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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 7 May 2021 (after trading hours of the Exchange), the Loan Agreement was entered into between Hong Kong Builders as lender and Customer C 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\$90.00 million to Customer C for a term of 24 months commencing from the date on which the Loan Agreement becoming unconditional.

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.

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

#### **LISTING RULES IMPLICATIONS**

As the First Previous Loan Agreement, the Second Previous Loan Agreement, the Third Previous Loan Agreement and the Fourth Previous Loan Agreement are in full force and effect as at the date of the Loan Agreement, the granting of the Facilities under the Loan Agreement is required to aggregate with the First Previous Facilities under the First Previous Loan Agreement, the Second Previous Facilities under the Second Previous Loan Agreement, the Third Previous Facilities under the Third Previous Loan Agreement, and the Fourth Previous Facilities under the Fourth Previous Loan Agreement in accordance with Rule 14.22 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 First Previous Facilities under the First Previous Loan Agreement, the Second Previous Facilities under the Second Previous Loan Agreement, the Third Previous Facilities under the Third Previous Loan Agreement, and the Fourth Previous Facilities under the Fourth Previous Loan Agreement when aggregate are more than 5% but less than 25%, the granting of the Facilities under the Loan Agreement 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.

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### The Loan Agreement

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

Date	:	7 May 2021
Lender	:	Hong Kong Builders, a licensed money lender in Hong Kong
Borrower	:	Customer C
Principal amount of the Facilities	:	Up to HK\$90.00 million
Interest rate	:	8.00% per annum, payable quarterly in arrears
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 C under the Loan Agreement.
Availability period	:	24 months commencing from the date on which the Loan Agreement becoming unconditional.

If (i) Customer C has not made the first drawing for 90 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer C has not made a drawing for 15 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after Customer C 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 C 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 anytime 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 C 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 C 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 C 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 C 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\$90.00 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 C under the Loan Agreement;
  - (c) all representations and warranties made by Customer C 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 C of the Loan Agreement as Hong Kong Builders may reasonably require.

Long stop date : 21 May 2021 (or such later date as Hong Kong Builders and Customer C may agree in writing).

### **Funding of the Facilities**

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

### **Information on Customer C and the Guarantor**

Customer C is an individual who is a merchant, and has been a customer of the Group's money lending business since March 2013.

The Guarantor, namely Ever Rest Limited, is a company incorporated in Hong Kong with limited liability carrying on columbarium business in Hong Kong. The ultimate beneficial owner of the Guarantor is Customer C.

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

### **Financial assistance transactions with Customer C in the past 12 months prior to the date of the Loan Agreement**

On 10 November 2020, Hong Kong Builders further extended the final repayment date of each of the First Previous Facilities, the Second Previous Facilities, the Third Previous Facilities, and the Fourth Previous Facilities to 9 November 2022. The summarised principal terms and conditions of each of the First Previous Loan Agreement, the Second Previous Loan Agreement, the Third Previous Loan Agreement, and the Fourth Previous Loan Agreement are disclosed in the Company's announcements dated 21 February 2017, 13 April 2017, 1 June 2017, 8 June 2017, 11 February 2019, and 10 November 2020.

As at the date of this announcement, the outstanding principal amount of the loan of each of the First Previous Facilities, the Second Previous Facilities, the Third Previous Facilities, and the Fourth Previous Facilities was HK\$59.39 million, HK\$65.00 million, HK\$40.00 million, and HK\$3.20 million respectively.

### **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 licensed 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 granting of the Facilities under the Loan Agreement is 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 C. 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.

### **LISTING RULES IMPLICATIONS**

As the First Previous Loan Agreement, the Second Previous Loan Agreement, the Third Previous Loan Agreement and the Fourth Previous Loan Agreement are in full force and effect as at the date of the Loan Agreement, the granting of the Facilities under the Loan Agreement is required to aggregate with the First Previous Facilities under the First Previous Loan Agreement, the Second Previous Facilities under the Second Previous Loan Agreement, the Third Previous Facilities under the Third Previous Loan Agreement, and the Fourth Previous Facilities under the Fourth Previous Loan Agreement in accordance with Rule 14.22 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 First Previous Facilities under the First Previous Loan Agreement, the Second Previous Facilities under the Second Previous Loan Agreement, the Third Previous Facilities under the Third Previous Loan Agreement, and the Fourth Previous Facilities under the Fourth Previous Loan Agreement when aggregated are more than 5% but less than 25%, the granting of the Facilities under the Loan Agreement 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 C”	Mr. Kam Lap Sing, Kelvin
“Director(s)”	the director(s) of the Company
“Exchange”	The Stock Exchange of Hong Kong Limited
“Facilities”	the Loan to be made available by Hong Kong Builders to Customer C under the Loan Agreement
“First Previous Facilities”	the unsecured revolving loan facilities of up to a principal amount of HK\$60.00 million to be made available by Hong Kong Builders to Customer C under the First Previous Loan Agreement
“First Previous Loan Agreement”	the conditional loan agreement dated 21 February 2017 entered into between Hong Kong Builders as lender and Customer C as borrower (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020) relating to the granting of the First Previous Facilities
“Fourth Previous Facilities”	the unsecured revolving loan facilities of up to a principal amount of HK\$5.00 million to be made available by Hong Kong Builders to Customer C under the Fourth Previous Loan Agreement
“Fourth Previous Loan Agreement”	the conditional loan agreement dated 8 June 2017 entered into between Hong Kong Builders as lender and Customer C as borrower (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020) relating to the granting of the Fourth Previous Facilities
“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 C under the Loan Agreement
“Guarantor”	Ever Rest Limited, a company incorporated in Hong Kong with limited liability carrying on columbarium business in Hong Kong
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“Loan”	the principal amount of up to HK\$90.00 million to be advanced by Hong Kong Builders to Customer C 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 7 May 2021 entered into between Hong Kong Builders as lender and Customer C 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
“Second Previous Facilities”	the unsecured revolving loan facilities of up to a principal amount of HK\$65.00 million to be made available by Hong Kong Builders to Customer C under the Second Previous Loan Agreement
“Second Previous Loan Agreement”	the conditional loan agreement dated 13 April 2017 entered into between Hong Kong Builders as lender and Customer C as borrower (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020) relating to the granting of the Second Previous Facilities
“Third Previous Facilities”	the unsecured revolving loan facilities of up to a principal amount of HK\$40.00 million to be made available by Hong Kong Builders to Customer C under the Third Previous Loan Agreement

“Third Previous Loan Agreement”	the conditional loan agreement dated 1 June 2017 entered into between Hong Kong Builders as lender and Customer C as borrower (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020) relating to the granting of the Third Previous Facilities
“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, 7 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.*