

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

INSIDE INFORMATION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the latest development of the Subject Land as disclosed in the section headed “Management Discussion and Analysis” of the Company’s interim report for the six months ended 30 June 2019.

Beijing Bayhood No. 9 Co. has recently been informed that the gross floor area of the development plan exceeds the gross floor area of properties permitted to be erected. After several rounds of discussions, there are two remedial actions available to Beijing Bayhood No. 9 Co., which are to (i) revise the development plan and then re-submit it to the relevant governmental authorities for obtaining the permits for development, and (ii) allocate the gross floor area of the two hotel villas erected on the first phase of the Subject Land to the second and third phases of the Subject Land by demolishing the two hotel villas. Upon completion of the demolition of the two hotel villas, Beijing Bayhood No. 9 Co. is able to commence the development works for the Subject Land.

In view of the lengthy approval process and the Group’s intention of speeding up the development of the Subject Land, the Directors decide to allocate the gross floor area of the two hotel villas erected on the first phase of the Subject Land to the second and third phases of the Subject Land by demolishing the two hotel villas in order to rectify the issue arising from the excess of the gross floor area.

Based on the condensed consolidated statement of financial position of the Group as at 30 June 2019, the demolition of the two hotel villas will result in the following financial impacts on the Group:

- (a) the recognition of a written-off of construction in progress classified under property, plant and equipment of approximately HK\$50.56 million in the Group's consolidated statement of profit or loss for the year ending 31 December 2019; and
- (b) a decrease of approximately HK\$50.56 million in equity attributable to owners of the Company as at 31 December 2019.

Based on a preliminary review of the key assumptions on the valuations, it is expected the demolition of the two hotel villas will not result in any material impairment losses on the intangible assets relating to the operating rights of the Subject Land and the goodwill arising from the acquisition of Smart Title Limited, the intermediate holding company of Beijing Bayhood No. 9 Co. in 2015.

Despite the above financial impacts on the Group, the Directors are of the view that the financial position of the Group remains sound.

The Company will make further announcement in relation to the written-off of construction in progress classified under property, plant and equipment as and when required in accordance with the Listing Rules.

Shareholders and potential investors of the Company should be aware that the figures of the above-mentioned financial impacts are subject to annual audit by the auditors of the Company and are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

- “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

“Club”	a membership-based golf club and resort constructed on a piece of 1,150 Chinese acres land located in Beijing, the PRC, in which Beijing Bayhood No. 9 Co. has the rights (i) to develop and operate the golf club and resort, and (ii) to manage and operate the properties thereon
“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
“Exchange”	The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“PRC”	The People’s Republic of China
“Subject Land”	a piece of 580 Chinese acres land adjacent to the Club, in which Beijing Bayhood No. 9 Co. has the rights (i) to develop and operate the piece of 580 Chinese acres land, and (ii) to manage the properties erected on thereon
“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, 5 November 2019

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*