per Placing Share.

The Placing Price of HK\$0.16 per Placing Share represents:

- (i) a discount of approximately 19.60% to the closing price of HK\$0.199 per Share as quoted on the Stock Exchange on 26 April 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 19.60% to the average closing price of HK\$0.199 per Share in the last five consecutive trading days immediately prior to 26 April 2017, being the date of the Placing Agreement.

The maximum number of 643,200,000 Placing Shares represents (i) approximately 20.00% of the existing issued share capital of the Company of 3,216,006,486 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 3,859,206,486 Shares as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing).

Completion of the Placing is subject to the conditions precedent as set out in the section headed “Conditions of the Placing” below.

On the basis that all of the 643,200,000 Placing Shares are placed in full, the gross proceeds from the Placing will be amounted to approximately HK\$102.91 million and the net proceeds from the Placing will be amounted to approximately HK\$99.22 million which is intended to be used for financing the proposed acquisition of the property as announced by the Company on 13 April 2017.

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the conditions precedent as set out in the section headed “Conditions of the Placing” and the Placing Agent not having terminated the Placing Agreement in accordance with the terms thereof. Accordingly, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise extreme caution when dealings in the Shares.

On 26 April 2017 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 643,200,000 Placing Shares to currently expected not fewer than six Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price of HK\$0.16 per Placing Share.

THE PLACING AGREEMENT

Date: 26 April 2017

Parties: The Company and the Placing Agent

Placing Agent

The Placing Agent is a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the SFO. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties. As at the date of this announcement, the Placing Agent held 12 Shares.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 3.50% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm’s length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing is fair and reasonable based on the current market conditions.

Placees

The Placing Shares are expected to be placed to not fewer than six Placees who are independent professional, institutional and/or other investors who and whose ultimate beneficial owners are Independent Third Parties.

It is expected that none of the individual Placees will become a substantial shareholder of the Company as a result of the Placing.

Placing Price

The Placing Price of HK\$0.16 per Placing Share represents:

- (i) a discount of approximately 19.60% to the closing price of HK\$0.199 per Share as quoted on the Stock Exchange on 26 April 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 19.60% to the average closing price of HK\$0.199 per Share in the last five consecutive trading days immediately prior to 26 April 2017, being the date of the Placing Agreement.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the prevailing trading price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the prevailing market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

The net Placing Price per Placing Share will be approximately HK\$0.154.

Number of the Placing Shares

Pursuant to the Placing Agreement, up to 643,200,000 Placing Shares will be placed by the Placing Agent. The maximum number of 643,200,000 Placing Shares represents (i) approximately 20.00% of the existing issued share capital of the Company of 3,216,006,486 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 3,859,206,486 Shares as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing).

The maximum aggregate nominal value of the Placing Shares will be HK\$6,432,000.

Ranking of the Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

The Placing Shares will, upon allotment and issue, be free from all liens, charges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at completion of the Placing and thereafter.

General mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the general mandate (the “**General Mandate**”) granted to the Directors by resolution of the Shareholders passed at the annual general meeting (the “**AGM**”) of the Company held on 28 June 2016 subject to the limit of not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution at the AGM. Under the General Mandate, the Directors are authorised to allot and issue up to a maximum of 643,201,297 new Shares. Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate and the Directors are allowed to allot and issue up to a maximum of 643,201,297 new Shares.

Accordingly, the allotment and issue of the Placing Shares is not subject to the Shareholders’ approval.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business days after the fulfillment of the conditions as set out above or such other later date to be agreed between the Company and the Placing Agent (the “**Completion Date**”).

If the above conditions are not satisfied and/or waived in whole or in part by the Placing Agent prior to 5:00 p.m. on or before 12 May 2017 or such later date to be agreed between the Company and the Placing Agent (the “**Long Stop Date**”), the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties to the Placing Agreement will forthwith cease and determine and no party will have any claim against the others, save for any antecedent breaches of the Placing Agreement.

Application for Listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (i) completion of the Placing; (ii) the Long Stop Date if the conditions as set out in section headed "Conditions of the Placing" have not been satisfied or waived (as the case may be); and (iii) the termination of the Placing Agreement by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.

The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investors or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affects the success of the Placing (such success being the placing of the Placing Shares to potential investors) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Completion Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcements relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice by the Placing Agent to terminate the Placing in accordance with the Placing Agreement, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

REASONS FOR AND BENEFIT OF THE PLACING AND USE OF PROCEEDS

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.

On the basis that all of the 643,200,000 Placing Shares are placed in full, the gross proceeds from the Placing will be amounted to approximately HK\$102.91 million and the net proceeds from the Placing will be amounted to approximately HK\$99.22 million which is intended to be used for financing the proposed acquisition of the property as announced by the Company on 13 April 2017.

The Directors consider that the Placing presents an opportunity for the Company to raise additional funds for the proposed acquisition of property while broadening the shareholder base of the Company. In view of the above, the Directors consider that the terms of the Placing are on normal commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon completion of the Placing, assuming (i) there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing; and (ii) all of the Placing Shares are placed in full, are set out below:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares held	Approximate %	No. of Shares held	Approximate %
Smart Concept Enterprise Limited (Note 1)	372,416,803	11.58	372,416,803	9.65
Rich Public Limited (Note 1)	22,773,671	0.71	22,773,671	0.59
Twin Success International Limited (Note 2)	211,416,000	6.57	211,416,000	5.48
Mr. Chan Kin Wah Billy (Note 3)	6,319,500	0.20	6,319,500	0.16
The Placing Agent	12	0.00	12	0.00
The Placees	—	—	643,200,000	16.67
Other public Shareholders	2,603,080,500	80.94	2,603,080,500	67.45
Total	<u>3,216,006,486</u>	<u>100.00</u>	<u>3,859,206,486</u>	<u>100.00</u>

Notes:

- Smart Concept Enterprise Limited and Rich Public Limited are wholly owned by Mr. Yuen Hoi Po.
- Twin Success International Limited is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai, the Chairman of the Board and an executive Director. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton, an executive Director, and as to 50% by Mr. Cheung Kwok Fan, an executive Director.
- Mr. Chan Kin Wah Billy is an executive Director.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

No equity fund raising activity was conducted by the Company in the past 12 months immediately preceding the date of this announcement.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the conditions precedent as set out in the section headed “Conditions of the Placing” and the Placing Agent not having terminated the Placing Agreement in accordance with the terms thereof. Accordingly, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise extreme caution when dealings in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:

“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange (stock code: 764)
“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
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) is/are third party(ies) independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any independent professional, institutional and/or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 643,200,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the SFO
“Placing Agreement”	the conditional placing agreement dated 26 April 2017 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.16 per Placing Share
“Placing Shares”	up to 643,200,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it in the Listing Rules
“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, 26 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.