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## **ETERNITY INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

### **INSIDE INFORMATION — LITIGATION**

This announcement is made by Eternity Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions concerning disclosure of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **CIVIL LITIGATION**

The board (the “**Board**”) of directors of the Company (the “**Directors**”) announces that it recently became aware of a civil claim (the “**Claim**”) dated 6 May 2021 filed by a law firm in Beijing, People’s Republic of China (the “**Beijing Law Firm**”) to 北京市朝陽區人民法院 (People’s Court in Chaoyang District, Beijing), of which 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited\*, “**BJ Bayhood No. 9 Co**”), an indirect wholly-owned subsidiary of the Company and one of four defendants to the Claim, was alleged to have an unsettled legal fee of approximately RMB31 million (excluding overdue interest) payable to the Beijing Law Firm (the “**Unsettled Legal Fee**”).

According to the Claim, BJ Bayhood No. 9 Co is one of the four defendants where the four defendants were alleged to have engaged the Beijing Law Firm in 2019 to resolve a civil dispute brought against the four defendants by an independent third party in relation to a property transaction in 2010 (the “**Dispute**”). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the other three defendants are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

*\* For identification purposes only*

Pursuant to the Claim, the Beijing Law Firm was engaged by the four defendants, including BJ Bayhood No. 9 Co, to resolve the Dispute which had ultimately been settled by a civil mediation on 19 June 2019 (the “**Civil Mediation**”). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Company (i) was not aware of and had not received any information regarding the Dispute nor the Civil Mediation until the Claim was brought to the Directors’ attention; (ii) did not make any payment in relation to the Dispute nor the Civil Mediation; and (iii) has not suffered any loss from the Dispute nor the Civil Mediation.

## **BACKGROUND OF BJ BAYHOOD NO. 9 CO**

References are made to the circular of the Company dated 31 August 2015 and the announcement of the Company dated 6 October 2015 regarding, amongst others, the acquisition of the entire issued share capital of Smart Title Limited (the “**Acquisition**”), an indirect holding company of BJ Bayhood No. 9 Co, where the Company completed the Acquisition on 6 October 2015. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Directors were not aware of the Dispute at the time of completing the Acquisition until the recent awareness of the Claim.

## **ACTIONS TAKEN BY THE BOARD**

The Directors are currently investigating the background of the Claim including but not limited to the reasons for BJ Bayhood No. 9 Co becoming one of the defendants and details of the Dispute which, according to the Claim, happened in 2010 before the Acquisition in 2015, and will deny all the allegations of the Claim at this moment.

The Company has obtained an opinion from a PRC legal adviser regarding the Claim. According to the opinion, the PRC legal adviser is of the view that the possibility of BJ Bayhood No. 9 Co being required for paying the Unsettled Legal Fee is remote on the ground that the engagement of the Beijing Law Firm to resolve the Dispute is improper and invalid.

Based on the above, the Directors are of the view that BJ Bayhood No. 9 Co and the Group shall unlikely be obliged to pay the Unsettled Legal Fee and thus shall not likely to suffer any loss from the Claim.

The Company will make further announcement(s) in a timely manner on any substantial progress in relation to the abovementioned investigation and the relevant matters as and when required in compliance with the Listing Rules. At the date of this announcement, to the best knowledge, information and belief of the Directors, save for the Claim and the litigations as disclosed in the annual report of the Company for the year ended 31 December 2020, no member of the Group is engaged in any material litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to the Directors to be pending or threatened against any member of the Group.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 6 August 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.*