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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 25 May 2021 (after the trading hours of the Exchange), the Loan Agreement was entered into between Hong Kong Builders as lender and Customer AJ as borrower. Pursuant to the Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Facilities of up to a principal amount of HK\$100.00 million to Customer AJ for a term of 24 months commencing from the date on which the Loan Agreement becoming unconditional.

On 9 February 2018, the Previous Loan Agreement was entered into between Hong Kong Builders as lender and Customer AJ as borrower. Pursuant to the Previous Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Previous Facilities of up to a principal amount of HK\$135.00 million to Customer AJ for a term of 24 months commencing from the date on which the Previous Loan Agreement becoming unconditional.

On 7 February 2020, a supplemental agreement was entered into between Hong Kong Builders and Customer AJ in relation to (i) the provision of the Previous Guarantee executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Previous Loan Agreement, and (ii) the extension of the final repayment date of the Previous Loan Agreement from 8 February 2020 to 6 February 2022. Save and except for the above, all the terms and conditions of the Previous Loan Agreement remain unchanged and continue in full force and effect.

The principal terms and conditions of the Previous Loan Agreement and the Loan Agreement are set out in the sections headed “The Previous Loan Agreement” and “The Loan Agreement” in this announcement.

As at the date of the Loan Agreement, the Previous Loan Agreement is in full force and effect and the Shareholder's Loan remains outstanding.

The Directors consider that the granting of the Facilities is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Given that (i) the Previous Loan Agreement remains in full force and effect, and (ii) the Shareholder's Loan remains outstanding, the granting of the Facilities is required to aggregate with the Previous Facilities and the Shareholder's Loan 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 four of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the granting of the Facilities under the Loan Agreement, the Previous Loan Agreement and the Shareholder's Loan when aggregated are more than 5% but less than 25%, the granting of the Facilities constitutes 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.

PROVISION OF FINANCIAL ASSISTANCE

On 25 May 2021 (after the trading hours of the Exchange), the Loan Agreement was entered into between Hong Kong Builders as lender and Customer AJ as borrower. Pursuant to the Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Facilities of up to a principal amount of HK\$100.00 million to Customer AJ for a term of 24 months commencing from the date on which the Loan Agreement becoming unconditional.

On 9 February 2018, the Previous Loan Agreement was entered into between Hong Kong Builders as lender and Customer AJ as borrower. Pursuant to the Previous Loan Agreement, Hong Kong Builders has conditionally agreed to grant the Previous Facilities of up to a principal amount of HK\$135.00 million to Customer AJ for a term of 24 months commencing from the date on which the Previous Loan Agreement becoming unconditional.

On 7 February 2020, a supplemental agreement was entered into between Hong Kong Builders and Customer AJ in relation to (i) the provision of the Previous Guarantee executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Previous Loan Agreement, and (ii) the extension of the final repayment date of the Previous Loan Agreement from 8 February 2020 to 6 February 2022. Save and except for the above, all the terms and conditions of the Previous Loan Agreement remain unchanged and continue in full force and effect.

As at the date of this announcement, the Previous Loan Agreement is in full force and effect and the outstanding principal amount of the Previous Loan is HK\$134.29 million.

The Previous Loan Agreement

The principal terms and conditions of the Previous Loan Agreement are summarised as follows:

Date	:	9 February 2018 (as amended and supplemented by the supplemented agreement dated 7 February 2020)
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer AJ
Principal amount of the Previous Facilities	:	Up to HK\$135.00 million
Interest rate	:	8.00% per annum, payable quarterly
Default interest rate	:	8.00% per annum on overdue sums from the due date until payment in full.
Security	:	The Previous Guarantee duly and properly executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Previous Loan Agreement.
Availability period	:	The period commencing from the date on which the Previous Loan Agreement becoming unconditional and ending on 6 February 2022, being the final repayment date. If (i) Customer AJ has not made the first drawing for 90 days (or such other number of days as Customer AJ and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer AJ has not made a drawing for 15 days (or such other number of days as Customer AJ and Hong Kong Builders may agree in writing) after Customer AJ has repaid all the principal amount of the Previous Loan, the interest accrued thereon and all other outstanding amounts under the Previous Loan Agreement to Hong Kong Builders, the Previous Facilities shall automatically be cancelled and no longer be available for drawing.
Final repayment date	:	6 February 2022

- Repayment : Customer AJ shall repay the outstanding principal amount of the Previous Loan in full together with any accrued and unpaid interest in one lump sum on the final repayment date.
- Hong Kong Builders has the overriding right at any time to require immediate repayment of the outstanding principal amount of the Previous Loan, all interest accrued thereon and all other monies payables under the Previous Loan Agreement.
- Prepayment : Customer AJ may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the Previous Loan before the final repayment date provided that (i) Customer AJ shall have given to Hong Kong Builders prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made, and (ii) Customer AJ shall, on the date of prepayment, pay to Hong Kong Builders all accrued interest on the amount prepaid.
- Re-borrowing and drawing : Any amounts prepaid by Customer AJ before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the Previous Loan shall not exceed HK\$135.00 million.
- Conditions precedent : The Previous Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Previous Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) Hong Kong Builders having received the Previous Guarantee duly and properly executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Previous Loan Agreement;
 - (c) all representations and warranties made by Customer AJ in the Previous Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawing with reference to the facts and circumstances then subsisting;

- (d) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Previous Loan being made); and
- (e) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer AJ of the Previous Loan Agreement as Hong Kong Builders may reasonably require.

The Loan Agreement

The principal terms and conditions of the Loan Agreement are summarised as follows:

Date	:	25 May 2021
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer AJ
Principal amount of the Facilities	:	Up to HK\$100.00 million
Interest rate	:	8.00% per annum, payable quarterly
Default interest rate	:	8.00% per annum on overdue sums from the due date until payment in full.
Security	:	The Guarantee duly and properly executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Loan Agreement.
Availability period	:	24 months commencing from the date on which the Loan Agreement becoming unconditional.

If (i) Customer AJ has not made the first drawing for 90 days (or such other number of days as Customer AJ and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer AJ has not made a drawing for 15 days (or such other number of days as Customer AJ and Hong Kong Builders may agree in writing) after Customer AJ has repaid all the principal amount of the Loan, the interest accrued thereon and all other outstanding amounts under the Loan Agreement to Hong Kong Builders, the Facilities shall automatically be cancelled and no longer be available for drawing.

- Final repayment date : The date falling 24 months after the date on which the Loan Agreement becoming unconditional.
- Repayment : Customer AJ shall repay the outstanding principal amount of the Loan in full together with any accrued and unpaid interest in one lump sum on the final repayment date.
- Hong Kong Builders has the overriding right at any time to require immediate repayment of the outstanding principal amount of the Loan, all interest accrued thereon and all other monies payables under the Loan Agreement.
- Prepayment : Customer AJ may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the Loan before the final repayment date provided that (i) Customer AJ shall have given to Hong Kong Builders prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made, and (ii) Customer AJ shall, on the date of prepayment, pay to Hong Kong Builders all accrued interest on the amount prepaid.
- Re-borrowing and drawing : Any amounts prepaid by Customer AJ before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the Loan shall not exceed HK\$100.00 million.
- Conditions precedent : The Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) Hong Kong Builders having received the Guarantee duly and properly executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Loan Agreement;
 - (c) all representations and warranties made by Customer AJ in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawing with reference to the facts and circumstances then subsisting;

- (d) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Loan being made); and
- (e) Hong Kong Builders having received and found satisfactory such additional information and documents relating to Customer AJ of the Loan Agreement as Hong Kong Builders may reasonably require.

Long stop date : 8 June 2021 (or such later date as Hong Kong Builders and Customer AJ may agree in writing).

Funding of the Facilities

The Facilities will be financed by the internal resources of the Company.

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 a substantial shareholder (as defined in the Listing Rules) of a company listed on the Main Board of the 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 parties independent of the Company and its connected persons (as defined in the Listing Rules).

Information on 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 granting of the Facilities under the Loan Agreement

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.

The terms of the Loan Agreement are negotiated on an arm's length basis between Hong Kong Builders and Customer AJ. The Directors are of the view that the terms of the Loan Agreement are on normal commercial terms. Given that a stable interest income is generated from the Loan during the term of the Loan Agreement, the Directors consider that the granting of the Facilities under the Loan Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Existence of financial assistance transaction with an associate of Customer AJ as at the date of the Loan Agreement

On 5 September 2017, the Shareholders' Loan Agreement was entered into between Legend Rich and the Other Shareholder as lenders, and Elite Prosperous as borrower. 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\$38.42 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\$78.41 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 (i) Customer AJ holds 80.10% interest in the issued share capital of the Other Shareholder, and (ii) the Other Shareholder holds 51% interest in the issued share capital of Elite Prosperous, Elite Prosperous is an associate of Customer AJ.

As at the date of the Loan Agreement, the Shareholder's Loan in the amount of US\$4.90 million (equivalent to approximately HK\$38.42 million) remains outstanding.

LISTING RULES IMPLICATIONS

Given that (i) the Previous Loan Agreement remains in full force and effect, and (ii) the Shareholder's Loan remains outstanding, the granting of the Facilities is required to aggregate with the Previous Facilities and the Shareholder's Loan 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 four of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the granting of the Facilities under the Loan Agreement, the Previous Loan Agreement and the Shareholder's Loan when aggregated are more than 5% but less than 25%, the granting of the Facilities constitutes 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
“Customer AJ”	Mr. Yuen Hoi Po
“Director(s)”	the director(s) of the Company
“Elite Prosperous”	Elite Prosperous Investment Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 51% by the Other Shareholder and as to 49% by Legend Rich
“Exchange”	The Stock Exchange of Hong Kong Limited
“Facilities”	the Loan to be made available by Hong Kong Builders to Customer AJ under the Loan Agreement.
“Group”	the Company and its subsidiaries
“Guarantee”	a corporate guarantee duly and properly executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Loan Agreement
“Guarantor”	Smart Concept Enterprise Limited, a company incorporated in the British Virgin Islands with limited liability engaged in investment holding business and a substantial shareholder (as defined in the Listing Rules) of a company listed on the Main Board of the Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Builders”	Hong Kong Builders Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

“Legend Rich”	Legend Rich Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“Loan”	the principal amount of up to HK\$100.00 million to be advanced by Hong Kong Builders to Customer AJ subject to and upon the terms and conditions of the Loan Agreement or any part thereof and for the time being outstanding
“Loan Agreement”	the conditional loan agreement dated 25 May 2021 entered into between Hong Kong Builders as lender and Customer AJ as borrower relating to the granting of the Facilities
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Other Shareholder”	a company 80.10% owned by Customer AJ and a shareholder of Elite Prosperous holding 51% of its issued share capital
“Previous Facilities”	the Previous Loan to be made available by Hong Kong Builders to Customer AJ under the Previous Loan Agreement
“Previous Guarantee”	a corporate guarantee duly and properly executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer AJ under the Previous Loan Agreement
“Previous Loan”	the principal amount of up to HK\$135.00 million to be advanced by Hong Kong Builders to Customer AJ subject to and upon the terms and conditions of the Previous Loan Agreement or any part thereof and for the time being outstanding
“Previous Loan Agreement”	the conditional loan agreement dated 9 February 2018 entered into between Hong Kong Builders as lender and Customer AJ as borrower (as amended and supplemented by the supplemental agreement dated 7 February 2020) relating to the granting of the Previous Facilities
“Shareholder’s Loan”	the shareholder’s loan in the amount of US\$4.90 million (equivalent to approximately HK\$38.42 million) provided to Elite Prosperous by Legend Rich, being its pro rata share of the shareholders’ loan in the principal amount of US\$10.00 million (equivalent to approximately HK\$78.41 million) in aggregate provided by all the shareholders of Elite Prosperous

“ Shareholders’ Loan Agreement”	the shareholders’ loan agreement dated 5 September 2017 entered into between Legend Rich and the Other Shareholder as lenders, and Elite Prosperous as borrower relating to the provision of a shareholders’ loan in the principal amount of US\$10.00 million (equivalent to approximately HK\$78.41 million) in aggregate by all the shareholders of Elite Prosperous on a pro rata basis according to their shareholding interests in Elite Prosperous
“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, 25 May 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.