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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE RELATING TO THE VARIATION OF THE LOAN AGREEMENTS

Reference is made to:

- (a) the announcements of the Company dated 21 February 2017, 13 April 2017, 1 June 2017 and 8 June 2017 (the “**2017 Announcements**”) relating to the granting of four revolving loan facilities of up to the aggregate principal amount of HK\$197.00 million to Customer C;
- (b) the announcement of the Company dated 11 February 2019 (the “**2019 Announcement**”) relating to the Facilities Extension;
- (c) the announcement of the Company dated 10 November 2020 (the “**2020 Announcement**”) relating to the Second Extension of the Facilities and the Reduction of the Fourth Facilities; and
- (d) the announcement of the Company dated 7 May 2021 (the “**2021 Announcement**”) relating to the granting of the revolving loan facilities of up to a principal amount of HK\$90.00 million (the “**Fifth Facilities**”) to Customer C.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2019 Announcement and 2020 Announcement.

VARIATION OF THE LOAN AGREEMENTS

The Board announces that, on 9 November 2022 (after the trading hours of the Exchange), Hong Kong Builders and Customer C entered into the following:

- (a) a supplemental agreement (the “**Supplemental Agreement to the First Loan Agreement**”) in relation to (i) the further extension of the final repayment date of the First Facilities from 9 November 2022 to 9 November 2024 (the “**Third Extension of the First Facilities**”), (ii) the variation in interest rate from a fixed rate of 8.00% per annum payable quarterly in arrears to a variable rate calculated at the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.00% per annum payable semi-annually in arrears (the “**Variation in Interest Rate and Interest Payment of the First Facilities**”), (iii) the provision of a corporate guarantee executed by Ever Rest Limited (the “**Guarantor**”) in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer C under the First Loan Agreement (the “**Provision of Guarantee for the First Facilities**”), and (iv) the reduction in the principal amount of the loan from HK\$60.00 million to HK\$56.00 million under the First Facilities (the “**Reduction of the First Facilities**”);
- (b) a supplemental agreement (the “**Supplemental Agreement to the Second Loan Agreement**”) in relation to (i) the further extension of the final repayment date of the Second Facilities from 9 November 2022 to 9 November 2024 (the “**Third Extension of the Second Facilities**”), (ii) the variation in interest rate from a fixed rate of 8.00% per annum payable quarterly in arrears to a variable rate calculated at the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.00% per annum payable semi-annually in arrears (the “**Variation in Interest Rate and Interest Payment of the Second Facilities**”), and (iii) the provision of a corporate guarantee executed by the Guarantor in favour of Hong Kong Builders as a security for all the obligations and liabilities of Customer C under the Second Loan Agreement (the “**Provision of Guarantee for the Second Facilities**”, which together with the Provision of Guarantee for the First Facilities, collectively the “**Provision of Guarantee**”); and
- (c) a supplemental agreement (the “**Supplemental Agreement to the Fifth Loan Agreement**”, which together with the Supplemental Agreement to the First Loan Agreement and the Supplemental Agreement to the Second Loan Agreement, collectively the “**2022 Supplemental Agreements**”) to the conditional loan agreement dated 7 May 2021 entered into between Hong Kong Builders as lender and Customer C as borrower (the “**Fifth Loan Agreement**”) relating to the granting of the Fifth Facilities in relation to (i) the extension of the final repayment date of the Fifth Facilities from 7 May 2023 to 9 November 2024 (the “**First Extension of the Fifth Facilities**”, which together with the Third Extension of the First Facilities and the Third Extension of the Second Facilities, collectively the “**Extension of the Facilities**”) and, (ii) the variation in interest rate from a fixed rate of 8.00% per annum payable quarterly in arrears to a variable rate calculated at the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.00% per annum payable semi-annually in arrears (the “**Variation in Interest Rate and Interest Payment of the Fifth Facilities**”, which together with the Variation in Interest Rate and Interest Payment of the First Facilities and the Variation in Interest Rate and Interest Payment of the Second Facilities, collectively the “**Variation in Interest Rates and Interest Payment**”).

Save and except for (i) the Extension of the Facilities, (ii) the Variation in Interest Rates and Interest Payment, (iii) the Provision of Guarantee, and (iv) the Reduction of the First Facilities, all terms and conditions of each of the First Loan Agreement (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020), the Second Loan Agreement (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020), and the Fifth Loan Agreement remain unchanged and continue in full force and effect.

The summarised principal terms and conditions of each of the First Loan Agreement (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020), the Second Loan Agreement (as amended and supplemented by the supplemental agreements dated 11 February 2019 and 10 November 2020), and the Fifth Loan Agreement are disclosed in the 2017 Announcements, the 2019 Announcement, the 2020 Announcement and the 2021 Announcement.

As at the date of this announcement, the outstanding principal amount of each of the First Facilities, the Second Facilities, and the Fifth Facilities was HK\$55.82 million, HK\$65.00 million, and HK\$90.00 million respectively.

In November 2022, Customer C settled the outstanding principal amount of the Third Facilities of HK\$40.00 million and the Fourth Facilities of HK\$3.20 million in full and partially settled the outstanding principal of the First Facilities of HK\$3.57 million.

Information on Customer C and the Guarantor

Customer C, namely Mr. Kam Lap Sing Kelvin, 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).

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 Extension of the Facilities, the Variation in Interest Rates and Interest Payment, the Provision of Guarantee and the Reduction of the First Facilities

As money lending is one of the principal activities of the Group, the provision of loans and the extension of final repayment dates of loans are in the ordinary and usual course of business of the Group.

At the request of Customer C, Hong Kong Builders and Customer C negotiated for the Extension of the Facilities, the Variation in Interest Rates and Interest Payment, the Provision of Guarantee, the Reduction of the First Facilities and the terms of the 2022 Supplemental Agreements on an arm's length basis. Having considered the financial background of Customer C, the loan repayment and interest payment history of Customer C, and an additional interest income to be generated to Hong Kong Builders from the Extension of the Facilities and the Variation in Interest Rates and Interest Payment, the Directors consider that the terms of the Extension of the Facilities, the Variation in Interest Rates and Interest Payment, the Provision of Guarantee, and the Reduction of the First Facilities under the 2022 Supplemental Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As three of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Extension of the Facilities, the Variation in Interest Rates and Interest Payment, the Provision of Guarantee, and the Reduction of the First Facilities is more than 5% but less than 25%, the Extension of the Facilities, the Variation in Interest Rates and Interest Payment, the Provision of Guarantee, and the Reduction of the First Facilities 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.

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

Hong Kong, 9 November 2022

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.