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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

The Board announced that Eternity Finance disposed of 144,200,000 shares in Huayi Tencent at an aggregate consideration of HK\$77,761,000 (excluding transaction costs) through a series of trades executed on the Exchange on 2 March 2021. The average selling price (excluding transaction costs) of each share in Huayi Tencent is approximately HK\$0.5393.

Given that the Disposal is made on the Exchange at the prevailing market prices, the Directors (including the independent non-executive Directors) consider that the Disposal is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

THE PREVIOUS DISPOSAL

During the period from 19 May 2020 to 26 February 2021, Eternity Finance disposed of an aggregate of 257,480,000 shares in Huayi Tencent at an aggregate consideration of HK\$37,851,000 (excluding transaction costs) on the Exchange at the then prevailing market prices. The aggregate consideration from the Previous Disposal was used as general working capital of the Group.

As none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Previous Disposal was more than 5%, the Previous Disposal did not constitute a transaction of the Company under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the Disposal takes place within a 12-month period from the date of the Previous Disposal, the Disposal is required to aggregate with the Previous Disposal in accordance with Rule 14.22 of the Listing Rules for the purpose of transaction classification set out in Rule 14.06 of the Listing Rules.

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal and the Previous Disposal when aggregated is more than 5% but less than 25%, the Disposal and the Previous Disposal 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.

THE DISPOSAL

The Board announced that Eternity Finance disposed of 144,200,000 shares in Huayi Tencent at an aggregate consideration of HK\$77,761,000 (excluding transaction costs) through a series of trades executed on the Exchange on 2 March 2021. The average selling price (excluding transaction costs) of each share in Huayi Tencent is approximately HK\$0.5393.

Listed securities to be disposed of

The 144,200,000 shares in Huayi Tencent have been accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group in accordance with Hong Kong Financial Reporting Standard 9 *Financial Instruments* with a carrying amount of HK\$28,119,000 as at 31 December 2020.

The 144,200,000 shares in Huayi Tencent represent approximately 1.07% of the issued share capital of Huayi Tencent as at the date of this announcement.

Huayi Tencent is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Exchange under stock code: 419. Huayi Tencent is an investment holding company and its subsidiaries are principally engaged in (i) entertainment and media business; and (ii) provision of offline healthcare and wellness services.

The following audited financial information is extracted from the annual report of Huayi Tencent for the year ended 31 December 2019:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	96,951	109,168
Loss before taxation	(27,985)	(66,325)
Loss after taxation	(28,770)	(66,455)
Total assets	1,215,808	880,864
Net assets value	833,210	868,792
Dividend paid/payable per share	Nil	Nil

Upon completion of the Disposal, Eternity Finance holds 98,320,000 shares in Huayi Tencent.

Consideration

The aggregate consideration for the Disposal is HK\$77,761,000 (excluding transaction costs) and the consideration of each trade of the Disposal is based on the bid and ask prices quoted on the Exchange at the time of the trade executed.

The average selling price (excluding transaction costs) of each share in Huayi Tencent is approximately HK\$0.5393.

The aggregate consideration for the Disposal is settled in cash upon completion.

Purchasers of the 144,200,000 shares in Huayi Tencent

As the trades of the Disposal are executed on the Exchange, the Directors are not aware of the identities of the purchasers of the 144,200,000 shares in Huayi Tencent.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, each of the purchasers and, if applicable, its ultimate beneficial owners is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Completion

Completion of each trade of the Disposal takes place on the second trading day following the execution date of the trades.

Information on the Group and Eternity Finance

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.

Eternity Finance, a wholly-owned subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability and engaged in sale of financial assets business.

Reasons for and benefits of the Disposal

The Directors consider that the recent increase in the share price of Huayi Tencent provides an opportunity to realise part of the Group's investment in Huayi Tencent and obtain an additional cash flow. Given that the Disposal is made on the Exchange at the prevailing market prices, the Directors (including the independent non-executive Directors) consider that the Disposal is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Upon completion, the Group expects to recognise a gain on the Disposal (before taxation) of HK\$49,642,000, which is the difference between the aggregate consideration for the Disposal of HK\$77,761,000 (excluding transaction costs) and the carrying amount of the 144,200,000 shares in Huayi Tencent of HK\$28,119,000 as at 31 December 2020. The Directors intend to use the aggregate consideration from the Disposal as general working capital of the Group.

THE PREVIOUS DISPOSAL

During the period from 19 May 2020 to 26 February 2021, Eternity Finance disposed of an aggregate of 257,480,000 shares in Huayi Tencent at an aggregate consideration of HK\$37,851,000 (excluding transaction costs) on the Exchange at the then prevailing market prices. The aggregate consideration from the Previous Disposal was used as general working capital of the Group.

As none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Previous Disposal was more than 5%, the Previous Disposal did not constitute a transaction of the Company under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the Disposal takes place within a 12-month period from the date of the Previous Disposal, the Disposal is required to aggregate with the Previous Disposal in accordance with Rule 14.22 of the Listing Rules for the purpose of transaction classification set out in Rule 14.06 of the Listing Rules.

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal and the Previous Disposal when aggregated is more than 5% but less than 25%, the Disposal and the Previous Disposal 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.

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, an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Exchange under stock code: 764
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 144,200,000 shares in Huayi Tencent by Eternity Finance at an aggregate consideration of HK\$77,761,000 (excluding transaction costs) through a series of trades executed on the Exchange on 2 March 2021
“Eternity Finance”	Eternity Finance Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Exchange”	The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huayi Tencent”	Huayi Tencent Entertainment Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Exchange under stock code: 419
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange

“Previous Disposal”	the disposal of an aggregate of 257,480,000 shares in Huayi Tencent by Eternity Finance at an aggregate consideration of HK\$37,851,000 (excluding transaction costs) on the Exchange at the then prevailing market prices during the period from 19 May 2020 to 26 February 2021
“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, 2 March 2021

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.