
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of this Prospectus, together with copies of the PAL and the EAF, and the document specified in the paragraph headed "15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG" in Appendix III to this Prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the SFC take no responsibility as to the contents of any of the Prospectus Documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS operated by HKSCC and you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding shares on behalf of beneficial owners with such addresses is drawn to the paragraph headed "Rights of Overseas Shareholders" in the "LETTER FROM THE BOARD" of this Prospectus.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction, for which the Company will not accept any liability. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, the PAL and the EAF, make no representation as to their 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 any of the Prospectus Documents.



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

Underwriter to the Rights Issue



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

The Latest Time for Acceptance is 4:00 p.m. on Wednesday, 12 August 2015. The procedures for acceptance and payment or transfer of the Rights Shares and application for excess Rights Shares are set out in the paragraph headed "Procedures for acceptance and payment or transfer" on pages 18 to 19 of this Prospectus and the paragraph headed "Application for excess Rights Shares" on pages 20 to 21 of this Prospectus, respectively.

The Shares have been dealt in on an ex-entitlement basis from Monday, 20 July 2015. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 31 July 2015 to Friday, 7 August 2015 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 31 July 2015 to Friday, 7 August 2015 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Time for Termination to terminate its obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out under the section headed "TERMINATION OF THE UNDERWRITING AGREEMENT" on pages 10 to 12 of this Prospectus. If the Underwriter exercises such rights, the Rights Issue will not proceed.



29 July 2015

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 15 May 2015 in relation to the Rights Issue
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning number 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Jiu hao”	China Jiu hao Health Industry Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 419
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange under stock code: 764
“controlling shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“EDS”	EDS Wellness Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM under stock code: 8176 and a 70.18% owned subsidiary of the Company
“First Transaction”	the proposed acquisition of the entire issued share capital of Smart Title Limited by the Company and the assignment of the shareholder’s loan to the Company at an aggregate consideration of HK\$1,650.00 million as disclosed in the Joint Announcement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any Shareholders other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholders other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates

DEFINITIONS

“Joint Announcement”	the joint announcement made by the Company and China Jiu hao on 15 May 2015 relating to the First Transaction
“Last Trading Day”	11 December 2014, being the last trading day prior to the suspension of trading of Shares at 9:00 a.m. on 12 December 2014
“Latest Acceptance Date”	Wednesday, 12 August 2015 or such other day as may be agreed between the Company and the Underwriter, being the latest date for the acceptance of, and payment for, the Rights Shares and the application and payment for the excess Rights Shares
“Latest Lodging Date”	4:30 p.m. on Tuesday, 21 July 2015, being the latest time for lodging transfers of Shares in order to qualify for the Rights Issue
“Latest Practicable Date”	24 July 2015, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 12 August 2015 or such other time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for Rights Shares and for application and payment for excess Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on Tuesday, 18 August 2015, being the fourth Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Underwriter

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the share options granted under the Share Option Schemes
“Options Shares”	maximum of 3,918,601 new Shares to be allotted and issued upon the exercise of all the 3,918,601 outstanding Options
“Ordinary EDS Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of EDS
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue, being in such usual form as may be agreed between the Company and the Underwriter
“PRC”	The People’s Republic of China
“Prohibited Shareholder(s)”	the Overseas Shareholder(s) whose address(es) is (are) in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s) not to offer the Rights Shares to such Overseas Shareholders
“Prospectus”	this prospectus containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF

DEFINITIONS

“Prospectus Posting Date”	Wednesday, 29 July 2015 or such other date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents (or the Prospectus only in case of Prohibited Shareholder(s))
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Prohibited Shareholder(s)
“Record Date”	Tuesday, 28 July 2015 or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Rights Issue
“Registrar”	Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue by way of rights issue to the Qualifying Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	590,003,243 new Shares to be allotted and issued under the Rights Issue
“Second Transaction”	the proposed acquisition of approximately 74.63% of the issued share capital of a company listed on GEM which was initially announced by the Company on 24 February 2015 and was terminated on 19 May 2015
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company held on Thursday, 16 July 2015 at which the Rights Issue (including the Underwriting Agreement and the transactions contemplated thereunder) was approved by the Independent Shareholders

DEFINITIONS

“Share Option Schemes”	the respective share option schemes adopted by the Company on 21 January 2002 which was terminated on 12 December 2011 and adopted by the Company on 12 December 2011
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 17 February 2015 entered into between EDS as issuer and Xing Hang Limited, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited as subscribers relating to the proposed subscription of 345,000,000 new Ordinary EDS Shares and 30,000,000 new convertible preferred shares of par value of HK\$0.10 each in the share capital of EDS at a subscription price of HK\$0.40 per new Ordinary EDS Share/new convertible preferred share
“Subscription Price”	HK\$0.70 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Twin Success”	Twin Success International Limited, a company incorporated in the British Virgin Islands with limited liability, and a substantial Shareholder
“Twin Success Undertaking”	the irrevocable undertaking given by Twin Success to the Company and the Underwriter under the Underwriting Agreement to take up in full its provisional pro-rata entitlements under the Rights Issue to subscribe for 105,708,000 Rights Shares

DEFINITIONS

“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 15 May 2015 (the definitions of (i) the Latest Lodging Date, (ii) the Latest Time for Acceptance, (iii) the Prospectus Posting Date and (iv) the Record Date were subsequently amended by a deed of variation dated 20 May 2015) entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares, other than those to be taken by Twin Success under the Twin Success Undertaking, being not less than 441,965,243 Rights Shares and not more than 488,213,844 Rights Shares underwritten by the Underwriter under the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

EXPECTED TIMETABLE

Dates and times for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the following expected timetable will be announced as and when appropriate in accordance with the Listing Rules. The expected timetable for the Rights Issue is as follows:

2015

First day of dealings in nil-paid Rights Shares 9:00 a.m. on Friday, 31 July

Latest time for splitting of nil-paid Rights Shares 4:30 p.m. on Tuesday, 4 August

Last day of dealings in nil-paid Rights Shares 4:00 p.m. on Friday, 7 August

Latest Time for Acceptance and payment for Rights Shares
and application for excess Rights Shares 4:00 p.m. on
Wednesday, 12 August

Latest Time for Termination by the Underwriter and
for conditions of the Rights Issue to become unconditional 4:00 p.m. on
Tuesday, 18 August

Announcement of the results of the Rights Issue
and excess applications Thursday, 20 August

Despatch of share certificates for Rights Shares and
refund cheques in respect of wholly or partially
unsuccessful applications for excess Rights Shares Monday, 24 August

Despatch of refund cheques if the Rights Issue
is terminated Monday, 24 August

Expected first day of dealings in fully-paid Rights Shares
on the Stock Exchange 9:00 a.m. on Tuesday, 25 August

Notes:

1. All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company (subject to agreement by the Underwriter). Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EXPECTED TIMETABLE

2. Effect of bad weather on the Latest Time for Acceptance: if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:
- (i) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take effect on the Latest Acceptance Date, the dates mentioned above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (iii) save for any suspension in connection with the clearance of the announcement(s) or circular(s) relating to the First Transaction and the Second Transaction, the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (b) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality

TERMINATION OF THE UNDERWRITING AGREEMENT

of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) save and except for the First Transaction and the Second Transaction, any other material adverse change in the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) the Prospectus Documents in connection with the Rights Issue when published contain information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a reasonably prudent investor not to apply for its assured entitlements of Rights Shares under the Rights Issue; or
- (g) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (h) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement, or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue and/or the First Transaction and the Second Transaction,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

- (b) any event occurs or matter arises on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained thereof untrue or incorrect in any material respect and which comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai

(Chairman and Chief Executive Officer)

Mr. Cheung Kwok Wai, Elton

Mr. Chan Kin Wah, Billy

Mr. Cheung Kwok Fan

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Wan Shing Chi

Mr. Ng Heung Yan

Mr. Wong Tak Chuen

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

Unit 3811, Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

29 July 2015

To the Qualifying Shareholders and, for information only, the Prohibited Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement, the announcement of the Company dated 20 May 2015 in relation to the expected timetable of the Rights Issue, the circular of Company dated 26 June 2015 and the poll results announcement of the Company dated 16 July 2015 in relation to the Rights Issue.

On 15 May 2015, the Company proposed to raise not less than approximately HK\$383.37 million and not more than approximately HK\$415.75 million before expenses by issuing not less than 547,673,243 Rights Shares and not more than 593,921,844 Rights Shares by way of rights issue to the Qualifying Shareholders at the Subscription Price of HK\$0.70 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date and payable in full upon acceptance.

LETTER FROM THE BOARD

At the SGM held on 16 July 2015, the resolution approving the Rights Issue (including the Underwriting Agreement and the transactions contemplated thereunder) was duly passed by the Independent Shareholders by way of poll.

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue, including information on dealings, transfers and acceptance of the Rights Issue, and financial information and other information of the Group.

THE RIGHTS ISSUE

As a condition precedent to the completion of the First Transaction, the Company intends to complete the Rights Issue. On 15 May 2015, the Company and the Underwriter entered into the Underwriting Agreement.

Subsequent to the despatch of the circular convening the SGM, the Company allotted and issued 6,380,000 new Shares on 30 June 2015 pursuant to the exercise of the subscription rights attached to the Options. As a result of the allotment and issue of 6,380,000 new Shares, the Company had 590,003,243 Shares in issue and 3,918,601 outstanding Options as at the Latest Practicable Date. The issue statistics of the Rights Issue are as follows:

Issue statistics

Basis of the entitlement:	One (1) Rights Share for every one (1) existing Share held on the Record Date
Subscription Price:	HK\$0.70 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	590,003,243 Shares
Number of Rights Shares to be issued:	590,003,243 Rights Shares
Number of Rights Shares to be taken up or procured to be taken up by Twin Success pursuant to the Twin Success Undertaking:	Twin Success has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure the subscription by its associates or nominees for the 105,708,000 Rights Shares to be allotted to it under its provisional pro-rata entitlement pursuant to the Rights Issue

LETTER FROM THE BOARD

Number of Rights Shares underwritten by the Underwriter:	484,295,243 Rights Shares, representing all the Rights Shares less the number of Rights Shares undertaken by Twin Success under the Twin Success Undertaking. Accordingly, taking into account the Twin Success Undertaking, the Rights Issue is fully underwritten
Number of enlarged Shares in issue upon completion of the Rights Issue:	1,180,006,486 Shares
Rights in excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, save for the 3,918,601 outstanding Options, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The aggregate number of 590,003,243 Rights Shares to be allotted and issued pursuant to the Rights Issue represent (i) 100.00% of the Company's issued share capital as at the Latest Practicable Date; and (ii) 50.00% of the Company's issued share capital of 1,180,006,486 Shares as enlarged by the allotment and issue of the 590,003,243 Rights Shares immediately after completion of the Rights Issue.

The aggregate nominal value of the Rights Shares will be HK\$5,900,032.43.

Basis of entitlement

The basis of the provisional entitlement shall be one (1) Rights Share for every one (1) existing Share held on the Record Date at the Subscription Price. Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

Other than the 105,708,000 Rights Shares to be taken up by Twin Success under the Twin Success Undertaking, the Board has not received any information from any other Shareholders of their intention to take up their provisional pro-rata entitlements under the Rights Issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company has sent (i) the Prospectus Documents to the Qualifying Shareholders; and, to the extent permitted under the relevant laws and regulations and reasonably practicable, (ii) the Overseas Letter together with the Prospectus (subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted), for information only, to the Prohibited Shareholders but has not sent any PAL or EAF to them.

To qualify for the Rights Issue, the Shareholders must (i) have registered on the register of members of the Company at the close of business on the Record Date; and (ii) not be a Prohibited Shareholder.

Subscription Price

The Subscription Price is HK\$0.70 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 4.11% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 2.10% to the theoretical ex-entitlement price of HK\$0.715 per Share based on the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 1.41% to the average closing price of approximately HK\$0.71 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 2.64% to the average closing price of approximately HK\$0.719 per Share for the last ten consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 2.78% to the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

LETTER FROM THE BOARD

- (f) a discount of approximately 82.14% to the audited consolidated net assets of the Group attributable to owners of the Company per Share of approximately HK\$3.92 as at 31 December 2014, which is based on the audited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$2,144,651,000 as at 31 December 2014 and 547,673,243 Shares in issue as at 31 December 2014.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares under the then market conditions. The Directors consider that the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Rights Issue, the net price per Rights Share will be approximately HK\$0.683.

In addition, the Subscription Price of HK\$0.70 per Rights Share is same as the issue price of the consideration Shares under the First Transaction.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company as at the Latest Practicable Date, there were two Shareholders with registered addresses in Macau. The Company has complied with all necessary requirements specified in Rule 13.36(2)(a) of the Listing Rules (including notes 1 and 2) and has made enquiry with its Macau legal adviser regarding the feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of Macau and the requirements of the relevant regulatory body in Macau.

Based on the advice and replies provided by the Macau legal adviser, the Directors are of the view that it is expedient to extend the Rights Issue to the Overseas Shareholders in Macau as there are no legal restrictions prohibiting the making of Rights Issue in Macau and no local legal or regulatory compliance is required to be made in Macau.

Accordingly, there is no Prohibited Shareholder in connection with the Rights Issue and no Overseas Letter is required to be sent by the Company.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any jurisdiction outside Hong Kong may

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treat it as an offer or invitation to apply for the Rights Shares, unless in a jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself/themselves as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Prohibited Shareholder.

Ranking of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Rights Shares in their fully-paid form.

Fractions of the Rights Shares

No fractional entitlements to the Rights Shares will be arisen as result of the Rights Issue.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 12 August 2015. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Eternity Investment Limited — Rights Issue Account**" and crossed "**Account Payee Only**".

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It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar not later than 4:00 p.m. on Wednesday, 12 August 2015, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAF by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on Tuesday, 4 August 2015 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled at or before the Latest Time For Termination (or such later time or date as the Company and the Underwriter may agree in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Monday, 24 August 2015.

LETTER FROM THE BOARD

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Prohibited Shareholders and for any Rights Shares provisionally allotted but not accepted.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/ its provisional allotment must complete and sign the EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar so as to be received by no later than 4:00 p.m. on Wednesday, 12 August 2015. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Eternity Investment Limited — Excess Application Account**" and crossed "**Account Payee Only**".

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (b) subject to availability of excess Rights Shares after allocation under principle (a) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares), and with board lot applications to be made on a best effort basis.

Investors with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

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The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Thursday, 20 August 2015. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before Monday, 24 August 2015. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be refunded to them without interest on or before Monday, 24 August 2015.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on Monday, 24 August 2015.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled at or before the Latest Time for Termination (or such later time or date as the Company and the Underwriter may agree in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on Monday, 24 August 2015.

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Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares and excess Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on Monday, 24 August 2015. If the Rights Issue is terminated, refund cheques will be despatched by ordinary post at the respective Shareholders' own risk on Monday, 24 August 2015.

Each successful applicant will receive one share certificate for all fully-paid Rights Shares and/or excess Rights Shares allotted and issued to him/her/it.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms, as regards the Prohibited Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

THE UNDERWRITING AGREEMENT

Date: 15 May 2015

Underwriter: Kingston Securities Limited

Number of Rights Shares to be underwritten: Not less than 441,965,243 Rights Shares and not more than 488,213,844 Rights Shares, representing all the Rights Shares less the number of Rights Shares undertaken by Twin Success under the Twin Success Undertaking. Accordingly, taking into account the Twin Success Undertaking, the Rights Issue is fully underwritten.

The Underwriter is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its associates are Independent Third Parties. As at the Latest Practicable Date, the Underwriter held one (1) Share.

Under the Underwriting Agreement, in the event of the Underwriter being called upon, shall subscribe for or procure subscribers for the Underwritten Shares not taken up:

- (a) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.90% of the voting rights of the Company upon the completion of the Rights Issue; and

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- (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Underwritten Shares not taken up procured by it, (i) shall be Independent Third Party; and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.00% or more of voting rights of the Company upon completion of the Rights Issue.

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 2.50% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares, being 488,213,844 Rights Shares. The Directors (including the independent non-executive Directors who have taken into account of the advice of the independent financial adviser) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertaking given by Twin Success

As at the date of the Underwriting Agreement, Twin Success was interested in 105,708,000 Shares, representing approximately 19.30% of the total issued share capital of the Company. On 15 May 2015, Twin Success has irrevocably undertaken in the Twin Success Undertaking to the Company and the Underwriter:

- (a) not to sell or dispose of, or transfer, or agree to sell or dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; and
- (b) to accept or procure the acceptance for the 105,708,000 Rights Shares to be allotted and issued to Twin Success under its provisional pro-rata entitlement pursuant to the Rights Issue prior to the Latest Time for Acceptance.

Conditions of the Rights Issue

The Rights Issue is conditional upon the satisfaction of the following conditions:

- (a) the passing of the necessary resolution(s) at the SGM to approve the Rights Issue (including but not limited to the allotment and issue of the Rights Shares) by the Independent Shareholders and the transactions contemplated thereunder;

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- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (e) the Underwriting Agreement not having been terminated or rescinded by the Underwriter in accordance with its terms on or before the Latest Time for Termination;
- (f) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement; and
- (g) compliance with and performance of all undertakings and obligations of Twin Success under the Twin Success Undertaking.

None of the above conditions are waivable. If any of the conditions of the Rights Issue is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

As at the Latest Practicable Date, condition (a) has been fulfilled.

The completion of the First Transaction is conditional upon the completion of the Rights Issue, but the completion of the Rights Issue is not conditional upon the completion of the First Transaction.

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Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (iii) save for any suspension in connection with the clearance of the announcement(s) or circular(s) relating to the First Transaction and the Second Transaction, the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (b) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

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- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) save and except for the First Transaction and the Second Transaction, any other material adverse change in the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) the Prospectus Documents in connection with the Rights Issue when published contain information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a reasonably prudent investor not to apply for its assured entitlements of Rights Shares under the Rights Issue; or
- (g) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (h) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement, or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue and/or the First Transaction and the Second Transaction,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

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The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any event occurs or matter arises on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained thereof untrue or incorrect in any material respect and which comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Rights Issue assuming that there will be no change in the issued share capital of the Company and shareholding structure of the Company from the Latest Practicable Date until the completion of the Rights Issue:

	As at the Latest Practicable Date		After completion of the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders or the transferee of the nil-paid Rights Shares)		After completion of the Rights Issue (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders other than Twin Success under the Twin Success Undertaking) (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Twin Success (Note 1)	105,708,000	17.92	211,416,000	17.92	211,416,000	17.92
Mr. Chan Kin Wah, Billy (Note 3)	6,319,500	1.07	12,639,000	1.07	6,319,500	0.54
Public						
The Underwriter	1	0.00	2	0.00	484,295,244	41.04
Existing public Shareholders	477,975,742	81.01	955,951,484	81.01	477,975,742	40.50
Total	590,003,243	100.00	1,180,006,486	100.00	1,180,006,486	100.00

Notes:

- Pursuant to the Twin Success Undertaking, Twin Success has irrevocably undertaken to the Company and the Underwriter (i) not to sell or dispose of, or transfer, or agree to sell or dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; and (ii) to accept or procure the acceptance for the 105,708,000 Rights Shares to be allotted and issued to Twin Success under its provisional pro-rata entitlement pursuant to the Rights Issue prior to the Latest Time for Acceptance.
- This scenario is for illustrative purpose only and will not occur.

Under the Underwriting Agreement, in the event of the Underwriter being called upon, shall subscribe for or procure subscribers for the Underwritten Shares not taken up:

- the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.90% of the voting rights of the Company upon the completion of the Rights Issue; and

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- (ii) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Underwritten Shares not taken up procured by it, (a) shall be Independent Third Party; and (b) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.00% or more of voting rights of the Company upon the completion of the Rights Issue.
3. Mr. Chan Kin Wah, Billy is an executive Director holding 6,319,500 Shares and 950 Options as at the Latest Practicable Date.

EFFECTS OF THE RIGHTS ISSUE ON CONSOLIDATED NET TANGIBLE ASSETS AND CONSOLIDATED NET TANGIBLE ASSETS PER SHARE

According to the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus, the audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2014 is approximately HK\$3.75, which is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company of HK\$2,055,386,000 as at 31 December 2014 divided by 547,673,243 Shares in issue as at 31 December 2014.

As set out in Appendix II to this Prospectus, on the basis of 590,003,243 Rights Shares are allotted and issued under the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 immediately after the completion of the Rights Issue is HK\$2,487,296,000 and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2014 immediately after the completion of the Rights Issue is approximately HK\$2.11, which is based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company of HK\$2,487,296,000 as at 31 December 2014 immediately after the completion of the Rights Issue divided by 1,180,006,486 Shares in issue immediately after the completion of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

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

The gross proceeds from the Rights Issue will be approximately HK\$413.00 million. The net proceeds from the Rights Issue after deducting all relevant expenses are estimated to be approximately HK\$402.70 million.

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The Company intends to apply the proceeds from the Rights Issue for financing the First Transaction, or in the event that the First Transaction does not proceed, future possible property investment project(s) as and when appropriate. As at the Latest Practicable Date, apart from the First Transaction, the Group had not identified any other property investment projects.

The Board also considers that the Rights Issue represents an opportunity for broadening its shareholder and capital base thereby increasing the liquidity of the Shares. As such, the Directors (including the independent non-executive Directors) consider that the Underwriting Agreement is entered into upon normal commercial terms and that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company had not conducted any fund raising exercise in the past 12 months immediately preceding the date of the Announcement and the Latest Practicable Date.

ADJUSTMENTS TO OPTIONS

As at the Latest Practicable Date, the Company had 3,918,601 outstanding Options entitling the holders thereof to subscribe for 3,918,601 Options Shares. Adjustments to the exercise prices and numbers of the outstanding Options may be required under the relevant terms of the Share Option Schemes. The auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the outstanding Options. Further announcement will be made by the Company in this regard.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

LETTER FROM THE BOARD

The Shares have been dealt in on an ex-entitlement basis from Monday, 20 July 2015. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 31 July 2015 to Friday, 7 August 2015 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 31 July 2015 to Friday, 7 August 2015 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares and the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

The English text of this Prospectus shall prevail over the Chinese text in case of inconsistency.

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

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

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

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

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

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

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

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

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

STATEMENT OF INDEBTEDNESS**Borrowings**

At the close of business on 30 June 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had total borrowings of HK\$10,277,000 representing:

- (a) a loan of HK\$7,500,000 granted to EDS by an Independent Third Party, which is interest bearing at 10.00% per annum, unsecured and maturing on 10 June 2016;
- (b) a loan of HK\$2,617,000 advanced by Koffman Investment Limited, a company which is 50% owned by Mr. Yu Zhen Hua, Johnny (the former chairman of the board of directors of EDS and a former director of EDS), which is interest bearing at 5.00% per annum, unsecured and maturing on 25 August 2015; and
- (c) the obligations under finance leases of HK\$160,000 of which (i) HK\$145,000 is interest bearing at 3.00% per annum and secured by a guarantee from Hong Kong Government, a joint and several guarantee from a director of a subsidiary and an Independent Third Party and the Group's title to the leased assets, and (ii) HK\$15,000 is non-interest bearing and secured by the Group's title to the leased assets.

Contingent liabilities

As at the close of business on 30 June 2015, the Group had the following material contingent liabilities:

- (a) On 15 April 2010, a claim was brought by China Finance & Assets Management Limited (“**China Finance**”) in High Court Action No. 526 of 2010 against Rexdale Investment Limited (“**Rexdale**”), a wholly owned subsidiary of the Company, for failing to pay a service fee in the sum of HK\$25,000,000 to China Finance. No provision for the claim was made in the consolidated financial statements of the Group for the year ended 31 December 2014 as Lafe Corporation Limited has undertaken to indemnify and keep indemnified the Group against any and all losses, claims, damages, penalties, actions, demands, proceeding, judgment and costs arising from or in connection with the claim.

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

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

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

One Synergy has sought counsel opinion on the writ and has been advised to defend the plaintiffs’ claim in the said action. Counsel has advised that, based upon available evidence, there is nothing unusual in the Agreement and One Synergy would not

have any express or constructive notice of the plaintiffs' alleged irregularities and/or fraudulent acts of the former directors and/or management officers of the plaintiffs and One Synergy should not be held liable to any part of the plaintiffs' claim and has good and valid defence thereto.

- (c) On 23 January 2015, EDS received a writ of summons in High Court Action No. 200 of 2015 issued by Mr. Shum Yeung (“**Mr. Shum**”) as plaintiff against EDS as defendant for the following claims:
- (i) the Judgment in High Court Action No. 1775 of 2012 dated 6 September 2013 (the “**Summary Judgement**”), pursuant to which the Court of First Instance of the High Court of Hong Kong (the “**Court of First Instance**”) adjudged that Mr. Shum (1) do pay EDS the sum of HK\$39,128,000 together with contractual interest thereon calculated from day to day at the rate of 30% per annum from 1 May 2013 to 6 September 2013, and thereafter at judgment rate pursuant to s.48 of High Court Ordinance until payment; and (2) shall pay EDS the costs of the action including the costs of and occasioned by EDS's application for the Summary Judgment to be taxed if not agreed, entered against Mr. Shum be set aside;
 - (ii) loss and damages suffered by Mr. Shum as a result of the Summary Judgement being obtained against him;
 - (iii) an order for discovery upon oath of all matters relating to the Summary Judgement;
 - (iv) an order for payment of all sums found due to Mr. Shum together with the interest thereon at such rate and for such period as the High Court may deem just pursuant to the High Court Ordinance;
 - (v) the costs; and
 - (vi) further or other relief.
- (d) On 30 March 2015, EDS received a statement of claim in the High Court of Hong Kong filed by Mr. Shum in relation to High Court Action No. 200 of 2015.

Commitments

As at the closing of business on 30 June 2015, the Group had a total commitment of HK\$1,959,000,000 relating to:

- (a) the subscription of the second tranche of convertible notes to be issued by China Star Entertainment Limited (“**China Star**”) in the principal amount of HK\$300,000,000 pursuant to the conditional subscription agreement dated 21 January 2011 (as amended and supplemented by the supplemental agreements dated 28 March 2011, 29 June 2012 and 31 December 2013). The subscription of the second tranche of convertible notes is conditional upon the fulfillment of the conditions precedent set out in the conditional subscription agreement, including the availability of sufficient fund by the Company. On 29 June 2012, the completion date of subscription was extended from 30 June 2012 to 31 December 2013. On 31 December 2013, the completion date of subscription was further extended from 31 December 2013 to 31 December 2015;
- (b) loans commitment in the aggregate principal amount of HK\$9,000,000 pursuant to the building mortgages and the loan agreements entered into between the Group and its customers; and
- (c) the consideration of HK\$1,650,000,000 for the First Transaction pursuant to a conditional sale and purchase agreement entered into between the Company as purchaser, Unique Talent Group Limited, a wholly owned subsidiary of China Jiu hao, as vendor and China Jiu hao as guarantor on 11 December 2014. The consideration shall be settled as to (i) HK\$600,000,000 by cash and (ii) HK\$1,050,000,000 by the issue of a share entitlement note, which entitles the holder thereof to call for the allotment and issue of 1,500,000,000 new Shares at a price of HK\$0.70 per Share, to China Jiu hao. The First Transaction is conditional upon the fulfillment and/or waiver (as the case may be) of the conditions precedent set out in the conditional sale and purchase agreement.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, at the close of business on 30 June 2015, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other contingent liabilities.

Save as aforesaid, the Directors confirmed that there had been no material change to the indebtedness and contingent liabilities of the Group since 30 June 2015 and up to the Latest Practicable Date.

WORKING CAPITAL

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

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As the Federal Reserve is still expected to raise its policy rate before the end of 2015, the Hong Kong equity market faces the challenges from a strong United State Dollar and potential volatility from the Federal Reserve's policy normalisation. Accordingly, the Directors expect the Hong Kong equity market remains volatile in the remainder of 2015. The Directors will cautiously monitor the equity market, change the Group's equities portfolio mix from time to time and realise the Group's equities into cash as and when appropriate. The Group will continue to adopt a conservative investment approach in investing towards its sale of financial assets business in 2015.

The new round of mortgage-tightening measures targeting small to medium size flats rolled out by the Hong Kong Monetary Authority in February 2015 to cool the overheated housing market did not weaken market sentiment. Property prices have continued to break new records. The Directors expect the property prices will remain at the current expensive level, instead of experiencing a drastic decline, in 2015. The Directors believe that, if the property prices continue to grow by another 5% to 10% in the next few months, further cooling measures will be rolled out by the Hong Kong Monetary Authority. As such, the Group has adopted a wait-and-see approach towards its property investment business in Hong Kong.

To expand its property investment business into the PRC, the Company as purchaser entered into a conditional sale and purchase agreement with Unique Talent Group Limited, a wholly owned subsidiary of China Jiuhao, as vendor and China Jiuhao as guarantor relating to the First Transaction on 11 December 2014. Smart Title Limited and its subsidiaries have two major assets, which are (i) the rights to manage and operate a membership-based golf club and resort in Beijing, the PRC (the “**Club**”) up to 31 December 2051 and (ii) the rights to develop and operate a land adjacent to the Club (the “**Subject Land**”) and the rights to manage the properties erected on the Subject Land up to 30 January 2062. Both the Club and the Subject Land are located in Beijing. The Subject Land is intended to be developed into a low-density deluxe hotel villas community and a high-end hotel apartment complex. The Group intends to hold the Club and the Subject Land as long-term investments for rental purposes. It is expected that the First Transaction will be completed in the third quarter of 2015.

With the active expansion in the second half of 2013 and the first half of 2014, the Group’s money lending business recorded a significant growth in the year ended 31 December 2014 as compared to the previous year. The Group will slow down its pace of expanding money lending business in 2015 as some internal cash resources of the Group will be allocated to finance the operations of Smart Title Limited and its subsidiaries, if the First Transaction materialises. Therefore, it is expected that there will be a decrease in interest income on loans in 2015 as compared to 2014.

According to the Census and Statistic Department, the total retail sales in Hong Kong for the first quarter of 2015 were down by 2.3% year-on-year. With the implementation of a tightened policy on Chinese tourists in response to mounting concern on capacity constraints, the Directors expect a decrease in EDS’s sale of beauty products and provision of therapy services in 2015.

With a view to improve its profitability, EDS as issuer entered into the Subscription Agreement with six subscribers relating to the subscription of 345,000,000 new Ordinary EDS Shares and 30,000,000 new convertible preferred shares of EDS (the “**Subscription**”) on 17 February 2015. The Directors believe that the entering into of the Subscription Agreement represents a good opportunity for EDS to (i) raise a substantial amount of additional funds for future business development in in-flight WLAN and WIFI engineering and service business, which is in a segment difference from the existing business of EDS, (ii) improve its financial position and liquidity and (iii) leverage on the expertise and business network of Mr. Cai Zhaoyang, who is the majority shareholder and the sole director of the major subscriber, to take advantage of the expected strong growth in the avionic engineering and service business sector in the PRC. Upon the completion of the Subscription, the Group is deemed to dispose of a substantial percentage in its shareholding

interest in EDS and EDS ceases to be a subsidiary of the Company. The Group's investment in EDS will be accounted for as available-for-sale investment. The Directors consider that, following completion of the Subscription, the Group as a shareholder holding 52,500,000 Ordinary EDS Shares will continue to benefit from the increase in market price of Ordinary EDS Shares driven by the improvement in EDS's profitability.

The Group's design and sale of jewelry products business recorded a positive result since its commencement in October 2014. Consumer spending in the countries where the Group's target customers locate were weak in the first quarter of 2015. As the current economic indicators suggest the economies of these countries are finding momentum in the second quarter, consumer spending in these countries rebounded stronger than expected in recent months. The Directors predict consumer spending in these counties could be fairly strong in 2015 as low inflation gives households more disposable income to spend. Accordingly, the Directors anticipate that the sales volume will show a moderate growth in 2015. In order to solidify the foundation of the Group's design and sale of jewelry products business, business plans, which include setting up overseas subsidiaries and participating overseas tradeshows and exhibitions, are being formulated for increasing direct export sales to jewelry wholesalers and retailers in Europe and the Middle East.

In 2015, the Directors will continue to cautiously monitor the business environment and strengthen the Group's business foundation by focusing the Group's existing businesses. In addition to focusing on the Group's existing businesses, the Directors will continue to cautiously identify suitable investment opportunities for the Group to diversify its businesses and broaden its revenue.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had taken place on 31 December 2014.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately had the Rights Issue been completed as at 31 December 2014 or at any future date after completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 derived from the audited consolidated statement of financial position of the Group as at 31 December 2014 as extracted from the annual report of the Company for the year ended 31 December 2014, after incorporating the adjustments described in the accompany notes.

APPENDIX II

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

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 <i>HK\$'000</i> <i>(Note 2)</i>	Net proceeds from the allotment and issue of 42,330,000 new Shares <i>HK\$'000</i> <i>(Note 3)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue <i>HK\$'000</i>
Based on 590,003,243 Rights Shares to be allotted and issued <i>(Note 1)</i>	<u>2,055,386</u>	<u>29,208</u>	<u>402,702</u>
			<u>2,487,296</u>
			<i>HK\$</i>
Audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2014 before the completion of the Rights Issue <i>(Note 5)</i>			<u>3.75</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2014 immediately after the completion of the Rights Issue on the basis of 590,003,243 Rights Shares are allotted and issued <i>(Note 6)</i>			<u>2.11</u>

Notes:

1. Under the Rights Issue, 590,003,243 Rights Shares will be allotted and issued.
2. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 of HK\$2,055,386,000 represents the audited consolidated net assets attributable to owners of the Company of HK\$2,144,651,000, as extracted from the audited consolidated statement of financial position of the Group as at 31 December 2014, deducting the goodwill of the Group of HK\$89,265,000.
3. The net proceeds from the allotment and issue of 42,330,000 new Shares are approximately HK\$29,208,000, which are based on the allotment and issue of 11,660,000, 24,290,000 and 6,380,000 new Shares on 19, 22 and 30 June 2015 respectively upon the exercise of 42,330,000 outstanding Options at a subscription price of HK\$0.69 per new Share.
4. The estimated net proceeds from the Rights Issue are approximately HK\$402,702,000, which are based on 590,003,243 Rights Shares to be allotted and issued (based on 590,003,243 Shares in issue as at the Latest Practicable Date and assuming no Shares (including the Options Shares) are allotted and issued or repurchased by the Company on or before the completion of the Rights Issue) at the Subscription Price of HK\$0.70 per Rights Share and after deduction of estimated related expenses of approximately HK\$10,300,000.
5. The audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2014 before the completion of the Rights Issue is determined based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 of approximately HK\$2,055,386,000 divided by 547,673,243 Shares in issue as at 31 December 2014.
6. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2014 immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of Rights Issue of approximately HK\$2,487,296,000, divided by 1,180,006,486 Shares which is based on 590,003,243 Shares in issue as at the Latest Practicable Date and 590,003,243 Rights Shares to be allotted and issued pursuant to the Rights Issue.
7. No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2014.

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

The following is the text of a report, prepared for the purpose of inclusion in this Prospectus, received from the independent reporting accountants HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.



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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT
ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION****TO THE DIRECTORS OF ETERNITY INVESTMENT LIMITED**

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Eternity Investment Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2014 and related notes as set out in Appendix II to the prospectus issued by the Company dated 29 July 2015 (the “**Prospectus**”) in connection with the Rights Issue (as defined in the Prospectus). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s financial position as at 31 December 2014 as if the Rights Issue had taken place at 31 December 2014. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2014, on which an audited report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Reporting Accountants' Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Yu Chi Fat

Practising Certificate Number: P05467

Hong Kong, 29 July 2015

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL OF THE COMPANY

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date and (b) immediately after the completion of the Rights Issue, assuming no Shares (including the Options Shares) are allotted and issued or repurchased by the Company on or before the completion of the Rights Issue, are as follows:

(a) As at the Latest Practicable Date

Authorised:

	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>100,000,000.00</u>

Issued and fully-paid:

	<i>HK\$</i>
<u>590,003,243</u> Shares in issue	<u>5,900,032.43</u>

(b) Immediately after the completion of the Rights Issue

Authorised:

<u>10,000,000,000</u>	Shares	<i>HK\$</i> <u>100,000,000.00</u>
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Issued and fully-paid:

590,003,243	Shares in issue	<i>HK\$</i> 5,900,032.43
590,003,243	Rights Shares to be allotted and issued upon the completion of the Rights Issue	<u>5,900,032.43</u>
<u>1,180,006,486</u>	Shares in issue immediately after the completion of the Rights Issue	<u>11,800,064.86</u>

All the existing Shares in issue are fully-paid and rank pari passu in all respects including all rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save and except for the 3,918,601 outstanding Options entitling the holders thereof to subscribe for an aggregate of 3,918,601 Options Shares, as at the Latest Practicable Date, the Company had no other outstanding convertible securities, options in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option.

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

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

Long positions

a. Shares

Name of Director	Note	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Lei Hong Wai	1	Held by controlled corporations	105,708,000	17.92%
Mr. Cheung Kwok Wai, Elton	1	Held by controlled corporations	105,708,000	17.92%
Mr. Cheung Kwok Fan	1	Held by controlled corporations	105,708,000	17.92%
Mr. Chan Kin Wah, Billy		Beneficial owner	6,319,500	1.07%

Note:

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

b. Options

Name of Director	Capacity	Number of Options held	Number of underlying Shares
Mr. Lei Hong Wai	Beneficial owner	950	950
Mr. Chan Kin Wah, Billy	Beneficial owner	950	950

c. Derivatives to the Shares

Name of Director	Note	Capacity	Number of derivatives (physically settled)	Number of underlying Shares
Mr. Lei Hong Wai	<i>1</i>	Held by controlled corporations	105,708,000	105,708,000
Mr. Cheung Kwok Wai, Elton	<i>1</i>	Held by controlled corporations	105,708,000	105,708,000
Mr. Cheung Kwok Fan	<i>1</i>	Held by controlled corporations	105,708,000	105,708,000

Note:

1. The derivatives (physically settled) represent the Twin Success Undertaking given by Twin Success to the Company and the Underwriter for subscribing for 105,708,000 Rights Shares under the Rights Issue.

4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other person or companies had an interest or short positions in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions*a. Shares*

Name of Shareholder	Notes	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Twin Success	1	Beneficial owner	105,708,000	17.92%
Silver Pacific International Limited	1 and 2	Held by controlled corporation	105,708,000	17.92%
Silver Pacific Development Limited	1 and 3	Held by controlled corporation	105,708,000	17.92%
Mr. Lei Hong Wai	1 and 2	Held by controlled corporations	105,708,000	17.92%
Mr. Cheung Kwok Wai, Elton	1 and 3	Held by controlled corporations	105,708,000	17.92%
Mr. Cheung Kwok Fan	1 and 3	Held by controlled corporations	105,708,000	17.92%

Name of Shareholder	Notes	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Asia Vest Partners VII Limited	4	Held by controlled corporations	129,412,174	9.95%
Asia Vest Partners X Limited	4	Held by controlled corporations	129,412,174	9.95%
Asia Vest Partners Limited	4	Held by controlled corporations	129,412,174	9.95%
Mr. Andrew Nam Sherrill	4	Held by controlled corporations	129,412,174	9.95%
The Underwriter	5	Other	1	0.00%
Galaxy Sky Investments Limited	5	Held by controlled corporations	1	0.00%
Kingston Capital Asia Limited	5	Held by controlled corporations	1	0.00%
Kingston Financial Group Limited	5	Held by controlled corporations	1	0.00%
Active Dynamic Limited	5	Held by controlled corporations	1	0.00%
Ms. Chu Yuet Wah	5	Held by controlled corporations	1	0.00%

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. The number of issued Shares held and the approximate percentage of the issued share capital of the Company are based on the Disclosure of Interests Notices filed to the Company by the relevant Shareholders on 4 September 2007.
5. The Underwriter 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.

b. Options

Name of Shareholder	Capacity	Number of Options held	Number of underlying Shares
Mr. Lei Hong Wai	Beneficial owner	950	950

c. Derivatives to the Shares

Name of Shareholder	Notes	Capacity	Number of derivatives (physically settled)	Number of underlying Shares
Unique Talent Group Limited	1	Other	1,500,000,000	1,500,000,000
China Jiu hao	1	Held by controlled corporation	1,500,000,000	1,500,000,000
The Underwriter	2	Other	488,213,844	488,213,844
Galaxy Sky Investments Limited	2	Held by controlled corporations	488,213,844	488,213,844
Kingston Capital Asia Limited	2	Held by controlled corporations	488,213,844	488,213,844
Kingston Financial Group Limited	2	Held by controlled corporations	488,213,844	488,213,844
Active Dynamic Limited	2	Held by controlled corporations	488,213,844	488,213,844

Name of Shareholder	Notes	Capacity	Number of derivatives (physically settled)	Number of underlying Shares
Ms. Chu Yuet Wah	2	Held by controlled corporations	488,213,844	488,213,844
Twin Success	3	Beneficial owner	105,708,000	105,708,000
Silver Pacific International Limited	3	Held by controlled corporation	105,708,000	105,708,000
Silver Pacific Development Limited	3	Held by controlled corporation	105,708,000	105,708,000
Mr. Lei Hong Wai	3	Held by controlled corporations	105,708,000	105,708,000
Mr. Cheung Kwok Wai, Elton	3	Held by controlled corporations	105,708,000	105,708,000
Mr. Cheung Kwok Fan	3	Held by controlled corporations	105,708,000	105,708,000

Notes:

1. Unique Talent Group Limited is a wholly owned subsidiary of China Jiu hao.
2. The derivatives (physically settled) represent the maximum number of Rights Shares underwritten by the Underwriter pursuant to the Underwriting Agreement.
3. The derivatives (physically settled) represent the Twin Success Undertaking given by Twin Success to the Company and the Underwriter for subscribing for 105,708,000 Rights Shares under the Rights Issue.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

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

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

6. COMPETING INTEREST

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

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion and advice which are included in this Prospectus:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountants

HLB Hodgson Impey Cheng Limited has given and has not withdrawn its written consent to the issue of this Prospectus with inclusion of its letter or report and the references to its name in the form and context in which it appears.

HLB Hodgson Impey Cheng Limited did not have any interests in any Shares or shares in any member of the Group, or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group as at the Latest Practicable Date.

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

8. LITIGATIONS

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

- (a) On 15 April 2010, a claim was brought by China Finance in High Court Action No. 526 of 2010 against Rexdale for failing to pay a service fee in the sum of HK\$25.00 million to China Finance. No provision for the claim was made in the consolidated financial statements of the Group for the year ended 31 December 2014 as Lafe Corporation Limited has undertaken to indemnify and keep indemnified the Group against any and all losses, claims, damages, penalties, actions, demands, proceeding, judgment and costs arising from or in connection with the claim.
- (b) On 20 March 2014, the Company announced that it came to its attention that the writ of summons in High Court Action No. 9 of 2014 was issued by The Grande Holdings Limited (in liquidation), Roderick John Sutton (as joint and several provisional liquidator of The Grande Holdings Limited), Fok Hei Yu (as joint and several provisional liquidator of The Grande Holdings Limited) and 65 other companies listed as plaintiffs against 25 defendants inclusive of One Synergy. One Synergy has, as at the Latest Practicable Date, not been served with the writ.

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

Riche (BVI) Limited, a wholly owned subsidiary of the Company, acquired the entire issued share capital of Adelio Holdings Limited, which is the holding company of One Synergy, from Vartan Holdings Limited, an Independent Third Party, pursuant to a sale and purchase agreement dated 25 May 2011. One Synergy acquired the entire issued share capital of Rexdale from Lafe Corporation Limited, being one of the defendants, pursuant to the Agreement.

The entire issued share capital of Rexdale was sold by The Grande (Nominees) Ltd., being one of the plaintiffs, and The Grand Limited to Life Corporation Limited on or about 29 June 2007. The principal assets of Rexdale were the Kwun Tong Properties. The Kwun Tong Properties was sold by Rexdale to Grand Reward Limited, an Independent Third Party, in July 2013.

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

- (c) On 23 January 2015, EDS received a writ of summons in High Court Action No. 200 of 2015 issued by Mr. Shum as plaintiff against EDS as defendant for the following claims:
- (i) the Summary Judgment be set aside;
 - (ii) loss and damages suffered by Mr. Shum as a result of the Summary Judgement being obtained against him;
 - (iii) an order for discovery upon oath of all matters relating to the Summary Judgement;
 - (iv) an order for payment of all sums found due to Mr. Shum together with the interest thereon at such rate and for such period as the High Court may deem just pursuant to the High Court Ordinance;
 - (v) the costs; and
 - (vi) further or other relief.
- (d) On 30 March 2015, EDS received a statement of claim in the High Court of Hong Kong filed by Mr. Shum in relation to High Court Action No. 200 of 2015.

- (e) On 19 May 2015, EDS has commenced the legal proceedings in the Court of First Instance against Mr. Shum as the 1st Defendant, E IN International Group Limited as the 2nd Defendant, E IN Properties Limited as the 3rd Defendant and Grand Fill Enterprise Limited as the 4th Defendant for, amongst others, the following reliefs to recover the judgment debt under the Summary Judgment:
- (i) Mr. Shum's interest in all the shares or shareholdings in the 2nd Defendant, 3rd Defendant and 4th Defendant ("**Mr. Shum's Shares**") which have been charged in favour of EDS be sold without further reference to the Court of First Instance by way of tender or public auction at the best price reasonably obtainable;
 - (ii) the solicitors for EDS shall have the conduct of the sale of Mr. Shum's Shares by appointing an agent, to sell Mr. Shum's Shares by way of tender or public action;
 - (iii) the execution of the requisite deeds or documents to effect the sale stated in paragraphs (i) and (ii) above by Mr. Shum or by the Registrar of the Court of First Instance;
 - (iv) EDS shall apply the sale proceeds from the sale of Mr. Shum's Shares to (1) pay the costs and expenses of effecting the above sale; (2) pay the costs of the legal proceedings; (3) pay the judgment debt (together with interest) under the Summary Judgment; and (4) pay the balance (if any) to Mr. Shum or into the Court of First Instance or as the Court of First Instance shall direct;
 - (v) further or alternative to paragraphs (i), (ii) and (iii) above, a receiver be appointed to (1) receive Mr. Shum's profits, income, benefits, interest and/or assets deriving and/or arising from Mr. Shum's Shares; and/or (2) to take over and/or realise Mr. Shum's Shares for the purpose of defraying the judgment debt (together with interest) under the Summary Judgment; and
 - (vi) the costs of the legal proceedings to EDS.

- (f) On 9 June 2015, EDS has commenced the legal proceedings in the Court of First Instance against Mr. Shum as the 1st Defendant, Wing Lung Bank Limited as the 2nd Defendant and Hang Seng Bank Limited as the 3rd Defendant for, amongst others, the following reliefs to recover the judgment debt under the Summary Judgment:
- (i) Mr. Shum's interest in the properties and/or lands situate at (1) House 4, The Baroque, Nos. 1-7 Kau To Shan Road, Shatin, New Territories (the "**First Property**"); (2) Ground Floor, No. 1 Kau To Path, Lot No. 838 in DD171, Shatin, New Territories (the "**Second Property**"); and (3) Ground Floor, No. 1 Kau To Path, Lot No. 839 in DD171, Shatin, New Territories (the "**Third Property**") (collectively as the "**Properties**") which have been charged in favour of EDS be sold without further reference to the Court of First Instance by way of tender or public auction at the best price reasonably obtainable;
 - (ii) the solicitors for EDS shall have the conduct of the sale of the Properties by appointing an agent, to sell the Properties by way of tender or public auction;
 - (iii) the execution of the requisite deeds or documents to effect the sale stated in paragraphs (i) and (ii) above by Mr. Shum or by the Registrar of the Court of First Instance;
 - (iv) EDS shall apply the sale proceeds from the sale of the First Property to (1) pay the costs and expenses of effecting the above sale; (2) pay the costs of the legal proceedings; (3) pay the outstanding indebtedness owed to Hang Seng Bank Limited as secured by a mortgage over the First Property; (4) pay the judgment debt (together with interest) owed to EDS under the Summary Judgment; and (5) pay the balance (if any) to Mr. Shum or into the Court of First Instance or as the Court of First Instance shall direct;
 - (v) EDS shall apply the sale proceeds from the sale of the Second Property and the Third Property to (1) pay the costs and expenses of effecting the above sale; (2) pay the costs of the legal proceedings; (3) pay the outstanding indebtedness owed to Wing Lung Bank Limited as secured by a mortgage and a second legal charge over the Second Property and the Third Property; (4) pay the judgment debt (together with interest)

owed to EDS under the Summary Judgment; and (5) pay the balance (if any) to Mr. Shum or into the Court of First Instance or as the Court of First Instance shall direct;

(vi) further or alternative to paragraphs (i), (ii) and (iii) above, a receiver be appointed to receive Mr. Shum's share of any rents, income and/or profits arising from the Properties;

(vii) such further and/or other directions as the Court of First Instance shall deem fit; and

(viii) the costs of the legal proceedings to EDS.

9. SERVICES CONTRACTS

As at the Latest Practicable Date, no Directors had entered into any services 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.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors

Executive Directors

Mr. Lei Hong Wai

(Chairman and Chief Executive Officer)

Mr. Cheung Kwok Wai, Elton

Mr. Chan Kin Wah, Billy

Mr. Cheung Kwok Fan

Independent Non-executive Directors

Mr. Wan Shing Chi

Mr. Ng Heung Yan

Mr. Wong Tak Chuen

Registered office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong	Unit 3811 Shun Tak Centre, West Tower 168-200 Connaught Road Central Hong Kong
Company Secretary	Mr. Chan Kin Wah, Billy CPA, CPA (<i>Aust.</i>), CICPA (<i>non-practicing</i>)
Authorised representatives	Mr. Lei Hong Wai Mr. Chan Kin Wah, Billy
Business address of Directors and authorised representatives	Unit 3811 Shun Tak Centre, West Tower 168-200 Connaught Road Central Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, One International Finance Centre 1 Harbour View Street, Central Hong Kong
Legal adviser to the Company	<i>As to Hong Kong law</i> Robertsons 57/F, The Center 99 Queen's Road Central Hong Kong
Financial adviser to the Company	Nuada Limited Unit 1805-08, 18/F, Office Plus@ Sheung Wan 93-103 Wing Lok Street Sheung Wan Hong Kong
Auditor and reporting accountants	HLB Hodgson Impey Cheng Limited 31st Floor Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong

Principal share registrar and transfer office in Bermuda	Codan Services Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Branch share registrar and transfer office in Hong Kong	Tricor Standard Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	OCBC Wing Hang Bank Limited 161 Queen's Road Central Hong Kong DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Hong Kong
Stock code	764
Website	http://www.irasia.com/listco/hk/eternityinv/index.htm

11. MISCELLANEOUS

1. As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
2. The English text of this Prospectus shall prevail over the Chinese text in the event of inconsistency.

12. 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 which are or may be material:

- (a) the placing agreement dated 3 October 2013 and entered into between Eternity Finance Group Limited (“**Eternity Finance**”), a wholly owned subsidiary of the Company, and the Underwriter, pursuant to which Eternity Finance has conditionally agreed to place, through the Underwriter on a best effort basis, 1,136,363,636 shares in China Star to independent investors at a price of HK\$0.135 per share;
- (b) the letter of extension dated 30 October 2013 and entered into between New Cove Limited, a wholly owned subsidiary of the Company, and EDS relating to extending the long stop date of the conditional subscription agreement dated 21 March 2013 from 31 October 2013 to 30 June 2014;
- (c) the irrevocable undertaking dated 5 November 2013 given by Eternity Finance to China Star and the Underwriter (i) not to exercise its conversion rights attached to the convertible bonds in the principal of HK\$225.00 million issued by China Star to the close of business on 25 November 2013, being the record date for determining the entitlement to the open offer as announced by China Star on 5 November 2013; and (ii) the convertible bonds in the principal of HK\$225.00 million registered in the name of and beneficially owned by Eternity Finance will remain registered in the name of and beneficially owned by Eternity Finance from 5 November 2013, being the date of underwriting agreement, to the record date;
- (d) the supplemental agreement dated 18 November 2013 and entered into between Eternity Finance, China Star, the Underwriter and Heung Wah Keung Family Endowment Limited relating to change the record date for the open offer as announced by China Star on 5 November 2013 from 25 November 2013 to 31 December 2013;
- (e) the supplemental agreement dated 31 December 2013 and entered into between the Company and China Star relating to the further extension of completion date of the second tranche subscription of the convertible bonds of HK\$300.00 million to be issued by China Star pursuant to the conditional subscription agreement dated 21 January 2011 (as amended and supplemented by the supplemental agreements dated 28 March 2011 and 29 June 2012) from 31 December 2013 to 31 December 2015;
- (f) the placing agreement dated 20 February 2014 and entered into between the Company and the Underwriter, pursuant to which the Company has conditionally agreed to place, through the Underwriter on a best effort basis, up to 91,000,000 new Shares to not fewer than six independent investors at a price of HK\$0.78 per Share;

- (g) the conditional sale and purchase agreement dated 1 April 2014 entered into between Riche (BVI) Limited as purchaser and Mr. Cheung Kwok Fan, a Director, as vendor in respect of the acquisition of the entire issued share capital in and the shareholder's loan due by Thought Diamond International Limited at a consideration of HK\$286.10 million;
- (h) the deed of variation dated 25 April 2014 entered into among Riche (BVI) Limited and Mr. Cheung Kwok Fan in relation to the amendment and modification of certain terms and the consideration of the conditional sale and purchase agreement dated 1 April 2014;
- (i) the conditional sale and purchase agreement dated 30 May 2014 and entered into between Riche (BVI) Limited as vendor and Mr. Ng Cheuk Fai as purchaser relating to the sale and purchase of the entire issued share capital of Rich Daily Group Limited at a consideration of HK\$2.00 million;
- (j) the irrevocable undertaking dated 25 June 2014 given by New Cove Limited to EDS and the Underwriter (i) to convert the convertible bonds issued by EDS in the principal amount of HK\$25.00 million into 25,000,000 new Ordinary EDS Shares before the commencement of the book close period of the open offer as announced by EDS on 25 June 2014; (ii) not to convert the remaining balance of the convertible bonds in the principal amount of HK\$15.00 million into 15,000,000 new Ordinary EDS Shares before the record date for the open offer; (iii) to subscribe for or procure the subscription for 12,500,000 new Ordinary EDS Shares to be allotted to it under its entitlement pursuant to the open offer; and (iv) to lodge the application form(s) in respect of the 12,500,000 new Ordinary EDS Shares accompanied by the appropriate remittances which shall be honoured on first presentation prior to the latest time for acceptance under the open offer;
- (k) the placing agreement dated 15 August 2014 and entered into between EDS and the Underwriter, pursuant to which EDS has conditionally agreed to place, through the Underwriter on a best effort basis, up to 2,620,000 new Ordinary EDS Shares to not fewer than six independent investors at a price of HK\$3.15 per Ordinary EDS Share;
- (l) the deed of variation dated 19 September 2014 entered into among Riche (BVI) Limited and Mr. Cheung Kwok Fan in relation to the extension of the long stop date of the conditional sale and purchase agreement dated 1 April 2014 (as amended and modified by the deed of variation dated 25 April 2014) from 30 September 2014 to 31 October 2014;

- (m) the conditional sale and purchase agreement dated 11 December 2014 and entered into between the Company as purchaser, Unique Talent Group Limited, a wholly owned subsidiary of China Jiu hao, as vendor and China Jiu hao as guarantor relating to the sale and purchase of the entire shareholding interests in Smart Title Limited and the assignment of the shareholder's loan due by Smart Title Limited at a consideration of HK\$1,650.00 million;
- (n) the conditional sale and purchase agreement dated 11 February 2015 and entered into between Victory Peace Holdings Limited, a wholly owned subsidiary of the Company, as purchaser and an Independent Third Party as vendor in relation to the sale and purchase of approximately 74.63% of the issued share capital of a company listed on GEM at a consideration of HK\$197.76 million;
- (o) the Subscription Agreement;
- (p) the deed of undertaking dated 17 February 2015 and given by the Company, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited to Xing Hang Limited for not accepting the unconditional mandatory cash offer to be made by the Underwriter on behalf of Xing Hang Limited to acquire all the issued Ordinary EDS Shares (other than the Ordinary EDS Shares owned or agreed to be acquired by Xing Hang Limited and parties acting in concert with it) at the offer price of HK\$4.07 per Ordinary EDS Share;
- (q) the supplemental agreement dated 30 March 2015 entered into between the Company, Unique Talent Group Limited and China Jiu hao relating to the amendments of the forms of the club lease agreement and the share entitlement note attached to the conditional sale and purchase agreement dated 11 December 2014;
- (r) the Underwriting Agreement;
- (s) the termination agreement dated 19 May 2015 and entered into between Victory Peace Holdings Limited and the Independent Third Party for terminating the conditional sale and purchase agreement dated 11 February 2015;

- (t) the deed of variation dated 20 May 2015 and entered into between the Company and the Underwriter in relation to the amendments of certain definitions of the Underwriting Agreement;
- (u) the legally binding letter agreement dated 8 June 2015 entered into between the Company as purchaser and China Jiu hao as vendor relating to the sale and purchase of 12,196,000 shares in a company listed on the Main Board of the Stock Exchange at a consideration of HK\$298.80 million;
- (v) the supplemental agreement dated 12 June 2015 entered into between the Company, Unique Talent Group Limited and China Jiu hao relating to the extension of the long stop date of the conditional sale and purchase agreement dated 11 December 2014;
- (w) the termination letter agreement dated 18 June 2015 entered into between the Company and China Jiu hao in relation to the termination of the legally binding letter agreement dated 8 June 2015; and
- (x) the supplemental agreement dated 19 June 2015 entered into between EDS, Xing Hang Limited, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited in relation to the extension of the long stop date of the Subscription Agreement.

13. PARTICULARS OF THE DIRECTORS

Executive Directors

Mr. Lei Hong Wai, aged 47, was appointed as an executive Director and the Chairman of the Board on 18 January 2010 and 1 February 2010, respectively. He is also the Chief Executive Officer of the Company. Mr. Lei is responsible for the development of the overall strategic planning and management of the Group. He has over 13 years of extensive experience in corporate management, investment and business development. He was an executive Director during the period from 28 September 2001 to 13 October 2005. He was a director of The Chamber of Hong Kong Listed Companies Limited, which promotes interaction amongst its members which are listed companies in Hong Kong and the PRC, in 2002. He also holds directorships in the subsidiaries of the Company. Mr. Lei is also a director of Twin Success, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lei has been the chairman and an

executive director of 21 Holdings Limited, a company listed on the Main Board of the Stock Exchange under stock code: 1003, since 10 April 2014. He has also been an executive director of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange under stock code: 938, since 26 June 2015.

Mr. Cheung Kwok Wai, Elton, aged 49, was appointed as an executive Director on 1 February 2011. Mr. Cheung is responsible for the business development of the Group. He has over 25 years of experience in the area of corporate finance and securities industries. He holds a Master Degree in Accounting and Finance from the University of Lancaster in the United Kingdom. He also holds directorships in certain subsidiaries and the unlisted associates of the Company. Mr. Cheung is also a director of Twin Success, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He has been an executive director of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange under stock code: 938, since 26 June 2015. Mr. Cheung is the elder brother of Mr. Cheung Kwok Fan, an executive Director.

Mr. Chan Kin Wah, Billy, aged 52, was appointed as an executive Director on 18 January 2010. Mr. Chan is responsible for the financial management of the Group and the overall operations and management of EDS, a company listed on the GEM under stock code: 8176 and a 70.18% owned subsidiary of the Company. He has over 26 years of experience in accounting and financial control. He 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. Mr. Chan also holds directorships in two subsidiaries of the Company. He is the Company Secretary of the Company and certain subsidiaries of the Company. Mr. Chan has been an executive director of EDS since 5 August 2014. On 19 January 2015, Mr. Chan has been appointed as the chairman of the board of directors, an authorised representative, the compliance officer, the chairman of the special investigation committee, a member of the remuneration committee and the nomination committee of EDS.

Mr. Cheung Kwok Fan, aged 47, was appointed as the non-executive Director on 31 August 2011 and redesignated as an executive Director on 18 September 2014. Mr. Cheung is responsible for the overall management of the Group's design and sale of jewelry business. He holds directorships in three subsidiaries of the Company. Mr. Cheung has over 23 years' working experience in the field of

architecture. He is a member of The Hong Kong Institute of Architects, a member of The Royal Australian Institute of Architects, Registered Architect in Hong Kong and an Authorised Person in the list of Architects. He obtained his Bachelor Degree of Arts in Architectural Studies from The University of Hong Kong in 1989 and a Bachelor Degree in Architecture from The University of Hong Kong in 1991. He was selected as an awardee of the Ten Outstanding Young Persons Selection organised by Junior Chamber of International Hong Kong in 2005. He has been appointed as an Adjunct Lecturer of the Architecture Subject Group of HKU School of Professional and Continuing Education since 1 January 2014. Mr. Cheung has been the director of his own architectural practice, Oritecture Limited, since 10 December 2009. He is the younger brother of Mr. Cheung Kwok Wai, Elton, an executive Director. Mr. Cheung has been an executive director of 21 Holdings Limited, a company listed on the Main Board of the Stock Exchange under stock code: 1003, since 10 April 2014.

Independent Non-executive Directors

Mr. Wan Shing Chi, aged 44, has over 21 years of experience in the field of construction engineering and is currently a site coordinator of a reputable construction company in Hong Kong. He holds a Bachelor Degree of Engineering with honours from University of Melbourne, Australia and is a member of the Asia Institute of Building. Mr. Wan joined the Company in May 2010.

Mr. Ng Heung Yan, aged 44, has over 12 years of experience in metal work engineering design and currently works as a design manager in a private engineering company in Hong Kong. He was graduated from Monash University in Australia with a Bachelor Degree of Engineering (Industrial and Computing) in 1993. Mr. Ng joined the Company in August 2011.

Mr. Wong Tak Chuen, aged 50, is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants in the United Kingdom, as well as a member of the Institute of Chartered Accountants in England and Wales. He has over 25 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently the chief financial officer and the company secretary of a company listed on the Main Board of the Stock Exchange. Mr. Wong joined the Company in November 2011. Mr. Wong has been an independent non-executive director of 21 Holdings Limited, a company listed on the Main Board of the Stock Exchange under stock code: 1003, since 10 April 2014.

14. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$10.30 million, which are payable by the Company.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of the Prospectus, the PAL and the EAF and the written consent referred to in the paragraph headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix were delivered to the Registrar of Companies in Hong Kong for registration.

16. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (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 2013 and 2014;
- (c) the independent reporting accountants’ assurance report on the compilation of the unaudited pro forma financial information of the Group issued by HLB Hodgson Impey Cheng Limited set out in Appendix II to this Prospectus;
- (d) the written consent referred to in the paragraph under the headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix;
- (e) the material contracts referred to in the paragraph headed “MATERIAL CONTRACTS” in this Appendix; and
- (f) the Prospectus Documents.