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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 6,000,000 shares in Heng Tai for an aggregate consideration of HK$761,000 (including transaction costs) through a series of trades executed on the Exchange on 24 May 2021. The average selling price (including transaction costs) of each share in Heng Tai is approximately HK$0.127.

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**

On 18 and 21 May 2021, Eternity Finance disposed of an aggregate of 50,675,000 shares in Heng Tai for a consideration of HK$5,506,000 (including transaction costs) through a series of trades executed on the Exchange. The 50,675,000 shares in Heng Tai represent approximately 2.71% of the issued share capital of Heng Tai as at the date of this announcement.

The disposal of 30,000,000 shares in Heng Tai under the Previous Disposal was completed on 21 May 2021. The disposal of 20,675,000 shares in Heng Tai under the Previous Disposal will be completed on 25 May 2021. The consideration from the Previous Disposal of HK$5,506,000 is used as the 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 6,000,000 shares in Heng Tai for an aggregate consideration of HK$761,000 (including transaction costs) through a series of trades executed on the Exchange on 24 May 2021. The average selling price (including transaction costs) of each share in Heng Tai is approximately HK$0.127.

### Listed securities to be disposed of

The 6,000,000 shares in Heng Tai have been accounted for 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 Standards 9 *Financial Instruments* with a carrying amount of HK$532,000.

The 6,000,000 shares in Heng Tai represent approximately 0.32% of the issued share capital of Heng Tai as at the date of this announcement.

Heng Tai 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: 197. Heng Tai is an investment holding company and its subsidiaries are principally engaged in (i) the trading of packaged foods, beverages and household consumable products, (ii) the trading of agri-products and the upstream farming business, (iii) the provision of cold chain logistics services and value-added post-harvest food processing, and (iv) other businesses primarily arising from securities brokerage business and tourist retailing business.

The following audited financial information is extracted from the annual report of Heng Tai for the year ended 30 June 2020:

| | **For the year ended 30 June 2020** | **For the year ended 30 June 2019** |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Revenue | 541,915 | 840,732 |
| Loss before taxation | (319,189) | (287,024) |
| Loss after taxation | (318,350) | (285,976) |
| Total assets | 1,630,786 | 1,981,836 |
| Net assets value | 1,505,432 | 1,836,115 |
| Dividend paid/payable per share | Nil | Nil |

*Note: The total assets as at 31 December 2020 as disclosed in Heng Tai's interim report for the six months ended 31 December 2020 was HK$1,605,524,000.*

**Consideration**

The aggregate consideration from the Disposal is HK$761,000 (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 Heng Tai is approximately HK$0.127.

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

**Purchasers of the 6,000,000 shares in Heng Tai**

As the trades of the Disposal are executed on the Exchange, the Directors are not aware of the identities of the purchasers of the 6,000,000 shares in Heng Tai.

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 Heng Tai provides an opportunity to realise Eternity Finance's investment in Heng Tai 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 18 and 21 May 2021, Eternity Finance disposed of an aggregate of 50,675,000 shares in Heng Tai for a consideration of HK$5,506,000 (including transaction costs) through a series of trades executed on the Exchange. The 50,675,000 shares in Heng Tai represent approximately 2.71% of the issued share capital of Heng Tai as at the date of this announcement.

The disposal of 30,000,000 shares in Heng Tai under the Previous Disposal was completed on 21 May 2021. The disposal of 20,675,000 shares in Heng Tai under the Previous Disposal will be completed on 25 May 2021. The consideration from the Previous Disposal of HK$5,506,000 is used as the 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.

**FINANCIAL EFFECTS OF THE DISPOSAL**

Upon completing the Disposal and the Previous Disposal, Eternity Finance will not hold any share in Heng Tai.

Eternity Finance expects to recognise a gain on the Disposal (before taxation) of HK$229,000, which is the difference between the aggregate consideration for the Disposal of HK$761,000 (including transaction costs) and the carrying amount of the 6,000,000 shares in Heng Tai of HK$532,000. The Directors intend to use the aggregate consideration from the Disposal as the 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.

## 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 6,000,000 shares in Heng Tai by Eternity Finance at an aggregate consideration of HK$761,000 (including transaction costs) through a series of trades executed on the Exchange on 24 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 |
| "Group" | the Company and its subsidiaries |
| "Heng Tai" | Heng Tai Consumables Group 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: 197 |
| "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 50,675,000 shares in Heng Tai for a consideration of HK$5,506,000 (including transaction costs) on the Exchange on 18 and 21 May 2021 |
| "HK$" | 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, 24 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.*