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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION DISPOSAL OF CERTAIN EQUITY INTEREST IN GLOBAL MASTERMIND HOLDINGS LIMITED

THE DISPOSAL

The Board announced that Eternity Finance disposed of 47,495,000 shares in Global Mastermind for an aggregate consideration of HK\$95,129,000 (including transaction costs) through a series of trades executed on the Exchange on 20 May 2021. The average selling price (including transaction costs) of each share in Global Mastermind is approximately HK\$2.003.

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 completing the Disposal and the Previous Disposal, Eternity Finance holds 64,730,000 shares in Global Mastermind, representing approximately 12.67% of the issued share capital of Global Mastermind, and Global Mastermind will cease to be an associate of the Group. The remaining 64,730,000 shares in Global Mastermind will be 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*.

THE PREVIOUS DISPOSAL

On 17 and 18 May 2021, Eternity Finance disposed of an aggregate of 14,700,000 shares in Global Mastermind for a consideration of HK\$28,710,000 (including transaction costs) through a series of trades executed on the Exchange. The 14,700,000 shares in Global Mastermind represent approximately 2.88% of the issued share capital of Global Mastermind as at the date of this announcement.

The disposal of 10,000,000 shares in Global Mastermind under the Previous Disposal is completed on 20 May 2021. The disposal of 4,700,000 shares in Global Mastermind under the Previous Disposal will be completed on 21 May 2021. The aggregate consideration from the Previous Disposal of HK\$28,710,000 is used as general working capital of the Group.

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 47,495,000 shares in Global Mastermind for an aggregate consideration of HK\$95,129,000 (including transaction costs) through a series of trades executed on the Exchange on 20 May 2021. The average selling price (including transaction costs) of each share in Global Mastermind is approximately HK\$2.003.

Assets to be disposed of

The 47,495,000 shares in Global Mastermind have been accounted for as investment in associate in the consolidated financial statements of the Group in accordance with Hong Kong Accounting Standard 28 *Investments in Associates and Joint Ventures*.

The 47,495,000 shares in Global Mastermind represent approximately 9.30% of the issued share capital of Global Mastermind as at the date of this announcement.

Global Mastermind is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM under stock code: 8063. Global Mastermind is an investment holding company and its subsidiaries are principally engaged in the provision and operation of travel business, treasury management business, money lending business, and provision of securities, asset management and financial advisory services.

The following audited financial information is extracted from the annual report of Global Mastermind for the year ended 31 December 2020:

	For the year ended 31 December 2020 <i>HK\$'000</i>	For the year ended 31 December 2019 <i>HK\$'000</i>
Revenue	37,150	75,640
Loss before taxation	(276,853)	(55,900)
Loss after taxation	(267,084)	(54,593)
Total assets	600,973	918,540
Net assets value	349,620	616,894
Dividend paid/payable per share	Nil	Nil

Consideration

The aggregate consideration from the Disposal is HK\$95,129,000 (including 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 (including transaction costs) of each share in Global Mastermind is approximately HK\$2.003.

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

Purchasers of the 47,495,000 shares in Global Mastermind

As the trades of the Disposal are executed on the Exchange, the Directors are not aware of the identities of the purchasers of the 47,495,000 shares in Global Mastermind.

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 Global Mastermind provides an opportunity to realise Eternity Finance's investment in Global Mastermind 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.

The Directors intend to use the aggregate consideration from the Disposal as the general working capital of the Group.

THE PREVIOUS DISPOSAL

On 17 and 18 May 2021, Eternity Finance disposed of an aggregate of 14,700,000 shares in Global Mastermind for a consideration of HK\$28,710,000 (including transaction costs) through a series of trades executed on the Exchange. The 14,700,000 shares in Global Mastermind represent approximately 2.88% of the issued share capital of Global Mastermind as at the date of this announcement.

The disposal of 10,000,000 shares in Global Mastermind under the Previous Disposal is completed on 20 May 2021. The disposal of 4,700,000 shares in Global Mastermind under the Previous Disposal will be completed on 21 May 2021. The aggregate consideration from the Previous Disposal of HK\$28,710,000 is used as the general working capital of the Group.

FINANCIAL EFFECTS OF THE DISPOSAL AND THE PREVIOUS DISPOSAL

Upon completing the Disposal and the Previous Disposal, Eternity Finance holds 64,730,000 shares in Global Mastermind, representing approximately 12.67% of the issued share capital of Global Mastermind, and Global Mastermind will cease to be an associate of the Group. The remaining 64,730,000 shares in Global Mastermind will be 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*.

Based on the Group's consolidated financial statements for the year ended 31 December 2020 and taking into account the issue of 84,507,042 new shares of Global Mastermind on 12 May 2021, Eternity Finance expects to recognise the following gains upon completing the Disposal and the Previous Disposal:

- (a) a gain (before taxation) from the Disposal and the Previous Disposal of HK\$81,275,000, which is the difference between the aggregate consideration for the Disposal and the Previous Disposal of HK\$123,839,000 (including transaction costs) and the relevant percentage of the carrying amount of the Group's investment in Global Mastermind of HK\$42,564,000 as at 31 December 2020 relating to the disposal of the 62,195,000 shares in Global Mastermind under the Disposal and the Previous Disposal; and
- (b) a gain on disposal of an associate of HK\$85,162,000, which is the difference between the fair value of the remaining 64,730,000 shares in Global Mastermind of HK\$129,460,000 as at 20 May 2021 (being the date on which the equity method is discontinued) and the remaining carrying amount of the Group's investment in Global Mastermind of HK\$44,298,000 as at 31 December 2020.

The above expected gains are for illustrative purposes only, and the actual gains to be recognised by the Group are subject to audit.

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 47,495,000 shares in Global Mastermind by Eternity Finance at an aggregate consideration of HK\$95,129,000 (including transaction costs) through a series of trades executed on the Exchange on 20 May 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
“GEM”	GEM operated by Exchange
“Global Mastermind”	Global Mastermind Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM under stock code: 8063, and an associate of the Group in accordance with Hong Kong Accounting Standard 28 <i>Investments in Associates and Joint Ventures</i> prior to the completion of the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange

“Previous Disposal”	the disposal of an aggregate of 14,700,000 shares in Global Mastermind for a consideration of HK\$28,710,000 (including transaction costs) on the Exchange on 17 and 18 May 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, 20 May 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.