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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION APPLICATION FOR SHARES IN NAYUKI HOLDINGS LIMITED UNDER HONG KONG PUBLIC OFFERING

THE APPLICATION

The Board announces that, on 22 June 2021, Eternity Finance makes the Application for a maximum of 3,000,000 shares in Nayuki under the Hong Kong Public Offering with an application money of HK\$59,999,000.

The Application is financed by the internal resources of the Group.

The Directors consider the Application is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

On the basis that the Application is accepted in full, one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Application is more than 5% but less than 25%. Accordingly, the Application 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.

THE APPLICATION

The Board announces that, on 22 June 2021, Eternity Finance makes the Application for a maximum of 3,000,000 shares in Nayuki under the Hong Kong Public Offering with an application money of HK\$59,999,000. The maximum number of shares in Nayuki of 3,000,000 that Eternity Finance applies for represents approximately 0.17% of the total issued shares of Nayuki upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

The Offer Price and application money

According to the Prospectus, the Offer Price will not be more than HK\$19.80 per share in Nayuki and is expected to be not less than HK\$17.20 per share in Nayuki. Nayuki expects to announce the final Offer Price of each share in Nayuki on 29 June 2021.

The application money paid for the Application is based on the maximum number of shares in Nayuki applied for and the maximum Offer Price of HK\$19.80 per share in Nayuki plus brokerage of 1.0%, SFC transaction levy of 0.0027%, and Exchange trading fee of 0.005%, subject to refund.

If the Application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$19.80 per share in Nayuki paid on application, or if the conditions of the Global Offering as set out in the section headed “Structure of the Global Offering — Conditions of the Global Offering” of the Prospectus are not satisfied, or if the Application is revoked, the application money, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy, and Exchange trading fee, will be refunded, without interest, to Eternity Finance on or before 29 June 2021.

Allocation of shares in Nayuki under the Hong Kong Public Offering

Allocation of shares in Nayuki to applicants under the Hong Kong Public Offering will be based solely on the level of valid applications received. The basis of allocation may vary, depending on the number of shares in Nayuki validly applied for by applicants. Such allocation could consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of shares in Nayuki. Those applicants who are not successful on the ballot may not receive any shares in Nayuki.

Nayuki expects to announce the final Offer Price, the level of applications in the Hong Kong Public Offering, and the basis of allocation of shares in Nayuki on 29 June 2021. The Company will issue an announcement in respect of the allocation results of the Application accordingly.

Dealings in the shares in Nayuki

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on 30 June 2021, it is expected that dealings in the shares in Nayuki on the Main Board of the Exchange will commence at 9:00 a.m. on 30 June 2021 and the stock code of the shares in Nayuki will be 2150.

Funding of the Application

The Application is financed by the internal resources of the Group.

Information on Nayuki

Nayuki is an exempted company with limited liability incorporated in the Cayman Islands on 5 September 2019.

Nayuki operates Nayuki teahouses, a leading premium modern teahouse chain in Mainland China serving freshly-made tea drinks. According to CIC, Nayuki was the second largest teahouse brand in terms of total retail consumption value among Mainland China's premium modern teahouse market in 2020, with a market share of 18.9%, and was the seventh largest teahouse brand in terms of total retail consumption value among Mainland China's overall freshly-made tea shop industry in 2020, with a market share of 3.9%. Six years ago, the founders of Nayuki, inspired by Chinese tea culture and the global coffee chain concept, opened the first Nayuki teahouse in Shenzhen, Mainland China, with a desire to re-invigorate the tea-drinking experience for those who crave fresher, better tasting, and more accessible tea drinks. Today, Nayuki's flagship brand, Nayuki, has become a recognised brand among Mainland China's young customers.

The following historical financial information is extracted from the Prospectus:

	For the year ended 31 December		
	2018	2019	2020
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Revenue	1,086,826	2,501,510	3,057,181
Loss before income tax	(47,391)	(42,690)	(190,095)
Loss after income tax	(69,729)	(39,680)	(203,302)

	As of 31 December		
	2018	2019	2020
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Total assets	1,343,293	2,051,148	3,314,109
Deficit attributable to owners of Nayuki	(107,256)	(146,158)	(424,417)

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 Application

The Directors have been actively exploring new investment opportunities with an aim to achieve the best use of the Group's resources and improve its portfolio diversification. As disclosed in the Prospectus, Nayuki possesses certain competitive strengths which have contributed to its success and will help drive its growth in the future. The Directors believe that these competitive strengths will set Nayuki itself apart from its competitors, and the Application will broaden the investment portfolio of the Group and provide an adequate return on investment to the Group.

Given that (i) the Hong Kong Public Offering is made to the public in Hong Kong, and (ii) the above benefits are expected to accrue to the Group as a result of the Application, the Directors consider the Application is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

If the Application is accepted in full or part, the shares in Nayuki will be 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 Standard 9 *Financial Instruments*.

LISTING RULES IMPLICATIONS

On the basis that the Application is accepted in full, one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Application is more than 5% but less than 25%. Accordingly, the Application 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:

“Application”	the application for a maximum of 3,000,000 shares in Nayuki under the Hong Kong Public Offering made by Eternity Finance
“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
“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
“Global Offering”	has the same meaning as defined in the Prospectus
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Public Offering”	the offer of initially 25,727,000 shares in Nayuki (subject to relocation) for subscription by the public in Hong Kong at the Offer Price on the terms and subject to the conditions described in the Prospectus and the application forms
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“Nayuki”	Nayuki Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on 5 September 2019
“Offer Price”	the offer price at a range between HK\$17.20 and HK\$19.80 per share in Nayuki
“Over-allotment Option”	has the same meaning as defined in the Prospectus

“Prospectus”	the prospectus of Nayuki dated 18 June 2021
“SFC”	the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

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

Hong Kong, 22 June 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.