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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, 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, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



**ETERNITY INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

**(1) VERY SUBSTANTIAL DISPOSAL —  
THE POSSIBLE DISPOSAL OF SHARES IN  
SKYNET GROUP LIMITED;  
(2) REFRESHMENT OF SCHEME MANDATE LIMIT;  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

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

A notice convening the special general meeting of Eternity Investment Limited 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 Thursday, 12 May 2016 at 11:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the special general meeting 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](http://www.hkexnews.hk).

Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed 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 later than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

22 April 2016



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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	6
<b>APPENDIX I — FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II — FINANCIAL INFORMATION OF THE SKYNET GROUP</b> .....	II-1
<b>APPENDIX III — UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE SKYNET GROUP</b> .....	III-1
<b>APPENDIX IV — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP</b> ..	IV-1
<b>APPENDIX V — GENERAL INFORMATION</b> .....	V-1
<b>NOTICE OF SPECIAL GENERAL MEETING</b> .....	SGM-1

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## DEFINITIONS

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*In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:*

“Acquisition Cost”	has the meaning as set out in the section headed “FINANCIAL EFFECTS OF THE DISPOSAL” in this circular
“Benchmark Price”	has the meaning as set out in the paragraph headed “Manner of the Disposal” in this circular
“Best Volume”	Best Volume Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Board”	the board of Directors
“Club”	a membership-based golf club and resort in Beijing, the PRC
“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
“Contractor”	Zhanjiang City No. 4 Construction Engineering Co., Ltd. (湛江市第四建筑工程有限公司), a construction engineering company established in the PRC
“Director(s)”	the director(s) of the Company
“Disposal”	the possible disposal of up to 52,500,000 Ordinary SkyNet Shares owned by the Group under the Disposal Mandate
“Disposal Mandate”	the mandate to be granted by the Shareholders to the Directors for the Disposal during the Disposal Period
“Disposal Period”	the 12-month period commencing from the date on which the Disposal Mandate is approved by the Shareholders at the SGM

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## DEFINITIONS

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“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
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Golden Stone”	Golden Stone Management Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Property”	the commercial building located at No. 33 Nonglinxia Road, Yuexiu District, Guangzhou, the PRC and legally owned by Yingrui
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) independent of the Company and its connected persons (as defined in the Listing Rules)
“Jiu hao Health”	China Jiu hao Health Industry Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 419
“Joint Announcement”	the announcement jointly published by Xing Hang Limited, SkyNet and the Company dated 15 April 2015 in relation to, amongst others, the Subscription, the Offer and the deemed disposal of approximately 58.51% shareholding interest in SkyNet by the Company

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## DEFINITIONS

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“Latest Practicable Date”	19 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the unconditional mandatory cash offer made by Kingston Securities Limited on behalf of Xing Hang Limited to acquire all the issued Ordinary SkyNet Shares (other than the Ordinary SkyNet Shares owned or agreed to be acquired by Xing Hang Limited and parties acting in concert with it) at the offer price of HK\$4.07 per Ordinary SkyNet Share as detailed in the Joint Announcement and the composite offer and response document jointly published by Xing Hang Limited and SkyNet dated 20 November 2015
“Open Offer”	the open offer of SkyNet issuing 19,061,000 new Ordinary SkyNet Shares at a subscription price of HK\$3.00 per Ordinary SkyNet Share as detailed in the prospectus of SkyNet dated 17 July 2014
“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
“Ordinary SkyNet Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of SkyNet
“PRC”	The People’s Republic of China
“Preferred Share(s)”	new preferred share(s) of par value of HK\$0.10 each in the share capital of SkyNet created pursuant to the reclassification and redesignation of the authorised share capital of SkyNet as detailed in the Joint Announcement

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## DEFINITIONS

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“Previous Convertible Bonds”	the non-interest bearing convertible bonds with a total principal amount of HK\$40.00 million and convertible into 40,000,000 new Ordinary SkyNet Shares issued by SkyNet on 22 May 2014 and held by New Cove Limited, a wholly owned subsidiary of the Company, (further details of the issue of the Previous Convertible Bonds are disclosed in SkyNet’s announcements dated 21 March 2013, 30 October 2013 and 22 May 2014 and SkyNet’s circular dated 23 May 2013)
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme
“Remaining Group”	the Group immediately after the Disposal
“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)
“SGM”	a special general meeting of the Company to be convened and 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 Thursday, 12 May 2016 at 11:30 a.m. to consider and, if thought fit, to approve, among other things, the grant of the Disposal Mandate and the Refreshment of Scheme Mandate Limit
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 12 December 2011

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## DEFINITIONS

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“SkyNet”	SkyNet Group Limited (formerly known as EDS Wellness Holdings Limited), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM under stock code: 8176
“SkyNet Group”	SkyNet and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 345,000,000 new Ordinary SkyNet Shares and 30,000,000 new Preferred Shares under the Subscription Agreement
“Subscription Agreement”	the subscription agreement in respect of the Subscription entered into between Xing Hang Limited, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited as subscribers and SkyNet as issuer dated 17 February 2015 (as amended and supplemented by the supplemental agreements dated 19 June 2015 and 28 August 2015 respectively)
“Subject Land”	a piece of 580 Chinese acres land adjacent to the Club
“Trading Day(s)”	a day on which the Stock Exchange is open for trading of securities (and whether or not Ordinary SkyNet Shares are suspended from trading for whole or part of such day)
“Yingrui”	Guangzhou Yingrui Real Estate Development Co., Ltd. (廣州市迎瑞房地產開發有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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LETTER FROM THE BOARD

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**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

*Independent non-executive Directors:*

Mr. Wan Shing Chi  
Mr. Ng Heung Yan  
Mr. Wong Tak Chuen

*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

22 April 2016

*To the Shareholders and, for information only,  
the option holders of the Company*

Dear Sir or Madam,

**(1) VERY SUBSTANTIAL DISPOSAL —  
THE POSSIBLE DISPOSAL OF SHARES IN  
SKYNET GROUP LIMITED;  
(2) REFRESHMENT OF SCHEME MANDATE LIMIT;  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

References are made to the Joint Announcement and the circular of the Company dated 8 October 2015 in relation to, amongst others, the Subscription, the Offer and the deemed disposal of an approximately 58.51% shareholding interest in the issued share capital of SkyNet; and the announcements of the Company dated 8 January 2016 and 11 January 2016 in relation to the Disposal and the grant of the Disposal Mandate.



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## LETTER FROM THE BOARD

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On 8 January 2016, the Company announced that the Directors proposed to obtain the Disposal Mandate from the Shareholders for the possible disposal of up to 52,500,000 Ordinary SkyNet Shares held by the Group. The Disposal Mandate is regarded as a very substantial disposal of the Company under the Listing Rules and is subject to the Shareholders' approval at the SGM.

The Directors also propose to seek Shareholders' approval for the Refreshment of Scheme Mandate Limit at the SGM.

The purpose of this circular is to provide the Shareholders with, among other things, details of (i) the Disposal and the grant of the Disposal Mandate and (ii) the Refreshment of Scheme Mandate Limit, together with a notice convening the SGM and a form of proxy.

### **THE DISPOSAL MANDATE**

Upon the completion of the Subscription on 6 November 2015 and at the Latest Practicable Date, the Group held 52,500,000 Ordinary SkyNet Shares, representing approximately 12.51% of the issued share capital of SkyNet.

Given that the Group has lost its control over SkyNet after completion of the Subscription, the 52,500,000 Ordinary SkyNet Shares held by the Group have been accounted for as available-for-sale financial assets of the Group. The Directors propose to obtain the Disposal Mandate from the Shareholders for the possible disposal of up to 52,500,000 Ordinary SkyNet Shares held by the Group.

### **The Disposal Period**

The 12-month period commencing from the date on which the Disposal Mandate is approved by the Shareholders at the SGM.

### **Maximum number of Ordinary SkyNet Shares to be disposed of under the Disposal Mandate**

Up to 52,500,000 Ordinary SkyNet Shares held by the Group.

### **Manner of the Disposal**

The Disposal under the Disposal Mandate will be conducted on open market transactions on the Stock Exchange.

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## LETTER FROM THE BOARD

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In deciding to effect the Disposal, the Directors will take into account the current market sentiment and the prevailing market prices of the Ordinary SkyNet Shares. The Disposal will be effected on the following conditions:

- (a) the Disposal will be conducted on normal commercial terms and will be fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (b) the price of the Disposal will be settled in cash; and
- (c) the selling price of each Ordinary SkyNet Share will be not less than the higher of (i) 90% of the average closing price of Ordinary SkyNet Shares for the 10 consecutive Trading Days (where the trading of the Ordinary SkyNet Shares is suspended on any Trading Day for the whole day, the closing price on the Trading Day immediately prior to such suspension shall be deemed as the closing price of the Ordinary SkyNet Shares on such Trading Day) immediately prior to the Trading Day on which the relevant Disposal is effected (the “**Benchmark Price**”); and (ii) the Acquisition Cost of HK\$1.476.

As the Disposal is only effected on open market, the identity of the counterparty to the Disposal cannot be ascertained and, except for the bid prices of the Ordinary SkyNet Shares quoted on the Stock Exchange, there is no criteria for selecting buyers in disposing of the Ordinary SkyNet Shares on the Stock Exchange.

### **Monthly reporting of the Disposal**

To keep the Shareholders and the investing public informed on the progress of the Disposal, the Company will publish an announcement within five Trading Days after the end of each month, starting from the month on which the Disposal Period commences until all of the 52,500,000 Ordinary SkyNet Shares held by the Group have been disposed of or the last day of the Disposal Period, whichever is earlier.

### **Condition precedent**

The Disposal Mandate is conditional upon the approval of the Shareholders at the SGM.

In the event that the Disposal Mandate is not approved by the Shareholders at the SGM, the Group is only able to dispose of such number of Ordinary SkyNet Shares on an aggregated basis, which constitutes a discloseable transaction of the Company under the Listing Rules.

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## LETTER FROM THE BOARD

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### Capital restructuring of SkyNet

If and when there shall be any alteration to the nominal value of Ordinary SkyNet Shares as a result of consolidation, subdivision or reclassification, or issue of new Ordinary SkyNet Shares to the Group by way of capitalisation of profits or reserves during the Disposal Period, the number of Ordinary SkyNet Shares to be disposed of under the Disposal Mandate shall be adjusted accordingly. If there is an alternation to the nominal value of Ordinary SkyNet Shares, the Company will make announcement relating to the adjustment on the number of Ordinary SkyNet Shares to be disposed of under the Disposal Mandate.

### FINANCIAL EFFECTS OF THE DISPOSAL

On 22 May 2014, the Group subscribed for the Previous Convertible Bonds in the principal amount of HK\$40.00 million at their face value for the purpose of participating in the development of the SkyNet Group and enabling the Group to diversify its business. The Previous Convertible Bonds did not bear any interest. The Company confirms that save for the consideration of HK\$40.00 million, the Group has not paid any other amount to the SkyNet Group for the subscription of the Previous Convertible Bonds. Subject to the compliance with the public float requirement by SkyNet, the Previous Convertible Bonds carried rights entitling the holders thereof to convert their principal amount into Ordinary SkyNet Shares at an initial conversion price of HK\$1.00 per Ordinary SkyNet Share. On 2 July 2014, the Group converted the principal amount of HK\$25.00 million of the Previous Convertible Bonds into 25,000,000 new Ordinary SkyNet Shares at the initial conversion price of HK\$1.00 per Ordinary SkyNet Share. As a result of the conversion, SkyNet became a non-wholly owned subsidiary of the Company. On 22 July 2014, the Group subscribed for 12,500,000 new Ordinary SkyNet Shares under the Open Offer at a subscription price of HK\$3.00 per Ordinary SkyNet Share for maintaining its controlling level of shareholding interest in SkyNet and facilitating the Open Offer for raising additional capital for repayment of outstanding debts of SkyNet. On 30 September 2014, the Group converted the remaining principal amount of HK\$15.00 million of the Previous Convertible Bonds into 15,000,000 new Ordinary SkyNet Shares at the initial conversion price of HK\$1.00 per Ordinary SkyNet Share. The Company confirms that save for the consideration of HK\$40.00 million paid to the SkyNet Group for the subscription of the Previous Convertible Bonds, no additional payment was made by the Group to the SkyNet Group upon the above conversion or any other conversion of the Previous Convertible Bonds. Based on the above, the acquisition cost is HK\$1.476 per Ordinary SkyNet Share (the “**Acquisition Cost**”).

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## LETTER FROM THE BOARD

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The financial effects of the Disposal on the Group are as follows:

### **Total assets**

As set out in Appendix IV to this circular, assuming the 52,500,000 Ordinary SkyNet Shares had been disposed of at the closing price of HK\$5.00 per Ordinary SkyNet Share on 31 December 2015, the unaudited pro forma consolidated total assets of the Remaining Group would have been decreased from HK\$4,430.85 million to HK\$4,429.20 million as at 31 December 2015.

### **Total liabilities**

As set out in Appendix IV to this circular, assuming the 52,500,000 Ordinary SkyNet Shares had been disposed of at the closing price of HK\$5.00 per Ordinary SkyNet Share on 31 December 2015, the unaudited pro forma consolidated total liabilities of the Remaining Group would have been remained at HK\$1,078.54 million as at 31 December 2015.

### **Earnings**

As set out in Appendix IV to this circular, assuming the 52,500,000 Ordinary SkyNet Shares had been disposed of at the closing price of HK\$2.35 per Ordinary SkyNet Share on 31 December 2014, being the trading date immediately prior to 1 January 2015, the Remaining Group would have recorded an unaudited loss attributable to owners of the Company of HK\$35.02 million for the year ended 31 December 2015.

It should be noted that the Group recorded an audited profit attributable to owners of the Company of HK\$105.26 million for the year ended 31 December 2015. The reporting of a loss in the unaudited pro forma consolidated statement of profit or loss of the Remaining Group is attributable to the use of different closing prices in calculating the gain on deemed disposal of an approximately 57.67% shareholding interest in the issued share capital of SkyNet. In preparing the unaudited pro forma consolidated statement of profit or loss of the Remaining Group for the year ended 31 December 2015, the closing price of HK\$2.35 per Ordinary SkyNet Share on 31 December 2014, being the trading date immediately prior to 1 January 2015, is used, whereas the closing price of HK\$6.40 per Ordinary SkyNet Share on 6 November 2015 is used in calculating the actual gain on deemed disposal of shareholding interest in the issued share capital of SkyNet.

### **Gain or loss on the Disposal**

As set out in Appendix IV to this circular, the 52,500,000 Ordinary SkyNet Shares had been accounted for as available-for-sale financial assets of the Remaining Group at the

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## LETTER FROM THE BOARD

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closing price of HK\$2.35 per Ordinary SkyNet Share on 1 January 2015, being the date on which the Remaining Group were deemed to dispose of an approximately 57.67% shareholding interest in the issued share capital of SkyNet, and the Remaining Group had disposed of the 52,500,000 Ordinary SkyNet Shares at the closing price of HK\$2.35 per Ordinary SkyNet Share on the same date. There would be no gain or loss on the Disposal.

To give the Shareholders an update information on the gain on the Disposal, the Benchmark Price of HK\$4.87, which is 90% of the average closing price of Ordinary SkyNet Shares for the 10 consecutive Trading Days immediately prior to the Latest Practicable Date, is used in illustrating the gain on the Disposal. The 52,500,000 Ordinary SkyNet Shares were accounted for as available-for-sale financial assets in the audited consolidated financial position of the Group with a carrying amount of HK\$262.50 million as at 31 December 2015. Assuming all of 52,500,000 Ordinary SkyNet Shares had been disposed of at the Benchmark Price of HK\$4.87, the Group would have recorded a loss on the Disposal of approximately HK\$6.82 million (before expenses).

Based on the Benchmark Price of HK\$4.87, the gross proceeds from the Disposal is approximately HK\$255.68 million.

The Directors would like to draw the attentions of the Shareholders that, as the price of Ordinary SkyNet Shares fluctuates and may be substantially different from the prices of Ordinary SkyNet Shares used in the preparation of the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, the actual financial effects of the Disposal on the Group may be different from the amounts presented in this section and the differences may be significant.

### INFORMATION ON THE COMPANY

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

### INFORMATION ON THE SKYNET GROUP

The SkyNet Group is principally engaged in the development, distribution and marketing of personal care treatments, products and services, and the provision of in-flight WLAN and WIFI engineering and services business.

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## LETTER FROM THE BOARD

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The table below sets out the audited consolidated net loss of the SkyNet Group for the two years ended 30 June 2013 and 2014, the six months ended 31 December 2014 and the year ended 31 December 2015:

	<b>For the year ended 31 December 2015</b>	<b>For the six months ended 31 December 2014</b>	<b>For the year ended 30 June</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2014</i>	<i>2013</i>
	(Audited)	(Audited)	(Audited)	(Audited)
Loss before tax	(38,692)	(46,216)	(10,131)	(23,568)
Loss for the year/period	(39,677)	(47,043)	(10,618)	(23,568)

*Note:* The financial year end date of SkyNet has been changed from 30 June to 31 December commencing from the financial year ended 31 December 2014 (further information is described in SkyNet's announcement dated 15 October 2014).

### **REASONS FOR THE DISPOSAL MANDATE AND USE OF PROCEEDS FROM THE DISPOSAL**

After completion of the Subscription, the Group's shareholding interest in the issued share capital of SkyNet has been diluted from approximately 70.18% to approximately 12.51%. The Group has lost its control over SkyNet and SkyNet has ceased to be a subsidiary of the Company. The Group's investment in the 52,500,000 Ordinary SkyNet Shares has been accounted for as available-for-sale financial assets in the Group's consolidated statement of financial position in accordance with Hong Kong Accounting Standard 39 *Financial Instruments: Recognition and Measurement*. As such, the Company, subject to the price performance of Ordinary SkyNet Shares, intends to realise its investment in SkyNet as and when appropriate in order to take profit. However, a disposal (or series of disposals) of the entire 52,500,000 Ordinary SkyNet Shares is regarded as a very substantial disposal of the Company under Chapter 14 of the Listing Rules and requires Shareholders' approval in a general meeting of the Company.

Given the volatility of the stock market, disposing of Ordinary SkyNet Shares at the best possible price requires prompt actions at the right timing and it is not practicable to seek Shareholders' approval for each disposal of such number of Ordinary SkyNet Shares. Therefore, the Company intends to obtain the Disposal Mandate from the Shareholders in order to enable the Group to dispose of the 52,500,000 Ordinary SkyNet Shares in an effective and efficient manner. The Directors are of the view that the Disposal Mandate provides flexibility with the Group during the Disposal Period to act promptly, effectively

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## LETTER FROM THE BOARD

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and efficiently to dispose of the 52,500,000 Ordinary SkyNet Shares at the appropriate time and at the appropriate prices in order to maximise the return to the Group. As such, the Directors consider that the Disposal Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Disposal are intended to be used for general working capital of the Group.

### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) for the Disposal Mandate is more than 25% but all are less than 75%, the Disposal Mandate constitutes a major transaction of the Company. Having considered that the market price of Ordinary SkyNet Shares is subject to change, the selling prices of Ordinary SkyNet Shares cannot be ascertained as at the Latest Practicable Date and may increase in future, the Directors thus have resolved to regard the Disposal as a very substantial disposal of the Company. As the Disposal Mandate is regarded as a very substantial disposal of the Company, the Disposal Mandate is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the grant of the Disposal Mandate. The aforesaid approval shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal Mandate; therefore, no Shareholder is required to abstain from voting for the resolution to approve the Disposal Mandate at the SGM.

**Shareholders and potential investors should note that (i) the grant of the Disposal Mandate is subject to the approval of the Shareholders at the SGM and therefore the Disposal may not be proceeded; and (ii) there is no assurance that the Company will proceed with the Disposal after the grant of the Disposal Mandate as the Disposal is subject to the conditions as set out under the paragraph headed "Manner of the Disposal" of this circular. As such, Shareholders and potential investors are urged to exercise caution when dealing in the Shares.**

### 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.

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## LETTER FROM THE BOARD

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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 contributions 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 Option Scheme and other share option 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 the Shareholders in general meeting from time to time.

At the special general meeting of the Company held on 7 December 2015, the Scheme Mandate Limit was refreshed, which allows the Company to grant 268,000,648 Options which represents 10% of the Shares in issue as at 7 December 2015.

During the period from 7 December 2015 to the Latest Practicable Date, (i) 267,800,000 Options were granted to the Eligible Participants under the Share Option Scheme; (ii) no Options were exercised by the holders thereof under the old share option scheme and the Share Option Scheme; (iii) no Options were cancelled by the Company; and (iv) no 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 the number of outstanding Options entitling the holders thereof to subscribe for Shares under the Share Option Scheme is 322,500,000. The aggregate of 322,530,144 outstanding Options entitle the holders thereof to subscribe for 322,530,144 Shares, representing approximately 10.03% of the issued share capital of the Company as at the Latest Practicable Date.

If the Scheme Mandate Limit is not refreshed at the SGM, only 200,648 Options, representing approximately 0.07% of the existing Scheme Mandate Limit of 268,000,648 Options, may be granted under the Share Option Scheme. The Directors consider that it is



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## LETTER FROM THE BOARD

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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 3,216,006,486 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 321,600,648 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 as at 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.

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## LETTER FROM THE BOARD

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### SGM

The Directors have resolved to convene the SGM to consider and, if thought fit, to approve the grant of the Disposal Mandate and the Refreshment of the Scheme Mandate Limit by the Shareholders.

The notice of SGM is set out on pages SGM-1 to SGM-3 of this circular. A proxy form for use by the Shareholders at the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete and return 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 later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person.

### RECOMMENDATION

The Directors consider that the grant of the Disposal Mandate and the Refreshment of Scheme Mandate Limit are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the grant of the Disposal Mandate and the Refreshment of Scheme Mandate Limit.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices 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*

**FINANCIAL INFORMATION INCORPORATED BY REFERENCE**

Financial information and management discussion and analysis of the Group for each of the four years ended 31 December 2012, 2013, 2014 and 2015 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.eternityinv.com.hk>).

The audited consolidated statement of profit or loss, the audited consolidated statement of profit or loss and other comprehensive income, the audited consolidated statement of financial position, and the management discussion and analysis of the Group for the year ended 31 December 2015 have been set out in pages 1 to 5 and pages 27 to 48 respectively of the annual results announcement of the Company dated 31 March 2016 which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual results announcement:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0331/LTN201603311164.pdf>

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 31 December 2014 have been set out in pages 67 to 231 and pages 6 to 37 respectively of the annual report 2014 of the Company which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN20150429337.pdf>

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 31 December 2013 have been set out in pages 63 to 227 and pages 7 to 27 respectively of the annual report 2013 of the Company which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2013:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0423/LTN20140423897.pdf>

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 31 December 2012 have been set out in pages 61 to 214 and pages 7 to 26 respectively of the annual report 2012 of the Company which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2012:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0402/LTN201304021974.pdf>

**STATEMENT OF INDEBTEDNESS****Borrowings**

At the close of business on 29 February 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, total borrowings of the Group amounted to HK\$208,564,000, comprising (i) a mortgage loan of RMB150,054,000 (equivalent to approximately HK\$178,564,000), which is carrying floating rate at the benchmark interest rate of The People's Bank of China upward by 10.00% per annum, secured by the Guangzhou Property and maturing on 21 April 2022 and (ii) a promissory note of HK\$30,000,000 issued to Sino Credit Holdings Limited, which is non-interest bearing, unsecured and maturing within three business days after the date of a final and effective judgement or an effective and binding settlement agreement of the lawsuit between the Group and the Contractor in respect of not paying certain payment under the construction contract of the Guangzhou Property.

**Contingent liabilities**

As at the close of business on 29 February 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following material litigations and contingent liabilities:

- (a) On 15 April 2010, a claim was brought by China Finance & Assets Management Limited (“**China Finance**”) in High Court Action No. 526 of 2010 against Rexdale Investment Limited (“**Rexdale**”), a wholly owned subsidiary of the Company, for failing to pay a service fee in the sum of HK\$25,000,000 to China Finance. No provision for the claim was made in the audited consolidated financial statements of the Group for the year ended 31 December 2014 as Lafe Corporation Limited, the beneficial owner of Rexdale prior to the acquisition of the entire issued share capital of Rexdale by One Synergy Limited (“**One Synergy**”) in December 2010, has undertaken to indemnify and keep indemnified the Group against any and all losses, claims, damages, penalties, actions, demands, proceeding, judgment and costs arising from or in connection with the claim.
- (b) On 20 March 2014, the Company announced that it came to its attention that a writ of summons in High Court Action No. 9 of 2014 was issued by The Grande Holdings Limited (in liquidation), Roderick John Sutton (as joint and several provisional liquidator of The Grande Holdings Limited), Fok Hei Yu (as joint and several provisional liquidator of The Grande Holdings Limited) and 65 other companies listed as plaintiffs against 25 defendants inclusive of One Synergy, a company acquired by the Group in December 2011. One Synergy has, as at the Latest Practicable Date, not been served with the writ.

The action alleges, inter alia, that One Synergy is liable to the plaintiffs as a constructive trustee and/or by way of equitable compensation and/or an accounts of profits and/or restitution and/or damages as a knowing recipient and/or by reason of the knowing or dishonest assistance in the breaches of trust and/or breaches of fiduciary duties by various of the defendants and/or by reason of dealings between One Synergy and the plaintiffs otherwise being voidable (and avoided), void, unlawful or illegal, in respect of its receipt of the shares in The Grande Properties Ltd. (now known as Rexdale).

Riche (BVI) Limited, a wholly owned subsidiary of the Company, acquired the entire issued share capital of Adelio Holdings Limited, which is the holding company of One Synergy, from Vartan Holdings Limited, an Independent Third Party, pursuant to a sale and purchase agreement dated 25 May 2011. One Synergy acquired the entire issued share capital of Rexdale from Lafe Corporation Limited, being one of the defendants, pursuant to a sale and purchase agreement dated 31 December 2010 (the “**Agreement**”). The entire issued share capital of Rexdale was sold by The Grande (Nominees) Ltd., being one of the plaintiffs, and The Grand Limited to Lafe Corporation Limited on or about 29 June 2007. The principal assets of Rexdale were the whole of the 1st floor and the flat roof, the whole of 6th to 12th floors, roof, external walls, two lavatories, three lorry parking spaces and eight private car parking spaces on the ground floor of an industrial building located in Kwun Tong, Kowloon, Hong Kong with a total gross floor of approximately 139,412 square feet exclusive of lavatories, lorry and private car parking spaces, flat roof and roof (collectively, the “**Kwun Tong Properties**”). The Kwun Tong Properties was sold by Rexdale to Grand Reward Limited, an Independent Third Party, in July 2013.

One Synergy has sought counsel opinion on the writ and has been advised to defend the plaintiffs’ claim in the said action. Counsel has advised that, based upon available evidence, there is nothing unusual in the Agreement and One Synergy would not have any express or constructive notice of the plaintiffs’ alleged irregularities and/or fraudulent acts of the former directors and/or management officers of the plaintiffs and One Synergy should not be held liable to any part of the plaintiffs’ claim and has good and valid defence thereto.

- (c) On 1 April 2015, the Contractor commenced a lawsuit against Yingrui at the People’s Court of the Yuexiu District, Guangzhou City with respect to certain outstanding payment of approximately RMB11,427,000 (not including accrued interest) (equivalent to approximately HK\$13,598,000) under the construction contract between Yingrui and the Contractor for the construction of the Guangzhou Property. The disputed amount of the lawsuit includes working progress fee of RMB1,420,000 (equivalent to approximately HK\$1,690,000), performance bond of RMB1,000,000 (equivalent to approximately HK\$1,190,000) and construction fee of approximately

RMB9,007,000 (equivalent to approximately HK\$10,718,000). On 7 April 2015, the People's Court of the Yuexiu District, Guangzhou City upon application of the Contractor, issued a seizure order on certain units within the Guangzhou Property to protect the interest of the Contractor to the extent of approximately RMB15,000,000 (equivalent to approximately HK\$17,850,000) in value. The lawsuit is now pending further review by the People's Court of the Yuexiu District, Guangzhou City.

Best Volume has secured an unconditional undertaking from Ace Guide Holdings Limited, the ultimate beneficial owner of Yingrui prior to the acquisition by Best Volume in October 2014, under which Ace Guide Holdings Limited has agreed to pay to Best Volume or its assignee by way of damages an amount equal to any and all losses incurred by Yingrui and/or Best Volume resulting from, arising out of or in relation to the lawsuit, including without limitation payment under final effective judgment or settlement, and all other costs and expenses incurred in relation to the lawsuit.

### **Commitments**

As at the close of business on 29 February 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had a total commitment of HK\$52,154,000 relating to the capital expenditures for the Subject Land which were contracted but not provided for.

### **Disclaimer**

Save as aforesaid and apart from intra-group liabilities, at the close of business on 29 February 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other contingent liabilities.

Save as aforesaid, the Directors confirmed that there had been no material change to the indebtedness and contingent liabilities of the Group since 29 February 2016 and up to the Latest Practicable Date.

**WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the Group will have sufficient working capital for at least 12 months from the Latest Practicable Date.

**MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Group were made up.

**INTERESTS IN THE SHARE CAPITAL OF COMPANIES ACQUIRED BY THE GROUP AFTER 31 DECEMBER 2014, BEING THE DATE TO WHICH THE LATEST PUBLISHED AUDITED CONSOLIDATED ACCOUNTS OF THE GROUP WERE MADE UP**

- (a) On 6 October 2015, the Group acquired the entire shareholding interest in Smart Title Limited and the shareholder's loan due by Smart Title Limited pursuant to the conditional sale and purchase agreement dated 11 December 2014 (as amended and supplemented by the supplemental agreements dated 30 March 2015 and 12 June 2015 respectively) entered into between the Company as purchaser, Unique Talent Group Limited as vendor and Jiu hao Health as guarantor at a consideration of HK\$1,650,000,000. Smart Title Limited is an investment holding company and its subsidiaries are principally engaged in the provision of recreational and wellness services through the management of the Club, and property investment.

The consideration of HK\$1,650,000,000 was settled as to HK\$600,000,000 by cash, which was financed by the internal resources of the Group and the net proceeds from the rights issue announced by the Company on 15 May 2015, and as to HK\$1,050,000,000 by the allotment and issue of 1,500,000,000 new Shares at an issue price of HK\$0.70 per Share to the shareholders of Jiu hao Health.

- (b) On 12 November 2015, the Group acquired the entire shareholding interest in Best Volume pursuant to the conditional sale and purchase agreement dated 7 September 2015 entered into between Sino Credit Holdings Limited as vendor and Golden Stone as purchaser at a consideration of HK\$400,000,000. Best Volume is an investment holding company and its subsidiaries are principally engaged in the management and operating of the Guangzhou Property.



The consideration of HK\$400,000,000 was settled as to HK\$370,000,000 by cash, which was financed by the internal resources of the Group and the net proceeds from the placing of 47,000,000 new Shares under general mandate at a price of HK\$0.645 per Share as completed on 24 January 2013, and as to HK\$30,000,000 by the issuance of a promissory note.

### **FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP**

Sparked by the newly created circuit breaker system in the PRC A-share markets and Renminbi hitting fresh lows, investors witnessed turmoil across major equity markets in January 2016. Equity markets were further impacted by worries over slumping oil prices and slowing growth in the PRC. Investors face a number of uncertainty in 2016, which are the extent of the PRC's slowdown, weaker oil prices and falling inflation expectation. It is evidenced by the Federal Reserve's recent decision in scaling back the number of times it expects to raise interest rates in 2016. However, the Directors recognise that an uncertain outlook can often coincide with a good opportunity to invest. As such, the Directors will cautiously monitor Hong Kong equity market, change the Remaining Group's equity portfolio mix from time to time and realise the Remaining Group's equities into cash as and when appropriate. The Remaining Group will continue to adopt a conservative investment approach towards its sale of financial assets business in 2016.

Following the active expansion in recent years, the Remaining Group's money lending business slowed down its pace in the year ended 31 December 2015 as certain internal cash resources of the Remaining Group were utilised to finance the acquisitions of the Club the Subject Land and the Guangzhou Property. As some of the internal cash resources of the Remaining Group are allocated to finance the development of the Subject Land, the Remaining Group has recently raised funds from the placing of new shares under general mandate as completed in February 2016. The Directors believe the Remaining Group has sufficient funds to maintain the current level of operations of its money lending business. Given that concerns about the outlook of Hong Kong's economy are growing, the Remaining Group adopts a more cautious approach during its assessment and approval of loans in order to mitigate its credit risk. Accordingly, the Directors expect a decline in the Remaining Group's money lending business in 2016.

The Hong Kong property market is hampered by the weakening market sentiment. Various factors including higher interest rates in the United States of America (the "US"), political disputes in Hong Kong, slowing economy in the PRC and growing housing supply in Hong Kong affect homeowners' confidence causing the prices for certain property transactions significantly lower than market prices in the first quarter of 2016. Despite recent signs of a fall in property prices, Chief Executive Leung Chun-ying said the property cooling measures will stay. As the market has growing concerns about the outlook of Hong Kong's



economy, in which tourism and re-exports show signs of weakness, the Directors predict that property prices would slide 10% to 15% in 2016. As such, the Remaining Group has adopted a wait-and-see approach towards its property investment business in Hong Kong.

In the fourth quarter of 2015, the Remaining Group has successfully expanded its property investment business into the PRC by acquiring the Club, the Subject Land and the Guangzhou Property. Such expansion is for the purpose of creating a stable income stream to the Remaining Group. Both the Club and the Guangzhou Property are generating an ongoing rental income to the Remaining Group. With approximately 75% of the gross floor area of the Guangzhou Property has been leased to the tenants, the Directors are considering various plans to seek tenants for Basement Levels 2 and 3 of the Guangzhou Property in order to increase its occupancy rate. No rental income was generated from the Subject Land during the year due to the Subject Land being developed into a low-density deluxe hotel villas community and a high-end hotel apartment complex. As it is expected that the first phase development of the Subject Land will be completed in the third quarter of 2016, marketing activities will be carried out in the second quarter of 2016 to secure leases for the nine hotel villas. Accordingly, the Directors expect that the rental income of the Remaining Group for the year ending 31 December 2016 will increase moderately.

The Remaining Group's design and sale of jewelry products business has grown significantly in 2015 as the Remaining Group has increased its sale and marketing efforts in direct selling its jewelry products to Europe, the Middle East and the US. Consumer spending in the countries where the Remaining Group's ultimate customers located rebounded at a modest pace in 2015. The economy of these countries has been gradually recovered and supported by domestic demand, aided by the improvement in labour market, drop in oil prices and low inflation which gives consumers more disposable income to spend. To stay competitive, the Remaining Group is in the process of setting up a wholly owned subsidiary in Dubai for reducing import tax on selling its jewelry products to Europe and the Middle East. The Directors anticipate the Remaining Group's design and sale of jewelry products business will show a moderate growth in the year ending 31 December 2016.

In 2016, the Directors will continue to cautiously monitor the business environment and strengthen the Remaining Group's business foundation by focusing the Remaining Group's existing businesses. In addition, the Directors will continue to cautiously identify suitable investment opportunities for the Remaining Group to diversify its businesses and broaden its revenue.

**FINANCIAL INFORMATION INCORPORATED BY REFERENCE**

Financial information and management discussion and analysis of the SkyNet Group for the year ended 31 December 2015, the six months ended 31 December 2014 and for each of the two years ended 30 June 2014 and 2013 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and SkyNet (<http://www.skynetgroup.com.hk>).

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the SkyNet Group for the year ended 31 December 2015 have been set out in pages 46 to 115 and pages 4 to 13 respectively of the annual report 2015 of SkyNet which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2015:

<http://www.hkexnews.hk/listedco/listconews/GEM/2016/0330/GLN20160330409.pdf>

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the SkyNet Group for the six months ended 31 December 2014 have been set out in pages 39 to 129 and pages 5 to 20 respectively of the annual report 2014 of SkyNet which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2014:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0331/GLN20150331091.pdf>

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the SkyNet Group for the year ended 30 June 2014 have been set out in pages 40 to 119 and pages 5 to 17 respectively of the annual report 2014 of SkyNet which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2014:

<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0930/GLN20140930105.pdf>

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the SkyNet Group for the year ended 30 June 2013 have been set out in pages 47 to 119 and pages 5 to 20 respectively of the annual report 2013 of SkyNet which are incorporated by reference into this circular and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2013:

<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0926/GLN20130926035.pdf>

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE SKYNET  
GROUP**

Set out below are the unaudited consolidated statements of financial position of SkyNet Group Limited (“**SkyNet**”, formerly known as EDS Wellness Holdings Limited) and its subsidiaries (collectively referred to as the “**SkyNet Group**”) as of 30 June 2014, 31 December 2014 and 31 December 2015 and the related unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows for each of the year ended 30 June 2014, the six months ended 31 December 2014 and the year ended 31 December 2015 (the “**Relevant Periods**”) and explanatory notes (the “**Unaudited Consolidated Financial Information**”), which have been prepared by the directors of Eternity Investment Limited (the “**Company**”) in accordance with Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The reporting accountants of the Company, HLB Hodgson Impey Cheng Limited (“**HLB**”), has reviewed the Unaudited Consolidated Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Basis for Disclaimer of Conclusion****(1) Investment in unconsolidated subsidiaries**

As further explained in note 2 to the Unaudited Consolidated Financial Information, the directors of SkyNet are unable to obtain complete books and records of Blu Spa (Hong Kong) Limited (“**BSHK**”) and its subsidiaries (collectively referred to as the “**BSHK Group**”), Blu Spa International Limited and Blu Spa Management Services Limited (collectively referred to as the “**Unconsolidated Subsidiaries**”) of which SkyNet made an announcement on 19 February 2013 regarding the written resolutions were passed by the sole director of BSHK, among other things, to voluntarily wind-up BSHK and the notice of appointment of joint and several liquidators were published on the government gazette on 26 February 2013. SkyNet further made an announcement on 9 April 2013 regarding the result of SkyNet’s engagement of an independent professional firm to investigate and comment on the reasons of the resignation of the former auditors of the SkyNet Group and the basis

for disclaimer of opinion in respect of the SkyNet Group's consolidated financial statements for the year ended 30 June 2011 (the "**Forensic Investigation**") and the findings of the Forensic Investigation indicate that there were possible irregularities in respect of a considerable number of past transactions and possible misstatements of certain transactions and balances recorded in the books and records of the SkyNet Group which mainly concern the SkyNet Group's operation involving the BSHK Group. Due to lack of complete books and records of the Unconsolidated Subsidiaries, the financial statements of the Unconsolidated Subsidiaries have not been consolidated into the SkyNet Group's consolidated financial statements for the year ended 30 June 2014.

Due to lack of complete books and records of the Unconsolidated Subsidiaries mentioned above, HLB was unable to ascertain the impact of the potential irregularities in respect of the accounting records and transactions of the Unconsolidated Subsidiaries, if any, and the de-consolidation of the Unconsolidated Subsidiaries on the SkyNet Group's consolidated financial statements. HLB was also unable to obtain sufficient appropriate evidence and explanations to determine whether the carrying amounts of the investments in the Unconsolidated Subsidiaries are free from material misstatements. Any adjustments that might have been found to be necessary would have a consequential significant effect on the net assets of the SkyNet Group at 30 June 2014 and the loss and cash flows of the SkyNet Group for the year ended 30 June 2014.

(2) *Balances with the Unconsolidated Subsidiaries*

As further explained in note 2 to the Unaudited Consolidated Financial Information, the SkyNet Group had a total amounts due from the Unconsolidated Subsidiaries of approximately HK\$241,426,000 and HK\$238,462,000 respectively at 30 June 2014, of which impairment losses of HK\$80,000 was recognised during the year and recorded accumulated impairment losses of approximately HK\$241,426,000 and HK\$238,462,000 respectively. In addition, the SkyNet Group recorded amounts due to the Unconsolidated Subsidiaries of approximately HK\$1,309,000 at 30 June 2014.

Due to lack of complete books and records of the Unconsolidated Subsidiaries, HLB was unable to obtain sufficient appropriate evidence to determine whether the amounts due from and due to the Unconsolidated Subsidiaries (together, "**Balances with the Unconsolidated Subsidiaries**") and the impairment losses recognised on the amounts due from the Unconsolidated Subsidiaries to the SkyNet Group are free from material misstatements. Any adjustments that might have been found to

be necessary would have a consequential significant effect on the net assets of the SkyNet Group at 30 June 2014 and the loss of the SkyNet Group for the year ended 30 June 2014.

(3) *Other receivable*

Included in “Deposits, prepayments and other receivables” in the SkyNet Group’s consolidated statement of financial position at 30 June 2014 was a receivable from a debtor (the “**Debtor**”) of approximately HK\$46,329,000 (the “**Other Receivable**”). The Debtor defaulted the repayment of the Other Receivable and the SkyNet Group has taken legal actions against the Debtor for recovering the Other Receivable. Up to the date of this report, the legal actions against the Debtor are still in progress, no settlement of the Other Receivable was made by the Debtor. The directors of SkyNet consider that the Other Receivable will be recoverable from the Debtor, no impairment loss was recognised for the Other Receivable for the year ended 30 June 2014. HLB was unable to obtain sufficient appropriate evidence regarding to the valuation of the Other Receivable and there were no alternative procedures that HLB could perform to satisfy themselves as to whether the Other Receivable is free from material misstatement. Any adjustments that might have been found to be necessary would have a consequential significant effect on the net assets of the SkyNet Group at 30 June 2014 and the loss of the SkyNet Group for the year ended 30 June 2014.

(4) *Opening balances and corresponding figures*

The opening balances and corresponding figures disclosed in the SkyNet Group’s consolidated financial statements for the year ended 30 June 2014 and the six months ended 31 December 2014 are based on the audited financial statements of the SkyNet Group for the years ended 30 June 2013 and 30 June 2014 in respect of which audit opinion dated 6 September 2013 and 18 September 2014 expressed a disclaimer opinion. The matters which resulted in that the disclaimer opinion included (1) investments in Unconsolidated Subsidiaries, (2) balances with the Unconsolidated Subsidiaries, (3) Other Receivable, (4) impairment loss of investment costs and balances due from the subsidiaries other than the Unconsolidated Subsidiaries, (5) opening balances and corresponding figures and (6) going concern basis of accounting. Therefore, the opening balances and corresponding figures shown may not be comparable and any adjustments to the opening balances at 1 July 2013 would have consequential effect on the loss for the year ended 30 June 2014 and the six months ended 31 December 2014 and/or the net assets of the SkyNet Group at 30 June 2014 and 31 December 2014.

**Disclaimer of Conclusion**

Because of the significance of the matter described in the paragraph headed Basis for Disclaimer of Conclusion, HLB was not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion. Accordingly, HLB does not express any conclusion on the Unaudited Consolidated Financial Information.

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Year ended 30 June 2014	Six months ended 31 December 2014	Year ended 31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	27,582	22,084	46,989
Cost of sales	<u>(16,597)</u>	<u>(15,155)</u>	<u>(47,834)</u>
Gross profit/(loss)	10,985	6,929	(845)
Other income	4,949	3,408	252
Selling and distribution costs	(996)	(942)	(6,890)
Administrative expenses	(18,325)	(7,922)	(30,228)
Impairment loss recognised in respect of other receivables	<u>(80)</u>	<u>(46,519)</u>	<u>—</u>
Loss from operations	(3,467)	(45,046)	(37,711)
Finance costs	<u>(6,664)</u>	<u>(1,170)</u>	<u>(981)</u>
Loss before taxation	(10,131)	(46,216)	(38,692)
Income tax expense	<u>(487)</u>	<u>(827)</u>	<u>(985)</u>
Loss for the year/period	<u>(10,618)</u>	<u>(47,043)</u>	<u>(39,677)</u>

**APPENDIX III****UNAUDITED CONSOLIDATED FINANCIAL  
INFORMATION OF THE SKYNET GROUP**

	Year ended 30 June 2014 <i>HK\$'000</i>	Six months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 December 2015 <i>HK\$'000</i>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference arising on translation of foreign operations:			
Exchange differences arising during the year/period	1	1	181
<b>Other comprehensive income for the year/period</b>	1	1	181
<b>Total comprehensive expenses for the year/period</b>	<u>(10,617)</u>	<u>(47,042)</u>	<u>(39,496)</u>
<b>Loss for the year/period attributable to:</b>			
Owners of SkyNet	(11,768)	(48,939)	(42,086)
Non-controlling interests	1,150	1,896	2,409
	<u>(10,618)</u>	<u>(47,043)</u>	<u>(39,677)</u>
<b>Total comprehensive expenses for the year/period attributable to:</b>			
Owners of SkyNet	(11,767)	(48,938)	(41,905)
Non-controlling interests	1,150	1,896	2,409
	<u>(10,617)</u>	<u>(47,042)</u>	<u>(39,496)</u>

## UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	At 30 June 2014 <i>HK\$'000</i>	At 31 December 2014 <i>HK\$'000</i>	At 31 December 2015 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14,846	12,649	25,801
Goodwill	18,266	18,266	18,266
Intangible assets	—	—	—
Restricted bank deposits	7,147	—	—
	<u>40,259</u>	<u>30,915</u>	<u>44,067</u>
<b>Current assets</b>			
Inventories	2,614	1,923	2,954
Trade receivables	5,238	5,546	5,734
Deposits, prepayments and other receivables	50,614	5,728	30,078
Restricted bank deposits	12,516	19,701	12,657
Cash and cash equivalents	30,633	26,553	116,055
	<u>101,615</u>	<u>59,451</u>	<u>167,478</u>
<b>Total assets</b>	<u><u>141,874</u></u>	<u><u>90,366</u></u>	<u><u>211,545</u></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital — ordinary shares	1,312	7,480	41,980
Share capital — preferred shares	—	—	3,000
Reserves	(2,231)	37,819	94,372
	<u>(919)</u>	<u>45,299</u>	<u>139,352</u>
<b>Equity attributable to owners of SkyNet</b>	<u>(919)</u>	<u>45,299</u>	<u>139,352</u>
Non-controlling interests	1,861	3,757	825
	<u>942</u>	<u>49,056</u>	<u>140,177</u>
<b>Total equity</b>	<u><u>942</u></u>	<u><u>49,056</u></u>	<u><u>140,177</u></u>



**APPENDIX III****UNAUDITED CONSOLIDATED FINANCIAL  
INFORMATION OF THE SKYNET GROUP**

	At 30 June 2014 <i>HK\$'000</i>	At 31 December 2014 <i>HK\$'000</i>	At 31 December 2015 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Amount due to former director	64	64	64
Amount due to a related company	—	—	16,286
Trade payables	399	210	179
Accruals and other payables	10,185	5,080	17,006
Other borrowings	1,833	3,850	6,271
Promissory notes	12,718	6,069	—
Tax payables	613	1,502	2,487
Deposits from customers	94	80	23
Deferred revenue	21,869	24,000	24,712
Obligations under finance leases	588	444	4,338
	<u>48,363</u>	<u>41,299</u>	<u>71,366</u>
<b>Non-current liabilities</b>			
Other borrowings	61,000	—	—
Convertible bonds	29,712	—	—
Obligations under finance leases	160	11	2
Deferred taxation	1,697	—	—
	<u>92,569</u>	<u>11</u>	<u>2</u>
<b>Total liabilities</b>	<u>140,932</u>	<u>41,310</u>	<u>71,368</u>
<b>Total equity and liabilities</b>	<u>141,874</u>	<u>90,366</u>	<u>211,545</u>
<b>Net current assets</b>	<u>53,252</u>	<u>18,152</u>	<u>96,112</u>
<b>Total assets less current liabilities</b>	<u>93,511</u>	<u>49,067</u>	<u>140,179</u>

**APPENDIX III**
**UNAUDITED CONSOLIDATED FINANCIAL  
INFORMATION OF THE SKYNET GROUP**
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of SkyNet										
	Share capital — ordinary shares	Share capital — preferred shares	Share premium	Merger reserve	Contributed surplus	Convertible bonds reserve	Translation reserve	Accumulated losses	Sub-total	Non- controlling interests	Total equity
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
As 1 July 2013	131,220	—	175,357	22,734	—	—	9	(327,406)	1,914	—	1,914
Loss for the year	—	—	—	—	—	—	—	(11,768)	(11,768)	1,150	(10,618)
Other comprehensive income for the year:											
Exchange differences on translating foreign operations	—	—	—	—	—	—	1	—	1	—	1
Total comprehensive loss for the year	—	—	—	—	—	—	1	(11,768)	(11,767)	1,150	(10,617)
Non-controlling interests arising on acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	711	711
Capital reduction	(129,908)	—	—	—	129,908	—	—	—	—	—	—
Share premium cancellation	—	—	(175,357)	—	175,357	—	—	—	—	—	—
Amount transfer from contributed surplus to accumulated losses	—	—	—	—	(278,124)	—	—	278,124	—	—	—
Recognition of the equity component of convertible bonds	—	—	—	—	—	10,699	—	—	10,699	—	10,699
Deferred tax on convertible bonds	—	—	—	—	—	(1,765)	—	—	(1,765)	—	(1,765)
At 30 June 2014 and 1 July 2014	1,312	—	—	22,734	27,141	8,934	10	(61,050)	(919)	1,861	942
Loss for the period	—	—	—	—	—	—	—	(48,939)	(48,939)	1,896	(47,043)
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	—	—	—	—	—	—	1	—	1	—	1
Total comprehensive loss for the period	—	—	—	—	—	—	1	(48,939)	(48,938)	1,896	(47,042)
Conversion of convertible bonds	4,000	—	36,658	—	—	(8,934)	—	—	31,724	—	31,724
Open offer of new shares	1,906	—	55,277	—	—	—	—	—	57,183	—	57,183
Placing of new shares	262	—	7,991	—	—	—	—	—	8,253	—	8,253
Share issue expenses	—	—	(2,004)	—	—	—	—	—	(2,004)	—	(2,004)
Transfer to accumulated losses upon disposal of a subsidiary	—	—	—	(22,734)	—	—	—	22,734	—	—	—
At 31 December 2014 and 1 January 2015	7,480	—	97,922	—	27,141	—	11	(87,255)	45,299	3,757	49,056
Loss for the year	—	—	—	—	—	—	—	(42,086)	(42,086)	2,409	(39,677)
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations	—	—	—	—	—	—	181	—	181	—	181
Total comprehensive loss for the year	—	—	—	—	—	—	181	(42,086)	(41,905)	2,409	(39,496)
Subscription of shares	34,500	3,000	112,500	—	—	—	—	—	150,000	—	150,000
Share issue expenses	—	—	(14,042)	—	—	—	—	—	(14,042)	—	(14,042)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(5,341)	(5,341)
At 31 December 2015	41,980	3,000	196,380	—	27,141	—	192	(129,341)	139,352	825	140,177

## UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 30 June 2014 HK\$'000	Six months ended 31 December 2014 HK\$'000	Year ended 31 December 2015 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss before taxation	(10,131)	(46,216)	(38,692)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	2,724	2,321	4,482
Gain on disposal of a subsidiary	—	(1,359)	—
Loss/(gain) on disposal of property, plant and equipment	1,633	(9)	136
Impairment loss recognised in respect of other receivables	80	46,519	—
Interest expenses	6,664	1,170	981
Interest income	(4,749)	(1,641)	(249)
Reversal of impairment loss in respect of intangible asset	—	(350)	—
Written off of property, plant and equipment	8	322	2,003
Written off of deposits, prepayments and other receivables	6	—	—
Written off of trade receivables	2	—	—
Write-down of inventories	6	1	7
<b>Operating cash flows before movements in working capital</b>	<b>(3,757)</b>	<b>758</b>	<b>(31,332)</b>
(Increase)/decrease in inventories	(854)	690	(1,038)
Increase in trade receivables	(1,171)	(308)	(188)
(Increase)/decrease in deposits, prepayments, and other receivables	(884)	295	(24,330)
Increase/(decrease) in trade payables	236	(189)	(31)
Increase in amount due to a related company	—	—	16,286
Increase/(decrease) in accruals and other payables	462	(3,746)	11,926
Decrease in deposits from customers	(364)	(14)	(57)
Increase in deferred revenue	859	2,131	712
Cash used in operations	(5,473)	(383)	(28,052)
Interest paid	(5,494)	(876)	(630)
<b>Net cash used in operating activities</b>	<b>(10,967)</b>	<b>(1,259)</b>	<b>(28,682)</b>

**APPENDIX III**
**UNAUDITED CONSOLIDATED FINANCIAL  
INFORMATION OF THE SKYNET GROUP**

	Year ended 30 June 2014 <i>HK\$'000</i>	Six months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 December 2015 <i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>			
Interest received	16	63	229
Net cash outflow of acquisition of a subsidiary	(2,663)	—	—
(Placement of)/proceeds from restricted bank deposits	(12,516)	(38)	7,044
Proceeds from disposal of property, plant and equipment	726	30	360
Purchases of property, plant and equipment	(4,108)	(467)	(16,134)
<b>Net cash used in investing activities</b>	<b>(18,545)</b>	<b>(412)</b>	<b>(8,501)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of new shares	—	65,437	150,000
Proceeds from issue of convertible bonds	40,000	—	—
Share issue expenses	—	(2,004)	(14,042)
Proceeds from other borrowings	72,500	2,450	14,602
Repayment of obligation under finance leases	(271)	(293)	(444)
Repayment of other borrowings	(53,900)	(61,000)	(12,181)
Repayment of promissory notes	—	(7,000)	(6,420)
Dividend paid to non-controlling interests	—	—	(5,341)
<b>Net cash generated from/(used in) financing activities</b>	<b>58,329</b>	<b>(2,410)</b>	<b>126,174</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28,817</b>	<b>(4,081)</b>	<b>88,991</b>
<b>Cash and cash equivalents at the beginning of the Relevant Periods</b>	<b>1,815</b>	<b>30,633</b>	<b>26,553</b>
<b>Effect of foreign exchange rate changes</b>	<b>1</b>	<b>1</b>	<b>511</b>
<b>Cash and cash equivalents at the end of the Relevant Periods</b>	<b>30,633</b>	<b>26,553</b>	<b>116,055</b>

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION****1. GENERAL INFORMATION**

On 8 January 2016, the Company announced that the directors of the Company proposed to obtain the disposal mandate from the shareholders for the possible disposal of up to 52,500,000 shares in SkyNet (the “**Disposal**”). The Company is incorporated in Bermuda as an exempted company with limited liability and its issued shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the SkyNet Group are the development, distribution and marketing of personal care treatments, products and services, and the provision of in-flight WLAN and WIFI engineering and services business.

The Unaudited Consolidated Financial Information is presented in Hong Kong dollar which is also the functional currency of the SkyNet Group.

**2. BASIS OF PREPARATION OF THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION**

The Unaudited Consolidated Financial Information has been prepared in accordance with Rule 14.68(2) (a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange and solely for the purpose of inclusion in the circular issued by the Company on 22 April 2016 in connection with the Disposal.

The amounts included in the Unaudited Consolidated Financial Information have been recognised and measured in accordance with the relevant accounting policies which conform with Hong Kong Financial Reporting Standards issued by the HKICPA adopted by the Company in the preparation of the consolidated financial statements of the Group for the Relevant Periods. The Unaudited Consolidated Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard (the “**HKAS**”) 1 “Presentation of Financial Statements” nor an interim financial report as defined in HKAS 34 “Interim Financial Reporting” issued by the HKICPA.

**Investments in Unconsolidated Subsidiaries**

The consolidated financial statements of the SkyNet Group for the year ended 30 June 2014 were prepared based on the books and records maintained by the SkyNet Group. However, the directors and management of the Unconsolidated Subsidiaries have not provided complete documentary information and reasonable explanation in respect of the transactions asserted to have been undertaken in the year ended 30 June 2014. The directors of SkyNet were not able to obtain complete documentary information to satisfy themselves regarding the accounting treatments in respect of those transactions for the year ended 30 June 2014.

On 19 February 2013, the directors of SkyNet announced that the sole director of BSHK proposed to voluntarily wind-up BSHK and appointed Messrs. Osman Mohammed Arab and Wong Kwok Keung as joint and several provisional liquidators. The notice of appointment of joint and several liquidators were published on the government gazette on 26 February 2013. Upon the appointment of the liquidators, the assets of BSHK will be realised, where possible and appropriate. The estimated loss to the SkyNet Group arising from the winding-up of BSHK will be approximately HK\$1,200,000. Details of which were set out in SkyNet’s announcement dated 19 February 2013.

As set out in SkyNet's announcement dated 9 April 2013, relating to the result of the SkyNet Group's engagement of an independent professional firm to investigate the Forensic Investigation and the findings of the Forensic Investigation indicate that there were possible irregularities in respect of a considerable number of past transactions and possible misstatements of certain transactions and balances recorded in the books and records of the SkyNet Group which mainly concern the SkyNet Group's operation involving the BSHK Group.

Given these circumstances, the directors of SkyNet have not consolidated the financial statements of the Unconsolidated Subsidiaries in the Unaudited Consolidated Financial Information. As such, the results, assets and liabilities of the Unconsolidated Subsidiaries have not been included into the Unaudited Consolidated Financial Information since 1 July 2011. At 30 June 2014, the amounts due from the Unconsolidated Subsidiaries to the SkyNet Group of approximately HK\$241,426,000 and HK\$238,462,000 respectively of which impairment loss of HK\$80,000 was recognised during the year and accumulated impairment losses of approximately HK\$241,426,000 and HK\$238,462,000 were recorded respectively. In addition, the SkyNet Group recorded amounts due to the Unconsolidated Subsidiaries of approximately HK\$1,309,000 at 30 June 2014.

In the opinion of the directors of SkyNet, the Unaudited Consolidated Financial Information for the year ended 30 June 2014 was prepared on the aforementioned basis present more fairly the results and state of affairs of the SkyNet Group as a whole in light of the aforesaid incomplete books and records of the Unconsolidated Subsidiaries and the result of the Forensic Investigation.

On 19 December 2014, the SkyNet Group entered into a sale and purchase agreement to dispose of the entire issued share capital of Blu Spa Group Limited ("**BSG**") to Koffman Investment Limited, the issued share of which is 50% owned by Mr. Yu Zhen Hua, Johnny, the chairman and a director of SkyNet, who resigned on 19 January 2015, at a cash consideration of HK\$1. BSG is the intermediate holding company of the Unconsolidated Subsidiaries. The disposal was completed on 19 December 2014. Given these circumstances, the SkyNet Group presented the amounts due from Unconsolidated Subsidiaries as other receivables at 31 December 2014.

### **3. CHANGE OF FINANCIAL YEAR-END DATE**

Pursuant to a resolution of the board of directors of SkyNet passed on 15 October 2014, the financial year-end date of SkyNet has been changed from 30 June to 31 December. Accordingly, the comparative amounts shown in the unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows disclose the six months of operations of the SkyNet Group from 1 July 2014 to 31 December 2014 are not entirely comparable with the amounts for the year ended 31 December 2015.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING  
GROUP

The following are the illustrative unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of Eternity Investment Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) (the “**Unaudited Pro Forma Financial Information**”), which have been prepared on the basis of the notes set out below and in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the purpose of illustrating the effect of possible disposal (the “**Disposal**”) of up to 52,500,000 shares in SkyNet Group Limited (“**SkyNet**”, formerly known as EDS Wellness Holdings Limited) (the “**Ordinary SkyNet Share(s)**”) on the Group. The Group immediately after the completion of the Disposal is referred to as the “**Remaining Group**”.

On 6 November 2015, SkyNet allotted and issued 345,000,000 new shares and 30,000,000 new convertible preferred shares to six subscribers (the “**Subscription**”). As a result, the Group’s shareholding interest in SkyNet was diluted from 70.18% to 12.51% and SkyNet has ceased to be a subsidiary of the Group. Accordingly, the Subscription constitutes a deemed disposal (the “**Deemed Disposal**”) by the Company pursuant to Rule 14.29 of the Listing Rules and the Group’s investment in SkyNet has been accounted for as available-for-sale financial assets since 6 November 2015 (the “**Deemed Disposal Date**”).

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2015, the audited consolidated statement of profit or loss, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2015, after making pro forma adjustments that are (i) clearly shown and explained; (ii) directly attributable to the Disposal; and (iii) factually supportable as if the Disposal had been completed as at 31 December 2015 for the unaudited pro forma consolidated statement of financial position and 1 January 2015 for the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows.

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**APPENDIX IV****UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

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The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company for illustrative purposes only and is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position, financial performance and cash flows of the Remaining Group that would have been attained had the Disposal been completed on 1 January 2015 or 31 December 2015 or any future dates, nor purport to give a true picture of the Remaining Group's financial position, financial performance and cash flows or predict the future financial position, financial performance and cash flows of the Remaining Group.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information contained in this circular and the financial information of SkyNet and its subsidiaries as set out in Appendix II to this circular.

**Unaudited pro forma consolidated statement of financial position of the Remaining Group**

	<b>Audited consolidated statement of financial position of the Group as at 31 December 2015 HK\$ '000</b>	<b>Pro forma adjustments</b>		<b>Unaudited pro forma consolidated statement of financial position of the Remaining Group HK\$ '000</b>
		<i>HK\$ '000</i>	<i>HK\$ '000</i>	
		<i>(Note 1)</i>	<i>(Note 2)</i>	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	420,784			420,784
Investment properties	595,448			595,448
Intangible assets	971,888			971,888
Goodwill	354,772			354,772
Available-for-sale financial assets	262,672	(262,500)		172
Deferred tax assets	3,792			3,792
Prepayments	7,979			7,979
Loan receivables	462,456			462,456
	<u>3,079,791</u>			<u>2,817,291</u>



**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Audited consolidated statement of financial position of the Group as at 31 December 2015 <i>HK\$ '000</i>	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group <i>HK\$ '000</i>
		<i>HK\$ '000</i> (Note 1)	<i>HK\$ '000</i> (Note 2)	
<b>Current assets</b>				
Inventories	49,258			49,258
Loan receivables	23,021			23,021
Trade receivables	62,233			62,233
Deposits, prepayments and other receivables	98,541			98,541
Amount due from an associate	2,097			2,097
Financial assets at fair value through profit or loss	597,658			597,658
Tax recoverable	8,906			8,906
Cash and cash equivalents	509,341	261,555	(700)	770,196
	<u>1,351,055</u>			<u>1,611,910</u>
<b>Total assets</b>	<u><u>4,430,846</u></u>			<u><u>4,429,201</u></u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to owners of the Company</b>				
Share capital	26,800			26,800
Reserves	3,325,510	(945)	(700)	3,323,865
<b>Equity attributable to owners of the Company</b>	3,352,310			3,350,665
Non-controlling interests	(5)			(5)
<b>Total equity</b>	<u><u>3,352,305</u></u>			<u><u>3,350,660</u></u>

**APPENDIX IV**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Audited consolidated statement of financial position of the Group as at 31 December 2015 <i>HK\$ '000</i>	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group <i>HK\$ '000</i>
		<i>HK\$ '000</i>	<i>HK\$ '000</i>	<i>HK\$ '000</i>
		<i>(Note 1)</i>	<i>(Note 2)</i>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	40,220			40,220
Deposits received, accruals and other payables	161,019			161,019
Receipts in advance	33,389			33,389
Promissory notes	30,000			30,000
Tax payables	92,004			92,004
Bank borrowings	29,054			29,054
	<u>385,686</u>			<u>385,686</u>
<b>Non-current liabilities</b>				
Other payables	92,290			92,290
Receipts in advance	81,000			81,000
Bank borrowings	154,953			154,953
Deferred tax liabilities	364,612			364,612
	<u>692,855</u>			<u>692,855</u>
<b>Total liabilities</b>	<u>1,078,541</u>			<u>1,078,541</u>
<b>Total equity and liabilities</b>	<u>4,430,846</u>			<u>4,429,201</u>
<b>Net current assets</b>	<u>965,369</u>			<u>1,226,224</u>
<b>Total assets less current liabilities</b>	<u>4,045,160</u>			<u>4,043,515</u>

**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**
**Unaudited pro forma consolidated statement of profit or loss of the Remaining Group**

	Audited consolidated statement of profit or loss of the Group for the year ended 31 December 2015 HK\$'000	Pro forma adjustments					Unaudited pro forma consolidated statement of profit or loss of the Remaining Group HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	
<b>Continuing operations</b>							
Revenue	184,780						184,780
Cost of sales	(95,748)						(95,748)
Gross profit	89,032						89,032
Investment and other income	4,765						4,765
Other gains and losses	130,344			15,111		(171,572)	(26,117)
Selling and distribution expenses	(3,654)						(3,654)
Administrative expenses	(88,036)	(700)			(444)		(89,180)
Share of results of associates	—						—
Profit/(loss) from operations	132,451						(25,154)
Finance costs	(1,609)						(1,609)
Profit/(loss) before taxation	130,842						(26,763)
Income tax expense	(8,253)						(8,253)
<b>Profit/(loss) for the year from continuing operations</b>	122,589						(35,016)
<b>Discontinued operations</b>							
Loss for the year from discontinued operations	(22,988)		22,988				—
<b>Profit/(loss) for the year</b>	<u>99,601</u>						<u>(35,016)</u>
<b>Profit/(loss) for the year attributable to:</b>							
Owners of the Company	105,256	(700)	17,334	15,111	(444)	(171,572)	(35,015)
Non-controlling interests	(5,655)		5,654				(1)
	<u>99,601</u>						<u>(35,016)</u>

**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**
**Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group**

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2015 HK\$'000	Pro forma adjustments					Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	
<b>Profit/(loss) for the year</b>	99,601	(700)	22,988	15,111	(444)	(171,572)	(35,016)
<b>Other comprehensive income for the year, net of income tax</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising on translation of foreign operations	(32,117)		54				(32,063)
Reclassification adjustment relating to foreign operations disposed of	55		(55)				—
Net loss arising on revaluation of available-for-sale financial assets	(42,334)					73,500	31,166
Reclassification adjustment relating to available-for-sale financial assets disposed of	(74,378)						(74,378)
Reclassification adjustment relating to impairment loss recognised in respect of available-for-sale financial assets	73,500					(73,500)	—
<b>Total comprehensive income/ (expense) for the year</b>	<u>24,327</u>						<u>(110,291)</u>
<b>Total comprehensive income/ (expense) for the year attributable to:</b>							
Owners of the Company	29,982	(700)	17,333	15,111	(444)	(171,572)	(110,290)
Non-controlling interests	<u>(5,655)</u>		5,654				<u>(1)</u>
	<u>24,327</u>						<u>(110,291)</u>

**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**
**Unaudited pro forma consolidated statement of cash flows of the Remaining Group**

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2015 HK\$'000	Pro forma adjustments				Unaudited pro forma consolidated statement of cash flows of the Remaining Group HK\$'000	
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)		HK\$'000 (Note 6)
<b>OPERATING ACTIVITIES</b>							
Profit/(loss) before taxation from continuing operations	130,842	(700)		15,111	(444)	(171,572)	(26,763)
Loss before taxation from discontinued operations	(22,317)		22,317				—
<i>Adjustments for:</i>							
Cumulative gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets	(74,378)						(74,378)
Depreciation of property plant and equipment	7,738		(3,869)				3,869
Dividend income	(3,111)						(3,111)
Loss arising on change in fair value of financial assets at fair value through profit or loss	66,286						66,286
Gain on deemed disposal of a subsidiary	(245,072)			(15,111)		245,072	(15,111)
Loss on disposal of property, plant and equipment	137		(136)				1
Impairment loss recognised in respect of amount due from an associate	1,431						1,431
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss	73,500					(73,500)	—
Impairment loss recognised in respect of goodwill	48,492						48,492
Interest income on bank deposits	(1,386)		238				(1,148)
Interest expenses	2,463		(854)				1,609
Gain arising on change in fair value of investment properties	(604)						(604)
Amortisation of intangible assets	5,114						5,114
Equity-settled share-based payment expenses	17,800						17,800
Write-down of inventories	3		(3)				—

**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2015 HK\$'000	Pro forma adjustments				HK\$'000 (Note 6)	Unaudited pro forma consolidated statement of cash flows of the Remaining Group HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)		
Operating cash flows before movements in working capital	6,938						23,487
Increase in inventories	(16,883)		2,270				(14,613)
Increase in trade receivables	(47,312)		(2,239)				(49,551)
Decrease in loans receivables	465,072						465,072
(Increase)/decrease in deposits, prepayments and other receivables	(3,367)		9,250				5,883
Increase in financial assets at fair value through profit or loss	(65,239)						(65,239)
Increase in trade payables	24,968		(655)				24,313
Decrease in deposits received, accruals and other payables	(8,693)		(12,125)				(20,818)
Increase in receipt in advance	258,716		(144,602)				114,114
Decrease in deposits from customers	(34)		34				—
Increase in deferred revenue	556		(556)				—
Cash generated from operations	614,722		521				482,648
Interest paid	(1,360)						(839)
Tax paid	(19,424)						(19,424)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>593,938</b>						<b>462,385</b>
<b>INVESTING ACTIVITIES</b>							
Dividend received	3,111						3,111
Interest received	1,379		(231)				1,148
Net cash outflow on acquisition of subsidiaries	(847,455)						(847,455)
Net cash outflow from deemed disposal of a subsidiary	(161,878)			(26,553)		161,878	(26,553)
Proceeds from disposal of available-for-sale financial assets	99,881				122,931		222,812
Withdrawal of restricted bank deposits	7,045		(7,045)				—
Proceeds from disposal of property, plant and equipment	373		(360)				13
Purchase of property, plant and equipment	(10,216)		2,324				(7,892)

**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2015 HK\$'000	Pro forma adjustments				HK\$'000 (Note 6)	Unaudited pro forma consolidated statement of cash flows of the Remaining Group HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(907,760)</u>						<u>(654,816)</u>
<b>FINANCING ACTIVITIES</b>							
Exercise of share options	29,205						29,205
Issue of new shares upon rights issue	413,002						413,002
Dividend paid to non-controlling interests	(3,873)		3,873				—
Proceeds from other borrowings	14,226		(14,226)				—
Repayment of obligation under a finance lease	(443)		443				—
Repayment of bank loan	(6,116)						(6,116)
Repayment of other borrowings	(3,850)		3,850				—
Repayment of promissory notes	(6,402)		6,402				—
Share issue expenses	(9,830)						(9,830)
<b>Net cash generated from financing activities</b>	<u>425,919</u>						<u>426,261</u>
<b>Net increase in cash and cash equivalents</b>	112,097						233,830
<b>Cash and cash equivalents at the beginning of the year</b>	384,778		(26,553)				358,225
<b>Effect of foreign exchange rate changes</b>	<u>12,466</u>		55				<u>12,521</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>509,341</u></u>						<u><u>604,576</u></u>

**Notes:**

1. This pro forma adjustment represents the derecognition of the Group's investment in SkyNet and recognition of net proceeds received from the Disposal of HK\$261,555,000, being the fair value of the 52,500,000 Ordinary SkyNet Shares as at 31 December 2015 (based on the closing price of HK\$5.00 per Ordinary SkyNet Share as quoted on the Stock Exchange on 31 December 2015) less transaction costs incurred in the Disposal as if the Disposal had been taken place on 31 December 2015.
2. This pro forma adjustment represents the estimated professional fees and expenses attributable to the Disposal amounting to approximately HK\$700,000.
3. This pro forma adjustment represents the exclusion of consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of SkyNet attributable to the 52,500,000 Ordinary SkyNet Shares for the period from 1 January 2015 to the Deemed Disposal Date assuming the Deemed Disposal had been taken place on 1 January 2015.
4. This pro forma adjustment represents the gain on the Deemed Disposal and recognition of the 52,500,000 Ordinary SkyNet Shares as available-for-sale financial assets at HK\$2.35 per Ordinary SkyNet Share, being the closing price of the Ordinary SkyNet Shares as quoted on the Stock Exchange on 31 December 2014, the trading date immediately prior to 1 January 2015, as if the Deemed Disposal had been taken place on 1 January 2015.

The calculation of the gain on the Deemed Disposal as if the Deemed Disposal had been taken place on 1 January 2015 is as follows:

	<i>HK\$'000</i>
Fair value of the 52,500,000 Ordinary SkyNet Shares	123,375
<i>Add:</i> Non-controlling interests	11,792
<i>Less:</i> Net assets of SkyNet attributable to the 52,500,000 Ordinary SkyNet Shares as at 1 January 2015	(49,056)
Carrying amounts of exchange reserve and goodwill arising from the acquisition of the 52,500,000 Ordinary SkyNet Shares as at 1 January 2015	<u>(71,000)</u>
Gain on the Deemed Disposal	<u><u>15,111</u></u>

The net cash outflow from the Deemed Disposal was approximately HK\$26,553,000, being the cash and cash equivalents held by SkyNet and its subsidiaries as at 1 January 2015.

Since the closing price of the Ordinary SkyNet Shares and the carrying amount of the net assets of SkyNet as at the Deemed Disposal Date are different from the amounts used in the Unaudited Pro Forma Financial Information, the actual amount of gain on the Deemed Disposal is different from the amount presented above.



5. This pro forma adjustment represents the derecognition of the Group's investment in the 52,500,000 Ordinary SkyNet Shares and recognition of the net proceeds from the Disposal of approximately HK\$122,931,000 and the related transaction costs of approximately HK\$444,000 as if the Disposal had been taken place on 1 January 2015. On the basis that (i) the 52,500,000 Ordinary SkyNet Shares had been accounted for as available-for-sale financial assets in the amount of HK\$123,375,000, which is based on the closing price of the Ordinary SkyNet Shares of HK\$2.35 per Ordinary SkyNet Share on 31 December 2014, the trading date immediately prior to 1 January 2015, and (ii) all of the 52,500,000 Ordinary SkyNet Shares had been disposed of at the closing price of HK\$2.35 per Ordinary SkyNet Share, no gain or loss on Disposal would have been recognised by the Remaining Group as if the Disposal had been taken place on 1 January 2015.
6. This pro forma adjustment represents the exclusion of the actual gain on the Deemed Disposal, the net loss arising on revaluation of available-for-sale financial assets, the impairment loss recognised in respect for available-for-sale financial assets reclassified from equity to profit or loss and the net cash outflow from the Deemed Disposal from the audited consolidated statement of profit or loss, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2015.
7. No adjustment has been made to reflect any trading results or other transactions of the Remaining Group entered into subsequent to 31 December 2015, for the purpose of preparation of the Unaudited Pro Forma Financial Information.
8. All the above pro forma adjustments to the Unaudited Pro Forma Financial Information are not expected to have a continuing effect on the Remaining Group.

*The following is the text of a report, prepared for the sole purpose of incorporation in this circular, received from the reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, in respect of the unaudited pro forma financial information.*



國衛會計師事務所有限公司  
**Hodgson Impey Cheng Limited**

31st Floor  
Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

22 April 2016

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**TO THE DIRECTORS OF ETERNITY INVESTMENT LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Eternity Investment Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2015, the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2015 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages IV-1 to IV-11 of the Company’s circular (the “**Circular**”) dated 22 April 2016, in connection with the possible disposal of up to 52,500,000 shares in SkyNet Group Limited (formerly known as EDS Wellness Holdings Limited) (the “**Disposal**”) by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-2.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Disposal on the Group’s financial position as at 31 December 2015, its financial performance and cash flows for the year ended 31 December 2015 as if the Disposal had taken place as at 31 December 2015 and 1 January 2015 respectively. As part of this process, information about the Group’s financial positions, financial performance and cash flows is based on the audited financial statements of the Company for the year ended 31 December 2015.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owned to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountants plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal as at 1 January 2015 and 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Company, the Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information on the Remaining Group has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully

**HLB Hodgson Impey Cheng Limited**

Certified Public Accountants

Hon Koon Fai, Alex

Practising Certificate Number: P05029

Hong Kong

## 1. 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this 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 herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at the Latest Practicable Date, no Directors or chief executive of the Company had or was deemed to have interests or short positions in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange:

### Long positions

#### a. Shares

Name of Director	Note	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Lei Hong Wai	<i>1</i>	Held by controlled corporations	211,416,000	6.57%
Mr. Cheung Kwok Wai Elton	<i>1</i>	Held by controlled corporations	211,416,000	6.57%

Name of Director	Note	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Cheung Kwok Fan	<i>1</i>	Held by controlled corporations	211,416,000	6.57%
Mr. Chan Kin Wah Billy		Beneficial owner	6,319,500	0.20%

*Note:*

1. Twin Success International Limited (“**Twin Success**”) is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Cheung Kwok Fan.

*b. Share options*

Name of Director	Capacity	Number of share options held	Number of underlying Shares
Mr. Lei Hong Wai	Beneficial owner	26,001,001	26,001,001
Mr. Cheung Kwok Wai Elton	Beneficial owner	26,000,000	26,000,000
Mr. Chan Kin Wah Billy	Beneficial owner	22,701,001	22,701,001

### 3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other person or companies had an interest or short positions in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who

were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Remaining Group or had any option in respect of such capital:

### Long positions

#### a. Shares

Name of Shareholder	Notes	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Yuen Hoi Po	1	Held by controlled corporations	395,190,474	12.29%
Smart Concept Enterprise Limited	1	Beneficial owner	372,416,803	11.58%
Twin Success	2	Beneficial owner	211,416,000	6.57%
Silver Pacific International Limited	2 and 3	Held by controlled corporation	211,416,000	6.57%
Silver Pacific Development Limited	2 and 4	Held by controlled corporation	211,416,000	6.57%
Mr. Lei Hong Wai	2 and 3	Held by controlled corporations	211,416,000	6.57%
Mr. Cheung Kwok Wai Elton	2 and 4	Held by controlled corporations	211,416,000	6.57%
Mr. Cheung Kwok Fan	2 and 4	Held by controlled corporations	211,416,000	6.57%
Asia Vest Partners VII Limited	5	Held by controlled corporations	129,412,174	9.95%



Name of Shareholder	Notes	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Asia Vest Partners X Limited	5	Held by controlled corporations	129,412,174	9.95%
Asia Vest Partners Limited	5	Held by controlled corporations	129,412,174	9.95%
Mr. Andrew Nam Sherrill	5	Held by controlled corporations	129,412,174	9.95%

*Notes:*

1. Smart Concept Enterprise Limited is wholly owned by Mr. Yuen Hoi Po.
2. Twin Success is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited.
3. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai.
4. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Cheung Kwok Fan.
5. The number of issued Shares held and the approximate percentage of the issued share capital of the Company are based on the Disclosure of Interests Notices filed to the Company by the relevant Shareholders on 4 September 2007.

***b. Share options***

Name of Shareholder	Capacity	Number of share options held	Number of underlying Shares
Mr. Lei Hong Wai	Beneficial owner	26,001,001	26,001,001
Mr. Cheung Kwok Wai Elton	Beneficial owner	26,000,000	26,000,000

**4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Remaining Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Remaining Group.

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Remaining Group or are proposed to be acquired or disposed of by or leased to any member of the Remaining Group since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Remaining Group were made up.

## **5. COMPETING INTEREST**

Save and except for (i) Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan (each an executive Director) having an indirect interest in approximately 16.13% of the issued share capital of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange under stock code: 938 engaging in the development, sales and leasing of properties, through their beneficial interests in Twin Success, (ii) each of Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton being an executive director of Man Sang International Limited, and (iii) Mr. Lei Hong Wai being the chairman of the board of directors of Man Sang International Limited, as at the Latest Practicable Date, none of the Directors nor their respective associates (as defined under the Listing Rules) had any business or interest that competes or may compete with the business of the Remaining Group or any other conflicts of interest with the Remaining Group.

## **6. LITIGATIONS**

As at the Latest Practicable Date, save as disclosed below, neither the Remaining Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Remaining Group.

- (a) On 15 April 2010, a claim was brought by China Finance in High Court Action No. 526 of 2010 against Rexdale for failing to pay a service fee in the sum of HK\$25,000,000 to China Finance. No provision for the claim was made in the audited consolidated financial statements of the Group for the year ended 31 December 2014 as Lafe Corporation Limited, the beneficial owner of Rexdale prior to the acquisition of the entire issued share capital of Rexdale by One Synergy in December 2010, has undertaken to indemnify and keep indemnified the Remaining Group against any and all losses, claims, damages, penalties, actions, demands, proceeding, judgment and costs arising from or in connection with the claim.

- (b) On 20 March 2014, the Company announced that it came to its attention that the writ of summons in High Court Action No. 9 of 2014 was issued by The Grande Holdings Limited (in liquidation), Roderick John Sutton (as joint and several provisional liquidator of The Grande Holdings Limited), Fok Hei Yu (as joint and several provisional liquidator of The Grande Holdings Limited) and 65 other companies listed as plaintiffs against 25 defendants inclusive of One Synergy. One Synergy has, as at the Latest Practicable Date, not been served with the writ.

The action alleges, inter alia, that One Synergy is liable to the plaintiffs as a constructive trustee and/or by way of equitable compensation and/or an accounts of profits and/or restitution and/or damages as a knowing recipient and/or by reason of the knowing or dishonest assistance in the breaches of trust and/or breaches of fiduciary duties by various of the defendants and/or by reason of dealings between One Synergy and the plaintiffs otherwise being avoidable (and avoided), void, unlawful or illegal, in respect of its receipt of the shares in The Grande Properties Ltd. (now known as Rexdale).

Riche (BVI) Limited, a wholly owned subsidiary of the Company, acquired the entire issued share capital of Adelio Holdings Limited, which is the holding company of One Synergy, from Vartan Holdings Limited, an Independent Third Party, pursuant to a sale and purchase agreement dated 25 May 2011. One Synergy acquired the entire issued share capital of Rexdale from Lafe Corporation Limited, being one of the defendants, pursuant to the Agreement. The entire issued share capital of Rexdale was sold by The Grande (Nominees) Ltd., being one of the plaintiffs, and The Grand Limited to Lafe Corporation Limited on or about 29 June 2007. The principal assets of Rexdale were the Kwun Tong Properties. The Kwun Tong Properties was sold by Rexdale to Grand Reward Limited, an Independent Third Party, in July 2013.

One Synergy has sought counsel opinion on the writ and has been advised to defend the plaintiffs' claim in the said action. Counsel has advised that, based upon available evidence, there is nothing unusual in the Agreement and One Synergy would not have any express or constructive notice of the plaintiffs' alleged irregularities and/or fraudulent acts of the former directors and/or management officers of the plaintiffs and One Synergy should not be held liable to any part of the plaintiffs' claim and has good and valid defense thereto.

- (c) On 1 April 2015, the Contractor commenced a lawsuit against Yingrui at the People's Court of the Yuexiu District, Guangzhou City with respect to certain outstanding payment of approximately RMB11,427,000 (not including accrued interest) (equivalent to approximately HK\$13,598,000) under the construction contract between Yingrui and the Contractor for the construction of the Guangzhou Property. The disputed amount of the lawsuit includes working progress fee of RMB1,420,000 (equivalent to approximately HK\$1,690,000), performance bond of RMB1,000,000 (equivalent to approximately HK\$1,190,000) and construction fee of approximately RMB9,007,000 (equivalent to approximately HK\$10,718,000). On 7 April 2015, the People's Court of the Yuexiu District, Guangzhou City upon application of the Contractor, issued a seizure order on certain units within the Guangzhou Property to protect the interest of the Contractor to the extent of approximately RMB15,000,000 (equivalent to approximately HK\$17,850,000) in value. The lawsuit is now pending further review by the People's Court of the Yuexiu District, Guangzhou City.

Best Volume has secured an unconditional undertaking from Ace Guide Holdings Limited, the ultimate beneficial owner of Yingrui prior to the acquisition by Best Volume in October 2014, under which Ace Guide Holdings Limited has agreed to pay to Best Volume or its assignee by way of damages an amount equal to any and all losses incurred by Yingrui and/or Best Volume resulting from, arising out of or in relation to the lawsuit, including without limitation payment under final effective judgment or settlement, and all other costs and expenses incurred in relation to the lawsuit.

## **7. SERVICE CONTRACTS**

As at the Latest Practicable Date, no Directors had entered into any service contracts with any member of the Group which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## **8. MISCELLANEOUS**

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of the Company are situated at Unit 3811, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited, having its office situated at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) Mr. Chan Kin Wah Billy, the company secretary of the Company, is a member of the Hong Kong Institute of Certified Public Accountants, a CPA member of CPA Australia and a non-practicing member of the Chinese Institute of Certified Public Accountants. He holds a Bachelor of Administration Degree from University of Ottawa in Canada and a Master of Commerce Degree in Professional Accounting from University of New South Wales in Australia.

## 9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Remaining Group within the two years immediately preceding the Latest Practicable Date, and are material:

- (a) the deed of variation dated 25 April 2014 entered into among Riche (BVI) Limited as purchaser and Mr. Cheung Kwok Fan as vendor in relation to the amendment and modification of certain terms and the consideration of the conditional sale and purchase agreement dated 1 April 2014 relating to the sale and purchase of the entire issued share capital in and the shareholder's loan due by Thought Diamond International Limited at a consideration of HK\$286,102,297;
- (b) the conditional sale and purchase agreement dated 30 May 2014 and entered into between Riche (BVI) Limited as vendor and Mr. Ng Cheuk Fai as purchaser relating to the sale and purchase of the entire issued share capital of Rich Daily Group Limited at a consideration of HK\$2,000,000;
- (c) the irrevocable undertaking dated 25 June 2014 given by New Cove Limited to SkyNet and Kingston Securities Limited (i) to convert a principal amount of HK\$25,000,000 in the Previous Convertible Bonds into 25,000,000 new Ordinary SkyNet Shares before the commencement of the book close period of the Open Offer; (ii) not to convert the remaining balance of the Previous Convertible Bonds in the principal amount of HK\$15,000,000 into 15,000,000 new Ordinary SkyNet Shares before the record date for the Open Offer; (iii) to subscribe for or procure the subscription for 12,500,000 new Ordinary SkyNet Shares to be allotted to it under its entitlement pursuant to the Open Offer; and (iv) to lodge the application form(s) in respect of the 12,500,000 new Ordinary SkyNet Shares accompanied by the appropriate remittances which shall be honoured on first presentation prior to the latest time for acceptance under the Open Offer;

- (d) the sale and purchase agreement dated 11 August 2014 and entered into between Best Volume as purchaser and Ace Guide Holdings Limited as vendor relating to the sale and purchase of the equity interests in Virtue Crest Investments Limited at a consideration of HK\$393,210,000;
- (e) the placing agreement dated 15 August 2014 and entered into between SkyNet and Kingston Securities Limited, pursuant to which SkyNet has conditionally agreed to place, through Kingston Securities Limited on a best effort basis, up to 2,620,000 new Ordinary SkyNet Shares to not fewer than six independent investors at a price of HK\$3.15 per Ordinary SkyNet Share;
- (f) the deed of variation dated 19 September 2014 entered into among Riche (BVI) Limited and Mr. Cheung Kwok Fan in relation to the extension of the long stop date of the conditional sale and purchase agreement dated 1 April 2014 (as amended and modified by the deed of variation dated 25 April 2014) relating to the sale and purchase of the entire issued share capital in and the shareholder's loan due by Thought Diamond International Limited at a consideration of HK\$286,102,297 from 30 September 2014 to 31 October 2014;
- (g) the conditional sale and purchase agreement dated 11 December 2014 and entered into between the Company as purchaser, Unique Talent Group Limited, a wholly owned subsidiary of Jiu hao Health, as vendor and Jiu hao Health as guarantor relating to the sale and purchase of the entire shareholding interests in Smart Title Limited and the assignment of the shareholder's loan due by Smart Title Limited at a consideration of HK\$1,650,000,000;
- (h) the conditional sale and purchase agreement dated 11 February 2015 and entered into between Victory Peace Holdings Limited, a wholly owned subsidiary of the Company, as purchaser and an Independent Third Party as vendor in relation to the sale and purchase of approximately 74.63% of the issued share capital of a company listed on GEM, at a consideration of HK\$197,757,000;
- (i) the Subscription Agreement;

- (j) the deed of undertaking dated 17 February 2015 and given by the Company, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited to Xing Hang Limited for not accepting the unconditional mandatory cash offer to be made by Kingston Securities Limited on behalf of Xing Hang Limited to acquire all the issued shares of SkyNet (other than the shares of SkyNet owned or agreed to be acquired by Xing Hang Limited and parties acting in concert with it) at the offer price of HK\$4.07 per Ordinary SkyNet Share;
- (k) the supplemental agreement dated 30 March 2015 entered into between the Company, Unique Talent Group Limited and Jiu hao Health relating to the amendments of the forms of the club lease agreement and the share entitlement note attached to the conditional sale and purchase agreement dated 11 December 2014;
- (l) the underwriting agreement dated 15 May 2015 and entered into between the Company and Kingston Securities Limited in relation to the underwriting arrangement in respect of the proposed issue of not less than 547,673,243 new Shares and not more than 593,921,844 new Shares by way of rights issue on the basis of one new Share for every one existing Share to the qualifying Shareholders held on a record date at a price of HK\$0.70 per new Share;
- (m) the termination agreement dated 19 May 2015 and entered into between Victory Peace Holdings Limited and the Independent Third Party for terminating the conditional sale and purchase agreement dated 11 February 2015;
- (n) the deed of variation dated 20 May 2015 entered into between the Company and Kingston Securities Limited in relation to the amendments of certain definitions of the underwriting agreement dated 15 May 2015 entered into between the Company and Kingston Securities Limited;
- (o) the legally binding letter agreement dated 8 June 2015 entered into between the Company as purchaser and Jiu hao Health as vendor relating to the sale and purchase of 12,196,000 shares in a company listed on the Main Board of the Stock Exchange at a consideration of HK\$298,800,000;
- (p) the supplemental agreement dated 12 June 2015 entered into between the Company, Unique Talent Group Limited and Jiu hao Health relating to the extension of the long stop date of the conditional sale and purchase agreement dated 11 December 2014;

- (q) the termination letter agreement dated 18 June 2015 entered into between the Company and Jiu hao Health in relation to the termination of the legally binding letter agreement dated 8 June 2015;
- (r) the supplemental agreement dated 19 June 2015 entered into between SkyNet, Xing Hang Limited, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited in relation to the extension of the long stop date of the Subscription Agreement;
- (s) the supplemental agreement dated 28 August 2015 entered into between SkyNet, Xing Hing Limited, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited in relation to the further extension of the long stop date of the Subscription Agreement;
- (t) the sale and purchase agreement dated 7 September 2015 entered into between Sino Credit Holdings Limited as vendor and Golden Stone as purchaser relating to the sale and purchase of the entire equity interests of Best Volume at a consideration of HK\$400,000,000;
- (u) the use of motor vehicle agreement dated 6 October 2015 entered into between 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited<sup>#</sup>, “**Bayhood No. 9**”), a wholly owned subsidiary of the Company, and Jiu hao Health in relation to the grant of a right to Jiu hao Health and its subsidiaries to use the motor vehicles and the relevant motor vehicle licenses registered under Bayhood No. 9 for an infinite period commencing from 6 October 2015;
- (v) the trademark licence agreement dated 6 October 2015 entered into between Bayhood No. 9 and Jiu hao Health in relation to the grant of a right to Jiu hao Health and its subsidiaries to continue to use the “Jiu hao” trademark registered under Bayhood No. 9 for one year commencing from 6 October 2015; and
- (w) the placing agreement dated 27 January 2016 and entered into between the Company and Kingston Securities Limited, pursuant to which the Company has conditionally agreed to place, through Kingston Securities Limited on a best effort basis, up to 536,000,000 new Shares to currently expected not fewer than six independent investors at a price of HK\$ 0.125 per Share.

<sup>#</sup> For the purpose of identification only



**10. EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinions and advices, which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
HLB Hodgson Impey Cheng Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter or report and the references to its name in the form and context in which it appears.

The above expert did not have any interests in any Shares or shares in any member of the Remaining Group, or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Remaining Group as at the Latest Practicable Date.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interests in any assets which have since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to or by any member of the Remaining Group, or was proposed to be acquired or disposed of by or leased to or by any member of the Remaining Group.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the head office and principal place of business of the Company at Unit 3811, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong during normal business hours on any weekday other than public holidays, up to and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual results announcement of the Company for the year ended 31 December 2015 dated 31 March 2016 and the annual reports of the Company for the financial years ended 31 December 2013 and 2014;
- (c) the material contracts referred to in the paragraph headed “9. MATERIAL CONTRACTS” in this Appendix;

- (d) the unaudited consolidated financial information of the SkyNet Group as set out in Appendix III to this circular;
- (e) the unaudited pro forma financial information of the Remaining Group and letter on unaudited pro forma financial information of the Remaining Group issued by HLB Hodgson Impey Cheng Limited as set out in Appendix IV to this circular;
- (f) the written consent referred to in the paragraph headed “10. EXPERT AND CONSENT” in this Appendix; and
- (g) a copy of each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A which has been issued since 31 December 2014, being the date of the latest published audited accounts, including this circular.

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## NOTICE OF SPECIAL GENERAL MEETING

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## ETERNITY INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a 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 Thursday, 12 May 2016 at 11:30 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “**THAT**
  - (a) the disposal by New Cove Limited, an indirect wholly owned subsidiary of the Company, of up to 52,500,000 ordinary shares of HK\$0.10 each in the share capital of SkyNet Group Limited (formerly known as EDS Wellness Holdings Limited) on terms more particularly set out in the Company’s circular dated 22 April 2016 (the “**Circular**”) (a copy of the Circular marked “A” and initialed by the Chairman of the Meeting for identification purpose has been tabled at the Meeting), within a period of twelve months from the date of passing of this resolution and on such other terms and conditions as may be determined by the directors of the Company (the “**Directors**”) from time to time (provided that such terms and conditions shall not be inconsistent with the terms set out in the Circular) (the “**Disposal**”) be and are hereby approved; and
  - (b) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as he/they consider(s) necessary, desirable or expedient in his/their opinion to implement and/or give effect to the Disposal.”
2. “**THAT** subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) to be issued pursuant to the exercise of options which may be

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## NOTICE OF SPECIAL GENERAL MEETING

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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, 22 April 2016

*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

*Notes:*

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her/its attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hands of any officer or attorney duly authorised.
3. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged 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 not later than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

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## NOTICE OF SPECIAL GENERAL MEETING

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5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or any adjournment thereof should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. The voting on the resolutions will be conducted by way of poll.