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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)

**MAJOR TRANSACTION
IN RELATION TO THE PROPOSED ACQUISITION OF
PROPERTY
AND
NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 13 of this circular.

A notice convening the special general meeting of Eternity Investment Limited to be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 18 July 2017 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 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.

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.

30 June 2017



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DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement or the Formal Agreement (as the case may be)
“Board”	the board of Directors
“Club”	the Group’s membership 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
“Completion”	completion of the Acquisition pursuant to the Provisional Agreement or the Formal Agreement (as the case may be)
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor in respect of the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or entity(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	27 June 2017, 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

DEFINITIONS

“Man Sang”	Man Sang International Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 938 and the principal activities of which are development, sale and leasing of properties
“PRC”	The People’s Republic of China
“Property”	Units Nos. 1201, 1202, 1203, 1209, 1210, 1211 and 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement entered into between the Purchaser and the Vendor dated 13 April 2017 in respect of the Acquisition
“Purchaser”	Max Winner Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“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 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 18 July 2017 at 10:30 a.m. to consider and, if thought fit, approve the Acquisition
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Land”	a piece of 580 Chinese acre land adjacent to the Club
“Vendor”	Melchers (H.K.) Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai
(Chairman and Chief Executive Officer)
Mr. Cheung Kwok Wai Elton
Mr. Chan Kin Wah Billy
Mr. Cheung Kwok Fan

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

30 June 2017

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

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF PROPERTY AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

On 13 April 2017, the Provisional Agreement was entered into between the Purchaser and the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Property at a consideration of HK\$322.00 million. As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with, among other things, further details in respect of the Acquisition, together with a notice convening the SGM and a form of proxy.

THE PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT

The Provisional Agreement

Date:

13 April 2017

Parties:

- (a) Purchaser: Max Winner Investments Limited, a wholly owned subsidiary of the Company
- (b) Vendor: Melchers (H.K.) Limited
- (c) Property agent: Midland Realty (Commercial) Limited

The sale and purchase of the Property is arranged by Midland Realty (Commercial) Limited, an Independent Third Party.

The Property

The Property to be acquired by the Purchaser from the Vendor is the office located at Units Nos. 1201, 1202, 1203, 1209, 1210, 1211 and 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Hong Kong.

The Property is sold to the Purchaser on an “as is” basis.

A valuation of the Property was performed by APAC Asset Valuation and Consulting Limited, an independent professional valuer appointed by the Company, which valued the market value of the Property at HK\$326.00 million as at 30 April 2017. The valuation report of the Property performed by APAC Asset Valuation and Consulting Limited is set out in Appendix IV to this circular.

LETTER FROM THE BOARD

Consideration

Subject to the terms and conditions of the Provisional Agreement or the Formal Agreement (as the case may be), the consideration of HK\$322.00 million shall be payable as follows:

- (a) an initial non-refundable deposit of HK\$16.00 million has been paid by the Purchaser upon signing of the Provisional Agreement;
- (b) a further non-refundable deposit of HK\$32.30 million shall be payable by the Purchaser on or before 9 May 2017; and
- (c) the remaining balance of HK\$273.70 million shall be payable by the Purchaser upon Completion.

The further non-refundable deposit of HK\$32.30 million has been paid by the Purchaser on 9 May 2017.

The consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor by reference to the prevailing market conditions, the location of the Property and the market price of comparable properties in the same area. It was originally expected that the consideration would be financed by the internal resources of the Group and bank borrowings. After announcing the Acquisition, the Company raised HK\$99.22 million by way of placing of 643,200,000 new Shares under general mandate at a price of HK\$0.16 per Share on 16 May 2017. The net proceeds from the placing of HK\$99.22 million are intended to be used for financing the Acquisition. Accordingly, the consideration will be financed by the internal resources of the Group, the net proceeds from the placing and bank borrowings.

The Directors (including the independent non-executive Directors) are of the view that the consideration of HK\$322.00 million are fair and reasonable.

Condition precedent

Completion shall be conditional upon the approval by the Shareholders at the SGM of the Provisional Agreement or the Formal Agreement (as the case may be) and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules on or before 15 August 2017, and the Purchaser shall give notice to the Vendor in writing on or before 15 August 2017 as to whether such approval has been obtained.

LETTER FROM THE BOARD

If the aforesaid Shareholders' approval is not obtained on or before 15 August 2017 or the Purchaser shall fail to give the said written notice to the Vendor on or before 15 August 2017 or fail to pay any part of the deposits or fail to complete the Acquisition in accordance with any of the terms and conditions contained in the Provisional Agreement, all the initial and further deposits paid by the Purchaser shall be absolutely forfeited to the Vendor as liquidated damages and the Provisional Agreement shall be terminated and the Vendor shall then be entitled in its absolute discretion to retain or to resell the Property but the Vendor shall not take any proceedings against the Purchaser to claim for further damages or to enforce specific performance of the Provisional Agreement. The Purchaser shall also be solely responsible and liable for all stamp duty paid or payable on the Provisional Agreement and any agency commission payable by both parties under the Provisional Agreement.

Completion

Subject to fulfillment of the condition precedent, Completion shall take place on or before 18 September 2017.

The Formal Agreement

Pursuant to the Provisional Agreement, the Formal Agreement should be entered into on or before 9 May 2017 by the Purchaser and the Vendor. However, the Purchaser and the Vendor did not enter into the Formal Agreement as at the Latest Practicable Date. The reason for the Formal Agreement not having been entered into by the Purchaser and the Vendor is mainly attributable to the legal advisors of the Purchaser and the Vendor not yet reaching an agreement on the warranties and covenants to be given by the Vendor in the Formal Agreement. Although negotiation on the terms of the Formal Agreement is still in progress, the Directors are not able to anticipate when the Formal Agreement be entered into.

In fact, the parties to the Provisional Agreement are working towards the completion of the sale and purchase of the Property in accordance with the terms and conditions of the Provisional Agreement. The Purchaser paid the further non-refundable deposit of HK\$32.30 million to the Vendor on 9 May 2017, and the title documents of the Property have been received by the Purchaser's legal advisor for review and inspection.

As at the Latest Practicable Date, the Formal Agreement was not entered into by the Purchaser and the Vendor. According to the legal advisor of the Purchaser, the Purchaser and the Vendor are obligated to fulfill the terms and conditions under the Provisional Agreement notwithstanding the Formal Agreement has not been entered into. The legal advisor of the Purchaser has advised the Purchaser that, in the absence of the Formal Agreement, the interest, rights and entitlement of the Purchaser in the sale and purchase of the Property shall not be jeopardized. Accordingly, the absence of the Formal Agreement is not material to the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Regardless of whether or not the Formal Agreement has been entered into, the legal advisor of the Purchaser is required to and shall perform its professional duties to carry out necessary works and investigations to satisfy the title of the Property. Unless the title of the Property have been satisfied by the Purchaser and its legal advisor, Completion will not take place even if the Acquisition is approved by the Shareholders at the SGM.

The Purchaser has an intention to enter into the Formal Agreement with the Vendor. In the event that the Formal Agreement or any supplemental agreement is entered into by the Purchaser and the Vendor, and the terms and conditions thereof are materially different from the Provisional Agreement, the Company is obligated to comply with the notification, publication and shareholders' approval requirement under Chapter 14 of the Listing Rules before proceeding to Completion.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of a wide range of specialised services from marketing and distribution to sourcing, processing and production in Hong Kong and Mainland China.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE GROUP AND THE PURCHASER

The Company is an investment holding company and its subsidiaries are principally engaged in sale of financial assets, property investment, money lending, design and sale of jewelry products, and sale of precious stones.

The Purchaser is an investment holding company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors are optimistic about the prospect of the Hong Kong office market. The Group intends to hold the Property for long-term investment purpose. Upon Completion, part of the Property is intended to be used as the head office of the Company and the remaining part is intended to be leased out for generating rental income. The Directors consider that the Acquisition will (i) enlarge and diversify the Group's investment properties portfolio, (ii) strengthen the income base of the Group, and (iii) provide a capital appreciation potential to the Group.

The existing head office of the Company is leased to the Group by an Independent Third Party and the tenancy agreement is due to expiry on 30 April 2018. On signing the tenancy agreement on 22 April 2015, the landlord has expressed to the Group that the existing head office will not be leased to the Group upon expiry as the landlord will repossess it for its own use. Therefore, the Company has a real need to relocate its head office.

LETTER FROM THE BOARD

According to the “Hong Kong Property Review 2016” and “Hong Kong Property Review 2017” published by the Rating and Valuation Department of the Hong Kong Government, the vacancy rate of Grade A private offices in Central and Western District dropped from approximately 5.0% in 2015 to approximately 3.8% in 2016, while the rental index for Grade A private offices in Central District and Sheung Wan increased from approximately 282.4 to approximately 296.4, representing an increase of approximately 5.0%. The above statistics show a decrease in supply and an increase in rents of office premises in Central District and Sheung Wan, which is a direct result of Mainland Chinese companies expanding their presence in Hong Kong for their global expansion plans.

As property investment is one of the Group’s principal businesses, the executive Directors constantly pay particular attention to the Hong Kong Government’s policy and news relating to properties. In addition, the Directors regularly meet property agents, and read briefing, market reviews and research reports on property market published by real estate services providers to get regular update on market development. Since 2016, it has been widely reported by Hong Kong newspapers, such as South China Morning Post, The Standard and Hong Kong China Daily, and financial programmes broadcasted by various media, such as Money Magazine and Finance Magazine broadcasted by TVB, that Mainland Chinese companies have been the key driver in sales and leasing of Hong Kong office market over the past two years, as Hong Kong has become a significant first step in Mainland Chinese companies’ strategy of global expansion. Favourable policies have also played a part. The Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect and Mainland-Hong Kong Mutual Recognition of Funds, for example, act as catalysts for Mainland Chinese companies to enter Hong Kong while tangibly boosting demand. It has also been widely reported that Mainland Chinese companies, particularly in banking and finance, have strong preference to Central District and nearby locations, like Admiralty and Sheung Wan. The above are the basis for the Directors’ view on the imbalance between the supply and demand caused by the growth of Mainland Chinese companies in Hong Kong.

The presence of Mainland Chinese companies in Hong Kong has already changed the landscape for the Hong Kong office market. With a strong preference for Central District and nearby locations, the Mainland Chinese companies have bid up office rental and made rents in Central District the world’s most expensive. This trend looks set to continue as the Directors observe Mainland Chinese companies continue to expand headcount and office footprint in Hong Kong after their initial phase of development.

Given rising office rents, some Mainland Chinese companies have elected to purchase their own office premises rather than lease them. This trend has contributed to the rising demand for the strata-title office market in recent years. Due to the preference of Mainland Chinese companies, particularly in banking and finance, for Central District, it is believed that the prices and rents of office premises in Central District and nearby locations are likely to show a healthy growth mainly due to a lack of space availability and continuing strong demand for office space from Mainland Chinese companies. Therefore, the Directors are optimistic about the prospect of the Hong Kong office market, particularly Central District and nearby locations.

LETTER FROM THE BOARD

The following are the Directors' view on how the above benefits will be achieved with the Acquisition:

- (a) Enlarge and diversify the Group's investment properties portfolio

As shown on its audited consolidated financial statements for the year ended 31 December 2016, the Group's investment properties and rental income generating assets, which are the Club and the Subject Land, are located at the PRC. The location of the assets and the source of rental income of the Group's investment property business are highly concentrated on one single country, which is the PRC. It is believed that, through the Acquisition, the Group's property investment business will effectively reduce its concentration risk relating to the location of assets and the source of rental income. In addition, the Acquisition provides an opportunity to the Group to expand its investment properties portfolio.

- (b) Strengthen the income base of the Group

As part of the Property is intended to be leased out for generating rental income, it is believed that such part of the Property will generate additional rental income to the Group upon Completion, which strengthens the Group's income base.

- (c) Provide a capital appreciation potential to the Group

Given land is a scarce resource in Hong Kong, the supply of office space in Central District and nearby locations, such as Sheung Wan, is limited and Mainland Chinese companies expand into Hong Kong for setting up their international business headquarters, the Directors believe that the prices and rents of office premises in Hong Kong, especially Central District and nearby locations, is on an upward trend in long-term. Accordingly, by holding the Property as a long-term investment, the Acquisition will provide a capital appreciation potential to the Group. However, the capital appreciation potential may not be realised due to the following uncontrollable factors:

- (i) Change in macro-economic conditions

Commercial property is a pure investment asset and its value is determined by the discounted value of future rents. When macro-economic conditions weaken, shrinking business activity cuts down the demand for commercial properties and results in higher vacancy rates. Rising vacancy rates and lower rental rates may lead to a deterioration of real estate market fundamentals and may cause commercial property prices to fall.

- (ii) Change in government's policy

Government policy is also another factor that can have a sizable impact on investment demand for and prices on commercial properties. Introduction of new taxation measures, such as capital gains tax and value-added tax, change

LETTER FROM THE BOARD

in existing taxation measures, such as increase in stamp duty, and lowering of maximum loan-to-value ratios for mortgage loans for commercial properties may suppress investment demand causing commercial property prices to fall.

The Directors' belief on the upward trend of the prices and rents of the office premises in Hong Kong in long-term is based on the economic theory of "supply and demand", and the Price Indices for Hong Kong Property Market and the Rental Indices for Hong Kong Property Market published by the Rating and Valuation Department of the Hong Kong Government. The indices show the prices and rents of all types of property are on upward trend.

On the above basis, the Directors consider that the terms of the Provisional Agreement (including the payment of the non-refundable deposits and the consideration) are on normal commercial terms, and fair and reasonable. The Directors also consider that the Acquisition is in the interests of the Shareholders and the Company as a whole.

As disclosed on page V-5 of this circular, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan have competing interest with the Group's property investment business due to (i) their indirect interest in approximately 13.43% of the issued share capital of Man Sang, and (ii) the directorship of Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton in Man Sang. The Directors (including the three independent non-executive Directors, but excluding Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan) are of the view that such competing interest has no impact on the Directors' opinion on the fairness and reasonableness of the Acquisition on the following grounds:

- (a) the target market of Man Sang's property investment business is the PRC and Man Sang had no intention to acquire any investment property in Hong Kong prior to the date of the Provisional Agreement or as at the Latest Practicable Date;
- (b) Man Sang has never participated or involved in the negotiations between the Purchaser and the Vendor in respect of Acquisition; and
- (c) Man Sang has never contacted or been contacted by the property agent, Midland Realty (Commercial) Limited, or the Vendor in relation to the sale and purchase of the Property.

Save and except for the non-legally binding letter of intent dated 10 May 2017 entered into between Riche (BVI) Limited, a wholly owned subsidiary of the Company, and China Healthwise Holdings Limited, a company listed on the Main Board of the Stock Exchange under stock code: 348, relating to the possible disposal by Riche (BVI) Limited to China Healthwise Holdings Limited of the entire shareholding interest in Smart Title Limited, a wholly owned subsidiary of Riche (BVI) Limited (the "**Possible Disposal**"), the Company did not have any intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on any disposal, termination or scaling-down of the Company's existing businesses after the Acquisition as at the Latest Practicable Date.

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As at the Latest Practicable Date, the Possible Disposal was at negotiation stage. No terms and conditions of the Possible Disposal have been finalised and no verbal or written agreement have been reached in respect of the Possible Disposal. The Company will make further announcement(s) in respect of the Possible Disposal as and when required under the Listing Rules.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

As part of the Property is intended to be used as the head office of the Company and the remaining part is intended to be leased out for generating rental income, the part of the Property that is used as the head office is accounted for as property, plant and equipment in accordance with Hong Kong Accounting Standard 16 *Property, Plant and Equipment*, and the remaining part that is leased out for generating rental is accounted for as investment property in accordance with Hong Kong Accounting Standard 40 *Investment Property*.

The unaudited pro forma financial information of the Group illustrating the financial effects of the Acquisition on the assets, liabilities, net assets and earnings of the Group is set out in Appendix III to this circular.

Assets

As at 31 December 2016, the audited consolidated total assets of the Group amounted to HK\$4,241.54 million. If the Acquisition had been completed on 31 December 2016, the unaudited pro forma consolidated total assets of the Group would have been increased to HK\$4,340.18 million.

Liabilities

As at 31 December 2016, the audited consolidated total liabilities of the Group amounted to HK\$992.40 million. If the Acquisition had been completed on 31 December 2016, there would have been no change in the unaudited pro forma consolidated total liabilities of the Group.

Net assets

As at 31 December 2016, the audited consolidated net assets of the Group amounted to HK\$3,249.14 million. If the Acquisition had been completed on 31 December 2016, the unaudited pro forma consolidated net assets of the Group would have been increased to HK\$3,347.78 million.

Earnings

It is the current intention of the Group that Units 1209, 1210 and 1211 of the Property will be used as the head office of the Company and Units 1201, 1202, 1203 and 1212 of the Property will be leased out for generating rental income. It is expected that the earnings of the Group will be strengthened and the Group's rental expenses will be reduced by HK\$1.80 million annually upon Completion.

LETTER FROM THE BOARD

It should be noted that the above financial effects of the Acquisition are for illustration purpose only. The actual financial effects of the Acquisition on the Group at Completion may be different from the amounts presented in this section and the differences may be significant.

LISTING RULES IMPLICATIONS

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and 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 Acquisition. 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 Acquisition; therefore, no Shareholder is required to abstain from voting for the resolution to approve the Acquisition at the SGM.

As the Acquisition also constitutes an acquisition of a revenue-generating asset (other than a business or company) with an identifiable income stream or assets valuation, the Company is required to comply with Rule 14.67(6)(b)(i) of the Listing Rules. Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, this circular must contain a profit and loss statement and valuation (where available) for the three preceding financial years (or less, where the asset has been held by the vendor for a shorter period) on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records. The financial information on which the profit and loss statement is based must relate to a financial period ended six months or less before this circular is issued. The financial information on the assets being acquired as contained in this circular must be prepared using accounting policies which should be materially consistent with those of the Company.

Completion of the Acquisition is subject to the satisfaction of the condition precedent under the Provisional Agreement or the Formal Agreement (as the case may be), and therefore may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

THE SGM

The Directors have resolved to convene the SGM to consider and, if thought fit, approve the Acquisition by the Shareholders. The notice of SGM is set out on pages SGM-1 to SGM-2 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 Acquisition is 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 resolution to be proposed at the SGM to approve the Acquisition.

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 three years ended 31 December 2014, 2015 and 2016 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 financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 31 December 2016 have been set out in pages 84 to 247 and pages 7 to 34 respectively of the annual report 2016 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 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0425/LTN20170425858.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 2015 have been set out in pages 66 to 243 and pages 6 to 34 respectively of the annual report 2015 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 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0427/LTN20160427724.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>

STATEMENT OF INDEBTEDNESS**Borrowings**

At the close of business on 31 May 2017, 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\$135.84 million, representing the mortgage loan of RMB119.64 million (equivalent to HK\$135.84 million), which is interest bearing at the benchmark interest rate of The People's Bank of China upward by 10.00% per annum, secured by the Group's investment properties located at No. 33 Nonglinxia Road, Yuexiu District, Guangzhou, the PRC and maturing on 21 April 2022. The mortgage loan is unguaranteed.

Commitments

As at the close of business on 31 May 2017, 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 RMB51.96 million (equivalent to HK\$58.99 million) relating to the development costs 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 31 May 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, which were either guaranteed, unguaranteed, secured or unsecured, any mortgages and charges, or any contingent liabilities or guarantees.

Save as aforesaid, the Directors confirmed that there had been no material change to the indebtedness and contingent liabilities of the Group since 31 May 2017 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 net proceeds from the placing of 643,200,000 new Shares of HK\$99.22 million as completed on 16 May 2017 and 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 2016, being the date to which the latest published audited consolidated accounts of the Group were made up.

BUSINESS OR INTEREST IN THE SHARE CAPITAL OF A COMPANY ACQUIRED BY THE GROUP AFTER 31 DECEMBER 2016, BEING THE DATE TO WHICH THE LATEST PUBLISHED AUDITED CONSOLIDATED ACCOUNTS OF THE GROUP WERE MADE UP

No material business or interest in the share capital of a company has been acquired, agreed to be acquired or proposed to be acquired by the Group after 31 December 2016, being the date to which the latest published audited consolidated accounts of the Group was made up.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

International forecasters fear that 2017 will not be a big improvement on 2016 for a sluggish global economy. The global economy is facing a lot of challenges, including Brexit, European instability, an aggressive interest rate rises by the United States (“US”) Federal Reserve and an unclear US trade policy under President Donald Trump. As such, the Directors expect the Hong Kong equity market remains volatile in 2017. However, the Directors recognise that market volatility and downturns can often coincide with a good opportunity to acquire equities at a better price. In 2017, the Directors will cautiously monitor the Hong Kong equity market and actively seek equities which are believed to be undervalued and/or to have a sustainable business growth. In relation to the Group’s existing equity portfolio, the Directors believe that the future performance is largely affected by economic factors, investor sentiment, demand and supply balance of an investee company’s shares and fundamentals of an investee company, such as investee company’s news, business fundamentals and development, financial performance and future prospects. Accordingly, the Directors closely monitor the above factors, particularly the fundamentals of each individual investee company in the Group’s existing equity portfolio, and proactively adjust the Group’s equity portfolio mix in order to improve its performance.

In view of the challenges faced by the global economy, the Directors expect the Hong Kong economy remains uncertain in 2017. Accordingly, the Group adopts a more cautious approach in screening customers and approving new loans in order to mitigate its credit risk. The Directors expect the performance of the Group’s money lending business in 2017 is more or less the same as 2016.

The growth of the Group's sale of jewelry products and precious stones business slowed down significantly in 2016, which was a direct result of the depreciation of Euro and British pound against Hong Kong dollars, the gloomy economy in Europe and the poor market sentiment on precious stone.

According to the Group's latest sale data, there is no sign of improvement in European market. In addition, the Middle East market is deteriorating due to a drop in number of tourists visiting the Middle East countries. As such, the Directors expect the sale of the Group's sale of jewelry products and precious stones business may experience a decline in 2017.

As the Group may delay its marketing activity for leasing the hotel villas of the Subject Land and/or slow down the pace of the development of the Subject Land, the Directors expect the rental income of the Group's property investment business in the PRC for 2017 is more or less the same as 2016. Upon Completion, part of the Property is intended to be used as the head office of the Company and the remaining part is intended to be leased out for generating rental income. Accordingly, the Directors believe that the Acquisition will improve the profitability of the Group's property investment business.

In 2017, the Directors will continue to cautiously monitor the business environment and strengthen the Group's business foundation by focusing the Group's existing businesses. In addition, the Directors will continue to cautiously identify suitable investment opportunities for the Group to diversify its businesses and broaden its revenue.

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue-generating assets (other than a business or company) with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the three preceding financial years ended 31 December 2014, 2015 and 2016 (the “**Relevant Financial Years**”) on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

The Property consists of seven office units. The Directors understand that two office units of the Property, namely Units 1209 and 1210, were let to a third party during the period from 15 August 2013 to 14 August 2016 and the remaining five office units are occupied by the Vendor. For the preparation of the profit and loss statement on the identifiable income stream in relation to Units 1209 and 1210 of the Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, access to the underlying books and records of the Vendor covering the Relevant Financial Years is required. However, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group and/or the reporting accountants of the Company to gain access to the abovementioned underlying books and records of the Vendor nor has the Vendor agreed to provide to the Group the above information in relation to the Property, except for a copy of tenancy agreement in respect of Units 1209 and 1210 of the Property (the “**Tenancy Agreement**”) is obtained through a land search of the Property. As such, the Group is not able to comply with the disclosure requirement under Rule 14.67(6)(b)(i) of the Listing Rules.

Given that the Group did not take into account the rental income of the Property when determining the consideration paid to the Vendor for the sale and purchase of the Property, the Company has therefore applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange on 19 June 2017, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following unaudited financial information of Units 1209 and 1210 of the Property be disclosed instead.

Pursuant to the Tenancy Agreement, which has a fixed term of three years commencing on 15 August 2013 and expiring on 14 August 2016 (both days inclusive) with an option to renew for two years at prevailing market rent, the monthly rental is HK\$135,888 (exclusive of government rates, management fees and air-conditioning charges). Pursuant to the Tenancy Agreement, the tenant is responsible for management fees, all government rates, duties, charges and outgoings, and all charges for gas, water, electricity and telephone rental and other outgoings while the Vendor is responsible for property tax, government rent and outgoings of a capital nature.

Based on the Tenancy Agreement, the gross rental income of Units 1209 and 1210 of the Property during the Relevant Financial Years is set out below:

	For the year ended 31 December		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross rental income	<u>1,627</u>	<u>1,627</u>	<u>1,017</u>

Notes:

- The gross rental income for the Relevant Financial Years is derived from the Tenancy Agreement. It may not give a true picture of the profit attributable to Units 1209 and 1210 of the Property for the Relevant Financial Years as no underlying books and records of the Vendor are available for inspection to ensure that the rental income has been received.
- Pursuant to the Tenancy Agreement, the tenant is responsible for management fees, all government rates, duties, charges and outgoings, and all charges for gas, water, electricity and telephone rental and other outgoings while the Vendor is responsible for property tax, government rent and outgoings of a capital nature.

Based on the result of an inquiry made with the Lands Department of the Hong Kong Government, no apportionment of the government rent of the land on which the building of the Property formed part had been made and the government rent would normally be paid by the building management company. The building management company would normally charge the government rent to the Vendor by way of management fees.

Based on the allowance for repairs and outgoings of 20% and the tax rate of 15% for the Hong Kong Property Tax for the years of assessment 2014/15, 2015/16 and 2016/17 on the net assessable value in respect of rents and other benefits (if any) received by a property owner of land or buildings situated in Hong Kong. Assuming the Vendor only receives rents and no other benefit for the period from 15 August 2013 to 14 August 2016, the Hong Kong Property Tax paid and payable in respect of the Tenancy Agreement is estimated to be approximately HK\$195,000, HK\$195,000 and HK\$122,000 for the year ended 31 December 2014, the year ended 31 December 2015 and for the period from 1 January 2016 to 14 August 2016, respectively.

Based on the payment records of the Group relating to the Company's existing head office, which is located at Shun Tak Centre, West Tower, the Directors estimate:

- the government rates of Units 1209 and 1210 of the Property paid and payable for the years ended 31 December 2014, 2015 and 2016 is HK\$85,000, HK\$89,000 and HK\$95,000, respectively; and
- the management fees of the Units 1209 and 1210 of the Property paid and payable for the years ended 31 December 2014, 2015 and 2016 is HK\$165,000, HK\$187,000 and HK\$189,000, respectively.

3. Save and except for the estimated expenses as set out above, the Directors are not able to ascertain the amount of any other expenses in relation to Units 1209 and 1210 of the Property due to no permission for the Group and/or the reporting accountants of the Company to access the underlying books and records of the Vendor being granted and limited information available. Accordingly, no other expenses such as air-conditioning fees, depreciation, repair and maintenance expenses, legal and professional fees and finance costs, etc. in respect of Units 1209 and 1210 of the Property (if any) are included in the financial information set out above. The above financial information is prepared using accounting policies which are materially consistent with those of the Group.
4. The following procedures have been undertaken by HLB Hodgson Impey Cheng Limited, the reporting accountants of the Company, in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) with respect to the Tenancy Agreement:
 - (i) the reporting accountants obtained the schedule setting out the address, name of tenant and landlord, rental period, monthly rent and gross rental income for the Relevant Financial Years from the Directors (the “**Gross Rental Income Summary**”) and checked the arithmetical accuracy of the gross rental income for the Relevant Financial Years. The Gross Rental Income Summary is prepared by and is the sole responsibility of the Directors; and
 - (ii) the reporting accountants agreed the address, name of tenant and landlord, rental period, monthly rent and gross rental income (the “**Particulars**”) of the Gross Rental Income Summary to the Tenancy Agreement provided by the Directors.

Based on the information and documents made available to the reporting accountants of the Company, their findings are:

- (i) with respect to procedure no. (i) above, the reporting accountants found the gross rental income for the Relevant Financial Years to be arithmetically accurate; and
- (ii) with respect to procedure no. (ii) above, the reporting accountants found the Particulars to be in agreement with the Tenancy Agreement.

As the above agreed-upon procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, HLB Hodgson Impey Cheng Limited, the reporting accountants of the Company, does not express any assurance on the gross rental income of the Property and the Gross Rental Income Summary.

Had the reporting accountants performed additional procedures or had the reporting accountants performed an assurance engagement of the gross rental income of the Property in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to the reporting accountants’ attention that would have been reported to the Directors.

Having taken into account the above disclosure of the unaudited financial information of the Property, the Directors consider the omission of the profit and loss statement for the Property's net income stream for the Relevant Financial Years would not render this circular materially incomplete, misleading or deceptive.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of Eternity Investment Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) presented below is prepared to illustrate the financial position of the Group as if the proposed acquisition (the “**Acquisition**”) of Units Nos. 1201, 1202, 1203, 1209, 1210, 1211 and 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168 – 200 Connaught Road Central, Hong Kong (the “**Property**”) at a purchase price of HK\$322,000,000 had been completed on 31 December 2016. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group at 31 December 2016 or at any future date had the Acquisition been completed on 31 December 2016.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of assets and liabilities of the Group at 31 December 2016 extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2016 as set out in the published annual report of the Company, and adjusted for the effects of the Acquisition to illustrate how the Acquisition might have affected the financial position of the Group as if the Acquisition took place on 31 December 2016. The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Group for the year ended 31 December 2016 and other financial information included elsewhere in this circular.

The Unaudited Pro Forma Financial Information had been prepared using the accounting policies consistent with those of the Group as set out in the published annual report of the Group for the year ended 31 December 2016.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES

	Audited consolidated statement of assets and liabilities of the Group at 31 December 2016 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited pro forma adjustments <i>HK\$'000</i>	<i>Notes</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group upon completion of the Acquisition <i>HK\$'000</i>
Non-current assets				
Property, plant and equipment	432,976	161,837	2	594,813
Investment properties	561,089	190,359	2	751,448
Intangible assets	890,185			890,185
Goodwill	332,189			332,189
Interests in associates	600			600
Available-for-sale financial assets	365,172			365,172
Deferred tax assets	4,738			4,738
Prepayments	1,561			1,561
Loans receivables	138,500			138,500
	<u>2,727,010</u>			<u>3,079,206</u>
Current assets				
Inventories	45,636			45,636
Loans receivables	312,663			312,663
Trade receivables	63,160			63,160
Deposits, prepayments and other receivables	101,261			101,261
Amount due from an associate	1,697			1,697
Financial assets at fair value through profit or loss	544,442			544,442
Tax recoverable	6,694			6,694
Cash and cash equivalents	438,975	(352,196)	2	185,424
		99,220	3	
		(575)	4	
	<u>1,514,528</u>			<u>1,260,977</u>

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES *(Continued)*

	Audited consolidated statement of assets and liabilities of the Group at 31 December 2016 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited pro forma adjustments <i>HK\$'000</i>	<i>Notes</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group upon completion of the Acquisition <i>HK\$'000</i>
Current liabilities				
Trade payables	36,532			36,532
Deposits received, accruals and other payables	173,497			173,497
Receipts in advance	36,512			36,512
Promissory notes	30,000			30,000
Tax payables	85,318			85,318
Amount due to an associate	991			991
Bank borrowings	27,203			27,203
	<u>390,053</u>			<u>390,053</u>
Net current assets	<u>1,124,475</u>			<u>870,924</u>
Total assets less current liabilities	<u>3,851,485</u>			<u>3,950,130</u>
Non-current liabilities				
Other payables	85,670			85,670
Receipts in advance	59,400			59,400
Bank borrowings	117,878			117,878
Deferred tax liabilities	339,398			339,398
	<u>602,346</u>			<u>602,346</u>
Net assets	<u><u>3,249,139</u></u>			<u><u>3,347,784</u></u>

Notes:

1. The figures are extracted from the audited consolidated statement of financial position of the Group at 31 December 2016 as set out in the Company's published annual report for the year ended 31 December 2016.
2. The adjustment represents the acquisition of the Property at the purchase price of HK\$322,000,000 together with other directly attributable costs of HK\$30,196,000, comprising stamp duty of HK\$27,370,000 and other expenses of HK\$2,826,000, including property agent commission and legal fees relating to the Acquisition. The purchase price and transactions costs of HK\$352,196,000 are settled by the Group's internal resources and the net proceeds of HK\$99,220,000 from the Placing (as defined below) as completed on 16 May 2017.

The Property has been majority occupied by the vendor. Vacant possession of the Property will be delivered to the Group upon completion of the Acquisition.

For financial reporting purposes, the Property is classified into (i) property, plant and equipment and (ii) investment properties as the directors of the Company intend to use part of the Property as the head office of the Company and lease out the remaining part to generate rental income upon completion of the Acquisition. The Property consists of seven office units. Three office units of the Property, namely Units 1209, 1210 and 1211, are intended to be used as the head office. These three office units are accounted for as property, plant and equipment and initially measured at costs of HK\$161,837,000 (inclusive of transaction costs of HK\$13,876,000). These three office units are subsequently measured at costs less accumulated depreciation. The remaining four office units of the Property are intended to be leased out for generating rental income. These four office units are accounted for as investment properties and initially measured at costs of HK\$190,359,000 (inclusive of transaction costs of HK\$16,320,000). These four office units are subsequently measured at fair value. Any subsequent increase or decrease in the fair value of the investment properties is not reflected in the Unaudited Pro Forma Financial Information.

Given that the provisional sale and purchase agreement entered into between the Group and the vendor dated 13 April 2017 does not provide the purchase price of each office unit, the directors of the Company estimate the purchase price of each office unit in allocating the costs into property, plant and equipment, and investment properties. The estimated purchase price of each office unit is apportioned by the directors of the Company based on the purchase price of HK\$322,000,000 with reference to the fair value of each office unit as at 30 April 2017 valued by APAC Asset Valuation and Consulting Limited.

The fair value of each office unit is provided by APAC Asset Valuation and Consulting Limited for the purpose of estimating the purchase price of each office unit in allocating the purchase price and transaction costs of the Acquisition into properties, plant and equipment and investment properties only. The following table shows (i) the fair value as at 30 April 2017, the estimated purchase price, the transaction costs, and the total estimated purchase price and transaction costs of each office unit; and (ii) the breakdown of purchase price and transaction costs allocated into property, plant and equipment, and investment properties.

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

Office unit	Fair value as at 30 April 2017 HK\$	Estimated purchase price HK\$	Transaction costs HK\$	Total estimated purchase price and transaction costs HK\$
1209	39,500,000	39,015,000	3,659,000	42,674,000
1210	39,500,000	39,015,000	3,659,000	42,674,000
1211	70,800,000	69,931,000	6,558,000	76,489,000
Classified as property, plant and equipment	N/A	147,961,000	13,876,000	161,837,000
1201	61,000,000	60,252,000	5,650,000	65,902,000
1202	32,800,000	32,398,000	3,038,000	35,436,000
1203	31,600,000	31,212,000	2,927,000	34,139,000
1212	50,800,000	50,177,000	4,705,000	54,882,000
Classified as investment properties	N/A	174,039,000	16,320,000	190,359,000
Total	326,000,000	322,000,000	30,196,000	352,196,000

The transaction costs of the Acquisition are allocated into property, plant and equipment, and investment properties based on the estimated purchase price of each office unit of the Property.

3. On 16 May 2017, the Company allotted and issued 643,200,000 new shares at a price of HK\$0.16 per share to independent third parties by way of placing of new shares under general mandate (the “**Placing**”) arising HK\$99,220,000 for financing the Acquisition. The effect of the Placing is included in the Unaudited Pro Forma Financial Information as the Placing is directly related to the Acquisition.
4. The adjustment represents the estimated professional fees and other expenses to be incurred in connection with the Acquisition of HK\$575,000 which would be recognised in the Group’s consolidated statement of profit or loss upon completion of the Acquisition. This adjustment does not have continuing effect on the Group.
5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2016, for the purpose of preparation of the Unaudited Pro Forma Financial Information.

The following is the text of a report received from the reporting accountants of the Company, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information for the purpose of incorporation in this Circular.



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

30 June 2017

The Board of Directors
Eternity Investment Limited
Unit 3811, Shun Tak Centre,
West Tower,
168-200 Connaught Road Central
Hong Kong

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

TO THE BOARD OF 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 of the Company for illustrative purposes only. The unaudited pro forma financial information consists of unaudited pro forma consolidated statement of assets and liabilities at 31 December 2016 (the “**Unaudited Pro Forma Financial Information**”), and related notes as set out in Appendix III of the circular dated 30 June 2017 issued by the Company (the “**Circular**”). The applicable criteria on the basis of which the directors of the Company have complied the Unaudited Pro Forma Financial Information are described in Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the major acquisition in relation to the proposed acquisition of Units Nos. 1201, 1202, 1203, 1209, 1210, 1211 and 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168 – 200 Connaught Road Central, Hong Kong on the Group’s financial position at 31 December 2016 as if it had taken place at 31 December 2016. As part of this process, information about the Group’s financial position has been extracted by the directors of the Company from the Group’s consolidated statement of financial position for the year ended 31 December 2016 on which an annual report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company 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 requirements 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.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” 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 plan and perform procedures to obtain reasonable assurance about whether the directors of the Company 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 the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 event or transaction at 31 December 2016 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 of the Company in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, 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 event or transaction 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 has been properly compiled 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

The following is the text of a valuation report prepared for inclusion in this circular, received from APAC Asset Valuation and Consulting Limited, an independent property valuer, in connection with its valuations as of 30 April 2017 of the Property.



APAC Asset Valuation and Consulting Limited

Units 07-08, 17/F, Loon Kee Building,
267 – 275 Des Voeux Road Central, Hong Kong
Tel: (852) 2357 0059
Fax: (852) 2951 0799

The Directors
Eternity Investment Limited
Unit 3811
Shun Tak Centre, West Tower
Nos. 168 – 200 Connaught Road Central
Hong Kong

30 June 2017

Dear Sirs,

**RE: UNIT NOS. 1201, 1202, 1203, 1209, 1210, 1211 AND 1212 ON
12/F OF WEST TOWER, SHUN TAK CENTRE, NOS. 168 – 200
CONNAUGHT ROAD CENTRAL, HONG KONG (THE “PROPERTY”)**

In accordance with the instructions from Eternity Investment Limited (the “**Company**”) for us to value the Property situated in Hong Kong, we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 April 2017 (the “**Valuation Date**”) for the purpose of incorporation into the circular issued by the Company. The results of our analysis should not be construed to be a fairness opinion, solvency opinion or an investment recommendation. It is inappropriate to use our valuation report for purpose other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment of the valuation and underlying assumptions.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

We are independent of the Company and our valuation is prepared in accordance with the “International Valuation Standards” published by International Valuation Standards Council and the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the Property.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the Property nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

VALUATION METHODOLOGY

In undertaking our valuation for the Property, we have valued the Property by the Direct Comparison Approach on the assumption that the Property can be sold in its existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available on the relevant market.

TITLE AND ASSUMPTIONS

We have not been provided with any title documents relating to the Property but we have caused searches to be made at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers. As advised by the Company and according to the Land Register from the Land Registry, there are no investigations, notices, pending litigation, breaches of law or title defects against the Property.

SOURCES OF INFORMATION

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, floor areas and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation report are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

SITE INSPECTIONS

Site inspection of the Property was carried out by Mr. K. H. Cheung in May 2017. We have inspected the exterior and, where possible, the interior of the Property. We have not inspected those parts of the Property which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have not carried out detailed measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the title documents handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

In the course of our inspection, we did not notice any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free of rot, infestation or any other structural defects. No tests have been carried out on any of the services.

LIMITATION OF LIABILITIES

This valuation report is issued on the understanding that you have drawn our attention to all matters of which they are aware concerning the Property which may have an impact on our valuation report up to the Valuation Date. We have no responsibility to update this valuation report for events and circumstances occurring after the date of completion of our assessment but will be pleased to discuss further instructions as may be required.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this valuation report and our calculation have been sent to the Company. The Company has reviewed and orally confirmed to us that facts as stated in this valuation report and calculation are accurate in all material respects and that the Company is not aware of any material matters relevant to our engagement which have been excluded.

CURRENCY

Unless otherwise stated, all monetary amounts in our valuation are in Hong Kong Dollars (HK\$).

Our valuation report is attached.

Yours faithfully,

For and on behalf of

APAC Asset Valuation and Consulting Limited

K. H. Cheung

MRICS RPS (GP)

Associate Director

Note: Mr. K. H. Cheung is a Registered Professional Surveyor in General Practice Division with over 13 years' valuation experience on properties in Hong Kong and the PRC.

VALUATION REPORT

Property to be acquired by the Group

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2017
Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 and 1212 on 12/F of West Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong	The West Tower of Shun Tak Centre (the “ Development ”) is situated on the northeastern side of Connaught Road Central in Sheung Wan District of Hong Kong. The immediately locality is a traditional commercial area.	As advised by the Company and according to our site inspection, as at the Valuation Date, portion of the Property (Unit Nos. 1201 to 1203 and 1210 to 1212) was occupied by Melchers (H.K.) Limited while the remaining units was vacant.	HK\$326,000,000
196/33,888th shares of and in Inland Lot No. 8517	Developments in the vicinity mainly comprise office buildings of different ages and heights. The Development is a high-rise office building with retail shops and car parking spaces on lower floors and was completed in 1985. The Property comprises seven office units on Level 12 of the Development. As advised by the Company, the total gross area of the seven office units is approximately 12,793 sq.ft. Details of the gross area of each unit of the Property are listed as follows:		
		Gross Area	
	Unit	(sq.ft.)	
	1201	2,559	
	1202	1,440	
	1203	1,391	
	1209	1,391	
	1210	1,440	
	1211	2,559	
	1212	2,013	
	Total	12,793	

The Property is held under Conditions of Grant No. UB11612 for a term of 75 years commencing on 31 December 1980 and renewable for a further term of 75 years with a Government rent of HK\$1,000 per annum.

Notes:

1. The registered owner of the Property is Melchers (H.K.) Limited.
2. The Property is subject to the following encumbrances:
 - i. Deed of Mutual Covenant and Management Agreement in favour of Shun Tak Properties Limited “The Manager” vide Memorial No. UB3018018 dated 4 March 1986;
 - ii. Re-registration of Deed of Mutual Covenant and Management Agreement vide Memorial No. UB4861400 dated 4 March 1986;
 - iii. Management Agreement in favour of Shun Tak Properties Limited “The Manager” vide Memorial No. UB4892765 dated 15 March 1991;
 - iv. Management Agreement in favour of Shun Tak Properties Limited “The Manager” vide Memorial No. UB7083261 dated 7 March 1997;
 - v. Tenancy Agreement re Unit Nos. 1209 and 1210 in favour of National Prosperity Gold Production (HK) Company Limited for a term of 3 years from 15 August 2013 to 14 August 2016 with an option to renew for a further term of 2 years with a rent of HK\$135,888 per month vide Memorial No. 13082300540017 dated 15 August 2013; and
 - vi. Provisional Agreement for Sale and Purchase in favour of Max Winner Investments Limited with a consideration of HK\$322,000,000 vide Memorial No. 17042100320054 dated 13 April 2017.
3. The Property currently lies within an area zoned “Commercial” under Approved Central District Outline Zoning Plan No. S/H4/16.

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	<i>Note</i>	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	5.48%
Mr. Cheung Kwok Wai Elton	<i>1</i>	Held by controlled corporations	211,416,000	5.48%

Name of Director	Note	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Cheung Kwok Fan	1	Held by controlled corporations	211,416,000	5.48%
Mr. Chan Kin Wah Billy		Beneficial owner	6,319,500	0.16%

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	32,150,000	32,150,000
Mr. Cheung Kwok Wai Elton	Beneficial owner	32,160,000	32,160,000
Mr. Cheung Kwok Fan	Beneficial owner	32,160,000	32,160,000
Mr. Chan Kin Wah Billy	Beneficial owner	32,150,000	32,150,000

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 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. Tsoi Tung		Beneficial owner	372,416,803	9.65%
Twin Success	1	Beneficial owner	211,416,000	5.48%
Silver Pacific International Limited	1 and 2	Held by controlled corporation	211,416,000	5.48%
Silver Pacific Development Limited	1 and 3	Held by controlled corporation	211,416,000	5.48%
Mr. Lei Hong Wai	1 and 2	Held by controlled corporations	211,416,000	5.48%
Mr. Cheung Kwok Wai Elton	1 and 3	Held by controlled corporations	211,416,000	5.48%
Mr. Cheung Kwok Fan	1 and 3	Held by controlled corporations	211,416,000	5.48%

Notes:

1. Twin Success is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited.
2. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai.
3. 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 Shareholder	Capacity	Number of share options held	Number of underlying Shares
Mr. Lei Hong Wai	Beneficial owner	32,150,000	32,150,000
Mr. Cheung Kwok Wai Elton	Beneficial owner	32,160,000	32,160,000
Mr. Cheung Kwok Fan	Beneficial owner	32,160,000	32,160,000

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

On 17 March 2017, Mr. Lei Hong Wai, the Chairman of the Board and an executive Director, made a cash advance of HK\$10,000,000 to the Group for financing the short-term funding needs of the Group. The cash advance was non-interest bearing and unsecured. On 28 March 2017, the Group repaid HK\$10,000,000 to Mr. Lei Hong Wai.

Save as disclosed above, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group since 31 December 2016, being the date to which the latest published audited consolidated accounts of the Group were made up.

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 Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, being the date to which the latest published audited consolidated accounts of the Group were made up.

5. COMPETING INTEREST

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or their respective associates (as defined in the Listing Rules) had any business or interest that competes or may compete with the business of the Group or any other conflict of interest with the Group:

- (a) Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan (each an executive Director) have an indirect interest in approximately 13.43% of the issued share capital of Man Sang through their beneficial interests in Twin Success. In addition, Mr. Lei Hong Wai is the chairman of the board of directors and an executive director of Man Sang and Mr. Cheung Kwok Wai Elton is an executive director of Man Sang. Therefore, Man Sang competes with the Group's property investment business.
- (b) Mr. Cheung Kwok Wai Elton is the chairman of the board of directors and an executive director of Global Mastermind Holdings Limited (stock code: 8063), a company listed on the Growth Enterprise Market of the Stock Exchange engaging in the provision and operation of travel business, treasury business, money lending and asset management and which therefore competes with the Group's money lending business.

6. LITIGATIONS

As at the Latest Practicable Date, the Group was not 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 Group.

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 Group within the two years immediately preceding the Latest Practicable Date, and are material:

- (a) the supplemental agreement dated 28 August 2015 entered into between EDS Wellness Holdings Limited, now known as SkyNet Group Limited and a then 70.18% owned subsidiary of the Company, 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 further extension of the long stop date of the subscription agreement dated 17 February 2015 entered into by the same parties relating to the proposed subscription of 345,000,000 new ordinary shares and 30,000,000 new preferred shares in the share capital of EDS Wellness Holdings Limited from 31 August 2015 to 31 October 2015;
- (b) the sale and purchase agreement dated 7 September 2015 entered into between Sino Credit Holdings Limited, now known as Gome Finance Technology Co., Ltd., as vendor and Golden Stone Management Limited, a wholly owned subsidiary of the Company, as purchaser relating to the sale and purchase of the entire equity interests of Best Volume Investments Limited at a consideration of HK\$400,000,000;

- (c) 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[#], “**Bayhood No. 9**”), a wholly owned subsidiary of the Company, and China Jiu hao Health Industry Corporation Limited (“**Jiu hao Health**”, now known as Huayi Tencent Entertainment Company Limited) 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 at nil consideration;
- (d) 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 at nil consideration;
- (e) the placing agreement dated 27 January 2016 entered into between the Company as issuer and Kingston Securities Limited as placing agent relating to the placing of up to 536,000,000 new Shares to not fewer than six independent investors on a best effort basis at a price of HK\$0.125 per Share;
- (f) the memorandum of understanding dated 29 August 2016 entered into between Riche (BVI) Limited, a wholly owned subsidiary of the Company, as vendor and an Independent Third Party as potential purchaser relating to the sale and purchase of the entire shareholding interest in Smart Title Limited, a wholly owned subsidiary of Riche (BVI) Limited, at a proposed consideration of not less than HK\$2,500 million;
- (g) the placing agreement dated 23 November 2016 entered into between New Cove Limited, a wholly owned subsidiary of the Company, as vendor and Luk Fook Securities (HK) Limited as placing agent in relation to the private placement of up to 25,000,000 existing ordinary shares in the share capital of SkyNet Group Limited, formerly known as EDS Wellness Holdings Limited, held by New Cove Limited to independent investors on a best effort basis at a placing price of HK\$4.80 per share;

[#] For the purpose of identification only.

- (h) the Provisional Agreement;
- (i) the placing agreement dated 26 April 2017 entered into between the Company as issuer and Kingston Securities Limited as placing agent relating to the placing of up to 643,200,000 new Shares to not fewer than six independent investors on a best effort basis at a price of HK\$0.16 per Share;
- (j) the non-legally binding letter of intent dated 10 May 2017 entered into between Riche (BVI) Limited and China Healthwise Holdings Limited relating to the possible disposal by Riche (BVI) Limited to China Healthwise Holdings Limited of the entire shareholding interest in Smart Title Limited; and
- (k) the Formal Agreement, if signed.

10. EXPERTS AND CONSENTS

The followings are the qualifications of the experts who have given opinions and advices, which are contained in this circular:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
APAC Asset Valuation and Consulting Limited	Independent professional valuer

Each of HLB Hodgson Impey Cheng Limited and APAC Asset Valuation and Consulting Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report, references to its name and/or its advice in the form and context in which it appears.

11. EXPERTS' INTERESTS

As at the Latest Practicable Date, each of HLB Hodgson Impey Cheng Limited and APAC Asset Valuation and Consulting Limited,

- (a) was not interested, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, being the date to which the latest published audited consolidated accounts of the Group were made up; and
- (b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

12. 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 reports of the Company for the financial years ended 31 December 2014, 2015 and 2016;
- (c) the material contracts referred to in the paragraph headed "9. MATERIAL CONTRACTS" in this Appendix;
- (d) the letter from HLB Hodgson Impey Cheng Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this circular;
- (e) the valuation report from APAC Asset Valuation and Consulting Limited of the Property, the text of which is set out in Appendix IV to this circular;
- (f) the written consents of the experts referred to in the paragraph headed "10. EXPERTS AND CONSENTS" 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 2016, being the date of the latest published audited accounts, i.e. this circular.

NOTICE OF SPECIAL GENERAL MEETING



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Eternity Investment Limited (the “**Company**”) will be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 18 July 2017 at 10:30 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the provisional sale and purchase agreement dated 13 April 2017, as may be varied by and/or superseded with the formal sale and purchase agreement (the “**Agreement**”) to be entered into between Melchers (H.K.) Limited as vendor and Max Winner Investments Limited, a wholly owned subsidiary of the Company, as purchaser in relation to the sale and purchase of property located at Units Nos. 1201, 1202, 1203, 1209, 1210, 1211 and 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong, copy of the Agreement is tabled at the Meeting marked “A” and signed by the Chairman of the Meeting for the purpose of identification, and the transactions contemplated thereunder (the “**Acquisition**”) be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the directors of the Company be and is/are hereby authorised for and on behalf of the Company to sign and execute under seal all such documents and to do all such acts and things incidental to, ancillary to or in connection with the Acquisition.”

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

Hong Kong, 30 June 2017

NOTICE OF SPECIAL GENERAL MEETING

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 member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company.
2. 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.
3. 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.
4. Where there are joint registered holders of any shares of the Company, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such holders be present at the Meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Thursday, 13 July 2017 to Tuesday, 18 July 2017, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with 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 4:30 p.m. on Wednesday, 12 July 2017.
6. The voting on the resolution will be conducted by way of poll.