
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.

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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

**(1) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 10 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 Wednesday, 15 December 2021 at 11:30 a.m. (or immediately after the conclusion of the special general meeting of the Company which is scheduled to be held on the same day at 11:00 a.m.) is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the 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.

25 November 2021

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional upon fulfilment of all the conditions set out in the paragraph headed “The New Share Option Scheme” in the section headed “LETTER FROM THE BOARD” of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company and as amended from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Eternity Investment Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Exchange under stock code: 764
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	full time or part time employee(s) of the Group (including any director(s), whether executive or non-executive and whether independent or not, of the Company or any subsidiary); any holder(s) of any securities issued by the Group; and any business or joint venture partner(s), contractor(s), agent(s) or representative(s), consultant(s), adviser(s), supplier(s), producer(s) or licensor(s), customer(s), licensee(s) (including any sub-licensee(s)) or distributor(s), landlord(s) or tenant(s) (including any sub-tenant(s)) of the Group

DEFINITIONS

“Exchange”	The Stock Exchange of Hong Kong Limited
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 12 December 2011 and to be expired on 11 December 2021
“Grantee(s)”	any Eligible Participant(s) who accept(s) the Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) his/her personal representative(s)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or entity(ies) independent of the Company and its connected persons
“Latest Practicable Date”	19 November 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
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the ordinary resolution to be passed by the Shareholders at the SGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period to be determined and notified by the Directors to the Grantee thereof and in any event shall not exceed ten (10) years from the date of grant

DEFINITIONS

“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 Wednesday, 15 December 2021 at 11:30 a.m. (or immediately after the conclusion of the special general meeting of the Company which is scheduled to be held on the same day at 11:00 a.m.) to consider and, if thought fit, approve the adoption of the New Share Option Scheme
“Shareholder(s)”	holders of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	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

25 November 2021

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the New Share Option Scheme and a notice to convene the SGM to consider and, if thought fit, to approve the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

PROPOSAL FOR ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme had a term of 10 years and will expire on 11 December 2021.

As at the Latest Practicable Date, a total of 1,248,960,000 share options were granted, among which a total of 61,750,000 Shares were allotted and issued, and 1,015,450,000 share options were lapsed.

As at the Latest Practicable Date, the Company had 171,760,000 outstanding share options under the Existing Share Option Scheme. Set out below are the details of the outstanding share options under the Existing Share Option Scheme:

Name or category of participants	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period	Exercise price (HK\$)
Directors				
Mr. Lei Hong Wai	4 June 2021	3,800,000	From 4 June 2021 to 3 June 2024	0.298
Mr. Cheung Kwok Wai Elton	4 June 2021	3,800,000	From 4 June 2021 to 3 June 2024	0.298
Mr. Chan Kin Wah Billy	4 June 2021	3,800,000	From 4 June 2021 to 3 June 2024	0.298
Mr. Cheung Kwok Fan	4 June 2021	3,800,000	From 4 June 2021 to 3 June 2024	0.298
Employees	4 June 2021	156,560,000	From 4 June 2021 to 3 June 2024	0.298

Other than the Existing Share Option Scheme, there was no other share option scheme put in place by the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and the Existing Share Option Scheme would not exceed 30% of the Shares in issue.

LETTER FROM THE BOARD

Proposed adoption of the New Share Option Scheme

Given that the Existing Share Option Scheme will expire on 11 December 2021, it is proposed that subject to the fulfillment of the conditions of the New Share Option Scheme set out in the section headed “The New Share Option Scheme” below, the New Share Option Scheme will take effect.

No further share options can be granted under the Existing Share Option Scheme upon its expiration. The rights of the 171,760,000 outstanding share options granted under the Existing Share Option Scheme will not be affected and the outstanding share options granted under the Existing Share Option Scheme will continue to valid and effective.

The New Share Option Scheme

The purpose of adopting the New Share Option Scheme is to replace the Existing Share Option Scheme. The Directors are of the view that the New Share Option Scheme will allow the Group to incentivise and reward Eligible Participants who have or may have contribution to the Group and to encourage Eligible Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

Other than full time or part time employees of the Group, Eligible Participants shall also include those persons who are not employees or directors of any member of the Group, but who may otherwise contribute to the business affairs, development and growth of the Group. The eligibility of those parties other than employees and directors of the Group will be determined by the Board according to their potential and/or actual contribution to the business affairs of and benefits to the Group. The Board considers it is appropriate as the long-term growth and development of the Group do not only depend on the co-operation and contributions from the employees and directors but also require other parties who play crucial roles that generate actual or potential contribution to the business, development and growth of Group. In particular, the Company will, through the grant of the Options, incentivise (i) any holders of any securities issued by the Group, business or joint-venture partners, agents or representative, who may introduce the Group with valuable business opportunities, referrals or partnership so as to support the growth and business development of the Group; (ii) the consultants or advisers who may provide advice and/or recommendations to the Group regarding strategic management, business research and development, technological support and professional consulting services, so that the Group can enhance its operational competitiveness and business sustainability; (iii) contractors, suppliers, producers, licensors, distributors or landlords who may provide services, products or premises for supporting the sales, operation and business development

LETTER FROM THE BOARD

of the Group so that the Group can reduce the operational costs and increasing operational efficiency; and (iv) the customers, licensees (including any sub-licensees) or tenants (including any sub-tenants) who have stable business relationship with the Group so that the loyalty of them to the Group can be maintained. Based on the above, the Board considers that upon granting of the Option to the Eligible Participants other than employees or directors of any member of the Group, their interests and objectives will be aligned with that of the Group and common interests will be shared among the Eligible Participants and the Group which will be beneficial to the continuous development of the Group as detailed above. As such, the Board is of the view that the inclusion of such parties as Eligible Participants is in the interests of the Company and the Shareholders as a whole. In determining the criteria for the Eligible Participants who are not employees or directors of any member of the Group, the Board will take into account (i) the length of cooperation time between the Group and the party; (ii) the track record of the business or cooperation between the Group and the party; and (iii) possible business development opportunities in future.

The Board believes that the authority given to the Board under the New Share Option Scheme to specify any minimum holding period and/or performance targets as conditions in any Option granted and the requirement for a minimum Subscription Price as well as the authority to select the Eligible Participants as prescribed by the New Share Option Scheme will serve the aim to protect the value of the Company and place the Group in a better position to attract and retain valuable human resources as detailed above.

The adoption of the New Share Option Scheme is subject to the following conditions:

- (a) the passing of the necessary resolution by the Shareholders at the SGM to approve and adopt the New Share Option Scheme; and
- (b) the Listing Committee of the Exchange granting approval of the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued upon the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme.

Application will be made to the Listing Committee of the Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

As at the Latest Practicable Date, no Option had been agreed to be granted and the Company had no plan or intention to grant any Options under the New Share Option Scheme.

LETTER FROM THE BOARD

The Directors consider it is inappropriate to state the value of all options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date since a number of variables crucial for the calculation cannot be determined. Such variables include the Subscription Price, exercise period, any conditions which the Options are subject to and other relevant variables. The Directors believe that any statement regarding the value of the Options based on a large number of assumptions will not be meaningful and to certain extent would be misleading to the Shareholders.

As at the Latest Practicable Date, there were 3,819,606,486 Shares in issue. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the Adoption Date, the maximum number of Shares to be allotted and issued upon the exercise of Options that may be granted under the New Share Option Scheme will be 381,960,648 Shares, being 10% of the Company's issued shares as at the date of approval of the New Share Option Scheme by the Shareholders at the SGM.

As at the Latest Practicable Date, there were no trustees and the Company had no intention to appoint a trustee for the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. The full terms of the New Share Option Scheme are published on the websites of the Exchange at www.hkexnews.hk and the Company at www.eterinityinv.com.hk from the date of this circular to and including the date of the SGM and at the SGM.

At the SGM, an ordinary resolution will be proposed to approve the adoption of the New Share Option Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the New Share Option Scheme.

THE SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the adoption of the New Share Option Scheme. 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 adoption of the New Share Option Scheme. Therefore, no Shareholder is required to abstain from voting for the resolution to approve the adoption of the New Share Option Scheme at the SGM.

The notice of SGM is set out on pages SGM-1 to SGM-3 of this circular.

LETTER FROM THE BOARD

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 in person at the SGM.

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.

RECOMMENDATION

The Board considers that the adoption of the New Share Option Scheme 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 adoption of the New Share Option Scheme.

ADDITIONAL INFORMATION

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

The English text of this circular, the notice of 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

Set out below is a summary of the principal terms of the New Share Option Scheme:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

2. WHO MAY JOIN

The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any business day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Exchange or an integral multiple thereof) as the Board may, subject to paragraph 4 below, determine the Subscription Price.

In determining the eligibility of each participant, the Board shall take into account his/her contribution or potential contribution to the development and growth of the Group. In determining the criteria for the Eligible Participants who are not employees or directors of any member of the Group, the Board will take into account (i) the length of cooperation time between the Group and the party; (ii) the track record of the business or cooperation between the Group and the party; and (iii) possible business development opportunities in future.

3. GRANT OF OPTIONS AND ACCEPTANCE OF OFFERS

(a) No Option shall be granted by the Board:

(i) after inside information has come to its knowledge until (and including) the business day after the Company has announced the information;

(ii) during the period commencing one month immediately before the earlier of:

(1) the date of the meeting of the Board (as such date is first notified to the Exchange under the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (2) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

- (b) An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of thirty (30) days inclusive of, and from the date on which an Offer is made provided that no such Offer shall be open for acceptance after the earlier of the date which falls ten (10) years after the Adoption Date or the termination of the New Share Option Scheme.
- (c) An Offer shall be deemed to have been accepted by an Eligible Participant concerned when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.
- (d) Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

4. SUBSCRIPTION PRICE

The Subscription Price shall, subject to any adjustments made pursuant to paragraph 18 below, be determined at the absolute discretion of the Board, provided that it shall be not less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheet of the Exchange on the date of the Offer, which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets of the Exchange for the five (5) business days immediately preceding the date of the Offer; and
- (c) the nominal value of the Shares on the date of the Offer.

5. MAXIMUM NUMBER OF THE SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The maximum number of Shares which may be issued upon exercise of all Options may be granted at any time under the New Share Option Scheme together with options which may be granted under any other share option schemes for the time being of the Company shall not exceed such number of Shares as equals 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Company may seek approval by the Shareholders in general meeting to refresh the Scheme Mandate Limit under the New Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of such Shareholders’ approval. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed”. The Company must send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (c) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (d) The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the relevant class of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other share option schemes of the Company if this will result in this limit being exceeded.

6. MAXIMUM ENTITLEMENT OF EACH GRANTEE

Unless approved by the Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participants (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant), the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

7. MAXIMUM ENTITLEMENT OF CONNECTED PERSONS

- (a) In addition to the Shareholders' approval set out in paragraph 5(a) to 5(c) and 6 above, any grant of Options to any of the Director, chief executive or the substantial Shareholder (as defined in the Listing Rules), or any of their respective associates under the New Share Option Scheme must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the Grantee).

(b) Where any grant of Options to a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders at a general meeting of the Company, with voting to be taken by way of a poll. The Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting at such general meeting, except that any such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain:

- (i) details of the number and terms (including, inter alia, the Subscription Price) of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the Board meeting for proposing such further grant should be taken as the date of Offer for the purpose of calculating the Subscription Price;
- (ii) a recommendation from the independent non-executive Directors (excluding an independent non-executive Directors who is the Grantee) to the independent Shareholders as to voting; and
- (iii) the information required by the Listing Rules and the Exchange from time to time.

8. RIGHTS OF GRANTEES

- (a) An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee to the extent not already exercised.
- (b) An Option shall be exercisable in whole or in part in accordance with the terms and conditions of the New Share Option Scheme by the Grantee (or, as the case may be, his/her personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Exchange or an integral multiple thereof).
- (c) Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank pari passu in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date.
- (d) A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

9. TIME OF EXERCISE OF AN OPTION

- (a) The Option Period during which an Option may be exercised shall be determined and notified by the Directors to the Grantee thereof and in any event shall not exceed ten (10) years from the date of grant.

- (b) Unless otherwise determined by the Board, there is no specified minimum period under the New Share Option Scheme for which an Option must be held before an Option can be exercised under the terms of the New Share Option Scheme.

10. PERFORMANCE TARGET

Unless otherwise determined by the Board, there is no performance target which must be achieved before any of the Options can be exercised.

11. RIGHTS ON DEATH

In the event of the Grantee ceasing to be an Eligible Participant by reason of his/her death before exercising the Option in full and where the Grantee is an employee of the Group none of the events which would be a ground for termination of his/her employment as referred to in paragraph 12(b) arises, his/her personal representative(s) may exercise the Option (to the extent not already exercised) in whole or in part within a period of six (6) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the six-month period or at the expiration of the Option Period, whichever is earlier, if any of the events referred to in paragraphs 15, 16 or 17 occur during such period, exercise the Option pursuant to paragraphs 15, 16 or 17 respectively.

12. RIGHTS ON CESSATION OF EMPLOYMENT

- (a) In the event of the Grantee who is an employee of the Group ceasing to be an Eligible Participant by voluntary resignation or dismissal, retirement, expiry of employment contract or termination of employment for any reason other than death before exercising the Option in full, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of six (6) months following the date of such cessation or termination or, if any of the events referred to in paragraphs 15, 16 or 17 occur during such period, exercise the Option pursuant to paragraphs 15, 16 or 17 respectively.
- (b) In the event of the Grantee ceasing to be an employee of the Group by reason of the termination of his/her employment on one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence

(other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group into disrepute) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable.

13. RIGHTS ON CESSATION OF HOLDING SECURITIES OF ANY MEMBER OF THE GROUP

- (a) In the event of the Grantee who is a holder of the securities issued by any member of Group ceasing to be an Eligible Participant by reason that such person ceases to be a holder of any securities issued by the Group, the Option shall lapse on the date of cessation.
- (b) In the event of the Grantee who is a holder of the securities issued by any member of the Group ceasing to be an Eligible Participant by reason that the grantor of the securities ceases to be a member of the Group, the Grantee may exercise the Option within a period of six (6) months following the date of cessation.

14. RIGHTS ON BREACH OF CONTRACT

In the event of the Grantee who is a business or joint venture partner, contractor, agent or representative, consultant, adviser, supplier, producer or licensor, customer, licensee (including any sub-licensee) or distributor, landlord or tenant (including any sub-tenant) of the Group ceasing to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the relevant member of the Group, in the absolute determination of the Board, the Option (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

15. RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror, the Company shall use all its reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is

declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under the scheme of arrangement, as the case may be.

16. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to the Shareholders to convene a special general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and thereupon, each Grantee or his/her personal representative(s) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) at any time not later than two (2) business days prior to the proposed general meeting of the Company.

17. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and any Grantee or his/her personal representative(s) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter to exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice on condition upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all outstanding Options shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

18. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, issue of securities with price-dilutive element (such as rights issue and open offer), or other offer of securities to holders of Shares (including any securities convertible into share capital or warrants or options to subscribe for any share capital of the Company, but excluding Options under the New Share Option Scheme and options under any other share option schemes of the Company), consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever, then, in any such case (other than in the case of capitalisation issue) the Company shall instruct its auditors or independent financial adviser to certify in writing:

- (a) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to (i) the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or (ii) the Subscription Price, and an adjustment as so certified by the Company's auditors or the independent financial adviser shall be made, provided that (1) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as the same portion as it was before such event; (2) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (3) no such adjustment shall be made to the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he/she exercised all the Options held by him/her immediately prior to such adjustment; and (4) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (b) in respect of any such adjustments, other than any made on a capitalisation issue, the Company's auditors or the independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, the supplementary guidance issued by the Exchange on 5 September 2005, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Exchange and the note thereto from time to time.

19. EARLY TERMINATION OF THE OPTION PERIOD

The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall automatically lapse on the earliest of:

- (a) subject to paragraph 11 above, the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraphs 11 to 17 above;
- (c) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 8(a) above by the Grantee in respect of that or any other Option; and
- (d) the date of the commencement of the winding-up of the Company.

20. CANCELLATION OF THE OPTIONS

Subject to paragraph 8(a) above, any cancellation of Option granted but not exercised may not be cancelled except with the prior approval of the Board. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the New Share Option Scheme with available unissued options (excluding the cancelled Options) within the Scheme Mandate Limit.

21. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective until the close of business of the Company on the date which falls ten (10) years after the Adoption Date (the "**Termination Date**"), after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

22. ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by a resolution of the Board except:

- (a) any alteration to the advantage of the Eligible Participants in relation to any matter contained in Rule 17.03 of the Listing Rules;

- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted, except alterations which take effect automatically under the existing terms of the New Share Option Scheme;
- (c) any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme;
- (d) the provisions of the New Share Option Scheme as to the definitions of “Eligible Participant”, “Grantee”, “Option Period” and “Termination Date” in the New Share Option Scheme; and
- (e) the provisions of as specified in the New Share Option Scheme which are related to purpose, duration and administration of the New Share Option Scheme, grant of the Options, early termination of the Option Period, the Subscription Price, exercise of the Options, maximum number of Shares available for subscription, cancellation of the Options, share capital and alteration of the New Share Option Scheme,

which shall only be altered with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Bye-laws for a variation of the rights attached to Shares. Any alterations to the terms and conditions of the New Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

23. TERMINATION

The Company by an ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

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 Wednesday, 15 December 2021 at 11:30 a.m. (or immediately after the conclusion of the special general meeting of the Company which is scheduled to be held on the same day at 11:00 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:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Exchange**”) granting approval of the listing of, and permission to deal in, the ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”), to be issued pursuant to the exercise of the options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained on the documents marked “A” produced to the Meeting and, for the purpose of identification, signed by the chairman of the Meeting, be and is hereby approved and adopted to be the share option scheme for the Company, and that the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including without limitation:

- (a) administering the New Share Option Scheme and granting options under the New Share Option Scheme;

NOTICE OF SPECIAL GENERAL MEETING

- (b) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Exchange;
- (c) allotting and issuing from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme, subject to the Listing Rules; and
- (d) making application at the appropriate time or times to the Listing Committee of the Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be allotted and issued pursuant to the exercise of the options granted under the New Share Option Scheme.”

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

Hong Kong, 25 November 2021

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

NOTICE OF SPECIAL GENERAL MEETING

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 Friday, 10 December 2021 to Wednesday, 15 December 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 Thursday, 9 December 2021.
6. The voting on the resolution will be conducted by way of poll.
7. 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 Meeting to protect attending members, staff and other stakeholders from the risk of infection (i) compulsory body temperature checks will be conducted on every members, proxy and other attendee at the entrance of the Meeting venue and any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the Meeting venue or be required to leave the Meeting venue; (ii) the Company requests attendees to wear surgical face masks inside the Meeting venue at all times, and to maintain a safe distance between seats; and (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 Meeting venue or require any person to leave the Meeting venue in order to ensure the safety of the attendees at the Meeting. In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all members that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using forms of proxy with voting instructions inserted, members may appoint the chairman of the Meeting as their proxy to vote on the resolution at the Meeting instead of attending the Meeting in person.