

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

VARIATION TO TERMS OF CONNECTED TRANSACTION RELATING TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

Reference is made to the announcement of Eternity Investment Limited (the “**Company**”) dated 20 August 2018 (the “**Announcement**”) in relation to the granting of the loan in the principal amount of RMB25.00 million (equivalent to HK\$28.50 million) to Mr. Guan Jialin for a term of 24 months commencing from 24 August 2018. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless stated otherwise.

As disclosed in the Announcement, the Loan Agreement is conditional upon the real estate mortgage over the Property having been duly registered with 北京市順義區房屋管理局 (Real Estate Bureau of Beijing Shunyi District*) (the “**Real Estate Bureau**”) by Beijing Bayhood No. 9 Co. and the Guarantor. As Beijing Bayhood No. 9 Co. is not a financial institution, the Real Estate Bureau has refused Beijing Bayhood No. 9 Co. and the Guarantor to register the real estate mortgage over the Property.

SUPPLEMENTAL AGREEMENT AND IRREVOCABLE UNDERTAKING GIVEN BY MR. YUAN HUIXIA (“MR. YUAN”) TO BEIJING BAYHOOD NO. 9 CO.

In light of the above, on 20 September 2018 (after trading hours of the Stock Exchange), Beijing Bayhood No. 9 Co., the Borrower, and the Guarantor entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which the condition precedent of the Loan Agreement is varied as follows:

“The Loan Agreement is conditional upon the real estate mortgage over the Property having been duly registered with the Real Estate Bureau by Mr. Yuan (as agent of Beijing Bayhood No. 9 Co.) and the Guarantor.”

Mr. Yuan is the legal representative and a director of 北京北湖商業管理有限公司 (Beijing Bayhood Business Management Company Limited*), a wholly-owned subsidiary of the Company.

Concurrently, on 20 September 2018 (after trading hours of the Stock Exchange), Mr. Yuan executed an irrevocable undertaking (the “**Undertaking**”) in favour of Beijing Bayhood No. 9 Co., pursuant to which:

- (a) Mr. Yuan shall, on behalf of Beijing Bayhood No. 9 Co. and together with the Guarantor, register the real estate mortgage over the Property with the Real Estate Bureau;
- (b) in the event that the Borrower does not repay the Loan in accordance with the Loan Agreement, Mr. Yuan shall sell the Property on the instruction of Beijing Bayhood No. 9 Co. and transfer the proceeds in full to Beijing Bayhood No. 9 Co.;
- (c) in the event that Beijing Bayhood No. 9 Co. proposes to change the mortgagee of the mortgage over the Property or terminate the mortgage, Mr. Yuan shall execute all necessary documents on the instruction of Beijing Bayhood No. 9 Co. to effect such change or termination; and
- (d) unless on the instruction of Beijing Bayhood No. 9 Co., Mr. Yuan shall not change the mortgagee of the mortgage over the Property, terminate the mortgage, or sell the Property.

Save for the above, all terms and conditions of the Loan Agreement remain unchanged and in full force and effect.

As at the date of this announcement, no drawdown of the Loan was made by the Borrower.

The Directors (including all the independent non-executive Directors) consider that the terms of the Supplemental Agreement and the Undertaking are on normal commercial terms, and that the entering into of the Supplemental Agreement with the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co. are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Supplemental Agreement with the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co. constitutes a variation of the terms of the Loan Agreement and the transactions contemplated under it. Therefore, the Company made this announcement pursuant to the requirement under Rule 14A.35 of the Listing Rules with regard to the variation.

As all of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the granting of the Loan under the Loan Agreement (as supplemented by the Supplemental Agreement with the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co.) remain less than 5%, the granting of the Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As each of the Borrower, the Guarantor, and Mr. Yuan is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules, the entering into of the Supplemental Agreement with the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co. constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Given that:

- (a) the Board has approved the Supplemental Agreement and the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co. and the transactions contemplated thereunder; and
- (b) the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Supplemental Agreement and the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co. are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole,

the entering into of the Supplemental Agreement with the Undertaking given by Mr. Yuan to Beijing Bayhood No. 9 Co. is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

By Order of the Board
Eternity Investment Limited
Lei Hong Wai
Chairman

Hong Kong, 20 September 2018

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.

* *For the purpose of identification only*