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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Eternity Investment Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**ETERNITY INVESTMENT LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

- (1) REFRESHMENT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;**
- (2) REFRESHMENT OF SCHEME MANDATE LIMIT;
AND**
- (3) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 16 of this circular.

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 17 to 18 of this circular.

A letter from Donvex Capital to the Independent Board Committee and the Independent Shareholders, containing its advice in respect of the Refreshment of General Mandate is set out on pages 19 to 32 of this circular.

A notice convening the SGM of the Company to be held at Meeting Room (Soho 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 7 December 2015 at 10:30 a.m. is set out on pages SGM-1 to SGM-5 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

19 November 2015



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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 29 June 2015 in which the Shareholders had approved, among other things, the Existing General Mandate and the Existing Repurchase Mandate
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“close associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange under stock code: 764
“core connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Donvex Capital” or “Independent Financial Adviser”	Donvex Capital Limited, a corporation licensed under the SFO to carry out business in type 6 (advising on corporate finance) regulated activity and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate
“Eligible Participant(s)”	full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiary); any holder of any securities issued by the Group; and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group eligible for Options under the Share Option Scheme

DEFINITIONS

“Existing General Mandate”	the general mandate approved at the AGM authorising the Directors to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the AGM
“Existing Repurchase Mandate”	the general mandate approved at the AGM authorising the Directors to repurchase up to 10% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen, being all the independent non-executive Directors, established for the purpose of, among other matters, advising the Independent Shareholders in respect of the Refreshment of General Mandate
“Independent Shareholder(s)”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder other than the Directors (excluding independent non-executive Directors) and the chief executives of the Company and their respective associates
“Jiu hao Health”	China Jiu hao Health Industry Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 419
“Joint Announcement”	the joint announcement of the Company and Jiu hao Health dated 15 May 2015, in relation to, among others, the Transactions
“Latest Practicable Date”	16 November 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the new general mandate proposed to be granted to the Directors at the SGM to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“New Repurchase Mandate”	the new general mandate proposed to be granted to the Directors at the SGM to repurchase up to 10% of the issued share capital of the Company as at the date of the SGM
“Option(s)”	any option(s) granted or to be granted to Eligible Participant(s) to subscribe for Share(s) under the old share option scheme or, after its termination, under the Share Option Scheme
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting the New General Mandate (including the extended New General Mandate)
“Refreshment of Repurchase Mandate”	the proposed refreshment of the Existing Repurchase Mandate by way of granting the New Repurchase Mandate
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme
“Rights Issue”	the rights issue of 590,003,243 Shares to the Shareholders on the basis of one new Share for every one Share held on the record date, i.e. 28 July 2015, at a subscription price of HK\$0.7 per new Share
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate, the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit
“S&P Agreement”	the sale and purchase agreement dated 11 December 2014 entered into between the Company as purchaser, the Vendor as vendor and Jiu hao Health as guarantor in relation to the Transactions (as amended and supplemented by the supplemental sale and purchase agreements dated 30 March 2015 and 12 June 2015 respectively entered into by parties to the S&P Agreement)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Entitlement Note”	the note which confers the allotment right to call on the Company to allot and issue 1,500,000,000 Shares at the issue price of HK\$0.70 per Share as part of the consideration for the Transactions with an aggregate value of HK\$1,050 million
“Share Option Scheme”	the share option scheme of the Company adopted on 12 December 2011
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Smart Title Limited, a company incorporated in the British Virgin Islands with limited liability, an investment holding company and the entire issued shares of which was owned by the Vendor

DEFINITIONS

“Transactions”	pursuant to the S&P Agreement, (i) the Vendor conditionally agreed to sell and the Company conditionally agreed to purchase the entire shareholding interest in the Target Company; and (ii) the Vendor agreed to assign the benefit and interest in a loan due from the Target Company to the Vendor to the Company upon completion of the Transactions free from encumbrances
“Vendor”	Unique Talent Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Jiu hao Health
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai

(Chairman and Chief Executive Officer)

Mr. Cheung Kwok Wai, Elton

Mr. Chan Kin Wah, Billy

Mr. Cheung Kwok Fan

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Wan Shing Chi

Mr. Ng Heung Yan

Mr. Wong Tak Chuen

*Head office and principal place
of business in Hong Kong:*

Unit 3811, Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

19 November 2015

To the Shareholders

Dear Sir or Madam,

- (1) REFRESHMENT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) REFRESHMENT OF SCHEME MANDATE LIMIT;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with details of (i) the Refreshment of General Mandate; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Refreshment of General Mandate; (iii) a letter of advice from Donvex Capital to the Independent Board

LETTER FROM THE BOARD

Committee and the Independent Shareholders setting out its recommendation in respect of the Refreshment of General Mandate; (iv) the Refreshment of Repurchase Mandate; (v) the Refreshment of Scheme Mandate Limit and (vi) the notice of convening the SGM.

REFRESHMENT OF EXISTING GENERAL MANDATE AND EXISTING REPURCHASE MANDATE

Background

At the AGM, the Shareholders approved, among other things, ordinary resolutions to grant to the Directors: (i) the Existing General Mandate pursuant to which the Directors were authorised to allot, issue and deal with Shares up to 116,724,648 Shares, representing 20% of the then issued Shares as at the date of the AGM and the extension of the Existing General Mandate to include any Shares repurchased by the Company under the Existing Repurchase Mandate; and (ii) the Existing Repurchase Mandate to repurchase Shares up to 58,362,324 Shares, representing 10% of the then issued Shares as at the date of the AGM.

The Existing General Mandate and the Existing Repurchase Mandate have not been utilised as at the Latest Practicable Date.

Reasons for the Refreshment of Existing General Mandate and Existing Repurchase Mandate

Reference is made to the announcements of the Company dated 15 May 2015, 20 May 2015, 28 May 2015 and 20 August 2015, the circular of the Company dated 26 June 2015 and the prospectus of the Company dated 29 July 2015 in relation to, among other things, the Rights Issue. On 15 May 2015, the Company as issuer and Kingston Securities Limited as underwriter entered into an underwriting agreement in relation to the underwriting arrangement in respect of the Rights Issue. The Rights Issue was conducted on the basis of one new Share for every one Share held on the record date, i.e. 28 July 2015, at a subscription price of HK\$0.7 per new Share. Upon completion of the Rights Issue, 590,003,243 Shares were issued on 24 August 2015.

Reference is also made to the Joint Announcement, the announcements of the Company dated 12 June 2015, 26 June 2015, 31 July 2015, 21 August 2015 and 6 October 2015 and the circular of the Company dated 31 August 2015 in relation to, among other things, the Transactions. As disclosed in the Joint Announcement, on 11 December 2014, the Company as the purchaser, the Vendor as the vendor and Jiu hao Health as the guarantor to the Vendor entered into the S&P Agreement pursuant to which, (i) the Vendor conditionally agreed to sell, and the Company conditionally agreed to purchase, the

LETTER FROM THE BOARD

entire shareholding interest in the Target Company; and (ii) the Vendor agreed to assign to the Company the benefit and interest in the loan due from the Target Company to the Vendor upon completion of the Transactions free from encumbrance. Upon completion of the Transactions on 6 October 2015, the Company, among others, issued the Share Entitlement Note to Jiu hao Health as part of the consideration for the Transactions. On the same date, the allotment right under the Share Entitlement Note was exercised, upon which 1,500,000,000 new Shares were issued under the specific mandate granted by the Shareholders at the special general meeting of the Company held on 17 September 2015.

On 30 June 2015, 6,380,000 Options under the Share Option Scheme were exercised upon which 6,380,000 Shares were issued.

After completion of the above events, since the AGM and up to the Latest Practicable Date, the number of issued Shares was increased from 583,623,243 Shares to 2,680,006,486 Shares.

In view of the fact that the number of issued Shares has substantially increased since the date of the AGM from 583,623,243 Shares to 2,680,006,486 Shares as at the Latest Practicable Date, the Board proposes the Refreshment of General Mandate in order to provide flexibility for the Company in fund raising through the issue of new Shares, if thought appropriate, to be made under the New General Mandate. Save for the Refreshment of General Mandate, there has been no refreshment of the Existing General Mandate since the AGM.

The Company has no current intention or plan to utilise the New General Mandate immediately after the Refreshment of General Mandate. It is noted that the forthcoming annual general meeting of the Company is expected to be held in or around June 2016 and the refreshed New General Mandate will allow the Company to have sufficient flexibility to grasp appropriate fund raising opportunities during this period. If any potential investors offer attractive terms for investment in the Shares subject to the then market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as to support the Group's future business development. Announcement(s) will be made by the Company in the event any concrete fund raising plan arises as and when appropriate.

In view of the above, the Directors consider that the Refreshment of General Mandate is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

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At the SGM, ordinary resolutions will be proposed to the Independent Shareholders (in the case of the New General Mandate and any extension thereof) and the Shareholders (in the case of the New Repurchase Mandate) that, among others:

- (i) the Directors be granted the New General Mandate to allot and issue Shares up to an aggregate number of Shares not exceeding 20% of the Shares in issue as at the date of passing of the resolution approving the Refreshment of General Mandate;
- (ii) the Directors be granted the New Repurchase Mandate to enable them to repurchase Shares up to an aggregate number of Shares not exceeding 10% of the Shares in issue as at the date of passing of the resolution approving the Refreshment of Repurchase Mandate; and
- (iii) the New General Mandate be extended so that the Directors be given a general mandate to allot and issue further Shares up to an aggregate number equal to the Shares which may be repurchased by the Company under the New Repurchase Mandate.

As at the Latest Practicable Date, the Company had 2,680,006,486 Shares in issue. Subject to the passing of the resolutions for the approval of the Refreshment of General Mandate and the Refreshment of Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM, the Company would be allowed (i) under the New General Mandate to allot, issue and deal with up to a maximum of 536,001,297 Shares; and (ii) under the New Repurchase Mandate to repurchase a maximum of 268,000,648 Shares.

The New General Mandate (including the extended New General Mandate) and the New Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the New General Mandate (including the extended New General Mandate) and the New Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or (iii) the revocation or variation of the New General Mandate (including the extended New General Mandate) or the New Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the New Repurchase Mandate is set out in the Appendix to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Refreshment of Repurchase Mandate.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

Pursuant to a resolution passed at the special general meeting of the Company held on 12 December 2011, the Share Option Scheme was adopted and the old share option scheme was terminated.

The purpose of the Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives and rewards for their contribution or potential contribution to the Group. The exercise price of an Option shall not be less than the highest of: (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares on the date of grant.

Apart from the Share Option Scheme, the Company has no other share option scheme in place. Pursuant to the Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company adopted by the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approving the Scheme Mandate Limit. Options previously granted under the Share Options Scheme and other share options schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised Options) shall not be counted for the purpose of calculating the Scheme Mandate Limit. The Scheme Mandate Limit may be refreshed by Shareholders in general meeting from time to time.

At the special general meeting of the Company held on 18 December 2014, the Scheme Mandate Limit was refreshed, which allows the Company to grant 54,767,324 Options which represents 10% of the Shares in issue as at 18 December 2014.

During the period from 18 December 2014 to the Latest Practicable Date, (i) no Options were granted to the Eligible Participants under the Share Option Scheme; (ii) 42,330,000 Options were exercised by the holders thereof under the Share Option Scheme; (iii) no Options were cancelled by the Company; and (iv) 30,460,060 Options were lapsed.

As at the Latest Practicable Date, the number of outstanding Options entitling the holders thereof to subscribe for Shares under the old share option scheme (which was terminated on 12 December 2011) is 30,144 and there is no outstanding Options entitling the holders thereof to subscribe for Shares under the Share Option Scheme. The aggregate of 30,144 outstanding Options entitle the holders thereof to subscribe for 30,144 Shares, representing approximately 0.001% of the issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

If the Scheme Mandate Limit is not refreshed at the SGM, only 54,767,324 Shares, representing approximately 2.04% of the Shares in issue as at the Latest Practicable Date of 2,680,006,486 Shares, may be allotted and issued upon exercise of Options. The Directors consider that it is in the interest of the Company to refresh the Scheme Mandate Limit in accordance with the Share Option Scheme so that the Company has greater flexibility to provide incentives and rewards to the Eligible Participants for their contribution or potential contribution to the Group.

As at the Latest Practicable Date, there were 2,680,006,486 Shares in issue. The Company has complied with Rule 17.03(4) of the Listing Rules for the aforesaid Options granted. Assuming no further Shares are issued and repurchased by the Company prior to the SGM, upon the approval of the Refreshment of Scheme Mandate Limit by the Shareholders at the SGM, the Scheme Mandate Limit (as refreshed) will allow the Company to grant Options under the Share Option Scheme entitling the holders thereof to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the Refreshment of Scheme Mandate Limit which are 268,000,648 Shares.

The limit on the number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time. As at the Latest Practicable Date, such number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme does not exceed 30% of the Shares in issue.

The Refreshment of Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the Refreshment of Scheme Mandate Limit at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of the Refreshment of Scheme Mandate Limit at the SGM) which may fall to be issued upon the exercise of the Options to be granted under the Share Option Scheme.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares representing 10% of the Shares in issue at as the date of the SGM, which may fall to be issued upon the exercise of the Options that may be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon the allotment and issue of Shares by the Company pursuant to the New General Mandate (assuming the New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company):

Shareholders	As at the Latest Practicable Date		Immediately upon the allotment and issue of Shares by the Company pursuant to the New General Mandate (assuming the New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company)	
	<i>No. of Shares held</i>	<i>Approximate %</i>	<i>No. of Shares held</i>	<i>Approximate %</i>
Mr. Yuen Hoi Po	395,190,474	14.74	395,190,474	12.29
Twin Success International Limited	211,416,000	7.89	211,416,000	6.57
Mr. Chan Kin Wah, Billy <i>(Note)</i>	6,319,500	0.24	6,319,500	0.20
Existing public Shareholders	2,067,080,512	77.13	2,067,080,512	64.27
Shares to be issued under the New General Mandate	—	—	536,001,297	16.67
Total	<u>2,680,006,486</u>	<u>100.00</u>	<u>3,216,007,783</u>	<u>100.00</u>

Note:

Mr. Chan Kin Wah, Billy is an executive Director holding 6,319,500 Shares and 1,001 Options as at the Latest Practicable Date.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

Set out below are the fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds	Proposed use of proceeds	Actual use of proceeds
15 May 2015 (circular dated 26 June 2015 and prospectus dated 29 July 2015)	The Rights Issue	HK\$402.70 million	To finance the payment of part of the consideration for the Transactions	All of the net proceeds was used up as intended
15 May 2015 (circular dated 31 August 2015)	Issue of the Share Entitlement Note <i>(Note)</i>	Nil <i>(Note)</i>	Nil <i>(Note)</i>	Nil <i>(Note)</i>

Note:

The Share Entitlement Note with an aggregate value of HK\$1,050 million was issued on 6 October 2015 as part of the consideration for the Transactions. The Share Entitlement Note confers the allotment right to call on the Company to allot and issue 1,500,000,000 Shares at the issue price of HK\$0.70 per Share. 1,500,000,000 Shares were allotted and issued on 6 October 2015 upon exercise of the allotment right under the Share Entitlement Note. No proceeds were generated from the issue of the Share Entitlement Note or the aforesaid 1,500,000,000 Shares.

Save as disclosed above, the Company had not conducted any fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, the Refreshment of General Mandate will be subject to the Independent Shareholders' approval by way of passing of an ordinary resolution at the SGM at which any of the controlling Shareholders and their respective associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive and all their respective associates shall abstain from voting in favour of the resolution approving the Refreshment of General Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no controlling Shareholder. Therefore, the Directors (excluding independent non-executive Directors) and the chief executive and all their respective associates shall be required to abstain from voting in favour of the resolution approving the Refreshment of General Mandate. Accordingly, (i) Twin Success International Limited, a company incorporated in the British Virgin Islands with limited liability, which is an associate of Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton and Mr. Cheung Kwok Fan (all of them are executive Directors) and held 211,416,000 Shares as at the Latest Practicable Date; and (ii) Mr. Chan Kin Wah, Billy (an executive Director) who held 6,319,500 Shares as at the Latest Practicable Date, are therefore required to abstain from voting in favour of the resolution approving the Refreshment of General Mandate at the SGM.

The Board has been advised by the Directors (excluding independent non-executive Directors) that they and their respective associates have no intention to vote against the resolution in relation to the Refreshment of General Mandate.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Refreshment of General Mandate, the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit. Accordingly, no other Shareholders is required to abstain from voting on any resolution to be proposed at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors has been established by the Company to advise the Independent Shareholders on the Refreshment of General Mandate. Donvex Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

SGM

A notice convening the SGM to be held at 10:30 a.m. on Monday, 7 December 2015 at Meeting Room (Soho 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong is set out on pages SGM-1 to SGM-5 of this circular for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate (including the extended New General Mandate), the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit.

A proxy form for use by the Shareholders at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Standard

LETTER FROM THE BOARD

Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment of it, if you so wish.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries the information contained in this circular is accurate and complete in all material respect and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 17 to 18 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate, and the letter from Donvex Capital set out on pages 19 to 32 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose view is provided in the letter of the Independent Board Committee set out in this circular) believe that the Refreshment of General Mandate (including the extended New General Mandate) is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

The Directors also consider that the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Refreshment of Repurchase Mandate and the Refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

The English text of this circular, the notice of the SGM and the form of proxy for use at the SGM shall prevail over the Chinese text in case of inconsistency.

Yours faithfully,
For and on behalf of
Eternity Investment Limited
Lei Hong Wai
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate.



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

19 November 2015

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 19 November 2015 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the Refreshment of General Mandate is fair and reasonable as far as the Independent Shareholders are concerned.

Donvex Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Refreshment of General Mandate is fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of the recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 19 to 32 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 6 to 16 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice from Donvex Capital, we are of the opinion that the Refreshment of General Mandate is fair and reasonable insofar as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

Yours faithfully,

The Independent Board Committee

Wan Shing Chi

*Independent non-executive
Director*

Ng Heung Yan

*Independent non-executive
Director*

Wong Tak Chuen

*Independent non-executive
Director*

LETTER FROM DONVEX CAPITAL

The following is the full text of the letter from Donvex Capital Limited setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Unit 1305, 13th Floor,
Carpo Commercial Building
18-20 Lyndhurst Terrace
Central
Hong Kong

19 November 2015

*The Independent Board Committee and the Independent Shareholders of
Eternity Investment Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 19 November 2015 to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used herein have the same meanings as those defined in the Circular unless otherwise stated.

At the AGM, the Shareholders approved, among other things, ordinary resolutions to grant to the Directors the Existing General Mandate pursuant to which the Directors were authorised to allot, issue and deal with Shares up to 116,724,648 Shares, representing 20% of the then issued Shares as at the date of the AGM and the extension of the Existing General Mandate to include any Shares repurchased by the Company under the Existing Repurchase Mandate. The Existing General Mandate and the Existing Repurchase Mandate have not been utilised as at the Latest Practicable Date.

After the completion of the Rights Issue, the Transactions, the exercise of the allotment right under the Share Entitlement Note and the exercise of 6,380,000 Options under the Share Option Scheme, since the AGM and up to the Latest Practicable Date, the number of issued Shares was increased from 583,623,243 Shares to 2,680,006,486 Shares. In

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view of the substantial increase in the total issued share capital of the Company, the Board proposes the Refreshment of General Mandate in order to provide flexibility for the Company in fund raising through the issue of new Shares, if thought appropriate, to be made under the New General Mandate. Therefore, the Board proposes to seek approval of the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the resolution approving the Refreshment of General Mandate at the SGM. Save for the Refreshment of General Mandate, there has been no refreshment of the Existing General Mandate since the AGM.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling Shareholders and their respective associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution in respect of the Refreshment of General Mandate to be proposed at the SGM. As at the Latest Practicable Date, the Company had no controlling Shareholder. Therefore, the Directors (excluding independent non-executive Directors) and the chief executive and all their respective associates shall be required to abstain from voting in favour of the resolution approving the Refreshment of General Mandate.

Accordingly, (i) Twin Success International Limited, a company incorporated in the British Virgin Islands with limited liability, which is an associate of Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton and Mr. Cheung Kwok Fan (all of them are executive Directors) and held 211,416,000 Shares as at the Latest Practicable Date; and (ii) Mr. Chan Kin Wah, Billy (an executive Director) who held 6,319,500 Shares as at the Latest Practicable Date, are therefore required to abstain from voting in favour of the resolution approving the Refreshment of General Mandate at the SGM.

The Board has been advised by the Directors (excluding independent non-executive Directors) that they and their respective associates have no intention to vote against the resolution in relation to the Refreshment of General Mandate.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Refreshment of General Mandate. Accordingly, no other Shareholders is required to abstain from voting on the respective resolution proposed at the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, the relevant resolution to be approved in respect of the Refreshment of General Mandate at the SGM will be taken by way of poll.

LETTER FROM DONVEX CAPITAL

An Independent Board Committee, comprising Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Refreshment of General Mandate. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we were independent from and not connected with the Group pursuant to Rule 13.84 of the Listing Rules and accordingly, were qualified to advise the Independent Board Committee and the Independent Shareholders with respect to the Refreshment of General Mandate. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion, we consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the information, statements, opinion and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so at the date hereof. We have also assumed that all statements of belief, opinion and intention of the Directors as set out in the Letter from the Board contained in the Circular were reasonable made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Refreshment of General Mandate. Our opinion is

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necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Donvex Capital Limited to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate, we have considered the following principal factors and reasons:

1. Background Information of the Group

Principal business

The principal activity of the Company is investment holding, and its subsidiaries are mainly engaged in the distribution of films, sub-licensing of film rights, sale of financial assets, property investment, money lending, and design and sale of jewelry products.

LETTER FROM DONVEX CAPITAL

Operating results of the Group

Set out below is a summary of the operating results of the Group for the financial years ended 31 December 2013 and 31 December 2014 (“FY2013” and “FY2014”) and six months ended 30 June 2015 (“1st Half 2015”) as extracted from its Annual Report 2014 and Interim Report 2015 respectively:

	For the six months ended 30 June 2015	For the year ended 31 December	
	2015	2014	2013
	<i>HK\$ '000</i>	<i>HK\$ '000</i>	<i>HK\$ '000</i>
	(Unaudited)	(Audited)	(Audited)
Turnover	100,266	110,755	25,793
— Distribution of films and sub-licensing of film rights	—	—	—
— Property Investment	—	—	3,402
— Sale of financial assets	1,685	(3,918)	(1,710)
— Money lending	35,717	78,316	24,101
— Sale of beauty products and provision of therapy services	20,703	22,084	—
— Sale of jewelry products	42,161	14,273	—
Gross profit	50,564	83,754	25,793
Profit from operations	248,853	233,280	106,103
Profit for the period/year from continuing operations	242,747	225,147	100,543
Profit for the period/year attributable to:			
— Owners of the Company	244,339	238,077	97,238
— Non-controlling interests	(1,592)	(12,777)	(1)

For the year ended 31 December 2014

During FY2014, the Group recorded a revenue of approximately HK\$110.8 million, representing an approximately 329.40% increase from approximately HK\$25.8 million for FY2013. The significant increase in turnover was attributable to (i) the active expansion of the Group’s money lending business in the second half of 2013 and the first half of 2014; (ii) the consolidation of the financial results of EDS Wellness Holdings Limited (“EDS Wellness”) and its subsidiaries since 2 July 2014; and (iii) the commencement of a new business, namely design and sale of jewelry products, in October 2014.

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Profit for the year from continuing operations for FY2014 amounted to approximately HK\$225.1 million, representing an increase of approximately 123.93% as compared with approximately HK\$100.5 million for FY2013. This increase was mainly attributable to approximately HK\$117.3 million increase in gain arising on change in fair value upon conversion of convertible notes receivables and a gain of approximately HK\$66.9 million arising on disposal of available-for-sale financial assets, which are partially offset by an impairment loss of approximately HK\$46.5 million recognised in respect of other receivables.

For the six months ended 30 June 2015

During 1st Half 2015, the Group recorded a turnover of approximately HK\$100.3 million, representing an approximately 224.28% increase from approximately HK\$30.9 million for the previous period. This significant increase in turnover was attributable to the acquisition of a controlling interest in EDS Wellness in July 2014 and the commencement of design and sale of jewelry products business in October 2014.

Profit attributable to owners of the Company for 1st Half 2015 amounted to approximately HK\$244.3 million, representing an approximately 857.63% increase from approximately HK\$25.5 million for the previous period. This significant increase was attributable to the recognition of (i) a gain of approximately HK\$154.6 million arising on change in fair value of financial assets at fair value through profit or loss and (ii) a gain of approximately HK\$74.4 million on disposal of available-for-sale financial assets.

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Financial position of the Group

Set out below is a summary of the financial positions of the Group for 1st Half 2015 and for FY2014 and FY2013 as extracted from the Interim Report 2015 and the Annual Reports 2014 of the Group respectively:

	As at	As at 31 December	
	30 June	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)	(Audited)
Non-current assets	414,127	461,226	678,856
— Loans receivables	253,000	230,000	605,148
Current assets	2,148,862	1,782,088	1,172,843
— Loans receivables	580,401	720,549	168,476
— Cash and cash equivalents	671,663	384,778	662,153
(Current liabilities)	(177,784)	(86,862)	(26,099)
(Non-current liabilities)	(7)	(11)	(231)
Net current assets	1,971,078	1,695,226	1,146,744
Net assets	2,385,198	2,156,441	1,825,369
Equity attributable to owners of the Company	2,375,000	2,144,651	1,825,372

As set out in the table above, the Group's unaudited consolidated net assets was approximately HK\$2,385.2 million as at 30 June 2015 and audited consolidated net assets was approximately HK\$2,156.4 million as at 31 December 2014. The cash and cash equivalents as at 30 June 2015 and 31 December 2014 were approximately HK\$671.7 million and HK\$384.8 million respectively. The increase in cash and cash equivalents of the Group as at 30 June 2015 was due to, including but not limited to, the cash inflow from operating activities and the disposal of available-for-sale financial assets.

2. Background of the Refreshment of General Mandate

At the AGM, the Shareholders approved, among other things, ordinary resolutions to grant to the Directors the Existing General Mandate pursuant to which the Directors were authorised to allot, issue and deal with Shares up to 116,724,648 Shares, representing 20% of the then issued Shares as at the date of the AGM and the extension of the Existing General Mandate to include any Shares repurchased by the Company under the Existing Repurchase Mandate.

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As at the Latest Practicable Date, the Existing General Mandate has not been utilised. Since the granting of the Existing General Mandate at the AGM, there has been no refreshment of the Existing General Mandate. As at the Latest Practicable Date, 116,724,648 additional new Shares can be allotted and issued under the Existing General Mandate, representing approximately 4.4% of the issued Shares.

3. Reasons for the Refreshment of General Mandate

Increase in number of issued Shares

With reference to the Letter from the Board, after the completion of the Right Issue, the Transactions, the exercise of the allotment right under the Share Entitlement Note and the exercise of 6,380,000 Options under the Share Option Scheme, since the AGM and up to the Latest Practicable Date, the number of issued Shares was increased from 583,623,243 Shares to 2,680,006,486 Shares. In view of (i) the substantial increase in the total issued share capital of the Company; and (ii) the next annual general meeting of the Company will not take place until June 2016, the Board proposes the Refreshment of General Mandate in order to provide flexibility for the Company in fund raising through the issue of new Shares, if thought appropriate, to be made under the New General Mandate. Therefore, the Board proposes to seek approval of the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the resolution approving the Refreshment of General Mandate at the SGM.

Intention on future development and potential funding needs of the Group

With reference to the financial statements of the Group and as stated in the section headed “Background Information of the Group”, we noted that significant portion of the Group’s profit was attributable to other gains, including but not limited to the gain arising on the change in fair value of financial assets and convertible notes receivables and gain on disposal of available-for-sale financial assets. There is no assurance that the Group will continue to record such gains in the future subject to the price fluctuation of those assets. In addition, parts of the gains were fair value adjustment and did not generate actual cash inflow for the Group during the corresponding reporting period.

Based on our discussion with the Company, the Company has no current intention or plan to utilise the New General Mandate immediately after the refreshment. Nonetheless, the Company intends to further expand its money lending business and the property investment business. The Company is of the view that the interest

LETTER FROM DONVEX CAPITAL

income from the money lending business and/or the rental income from the leasing of rental properties will provide stable and sustainable revenue and cash inflow to the Group, which is in the interests of the Company and Shareholders as a whole. However, the working capital demand to support such businesses, including but not limited to the principal amounts release to borrowers and the acquisition costs on investment properties, is significant. If any potential investors offer attractive terms for investment in the Shares subject to the then market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as to support the Group's future business development. As such, we concur with the view of the Company that the Refreshment of General Mandate provides the Company with the capability to capture any capital raising and/or prospective business/investment opportunity as and when it arises.

Flexibility in financing

The Directors advised that the existing cash resources of the Group are sufficient for the Group to meet its daily operations and present working capital requirements. However, based on the fact that the working capital demands are significant for the potential expansion of the Group's money lending business and property investment business, there is no certainty that the existing cash resources of the Group will be adequate to fulfil such needs in a timely manner.

Given that equity financing under general mandate (i) does not incur any interest expenses to the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of placing under specific mandate, rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes the Refreshment of General Mandate for the Directors to allot, issue and deal with Shares not exceeding 20% of the total issued share capital of the Company as at date of passing the resolution approving the Refreshment of General Mandate at the SGM. The Board considers that the Refreshment of General Mandate is necessary, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Given the foregoing, we are of the view that the Refreshment of General Mandate would provide the Company with greater flexibility to fulfil the funding or financial needs for the expansion of the Group's existing businesses in addition to the future business development and/or investment decisions and/or if the Company is in need of funds for its operation in the future. Accordingly, we are of the view that the Refreshment of General Mandate is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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Having considered that (i) the total issued Shares of the Company had substantially increased since the AGM and up to the Latest Practicable Date; (ii) it is expected that the next annual general meeting will not take place until June 2016; (iii) the Refreshment of General Mandate could provide the Group with flexibility to allot and issue new Shares without the need to seek further approval from the Shareholders; and (iv) the Group could raise capital and to strengthen the capital base of the Group, if and when required, through placing of new Shares under the New General Mandate for further development of the Group in a timely manner, we are of the view that the Refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole notwithstanding that the Group has sufficient internal resources to cover its daily operations and to meet its present working capital requirements and has no current intention nor plans to utilise the New General Mandate as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company does not have a concluded and concrete schedule on when the New General Mandate will be utilised and presently has no concluded and concrete intention or need on fund raising for specific purposes. If the Company proposes to issue any new Shares utilising the New General Mandate, it will make further announcement(s) as and when required. The Company will also have to comply with the Listing Rules if it decides to proceed with any of the new business development and/or potential investment opportunities to be identified.

4. Fund raising activities of the Company during the past twelve months

Save for the fund raising activities mentioned below, the Company has not carried out other fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds (approximately)	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date
15 May 2015 (circular dated 26 June 2015 and prospectus dated 29 July 2015)	The Rights Issue	HK\$402.70 million	To finance the payment of part of the consideration for the Transactions	All of the net proceeds was used up as intended
15 May 2015 (circular dated 31 August 2015)	Issue of the Share Entitlement Note (Note)	Nil (Note)	Nil (Note)	Nil (Note)

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Note: The Share Entitlement Note with an aggregate value of HK\$1,050 million was issued on 6 October 2015 as part of the consideration for the Transactions. The Share Entitlement Note confers the allotment right to call on the Company to allot and issue 1,500,000,000 Shares at the issue price of HK\$0.70 per Share. 1,500,000,000 Shares were allotted and issued on 6 October 2015 upon exercise of the allotment right under the Share Entitlement Note. No proceeds were generated from the issue of the Share Entitlement Note or the aforesaid 1,500,000,000 Shares.

5. Other financing alternatives

As advised by the Company, apart from equity financing, the Group will also consider other financing alternatives such as debt financing and bank borrowings before making any investment decisions.

Equity financing

The Group will consider other pre-emptive equity financing methods such as rights issue and open offer as compared with the equity financing under the New General Mandate, taking into account the timing of the funding needs as compared with the time required for carrying a rights issue/open offer, the then market condition, and the interest expressed by and the terms offered by any prospective underwriters in respect of rights issue/open offer, which we consider reasonable factors to take into consideration when deciding the merits of such pre-emptive equity financings. However, as the Company had already conducted the Rights Issue, the Directors consider that conducting another open offer or rights issue before the next annual general meeting of the Company might not provide enough attractiveness to the Shareholders and/or underwriter(s), or else greater discount on subscription price and/or higher underwriting commission might need to be offered, which may not be an effective and efficient way to further raise funds and not be in the interests of the Company and Shareholders as a whole.

The Company will consider seeking Shareholders' approval for a specific mandate to issue new Shares if appropriate in the circumstances. It is noted that a specific mandate requires relatively longer time to allot and issue new Shares as compared with utilising the general mandate and hence, may not be a suitable means of satisfying the financial needs for prospective investment opportunity that requires timely commitment.

Debt financing

In addition to the equity financing, the Directors are also of the opinion that bank borrowing and/or debt financing will usually incur interest burden to the Group and may not be achievable on favourable terms on a timely basis, due to possibility of

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being subject to, including but not limited to, lengthy due diligence and negotiations with banks as well as pledge of assets by the Group. In addition, as the net proceeds from the New General Mandate, if utilised, would have the possibility to apply on the money lending business and/or property investment business, the Directors consider that there is no assurance to obtain bank borrowings or debt financing with terms which is more favourable than the lending rates and/or the leasing rates provided by the Group to its customers.

The Directors advised that they would exercise due and careful consideration when choosing the best method of financing for the Group.

We consider that the proposed grant of the New General Mandate will provide the Company with an additional financing alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods, among the various means of financing, including but not limited to equity financing either under the New General Mandate or a specific mandate, pre-emptive equity financing and debt financing, for its future business development and the efficient use of its funds. Based on the above, we are of the view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

6. Potential dilution to Independent Shareholders' shareholdings

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, immediately upon the allotment and issue of Shares by the Company pursuant to the New General Mandate (assuming the New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company):

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Shareholders	(i) As at the Latest Practicable Date		(ii) Immediately upon the allotment and issue of Shares by the Company pursuant to the New General Mandate (assuming the New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company)	
	<i>No. of Shares held</i>	<i>Approximate %</i>	<i>No. of Shares held</i>	<i>Approximate %</i>
Mr. Yuen Hoi Po	395,190,474	14.74	395,190,474	12.29
Twin Success International Limited	211,416,000	7.89	211,416,000	6.57
Mr. Chan Kin Wah, Billy <i>(Note)</i>	6,319,500	0.24	6,319,500	0.20
Existing public Shareholders	2,067,080,512	77.13	2,067,080,512	64.27
Shares to be issued under the New General Mandate	—	—	536,001,297	16.67
Total:	<u>2,680,006,486</u>	<u>100.00</u>	<u>3,216,007,783</u>	<u>100.00</u>

Note: Mr. Chan Kin Wah, Billy is an executive Director holding 6,319,500 Shares and 1,001 Options as at the Latest Practicable Date.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date to the date of the SGM, 536,001,297 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% of the issued share capital as at the date of the SGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 77.13% as at the Latest Practicable Date to approximately 64.27% upon full utilisation of the New General Mandate, representing a potential maximum decrease in shareholding of the existing public Shareholders of approximately 12.86%.

Taking into account that the Refreshment of General Mandate (i) would allow the Company to raise capital by allotment and issue of new Shares before the next annual general meeting; (ii) would provide greater flexibility and more options of financing to the Group for its current and future business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit

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of the Company and its Shareholders as a whole; and (iv) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as aforementioned is acceptable.

Shareholders should note that the Existing General Mandate will be revoked upon approval at the SGM of the New General Mandate which will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the authority given under the relevant resolution to be proposed at the SGM by an ordinary resolution of the Shareholders in general meeting. Such duration is in compliance with the Listing Rules.

RECOMMENDATION

Having considered the above mentioned principal factors and reasons, we are of the view that the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Donvex Capital Limited
Doris Sy
Managing Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the New Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CORE CONNECTED PERSON

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “core connected person”, that is a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the New Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,680,006,486 Shares in issue.

Subject to the passing of the proposed resolution for the approval of the Refreshment of Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the SGM, the Company will be allowed under the New Repurchase Mandate to repurchase a maximum of 268,000,648 fully paid Shares, representing approximately 10% of the issued share capital of the Company as at the date of passing of the resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that the New Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the New Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under Bermuda law and the memorandum of association of the Company and the Bye-laws and for such purpose.

An exercise of the New Repurchase Mandate in full may have a material adverse impact on the working capital of the Company compared with those as at 31 December 2014, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous 12 calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2014		
November	0.74	0.675
December	0.73	0.685
2015		
January	suspended	suspended
February	suspended	suspended
March	suspended	suspended
April	suspended	suspended
May	1.02	0.805
June	1.02	0.82
July	0.87	0.625
August	0.73	0.465
September	0.58	0.47
October	0.49	0.24
November (up to the Latest Practicable Date)	0.25	0.23

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell to the Company or its subsidiaries any of the Shares if the New Repurchase Mandate is approved at the SGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the New Repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the New Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholder was interested in more than 10% of the Shares then in issue:

Shareholder	Number of Shares	Percentage holding
Mr. Yuen Hoi Po	395,190,474	14.74%

On the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the New Repurchase Mandate, the total interest of the above Shareholder in the Shares would be increased to:

Shareholder	Percentage holding
Mr. Yuen Hoi Po	16.38%

Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code or result in the amount of Shares held by the public being reduced to less than 25%.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase made under the New Repurchase Mandate.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

NOTICE OF SPECIAL GENERAL MEETING



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “**Meeting**”) of Eternity Investment Limited (the “**Company**”) will be held at Meeting Room (Soho 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 7 December 2015 at 10:30 a.m.:

To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

1. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in

NOTICE OF SPECIAL GENERAL MEETING

accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of resolution no. 2),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) (the “**Companies Act**”) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation

NOTICE OF SPECIAL GENERAL MEETING

to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

2. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable laws of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF SPECIAL GENERAL MEETING

3. “**THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”

4. “**THAT** subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Scheme Mandate Limit (as defined below) and pursuant to the share option scheme of the Company adopted on 12 December 2011 (the “**Share Option Scheme**”), approval be and is hereby generally and unconditionally granted for refreshing and renewing the Scheme Mandate Limit (as defined below) under the Share Option Scheme provided that (i) the total number of Shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme and other share option schemes of the Company shall not exceed 10 per cent. of the total number of Shares in issue as at the date of passing of this resolution (the “**Scheme Mandate Limit**”); and (ii) the overall limit on the number of Shares which may be issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company must not exceed 30 per cent. of the Shares in issue from time to time and that the Directors be and are hereby authorised, in their absolute discretion, to grant options under the Share Option Scheme up to the Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such options.”

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

Hong Kong, 19 November 2015

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 3811, Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.
3. In the case of joint holders of Shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.
4. In relation to proposed resolutions nos. 1 and 3 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.
5. In relation to proposed resolution no. 2 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix to this circular.