
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**ETERNITY INVESTMENT LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

**MAJOR TRANSACTION IN RELATION TO
THE PROPOSED DISPOSAL OF LISTED SECURITIES
AND
NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 12 of this circular.

A notice convening the special general meeting of the Company to be convened and held at Meeting Room (Soho 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 16 March 2021 at 11:30 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 websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.ernityinv.com.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 54, 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.

23 February 2021

CONTENTS

	<i>Page</i>
DEFINITIONS	1
PRECAUTIONARY MEASURES FOR THE SGM	4
LETTER FROM THE BOARD	5
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — GENERAL INFORMATION	II-1
NOTICE OF SPECIAL GENERAL MEETING	SGM-1

DEFINITIONS

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

“BC Technology”	BC Technology Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Exchange under stock code: 863
“Beijing Bayhood No. 9 Co.”	北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited*), a company established and registered in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Club”	a membership-based golf club and resort constructed on a piece of 1,150 Chinese acres land located in Beijing, the PRC, in which Beijing Bayhood No. 9 Co. has the rights to operate and manage
“Company”	Eternity Investment Limited, an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Exchange under stock code: 764
“Completion”	the completion of the Proposed Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Eternity Finance”	Eternity Finance Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Exchange”	The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries

* *For identification purpose only*

DEFINITIONS

“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
“Latest Practicable Date”	18 February 2021, 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 Exchange
“Notes”	the HK\$270,000,000 13% guaranteed secured notes due 2021 issued by the Company on 29 September 2020 pursuant to the subscription and note instrument agreement dated 25 September 2020
“PRC”	the People’s Republic of China excluding, for the purposes of this circular, Hong Kong and the Macau Special Administrative Region of the PRC
“Previous Disposals”	the disposals in aggregate of 6,000,000 Sale Shares by Eternity Finance at an aggregate consideration of HK\$84,000,000 (excluding transaction costs) on 8 December 2020 and 9 December 2020, details of which are set out in the announcement of the Company dated 9 December 2020
“Proposed Disposal”	the proposed disposal of 12,000,000 Sale Shares by Eternity Finance for a consideration of HK\$186,000,000 pursuant to the Sale and Purchase Agreement
“Purchaser”	Ever Sure International Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between Eternity Finance and the Purchaser on 7 January 2021 (as amended and supplemented by the Supplemental Agreement) in respect of the sale and purchase of 12,000,000 Sale Shares

DEFINITIONS

“Sale Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of BC Technology
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at Meeting Room (Soho 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 16 March 2021 at 11:30 a.m. to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Shun Tak Property”	the Group’s properties located at Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 & 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong
“Subject Land”	a piece of 580 Chinese acre land adjacent to the Club
“Supplemental Agreement”	the supplemental agreement entered into between Eternity Finance and the Purchaser on 4 February 2021 in relation to the extension of the long stop date from 28 February 2021 to 31 May 2021 or such other date as Eternity Finance and the Purchaser shall agree in writing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the PRC
“%”	per cent.

PRECAUTIONARY MEASURES FOR THE SGM

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the SGM venue or be required to leave the SGM venue.
- (ii) The Company requests attendees to wear surgical face masks inside the SGM venue at all times, and to maintain a safe distance between seats.
- (iii) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative, by using forms of proxy with voting instructions inserted, Shareholders may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM instead of attending the SGM in person.

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai

(Chairman and Chief Executive Officer)

Mr. Cheung Kwok Wai Elton

Mr. Chan Kin Wah Billy

Mr. Cheung Kwok Fan

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Wan Shing Chi

Mr. Ng Heung Yan

Mr. Wong Tak Chuen

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

Unit 1211, Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

23 February 2021

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF LISTED SECURITIES

INTRODUCTION

On 7 January 2021, Eternity Finance as vendor and the Purchaser as purchaser entered into the Sale and Purchase Agreement relating to the Proposed Disposal of 12,000,000 Sale Shares at a consideration of HK\$186,000,000. The selling price of each Sale Share is HK\$15.50.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with, among other things, (i) further details in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, (ii) other information required to be disclosed under the Listing Rules; and (iii) a notice convening the SGM together with a form of proxy.

THE SALE AND PURCHASE AGREEMENT

The principal terms and conditions of the Sale and Purchase Agreement are set out as follows:

Date

7 January 2021 (as amended and supplemented by the Supplemental Agreement dated 4 February 2021)

Parties

- (i) The vendor: Eternity Finance, a wholly-owned subsidiary of the Company
- (ii) The purchaser: The Purchaser

Subject of the Proposed Disposal

An aggregate of 12,000,000 Sale Shares, representing approximately 3.14% of the issued share capital of BC Technology as at the Latest Practicable Date, subject to the terms and conditions of the Sale and Purchase Agreement.

Consideration

The consideration for the Proposed Disposal is HK\$186,000,000, which represents selling price of HK\$15.50 per Sale Share, and will be settled in cash:

- (i) as to a deposit of HK\$10,000,000 (the “**Deposit**”) on the date of signing of the Sale and Purchase Agreement; and
- (ii) as to the remaining of HK\$176,000,000 upon Completion.

LETTER FROM THE BOARD

The consideration was determined after arm's length negotiations between Eternity Finance and the Purchaser with reference to, among other things, (i) the closing price of the Sale Shares for the three months immediately preceding the date of the Sale and Purchase Agreement, which ranged between HK\$9.18 and HK\$19.22, with a median of HK\$11.50; (ii) the thin daily trading volume of the Sale Shares on the Exchange, which ranged between 36,500 Sale Shares and 8,748,833 Sale Shares (excluding the 45,000,000 Sale Shares placed to the places pursuant to the placing of existing shares and top-up subscription of new shares of BC Technology announced on 5 January 2021), with a median of 266,750 Sale Shares for the three months immediately preceding the date of the Sale and Purchase Agreement, versus the 12,000,000 Sale Shares to be disposed of under the Proposed Disposal; (iii) the latest available public information of BC Technology relating to the placing of existing shares and top-up subscription of new shares of BC Technology at the placing and subscription price of HK\$15.50 per Sale Share announced on 5 January 2021; and (iv) the factors mentioned in the section headed "Reasons for and benefits of the Proposed Disposal" in this letter. Having considered that (i) the selling price of HK\$15.50 per Sale Share is above the median of the closing price for the three-month period immediately preceding the date of the Sale and Purchase Agreement and is equivalent to the placing and subscription price of the placing of existing shares and top-up subscription of new shares of BC Technology announced on 5 January 2021; and (ii) the disposal of the 12,000,000 Sale Shares through on-market transactions, which is far more than the daily median trading volume of the Sale Shares as mentioned above, it is highly likely that the share price of BC Technology is under severe pressure, the Directors consider that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the fulfillment of the following conditions:

- (i) the Shareholders having approved the transactions contemplated by the Sale and Purchase Agreement at the SGM in accordance with the Listing Rules; and
- (ii) the warranties given by both Eternity Finance and the Purchaser contained in the Sale and Purchase Agreement remaining true, accurate in all material respects and not misleading in any material respect.

If the above conditions have not been satisfied on or before 31 May 2021 or such other date as Eternity Finance and the Purchaser shall agree in writing, the Sale and Purchase Agreement shall cease and determine.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

LETTER FROM THE BOARD

Completion

Completion shall take place on the third business day after the satisfaction of the above conditions or such other date as Eternity Finance and the Purchaser shall agree.

If any party fails to complete the Sale and Purchase Agreement in the manner provided therein, the Sale and Purchase Agreement shall cease and determine. The defaulting party shall compensate all reasonable economic losses suffered or incurred by the other party.

If the Purchaser breaches the Sale and Purchase Agreement, Eternity Finance is not required to refund the Deposit to the Purchaser if the other rights of Eternity Finance under the Sale and Purchase Agreement are not affected.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands and its principal activity is investment holding. The ultimate beneficial owner of the Purchaser is Mr. Zhang Chong, who is a merchant.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

INFORMATION OF BC TECHNOLOGY

BC Technology is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Exchange under stock code: 863. BC Technology is an investment holding company and its subsidiaries are principally engaged in the provision for traditional advertising and business park area management services in the PRC and the digital assets and blockchain platform business in Hong Kong and Singapore.

LETTER FROM THE BOARD

The following audited financial information is extracted from the annual report of BC Technology for the year ended 31 December 2019:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	<i>RMB</i>	<i>RMB</i>
Revenue	164,688,445	144,960,209
Loss before taxation	(246,655,587)	(155,775,810)
Loss after taxation	(245,122,309)	(160,696,958)

According to the interim report of BC Technology for the six months ended 30 June 2020, the unaudited consolidated total assets and net asset value of BC Technology as at 30 June 2020 were RMB1,865,212,219 and RMB139,306,113 respectively.

As at the Latest Practicable Date, none of the Directors held directorship in or was interested in the securities of BC Technology.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

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

After completing the Previous Disposals, the Directors have considered realising the Group's remaining investment in BC Technology to take the profit. The Directors have also considered disposing of the 12,000,000 Sale Shares through on-market transactions on the Exchange. Having regarded the thin daily trading volume of the Sale Shares on the Exchange, which ranged between 36,500 Sale Shares and 8,748,833 Sale Shares (excluding the 45,000,000 Sale Shares placed to the places pursuant to the placing of existing shares and top-up subscription of new shares of BC Technology announced on 5 January 2021), with a median of 266,750 Sale Shares for the three months immediately preceding the date of the Sale and Purchase Agreement, versus the 12,000,000 Sale Shares to be disposed of under the Proposed Disposal, the Directors consider that the Proposed Disposal provides an opportunity to the Group in realising the entire 12,000,000 Sale Shares efficiently without triggering a severe pressure which could affect the trading price of the Sale Shares. Given that the consideration of the Proposed Disposal is reached after arm's length negotiations between Eternity Finance and the Purchaser, in particular, the selling price of HK\$15.50 per Sale Share is equivalent to the placing and subscription price of the placing

LETTER FROM THE BOARD

of existing shares and top-up subscription of new shares of BC Technology announced on 5 January 2021 where (i) the placing and subscription price was arrived at after arm's length negotiations among BC Technology, its controlling shareholder and the placing agent who is a third party independent of BC Technology and its connected persons, and (ii) the directors of BC Technology considered the placing and subscription price was fair and reasonable, the Directors consider that the Proposed Disposal is on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Proposed Disposal is HK\$186,000,000 and the net proceeds from the Proposed Disposal is approximately HK\$185,532,000. The Company intends to allocate the net proceeds from the Proposed Disposal for general working capital, financing the development costs of the Subject Land, and/or other investment opportunities when they arise.

FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

Upon Completion, Eternity Finance shall cease to hold any Sale Shares.

Upon Completion, the Group expects to recognise a gain on the Proposed Disposal (before taxation) of HK\$84,720,000, which is the difference between the aggregate consideration for the Proposed Disposal of HK\$186,000,000 and the carrying amount of the 12,000,000 Sale Shares of HK\$101,280,000 as at 30 June 2020.

Assuming Completion had taken place on 30 June 2020, the total assets of the Group would have increased from HK\$3,632,831,000 to HK\$3,717,083,000 due to the recognition of the gain on the Proposed Disposal minus the associated transaction costs, whereas the total liabilities of the Group would have remained unchanged.

It should be noted that the above financial effects of the Proposed Disposal are for illustrative purpose only. The actual impact of the Proposed Disposal to be recognised by the Group will be subject to final audit by the Company's auditors and will be assessed after Completion.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the Proposed Disposal takes place within a 12-month period from the date of the Previous Disposals, the Proposed Disposal is required to aggregate with the Previous Disposals in accordance with Rule 14.22 of the Listing Rules for the purpose of transaction classification set out in Rule 14.06 of the Listing Rules.

As the highest of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Proposed Disposal and the Previous Disposals when aggregated is more than 25% but less than 75%, the Proposed Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Completion is subject to the satisfaction of the conditions as set out in the Sale and Purchase Agreement. As the Proposed Disposal may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder. 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 Sale and Purchase Agreement and the transactions contemplated thereunder. Therefore, no Shareholder is required to abstain from voting for the resolution to approve the Proposed Disposal at the SGM.

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 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 54, 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

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 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

APPENDIX I FINANCIAL INFORMATION OF THE GROUP

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

Financial information and management discussion and analysis of the Group for each of the three years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020 are disclosed in the following documents which have been published on the websites of the Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.eternityinv.com.hk>).

The unaudited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the six months ended 30 June 2020 have been set out in pages 3 to 48 and pages 51 to 84 respectively of the 2020 interim report of the Company which are incorporated by reference into this circular and are available on the Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the 2020 interim report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0922/2020092200706.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 2019 have been set out in pages 104 to 287 and pages 7 to 45 respectively of the 2019 annual report of the Company which are incorporated by reference into this circular and are available on the Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the 2019 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0514/2020051400715.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 2018 have been set out in pages 107 to 279 and pages 8 to 46 respectively of the 2018 annual report of the Company which are incorporated by reference into this circular and are available on the Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the 2018 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/ltn201904251086.pdf>

APPENDIX I FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 31 December 2017 have been set out in pages 98 to 255 and pages 7 to 43 respectively of the 2017 annual report of the Company which are incorporated by reference into this circular and are available on the Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the 2017 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0425/ltn20180425839.pdf>

STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 31 December 2020, 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\$668,080,000, representing:

- a. the outstanding principal amount of the Notes of HK\$250,000,000, which is interest bearing at 13% per annum, secured by (i) a share charge over 100% issued shares in China Jiu hao Health Industry Group Limited, a wholly-owned subsidiary of the Company, and the principal assets of which are (1) the rights to construct and operate the club facilities of the Club, and (2) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land, and (ii) the personal guarantees given by Mr. Lei Hong Wai, the Chairman of the Board and an executive Director, and Mr. Cheung Kwok Wai Elton, an executive Director, and maturing on 25 September 2021;
- b. the banking facilities in the aggregate principal amount of HK\$162,465,000, comprising (i) an instalment loan of HK\$114,080,000, which is interest bearing at 1% per annum over one-month HIBOR or 3% per annum below the prime rate quoted by the bank, whichever is lower, secured by a first legal charge over the Shun Tak Property, guaranteed by the Company and two wholly-owned subsidiaries of the Company, and maturing on 18 March 2038; (ii) two advances of HK\$5,000,000 and HK\$20,000,000 under a revolving term loan, which are interest bearing at HIBOR plus 2% per annum, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing on 8 March 2021 and 27 April 2021 respectively; and (iii) various advances in the aggregate principal amount of HK\$23,385,000 under the account payable financing facilities, which are interest bearing at 2% per annum over HIBOR, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing within five months commencing from January 2021;

APPENDIX I FINANCIAL INFORMATION OF THE GROUP

- c. a loan of HK\$200,000,000 granted by a finance company, which is interest bearing at 8% per annum, secured by (i) the post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, and maturing on 28 May 2021;
- d. the securities margin financing facility of HK\$40,250,000 granted by a securities company, which are interest bearing at prime rate plus 3% per annum and secured by the Group's listed securities in Hong Kong held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai;
- e. the securities margin financing facility of HK\$14,065,000 granted by a securities company, which are interest bearing at a fixed rate of 6% per annum and secured by the Group's listed securities in Hong Kong held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai; and
- f. a cash advance of HK\$1,300,000 made by Mr. Lei Hong Wai to the Group for financing its short-term funding needs. The cash advance is non-interest bearing, unsecured, non-guaranteed and repayable on demand.

Lease liabilities

At the close of business on 31 December 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total lease liabilities of the Group amounted to HK\$285,165,000 in respect of offices, staff dormitories, the rights to construct and operate the club facilities of the Club, the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land leased by the Group as lessee. The lease liabilities are unsecured and non-guaranteed.

Commitments

As at the close of business on 31 December 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had commitments of HK\$238,288,000 relating to:

- a. the development costs of RMB200,308,000 (equivalent to HK\$237,998,000) for the Subject Land which were unsecured, non-guaranteed and contracted but not provided for; and
- b. the renovation costs of HK\$290,000 for the Shun Tak Property which were unsecured, non-guaranteed and contracted but not provided for.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 December 2020, 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 December 2020 and up to the Latest Practicable Date.

WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration of the financial resources available to the Group, the Group will have sufficient working capital for at least twelve months from the date of publication of this circular.

MATERIAL ADVERSE CHANGE

As disclosed in the profit warning announcement of the Company dated 26 August 2020 and the 2020 interim report of the Company published on 22 September 2020, the Group recorded a loss attributable to owners of the Company of HK\$208,757,000 for the six months ended 30 June 2020, as compared with that of HK\$107,958,000 for the six months ended 30 June 2019. This increase in the loss attributable to owners of the Company for the six months ended 30 June 2020 is due to (i) the recognition of HK\$133,716,000 in the allowance for credit losses on loan receivables, and (ii) HK\$36,310,000 increase in the share of losses of associates. These increases are partially offset by a gain of HK\$16,425,000 arising on change in fair value of financial assets at fair value through profit or loss, whereas a loss of HK\$57,696,000 was recorded for the corresponding period in 2019.

Saved as disclosed above, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated accounts of the Group were made up.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The global economy has suffered a significant injury with the novel coronavirus pandemic. Without a vaccine or efficient testing, the global economy will struggle to make a full recovery. As policymakers and businesses are struggling with the impact of the novel coronavirus, the United States has stepped up its pressure on the PRC via export restrictions on technology products and threatened to delist Chinese companies from US stock exchanges. The accelerating tensions between the United States and the PRC can upset the recovery. Against this backdrop, it is expected the road to full recovery is long.

The scale of monetary and fiscal stimulus around the world is unprecedented. Risk assets across the globe have staged a robust rebound since the March 2020 lows. It is believed that central banks will keep the policy ultra-accommodative until the novel coronavirus is fully contained. In this environment, the Directors expect equities to perform well given the massive monetary policy support that has provided. The Directors will adjust the Group's listed securities portfolio from time to time and realise the Hong Kong listed securities held by the Group into cash as and when appropriate in the second half of 2020.

As the development of the second and third phases of the Subject Land has commenced, internal cash resources of the Group are allocated to finance the building works. The Directors slow down the pace of the Group's money lending business and closely monitor the performance of the loan portfolio, especially in the repayment status of each customer. It is expected that the interest income on loans generated from the Group's money lending business in the second half of 2020 will be slightly less than that in the first half of 2020.

As the novel coronavirus severely impairs global demand, the Directors expect the performance of the Group's sale of jewelry business will deteriorate further in the second half of 2020.

The business development on the first phase of the Subject Land is still underway and the Group has just commenced the building works of the second and third phases of the Subject Land. The Directors expect the performance of the Group's property investment business in the second half of 2020 will be mostly the same as the first half of 2020. Given that the building works of the second and third phases of the Subject Land have just commenced, the Directors will put more effort and resources to the Group's property investment business in the coming years to ensure the building works completes as planned.

APPENDIX I FINANCIAL INFORMATION OF THE GROUP

Due to economic and market uncertainty, the Directors remain cautious and watchful over the development of the novel coronavirus pandemic and its impacts. The Directors are committed to lead the Group to weather the challenges and continue to cautiously monitor the business environment and strengthen the Group's business foundation by focusing its existing businesses.

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 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 Exchange:

Long positions

a. Shares

Name of Director	Notes	Number of Shares held and capacity			Approximate percentage of the issued share capital of the Company
		Beneficial owner	Held by controlled corporations	Total	
Mr. Lei Hong Wai	1 and 2	408,740,000	583,832,803	992,572,803	25.99%
Mr. Cheung Kwok Wai Elton	1 and 2	—	583,832,803	583,832,803	15.29%
Mr. Cheung Kwok Fan	1 and 2	—	583,832,803	583,832,803	15.29%
Mr. Chan Kin Wah Billy	—	6,319,500	—	6,319,500	0.17%

Note:

1. Twin Success International Limited (“**Twin Success**”) beneficially owns 583,832,803 Shares. 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.
2. On 5 June 2018, Twin Success pledged its 583,832,803 Shares in favour of Kingston Finance Limited as security for a loan facility.

b. Ordinary shares of HK\$1.00 each of China Healthwise Holdings Limited, a 20.27% owned associate of the Company

Name of Director	Capacity	Number of ordinary shares held	Approximate percentage of the issued share capital of China Healthwise Holdings Limited
Mr. Lei Hong Wai	Beneficial owner	57,463,636	7.46%

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 of Shares

Name of Shareholder	Notes	Number of Shares held and capacity			Total	Approximate percentage of the issued share capital of the Company
		Beneficial owner	Person having a securities interest in Shares	Held by controlled corporations		
Twin Success	1 and 4	583,832,803	—	—	583,832,803	15.29%
Silver Pacific International Limited	1,2 and 4	—	—	583,832,803	583,832,803	15.29%
Silver Pacific Development Limited	1,3 and 4	—	—	583,832,803	583,832,803	15.29%
Mr. Lei Hong Wai	1,2 and 4	408,740,000	—	583,832,803	992,572,803	25.99%
Mr. Cheung Kwok Wai Elton	1,3 and 4	—	—	583,832,803	583,832,803	15.29%
Mr. Cheung Kwok Fan	1,3 and 4	—	—	583,832,803	583,832,803	15.29%
Kingston Finance Limited	4 and 5	—	583,832,803	—	583,832,803	15.28%
Ample Cheer Limited	4 and 5	—	—	583,832,803	583,832,803	15.28%
Best Forth Limited	4 and 5	—	—	583,832,803	583,832,803	15.28%
Ms. Chu Yuet Wah	4,5 and 6	—	—	583,832,815	583,832,815	15.28%

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.
4. On 5 June 2018, Twin Success pledged its 583,832,803 Shares in favour of Kingston Finance Limited as security for a loan facility.
5. Kingston Finance Limited is a wholly-owned subsidiary of Ample Cheer Limited, which is owned as to 80% by Best Forth Limited and as to 20% by Insight Glory Limited. Ms. Chu Yuet Wah owns 100% interest in Best Forth Limited and Insight Glory Limited.
6. Out of the 583,832,815 Shares, 12 Shares are interested by Kingston Securities Limited. Kingston Securities Limited is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 49.19% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.

4. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, Mr. Lei Hong Wai was a director of Twin Success and Silver Pacific International Limited. Mr. Cheung Kwok Wai Elton was a director of Twin Success and Silver Pacific Development Limited. Each of Twin Success, Silver Pacific International Limited, and Silver Pacific Development Limited has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

Save as disclosed below, 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 2019, being the date to which the latest published audited consolidated accounts of the Group were made up.

- a. On 29 November 2018, Mr. Lei Hong Wai provided a personal guarantee to secure the Company's repayment obligations under a loan of HK\$200,000,000 granted by a finance company. No consideration was paid by the Company to Mr. Lei Hong Wai to provide the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

As at the Latest Practicable Date, the provision of the personal guarantee by Mr. Lei Hong Wai remained full force and effect.

- b. On 9 March 2020, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under a securities margin financing facility of HK\$40,000,000 granted by a securities company. No consideration was paid by the Company to Mr. Lei Hong Wai to provide the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

As at the Latest Practicable Date, the provision of the personal guarantee by Mr. Lei Hong Wai remained full force and effect.

- c. On 29 September 2020, each of Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton provided a personal guarantee to guarantee the punctual performance by the Company's obligations under the Notes. No consideration was paid by the Company to Mr. Lei Hong Wai and/or Mr. Cheung Kwok Wai Elton to provide the personal guarantees. No security over the assets of the Group was provided for the personal guarantees given by Mr. Lei Hong Wai and/or Mr. Cheung Kwok Wai Elton.

As at the Latest Practicable Date, the provision of personal guarantees by Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton remained full force and effect.

- d. On 22 October 2020, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under a securities margin financing facility of HK\$14,000,000 granted by a securities company. No consideration was paid by the Company to Mr. Lei Hong Wai to provide the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

As at the Latest Practicable Date, the provision of the personal guarantee by Mr. Lei Hong Wai remained full force and effect.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019, being the date to which the latest published audited consolidated accounts of the Group were made up.

6. COMPETING INTEREST

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or their respective close 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. 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 GEM operated by the Exchange engaging in the provision and operation of travel business, treasury management business, money lending business and provision of securities, asset management and financial advisory services. Therefore, Global Mastermind Holdings Limited competes with the Group's money lending and sale of financial assets businesses; and
- b. Mr. Lei Hong Wai has a direct interest in approximately 7.46% of the issued share capital of China Healthwise Holdings Limited (stock code: 348), a company listed on the Main Board of the Exchange engaging in sales of Chinese health products, money lending business and investment in financial instruments. In addition, Mr. Lei Hong Wai is the chairman of the board of directors and an executive director and Mr. Cheung Kwok Wai Elton is the vice chairman of the board of directors and an executive director of China Healthwise Holdings Limited. Therefore, China Healthwise Holdings Limited competes with the Group's money lending and sale of financial assets businesses.

7. LITIGATIONS

- a. On 5 October 2020, Hong Kong Builders Finance Limited, a wholly owned-subsubsidiary of the Company, as plaintiff filed a civil complaint with the Intermediate People's Court of Guangzhou City, Guangdong Province, the PRC against Mr. Chung Ho Chun and the guarantors as defendants for (i) repaying HK\$26,459,000, being the outstanding principal amount of the loan of HK\$25,000,000 made to Mr. Chung Ho Chun pursuant to the loan agreement dated 8 July 2019 together with the unpaid interest and default interest thereon, and (ii) the costs of HK\$751,000 in relation to the civil complaint.

- b. On 7 January 2021, Hong Kong Builders Finance Limited as plaintiff filed a statement of claim with the High Court of Hong Kong against BAA Jet Management Limited as defendant for (i) repaying HK\$55,000,000, being the outstanding principal amount of the loan of HK\$55,000,000 made to BAA Jet Management Limited pursuant to the loan agreement dated 2 December 2019, (ii) the unpaid interest and default interest on the outstanding principal amount of the loan of HK\$55,000,000, and (iii) all the costs in relation to the statement of claim.

Save as disclosed above, 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.

8. 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.

9. 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 1211, 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 54, 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 the University of Ottawa in Canada and a Master of Commerce Degree in Professional Accounting from the University of New South Wales in Australia.

10. 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 memorandum of understanding dated 29 April 2020 entered into between Smart Title Limited, a wholly-owned subsidiary of the Company, and an Independent Third Party engaged in sporting business relating to the proposed setting up of a football training school under the brand of a football club of the Premier League or the Campeonato Nacional de Liga de Primera División on the first phase of the Subject Land;
- b. the subscription and note instrument agreement dated 25 September 2020 entered into between the Company as issuer, an Independent Third Party as subscriber, and Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton as guarantors relating to the subscription of the Notes;
- c. the memorandum of understanding dated 12 December 2020 entered into between Beijing Chaolai Football Centre as landlord, Beijing Bayhood No. 9 Co. as manager and an Independent Third Party as potential tenant relating to rent of certain buildings erected on the second and third phases of the Subject Land for a term of 37 years from the date of delivery for an aggregate rental of approximately RMB1,450 million payable to Beijing Bayhood No. 9 Co.; and
- d. the supplemental agreement dated 28 December 2020 entered into between 海口九號酒店管理有限公司北京分公司 (Haikou No. 9 Hotel Management Company Limited, Beijing branch*) as lessee and Beijing Bayhood No. 9 Co. as lessor relating to the amendment to (i) the remaining lease term of 15 years by dividing into five rental periods of three years each instead of three rental periods of five years each, and (ii) the payment term of the second rental period of the club lease agreement dated 6 October 2015.

* For identification purpose only

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and principal place of business of the Company at Unit 1211, 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 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020;
- c. the material contracts referred to in the paragraph headed “10. MATERIAL CONTRACTS” in this Appendix; and
- d. 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 2), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 16 March 2021 at 11:30 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 conditional sale and purchase agreement dated 7 January 2021 (as amended and supplemented by the supplemental agreement dated 4 February 2021) (the “**Agreement**”) entered into between Eternity Finance Group Limited, a wholly-owned subsidiary of the Company, as vendor and Ever Sure International Limited as purchaser, in relation to the sale and purchase of 12,000,000 ordinary shares of HK\$0.01 each in the share capital of BC Technology Group Limited at a consideration of HK\$186,000,000 (a copy of the Agreement is produced to the Meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder (the “**Proposed Disposal**”) 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 Proposed Disposal.”

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

Hong Kong, 23 February 2021

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 1211, 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 54, 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, 11 March 2021 to Tuesday, 16 March 2021, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 10 March 2021.
6. The voting on the resolution will be conducted by way of poll.