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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

CONNECTED TRANSACTION RELATING TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

The Board announces that, on 20 August 2018 (after trading hours of the Stock Exchange), the Loan Agreement was entered into among Beijing Bayhood No. 9 Co. as lender, the Borrower as borrower, and the Guarantor as guarantor. Pursuant to the Loan Agreement, Beijing Bayhood No. 9 Co. has conditionally agreed to grant the Loan in the principal amount of RMB25.00 million (equivalent to HK\$28.50 million) to the Borrower for a term of 24 months commencing from 24 August 2018.

The Directors (including all the independent non-executive Directors) consider that the terms of the Loan Agreement and the entering into of the Loan Agreement are 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 none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the granting of the Loan is more than 5%, the granting of the Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Borrower is a director of certain subsidiaries of the Group and the Guarantor is the spouse of the Borrower, each of the Borrower and the Guarantor is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Therefore, the granting of the Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Board has approved the Loan Agreement and the transactions contemplated thereunder. In addition, the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Loan Agreement are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole. Accordingly, the granting of the Loan is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED PERSON AT THE SUBSIDIARY LEVEL

The Board announces that, on 20 August 2018 (after trading hours of the Stock Exchange), the Loan Agreement was entered into among Beijing Bayhood No. 9 Co. as lender, the Borrower as borrower, and the Guarantor as guarantor. Pursuant to the Loan Agreement, Beijing Bayhood No. 9 Co. has conditionally agreed to grant the Loan in the principal amount of RMB25.00 million (equivalent to HK\$28.50 million) to the Borrower for a term of 24 months commencing from 24 August 2018.

The Loan Agreement

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

Date	:	20 August 2018
Lender	:	Beijing Bayhood No. 9 Co., a wholly-owned subsidiary of the Company
Borrower	:	Mr. Guan Jialin, a director of certain subsidiaries of the Group
Guarantor	:	Ms. Hao Yuhui, the spouse of the Borrower
Principal amount of the Loan	:	RMB25.00 million (equivalent to HK\$28.50 million)
Interest rate	:	9.00% per annum, payable semi-annually
Security	:	The Loan is secured by a real estate mortgage over the Property owned by the Guarantor.

- Repayment date : The Loan shall be repaid in full on 23 August 2020.
- Repayment : The Borrower shall repay the principal amount of the Loan in full together with the interest accrued thereon in one lump sum on the repayment date.
- Conditions precedent : The Loan Agreement is conditional upon the real estate mortgage over the Property having been duly registered with 北京市順義區房屋管理局 (Real Estate Bureau of Beijing Shunyi District*) by Beijing Bayhood No. 9 Co. and the Guarantor.

Funding of the Loan

The Loan will be financed by the internal resources of the Group.

Information on the Borrower and the Guarantor

The Borrower joined the Group in October 2015 and is a director of certain subsidiaries of the Group. The Guarantor is the spouse of the Borrower. Therefore, each of the Borrower and the Guarantor is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Information on the Group and Beijing Bayhood No. 9 Co.

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.

Beijing Bayhood No. 9 Co. is a wholly-owned subsidiary of the Company and principally engaged in provision of recreational and wellness services through the management of a membership-based golf club and resort.

Reasons for and benefits of the granting of the Loan under the Loan Agreement

The terms of the Loan Agreement are negotiated on an arm's length basis between Beijing Bayhood No. 9 Co. and the Borrower with reference to the terms and conditions of the loan agreements entered between the Group and its money lending customers.

Given that (i) the terms of the Loan Agreement are on normal commercial terms, and (ii) an interest income is generated from the Loan during the term of the Loan Agreement, the Directors (including all the independent non-executive Directors) consider that the terms of the Loan Agreement and the entering into of the Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the granting of the Loan is more than 5%, the granting of the Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Borrower is a director of certain subsidiaries of the Group and the Guarantor is the spouse of the Borrower, each of the Borrower and the Guarantor is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Therefore, the granting of the Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Board has approved the Loan Agreement and the transactions contemplated thereunder. In addition, the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Loan Agreement are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole. Accordingly, the granting of the Loan is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Beijing Bayhood No. 9 Co.”	北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited*), a company established and registered in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Borrower”	Mr. Guan Jialin, a director of certain subsidiaries of the Group
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 764
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Ms. Hao Yuhui, the spouse of the Borrower
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	the secured loan in the principal amount of RMB25.00 million (equivalent to HK\$28.50 million) granted by Beijing Bayhood No. 9 Co. to the Borrower under the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 20 August 2018 entered into among Beijing Bayhood No. 9 Co. as lender, the Borrower as borrower, and the Guarantor as guarantor relating to the granting of the Loan
“PRC”	The People’s Republic of China
“Property”	a residential property located in Shunyi District, Beijing, the PRC and owned by the Guarantor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this announcement, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1.00 = HK\$1.14. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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

Hong Kong, 20 August 2018

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.

* *For the purpose of identification only*