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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE RELATING TO THE VARIATION OF THE LOAN AGREEMENT

Reference is made to the announcement of the Company dated 9 February 2018 (the “**Announcement**”) relating to the granting of the Facilities of up to a principal amount of HK\$135.00 million to Customer AJ. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

VARIATION OF THE LOAN AGREEMENT

The Board announces that, on 7 February 2020 (after the trading hours of the Stock Exchange), a supplemental agreement (the “**Supplemental Agreement**”) was entered into between Hong Kong Builders and Customer AJ in relation to (i) the provision of a corporate guarantee executed by Smart Concept Enterprise Limited (the “**Guarantor**”) in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Loan Agreement (the “**Provision of Guarantee**”) and (ii) the extension of the final repayment date of the Loan Agreement from 8 February 2020 to 6 February 2022 (the “**Facilities Extension**”). Save and except for the above, all the terms and conditions of the Loan Agreement remain unchanged and continue in full force and effect.

The summarised principal terms and conditions of the Loan Agreement are disclosed in the Announcement.

As at the date of this announcement, the outstanding principal amount of the Facilities is HK\$135.00 million.

INFORMATION ON CUSTOMER AJ AND THE GUARANTOR

Customer AJ, namely Mr. Yuen Hoi Po, is a merchant.

The Guarantor, namely Smart Concept Enterprise Limited, is a company incorporated in the British Virgin Islands with limited liability. The Guarantor is an investment holding company and the substantial shareholder (as defined in the Listing Rules) of a company listed on the Main Board of the Stock Exchange. The ultimate beneficial owner of the Guarantor is Customer AJ.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, Customer AJ and the Guarantor are third party independent of the Company and its connected persons (as defined in the Listing Rules).

FINANCIAL ASSISTANCE TRANSACTION WITH AN ASSOCIATE OF CUSTOMER AJ AS AT THE DATE OF THE SUPPLEMENTAL AGREEMENT

On 5 September 2017, the Shareholders' Loan Agreement was entered into between Legend Rich and the Other Shareholder as lenders on one part, and Elite Prosperous as borrower on the other part. Pursuant to the Shareholders' Loan Agreement, Legend Rich has provided the Shareholder's Loan in the amount of US\$4.90 million (equivalent to approximately HK\$38.45 million) to Elite Prosperous, being its pro rata share of the shareholders' loan in the principal amount of US\$10.00 million (equivalent to approximately HK\$78.44 million) in aggregate provided by all the shareholders of Elite Prosperous. The Shareholder's Loan is unsecured, non-interest bearing and repayable on demand by Legend Rich. Please refer to the Company's announcement dated 5 September 2017 for more information on the Shareholders' Loan Agreement.

Given that the Other Shareholder is wholly owned by Customer AJ and the Other Shareholder has a 51% shareholding interest in Elite Prosperous, Elite Prosperous is an associate (as defined in the Listing Rules) of Customer AJ.

As at the date of the Supplemental Agreement, the Shareholder's Loan in the amount of US\$4.90 million (equivalent to approximately HK\$38.45 million) remains outstanding.

INFORMATION OF 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, and design and sale of jewelry products.

Hong Kong Builders is a licenced 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 PROVISION OF GUARANTEE AND THE FACILITIES EXTENSION

As money lending is one of the principal activities of the Group, the provision of loans and the extension of final repayment dates of loans are in the ordinary and usual course of business of the Group.

At the request of Customer AJ, Hong Kong Builders and Customer AJ negotiated for the Provision of Guarantee, the Facilities Extension and the terms of the Supplemental Agreement on an arm's length basis. Having considered the financial background of Customer AJ, the interest payment history of Customer AJ, the corporate guarantee given by the Guarantor as a security for all the obligations and liabilities of Customer AJ under the Loan Agreement and an additional interest income to be generated to Hong Kong Builders from the Facilities Extension, the Directors consider that the Provision of Guarantee and the Facilities Extension under the Supplemental Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As Elite Prosperous is an associate (as defined in the Listing Rules) of Customer AJ and the Shareholder's Loan remains outstanding as at the date of the Supplemental Agreement, the Provision of Guarantee and the Facilities Extension is required to aggregate with the Shareholder's Loan 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 Provision of Guarantee, the Facilities Extension and the Shareholder's Loan when aggregated are more than 5% but less than 25%, the Provision of Guarantee and the Facilities Extension constitute 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.

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

Hong Kong, 7 February 2020

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.